



Constantinos Filis  
Editor

# A Closer Look at Russia and its Influence in the World

RUSSIAN POLITICAL, ECONOMIC, AND SECURITY ISSUES

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**CONSTANTINOS FILIS**  
**EDITOR**



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# PREFACE

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## A WORLD IN TRANSITION

Our world is undergoing radical change. Two salient bywords of our era are transition and uncertainty. The international system is relatively anarchic. Hybrid actors and practices (the latter now being employed by established powers, but via anti-systemic rationales) and asymmetrical threats (such as jihadist terrorism<sup>2</sup>) have been added to the equation, and new powers are emerging dynamically. In the age of digital transformation and the fourth industrial revolution – as we witness the global community becoming ever more interconnected and interdependent – competition between states and regions is intensifying and being played out in multiple arenas (geopolitics, energy, research, technology, climate and cyberspace), and economic nationalism is making a comeback, accompanied by protectionism in various fields. And this is happening at a point in history when no country or single institution (including the United Nations) can respond adequately to the constant changes, and when it is more imperative than ever before that countries cooperate constructively to meet challenges such as extremism, the refugee/migration crisis, and climate change.

With crises involving identity and self-determination on the rise, the use of new media (social media) to access, analyze and comment on ‘news’ has turbocharged propaganda machines – powered by trolls, fake news, disinformation, misinformation – creating post-truth situations in which we not only question the validity of a given piece of news, but also see the advancement of alternate realities. This is having a significant impact on our judgement and, by extension, how we vote. Demagoguery, populism and political extremism are resurgent and flourishing. At the same time, anti-establishment forces are investing in gaping social and

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<sup>1</sup> Corresponding Author’s E-mail: cfilis@gmail.com.

<sup>2</sup> The annual report submitted the U.S. Congress by American intelligence agencies found that Daesh still has thousands of fighters under its command in Iraq and Syria, while also maintaining eight branches and twelve networks globally.

economic inequalities;<sup>3</sup> in citizens' insecurity and their distrust of the political and economic elite. Hopes that Western values would spread, and democracy would triumph in the post-Cold War world have been shattered. Promises that globalization would bring multiple benefits for citizens of the West proved hollow (with the resulting disappointment fuelling populism), as did the predictions that the bipolar system would yield to uncontested U.S. hegemony on the world stage.

In the new world order, wealth and production are shifting away from the West, with eastern countries (including Russia) seeking a larger piece of the global pie. It is characteristic that, according to a Standard Chartered study, by 2030 not only will China be the world's largest economy, but India, too, will have surpassed the U.S., and only two Western countries will be in the top ten (the U.S. in 3<sup>rd</sup> place, and Germany in 10<sup>th</sup>). Compare this to 2000, when five Western countries were in the top ten on this list. From 7<sup>th</sup> place in 2000, Russia will have risen two spots, to 5<sup>th</sup>, in 2020, but will fall to 8<sup>th</sup> place by 2030. What is more, the Russian economy's centralism and slow adaptation to technological advancements and innovations (except in the defence industry) mean continued dependence on exports of mineral wealth and, by extension, on energy prices, the vagaries of which are all too familiar to Moscow. Given the IMF's warnings that a new recession (after two years of steady growth) could evolve into a systemic crisis, the worst may still be ahead for the global economy.

## **THE THREE REASONS FOR RUSSIA'S INCREASING SELF-CONFIDENCE**

We can currently identify at least three additional reasons for Russia's belief that now is the right time for it to unfold its agenda, initially on the regional level (but beyond the post-Soviet space, as in Syria), and subsequently, together with other powers, across a wider geographical area.

First, the waning of the international political and economic institutions (including the UN) that were created in the wake of the Second World War and reflected the balance of power at that time. By extension, the Western model is losing influence globally. So, China, Russia and other regional powers are more or less directly questioning the West's hegemonic organization of the international system. While not in a position to proffer an attractive ideological alternative, these regional powers can undermine (and are undermining) the post-war status quo, demanding that it be altered to reflect current realities.<sup>4</sup> This is facilitated not only by the large number of authoritarian and corrupt regimes around the world, but also by the West's inability – for the time being, at least – to inspire its own citizens. The disappointed and divided citizenry, in turn, are easy marks for third powers (such as Russia) that have a completely different approach to governance and organization of society.

Moscow's support for political phenomena on the lines of Le Pen and Orbán shows the ease and confidence with which it openly meddles in the domestic affairs of European countries. It seems that Moscow – which has long employed a divide-and-conquer policy in its dealings with the West in general and its European partners in particular – wants to

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3 According to an Oxfam study, the wealth of the 26 richest people in the world equals that of the 3.8 billion people who make up the poorer half of our planet's population. In fact, those twenty-six saw their wealth increase by 12% in 2018, while those 3.8 billion saw their income fall by 11%.

4 According to the U.S. Director of National Security, Dan Coats, Russia and China are the two greatest threats to the U.S. and are more aligned with each other today than they have been in decades.

polarise the European environment by supporting actors who are against further EU integration. The fact that, in tandem with its forays into third-country politics, the Kremlin vociferously opposes outside intervention in states' domestic affairs (evidenced by its concerns over instances of Western support for Putin's home-grown opponents) reveals, on the one hand, a strategy of tit-for-tat shows of strength aimed at discouraging Western attempts to destabilize Russia and, on the other, the Russian leadership's deep suspicion of Western intentions. Moreover, the Kremlin attempts to promote pro-autonomy movements (capitalizing on the resurgence of nationalism in many parts of the world) and state sovereignty against supra-national institutions like the EU, where member states have in effect ceded much of their national sovereignty.

Second, the Western coalition seems to be undermining itself from within. And this is not limited to the fragmentation of Western societies shaken by identity crises; disappointment at the inequalities created by globalization;<sup>5</sup> uncertainties compounded by refugee/migration flows, demographic shifts and terrorism; or erosion of the common principles and values on which the Western model has been based for at least the past seven decades. There is also president Trump's apparent hostility towards the European Union. Beyond the unilateral actions<sup>6</sup> and 'unique' negotiating style of the American president – who endeavors, with varying levels of success, to pre-empt consultations with partners and opponents – his aggressive economic and trade policies (regarding the EU as well as China) in the direction of 'America First,' which is evolving into 'America Alone,' it is clear that he does not consider the European Union a natural allied extension of the U.S., with the result that trust has been shaken and the Western bloc is extremely unstable.

In January 2019, the New York Times reported that, based on specific information leaked by White-House insiders, president Trump on several occasions in 2018 confided to members of his staff that he wanted the U.S. to withdraw from NATO – a stance some put down to his dependence on Moscow due to the latter's alleged meddling, in his favor, in the 2016 presidential elections. In any case, even the suggestion of doubts on the part of the U.S. president about the importance of NATO serves to undermine the Alliance's global role, creating an image of Western instability. Thus, irrespective of the U.S.'s unquestionable global power, the conscious choice of its administration to create confusion as to its intentions – undermining or calling into question decades-old constants – in combination with the lack of coordination, in a number of cases, between the White House and bureaucracy, has left quite a few leaderships concerned, as they feel they are in limbo with or cannot fully rely on the U.S., and thus need to explore their options.

This state of affairs makes it easier for non-Western powers to chip away at the 'Western wall,' given that the occupant of the White House frequently scorns the Europeans, shows no solidarity with them, and regularly settles matters directly and exclusively in line with U.S. interests, ignoring rules and norms. This situation seems to have awakened the EU, which, despite being relatively fragmented, sees that being merely an economic power (and one that is probably losing ground to the East) will not suffice, and that, if it wants to stay ahead of

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5 What is most worrying is that populist views that sow fear of anything 'different' are, over time, becoming mainstream.

6 Trump's time in office has seen U.S. withdrawal from multiple international agreements and institutions (Paris Agreement to combat climate change, Iran nuclear deal, Intermediate Range Nuclear Forces Treaty, UN Human Rights Council, UNESCO), and he has not hidden his frustration with international trade groups (WTO, Trans-Pacific Partnership) and security alliances (NATO). For more, see "Here are all the treaties and agreements Trump has abandoned," CNN, February 1, 2019.

international developments or at least have a say in its own neighborhood, it will have to become a political force to be reckoned with. Thus, due to high levels of interdependence in energy, trade and security threats, the EU's relations with Russia must take on a different dynamic. Today, these relations are mired in the Ukraine issue and Moscow's endeavors to undermine European cohesion by flirting with extremist and anti-European forces – including attempts to influence election outcomes. But as long as Russia sees the EU as an ancillary power, it will continue to focus its attentions elsewhere, as its current leaders have greater respect for, and prefer to deal with, strong players. For the time being, each side sees the other more as a strategic challenge than as a strategic opportunity.

Third, Washington's selective involvement in international developments – a trend that, according to some, is a return to isolationism that began during the Obama administration and has continued under Trump – also clearly creates favorable conditions for revisionist states to promote their agendas more effectively, certainly in their near abroad, but also farther afield. China is now acting with greater resolve not just in the South China Sea, but also through the Belt Road and similar economic/trade/energy synergies, projecting leadership aspirations globally. In fact, by investing in cutting-edge technologies (making advances in artificial intelligence and, on 3 January, landing the first spacecraft on the far side of the moon), China is showing its will to become a point of reference in the post-Western world – a move that has been in the making for at least the past decade. Russia, unsettled by the color revolutions in Georgia, Ukraine and Kyrgyzia, and later by Kosovo's declaration of independence (which was a breach of UN resolutions), and having emerged from a decade of disrepute (1990-2000), imposed its stances unilaterally in two cases in the post-Soviet space. Initially, it wrenched South Ossetia and Abkhazia from Georgian sovereignty in 2008, and later, in 2014, it annexed the Crimean Peninsula and imposed a peculiar regime in eastern Ukraine, where the government in Kiev can no longer exercise sovereignty. The message to the other post-Soviet leaderships is clear: The West is not willing to support them fully, and if they break with Moscow, they will face Russian assertiveness. Even in a region like the Western Balkans, where Russia has less at stake than in the former Soviet space, by exploiting pending bilateral disputes (i.e., Kosovo vs. Serbia, FYROM-Greece, Bosnia-Republika Srpska, Albanians vs. Serbs, and inter-ethnic conflicts) and capitalising on economic stagnation and the EU's enlargement fatigue (and absence from regional developments), it aims to become a factor in regional developments.

## **MOSCOW'S INVESTMENT IN THE SYRIAN CRISIS**

Syria is another area where Russia gained freedom of movement due to Washington's unwillingness to become more actively involved. Russia has supported the Assad regime in a variety of ways: Without Moscow's veto in the UN Security Council, the Ba'athist regime would have found itself in a diplomatic 'squeeze,' and without Russia's military intervention in the fall of 2015, Assad would have been unable to recover in the field. As a result of Moscow's actions, and thanks to Iran-supported militias and Hezbollah, regime forces control the 'useful' part of Syria and are in a strong negotiating position. As I write, Assad controls over 60% of Syrian territory, up from 20% before the Russian intervention, and even U.S. allies – including Turkey, which until recently wanted to oust Assad – prefer collaboration

with Russia, as it gives them the green light to carry out operations and establish themselves in Syria. The EU, too, faced with the imperative of staunching refugee flows, was forced into *de facto* tolerance, if not advocacy, of Russian choices in Syria. Even Israel, Washington's closest ally in the region, sees that it will not be able to halt Iranian influence near the Syrian-Israeli border without first consulting with Moscow.

In the same way, Saudi Arabia – faced with Moscow's dominant position in Syria and with Arab states' changing stance on the Assad regime – has had to develop with Russia a *modus vivendi* that also touches on energy issues, including OPEC-Russian cooperation on setting oil prices. Of late, even the Kurds – Washington's most loyal partner in Syria – faced with the U.S. withdrawal,<sup>7</sup> are turning to Moscow and Damascus for protection from Ankara's fury. Bearing in mind the importance the Kremlin attaches to Libya – where, according to reports (denied by Moscow) from the British secret services, Russia has sent military equipment and is setting up bases in the eastern part of the country in support of general Haftar – and the rehabilitation under way in Russian-Egyptian relations, it is clear that the Russian presence and influence in Syria is not an isolated or random development, but a strategic choice to attempt to extend Moscow's sway far beyond the post-Soviet space.

Moreover, Russian leaders have learned that when they are not part of a process (e.g., Yugoslavia in the 1990s, Iraq in 2003, Libya in 2011), developments will be guided by other powers. So, at least for the time being, the Kremlin is showing no desire to desert its ally Assad, because it sees from the U.S. example that this will seriously damage its standing, creating confusion among partners and opponents as to its intentions and its ability to support junior partners effectively. The question for Moscow is, on the one hand, the extent to which its economy is in a position to provide long-term support for extended deployment of Russian forces in various places on the planet, and whether its geopolitical aspirations now go beyond opportunistic agitation in places where its vital interests are not at stake, but where it would need to deploy forces. And on the other hand, if the conditions for such involvement are not right (unlike in Syria), there is the matter of the extent of Moscow's resolve to promote its positions and enter into what may be an ongoing confrontation with the West. Would such an ongoing confrontation not be exhausting for Moscow?

## **RUSSIA PERCEIVED AS A REVISIONIST POWER – DIVISIONS WITH THE WEST**

Right now, Russia is widely seen as a revisionist power on many levels. Given the mutual distrust and conflicting interests of Russia and the West, and the return (though it was never completely gone) of the sphere-of-interest mindset, the outlook for Russia's relations with the West is not positive. Moreover, the two sides' disparate views concern more than just liberal

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<sup>7</sup> The timeline for and manner of withdrawal are not clear. Although the U.S. has said it will withdraw on condition that the Syrian Kurds not be molested, with president Trump even threatening to destroy Turkey economically if the latter threatens to carry out large-scale operations in northern Syria against the Kurdish People's Protection Units (YPG), which Ankara sees as "terrorists," the Kurds feel anything but secure. Thus, they have already made overtures – on unfavorable terms for themselves – to the Assad regime, requesting protection from Turkish forces.

democracy and governance, extending to more practical matters, such as the deployment of NATO forces on Russia's borders and Russia's meddling in the affairs of its Western neighbors. Beyond that, Moscow sees its own resurgence as having caused discord. In its view, a significant portion of the West would prefer to see Russia mired in the weak position it occupied in the 1990s. Russia has concluded that its Western partners think of it as weak and overstretched: a country with which they needn't seek compromise or on which they want to impose their terms. Due to this pervasive mistrust, the Kremlin is not inclined to search for common denominators with the West, even when they are needed (i.e., to ameliorate the effects of the economic sanctions), because it feels either that any agreement will not be respected and that it will be fooled, or that by compromising it will show weakness and will therefore be regarded as a junior, unequal partner that lacks negotiating clout.

The West is seen as a disruptive force that uses international law and treaties on an ad hoc basis, thus undermining these instruments' significance while also promoting 'Western' rules of the game that are unacceptable to Russia, which, in turn, is seeking support from other powers that are equally disappointed. As recent highlights of the methods and practices employed in particular by the U.S., Russia points to Washington's withdrawal from the Intermediate-Range Nuclear Forces Treaty<sup>8</sup> and its strong support for the Venezuelan opposition's attempt to overthrow Maduro.<sup>9</sup> Moscow accuses the West, and especially Washington, of being keen to advance regime change<sup>10</sup> and wants to prevent it from undermining the Russian regime from within. Moscow also sees expansion of the anti-Russian front and is thus turning to the East, especially to China, as a counterweight to its ongoing alienation from EU and U.S. energy and trade ties that, along with political considerations, perhaps do not allow for a radical reversal of Moscow's orientation, but we do see Moscow participating actively in partnerships that call into question Western dominance on a local level (Shanghai Cooperation) and on the world stage (BRICS).

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8 "In reality this is simply part of the general American outlook on suspending and withdrawing from a huge number of international agreements. It is a U.S. strategy for renouncing commitments deriving from international law in various sectors," the Russian Foreign Ministry's Spokesperson, Maria Zakharova, stated on 1 January 2019. At the same time, Russian Deputy Minister of Foreign Affairs Sergei Ryabkov said that Russia is willing to consider new proposals from the U.S. for replacing the INF Treaty with another that includes more countries. Following Trump's statement, during his State of the Union address, that "perhaps we can negotiate a different agreement, adding China and others," Ryabkov commented that "of course we saw the president's reference to the possibility of a new agreement that might be signed in a nice room and include other countries as well." Numerous analysts think that the INF Treaty is "dead" and their main concern is the prospect of a new arms race in medium-range missile systems. Moscow and Washington are discussing the potential for concluding a multilateral nuclear arms convention -- in which China could participate -- or an extension of the current Strategic Arms Reduction Treaty (New START).

9 Moscow finds similarities between Washington's handling of the Orange Revolution in Ukraine in 2004 and the 2019 Venezuela crisis. In both cases, Russia accuses the U.S. of backing unconstitutional acts of presidential self-proclamation: by Yushchenko in Ukraine and Guaidó in Venezuela. Russian Minister of Foreign Affairs, Sergei Lavrov, underscored on 25 January 2019 that "we know the U.S. positions and we know the position of those who follow American policy. No one needs to prove that this policy, with regard to Venezuela and a number of other countries, is destructive. The direct calls for a coup are visible to everyone. We believe this conduct is unacceptable and undermines the principles of the UN Charter and the rules of inter-state communication." In response, Moscow is arming Caracas, providing multi-dimensional aid, and has even transferred troops from Syria to protect Maduro's regime.

10 From the ousting of Milosevic and Kadafi to the color revolutions in Georgia, Ukraine and Kyrgyzstan, and from the Arab uprisings to the protests in Moscow and Saint Petersburg between 2011 and 2012.

The question here is, if these revisionists manage to bridge their differences and assorted points of reference at some stage, will they maintain their competitive stance on a regional level or even, at some point, favor stabilization of their relations with the West – on better terms for themselves – but without provoking further turmoil in the international system; turmoil that would have negative repercussions for them as well? And this is because in the scenarios where U.S. power fades or is withdrawn significantly, or a post-Western multi-polar world renders Western institutions and mechanisms ineffectual, calling into question the current global order, even the competitors of the U.S. would face serious repercussions on various levels during the transitional phase that would follow. For instance, if the dollar loses its primacy in global transactions<sup>11</sup> – a primacy that is being challenged vociferously – the global economy will suffer painful fallout. Moreover, the power vacuum on the global stage would have a decisive impact on security issues, leading to escalation in regional competition and conflicts on a local scale, which would occur with greater frequency.

So, can we label Russia and China as uncomfortable partners and systemic competitors,<sup>12</sup> or are they becoming hostile powers and ideological opponents, despite lacking an alternative model other than authoritarianism?<sup>13</sup> In both cases, their role is instrumental rather than inspirational, and, unlike the Soviet Union, they are not exporting global ideology.<sup>14</sup> Consequently, should we see them as two actors with a shared outlook on the international state of affairs – operating jointly and in coordination (i.e., consistent dissension in the Security Council), at least on critical international developments – and shared goals and intentions, focusing on the de-Westernisation of the current global order? With multipolarity under way, can the U.S. and the EU (if we assume that they are on the same page) re-Westernise the planet? Do Russia and China need each other more than each of them needs the West, and, if so, will this enable them to maintain a unified front and deal effectively with ongoing disagreements and fluctuating tensions with the West? Of course, we can't rule out that, due to their difference in calibre, they may diverge in the future, once they become regional competitors, but a multipolar (or non-unipolar) new order is inevitable.

The West, meanwhile, accuses Putin's Russia of: ignoring basic rules of the international community<sup>15</sup> and behaving like a pariah state<sup>16</sup> or at least a spoiler player, adopting an

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11 The European Union is intensifying its efforts to combat the dollar monopoly in oil and other energy negotiations, with the ultimate goal of rescuing the international agreement on Iran's nuclear program in the wake of Trump's decision to withdraw from the agreement and reinstate the sanctions on Tehran. Ways are being sought to promote the euro in international energy transactions. It should be noted that the EU is the biggest energy importer, spending an average of €300 billion annually over the past five years. "Some 80% of this sum is paid in dollars," according to official documents obtained by Reuters. The EU is not alone in making such an effort. China and Russia are also trying to establish other currencies, besides the dollar, in international commercial negotiations. There are those who argue that incorporating the euro into an international payment system is a long-term process.

12 Paper by BDI, Germany's leading industry association.

13 French philosopher *Bernard-Henri Lévy* believes we are facing a new system/paradigm: that of "democracy"; that is, an anti-liberal system that is not exactly tyrannical or completely despotic. In it, democratic tools are used to undermine democracy, and liberalist tools are used to destroy liberal thought. He accuses both Putin and Trump of implementing this model and of having disciples in Italy, France, Holland and Hungary. Calling Russia, China, Iran, Turkey and the radical Sunni Islamists five kingdoms drawn to the darker achievements of the West, *Lévy* characterizes them as anti-liberal powers that despise the West's way of life and humanitarian values (Interview in the Greek daily "Ta Nea," 31 March 2019).

14 Martin Wolf, "The Challenge of one world, two systems," *Financial Times*, 1 February 2019.

15 Confirmed even by the doping scandal that banned Russian athletes from participating under the Russian flag in the 2018 Winter Olympics.

intensely revisionist agenda,<sup>17</sup> violating international and/or bilateral agreements, investing in the dysfunctionalizing of institutions, tampering with elections<sup>18</sup> (most notably in the U.S., where the relevant investigation is ongoing), and trying to weaken the EU,<sup>19</sup> and there are even those who put the increase in refugee flows from Syria in 2015 down to a conscious choice on the part of Moscow: a choice aimed at undermining European cohesion. The West also accuses Russia of oppressing internal opposition and rules in an autocratic manner, initiating global hacking campaigns, and, through its information operations, attempting to influence the citizens and, by extension, the decision-making processes of targeted countries.<sup>20</sup> What is more, lacking an alternative model for stability, security and prosperity that would attract states and leaders, it shows its taste for strong, usually autocratic nation-states with leaderships that are susceptible to Moscow's influence,<sup>21</sup> investing in frustration with supranational organisations like the EU and in a return to hard national boundaries, while it promises prospective allies that by siding with Moscow, they can protect their positions vis-à-vis the West and at the same time feel more protected from the latter's interventionist policies (as experienced by Assad). A salient example of this trend is Russia's warm (though not conflict-free) relationship with Turkey. The rapprochement between Moscow and Ankara is, at bottom, due to their shared stance that the West does not understand them and condescends to them, without consulting with them or assuaging their concerns.

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16 By Weiss's definition, pariah states "violate international norms." Along the same lines, Harkavy argues that "A Pariah State is one whose conduct is considered to be out of line with international norms of behavior," and Geldenhuys's definition is that "A pariah (or outcast) country is one whose domestic or international behaviour seriously offends the world community or at least a significant group of states."

17 Russia has expansionary territorial ambitions in its neighborhood. In the wake of Russia's annexation of Crimea, the West imposed sanctions that hit internationally active Russian companies and the financial sector particularly hard, and the counter-measures taken by Moscow had a similar impact on EU exports to the Russian market. It is no coincidence that the energy sector was unaffected. On the other hand, Russia developed its agricultural sector to limit imports and dependency and became a leader in IT customization.

18 According to the German News Agency (DPA), the European intelligence services are monitoring Russia's efforts to influence the May 2019 European elections. These efforts, which include the use of social media to support political factions that express pro-Moscow sentiments and/or are critical of the EU, seem to be focused on creating doubt in young people as to the importance of the European Parliament and, thereby, reducing voter turnout in the elections.

19 Moreover, the trend towards nationalism and the pervasiveness of Euroscepticism and anti-European sentiment are a window of opportunity for the Kremlin. Groups of citizens disaffected with the bureaucratic mien of a "distant" Brussels provide Moscow with an opportunity to (indirectly) address those questioning the European edifice.

20 According to one of the authors of this volume, professor Liapopoulos, "though the direct results of such operations are hard to measure, there is speculation that they have had some effect in both operational terms (e.g., the case of the Ukraine-Crimea crisis) and strategic terms (e.g., eroding liberal democracy in Europe and weakening NATO's cohesion)."

21 In the unrest that unfolded in Venezuela in late January 2019, Moscow probably saw the attempt of the leader of the legislature, Juan Guaidó, to unseat Nicolas Maduro as a challenge to Putin's "core belief in unrestricted sovereignty and the right of rulers to use force to stay in power." "This does not mean it [Russia] will deploy its air force to Caracas, as it did in Syria, but it will do what it can to upset the plans of the United States." *The Economist*, "In Venezuela, Vladimir Putin fights for his own future," 1 February 2019.



## CAN THE SITUATION (WITH THE WEST) BE REVERSED?

On the other hand, there is an obvious need for Moscow and the West – in spite of their mutual distrust and serious disagreements – to find a golden mean in an unstable global environment rife with security challenges and threats. Even today, consultations are being carried out on the military operational level to avoid accidents, not just in Syria, but also on NATO member states' borders with Russia.<sup>22</sup> Moreover, the more moderate Western voices acknowledge the role that Eastern European and Baltic states have played in exacerbating the tensions with Moscow,<sup>23</sup> as well as the fact that while Moscow has adopted an assertive policy on many fronts, it is still hanging back from the point of no return. Substantial rapprochement is not feasible under the present conditions, but the gradual adoption of a more functional agenda might prove useful in the future. In the case of Afghanistan, Russia expressed its willingness to facilitate a U.S.-Taliban dialogue that will enable the withdrawal of U.S. troops. It is worth mentioning that consultations between the Taliban and the opposition have taken place in Moscow. Russia is an important variable in the equation of North Korea's de-nuclearisation, and Trump has recognised this.

On another front, given that the current U.S. leadership is targeting Iran, it knows that, without some kind of mutual understanding or compromise with the Kremlin (which presupposes recognition of Assad's victory in the Syrian civil war), it cannot halt the regrouping of the Tehran-Damascus-Hezbollah axis and subsequently force Tehran to back down regionally. Has the Russian side given assurances to the U.S. that it will not shield Iran? At the same time, a somewhat fragmented and reflective EU – Germany and France in particular – is showing a will to get back on its feet, develop common defence and security (with willing member states) and, in the mid-term, become an independent actor on the international stage. In this scenario, special relations and arrangements will be required with countries on the European periphery, with Russia – along with Turkey and Egypt – figuring prominently. In any case, the security architecture being developed would be flawed if it did not include Russia. And there are other areas where EU-Russian interests converge, such as trade and energy,<sup>24</sup> and the efforts to combat jihadist terrorism. Russia is already turning to China, but for a number of reasons it is in Moscow's interest to maintain a balance with the West and not fall in step behind China.<sup>25</sup>

Given that, for Washington, Beijing tops the list of international challenges/dangers, Moscow should not be further alienated, because then – even in an imbalanced way for the latter – this relationship will coalesce not necessarily by free will but as a response/message

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<sup>22</sup> According to Russia's Deputy Minister of Internal Affairs, Alexander Grushko, in an interview with Ria Novosti (15 April 2019), all political and military cooperation between Russia and NATO has ground to a halt. He also stressed that the current Russian-NATO relations are reminiscent of the state of affairs during the Cold War. However, he expressed hope for a change which rests entirely on NATO's shoulders.

<sup>23</sup> Apart from their anti-Russian stance, which translates into ongoing insecurity and demands for U.S. and EU protection, in the events in Ukraine that preceded Russia's annexation of Crimea, their involvement and the pressure they exerted forced even the most reluctant western powers to intercede openly. According to some observers, even the illegal secession of Crimea was a defensive move on the part of Moscow, which feared that Kiev would try to revoke its rights in the Black Sea.

<sup>24</sup> Depending on the approach, we can say that EU-Russian interests are also diverging, especially in energy. Still, the interdependence/interconnection is unquestionable.

<sup>25</sup> Even in the energy sector, as Nikita Kapustin observes, "due to the enormous size of the Asian market and fierce competition, Russian influence in Asia will never match its extent in the traditional European markets."

to Western arrogance towards Russia. Putin's public statements often show that he is confused as to how to deal with the West. He seems to want to destabilize the existing system/structure and the West's collective economic, cultural and security architecture so that they do not get strong enough to threaten his leadership or his country's interests in the future. At the same time, he sees that clashing with the West on multiple fronts also has negative effects. Therefore, the Kremlin regularly uses the 'stick and carrot' tactic, on the one hand, raising threats or stressing the dire consequences if Russia is isolated, and on the other hand, it underlines how safer the world will be if the two sides compromise under the current challenging circumstances.<sup>26</sup>

As long as Russia tries to change the rules of the game – promoting a framework of conduct with lax rules and selective adherence to international law<sup>27</sup> until such time as the new balance of power imposes the Russian model – its relations with the West will remain stormy. Moscow lacks an alternative ideology, and neither rule of law nor democracy figure high its agenda. However, both rule of law and democracy are suffering erosion even within the so-called Western world, and a distorted notion of security, stability and national autonomy – which is actually at the core of the Russian leadership's narrative – seems to be prevailing over freedom and democracy. So, if the vital link of the common values among states that belong to Western institutions is becoming ever looser, which is triggered by the choices of the electorate in the US and the EU, then these states' dealings with outside/other powers will be determined solely by national interests. Besides, the bilateralism and transactional negotiating style/tactics that the current US administration has adopted solidifies the emerging trend. This is leaving more room for the anti-Western cohort to promote a new state of (world) affairs in which shared principles will play a minimal role. At the same time, neither the West nor the emerging powers should prefer a rising disorder to a realistic framework where competition and cooperation coexist. Still, the question is whether and where we will find the point of contact that keeps the sides within the relatively lax boundaries of sustainable order.

## THE PURPOSE OF THIS COLLECTION

No book can fully cover all aspects of a country like Russia. In this volume, we are seeking answers to questions raised by the above issues. Mainly, we want to ascertain, in a scientifically researched and documented manner, Russia's identity under Putin; its domestic and international physiognomy; the state of its economy and the extent to which it is in a position to support its growing geopolitical aspirations and its foreign policy; its tools and how it uses them. We aim to present a volume that thoroughly explores a wide range of issues. More specifically:

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<sup>26</sup> During his annual address in the Duma, on February 20, 2019, Putin issued warnings to the U.S. in response to Washington's decision to withdraw from the INF Treaty. Putin said that Russia would be forced to take countermeasures, claiming that "our missiles will be aimed at the United States, and not just at countries where U.S. missiles have been deployed." He also reiterated that Russia does not want conflict with and is not a threat to the U.S., and is in fact pursuing friendly relations with Washington, stating that the world does not need new tensions.

<sup>27</sup> Western countries – feeling omnipotent – are certainly guilty of ignoring and undermining the UN and imposing their own standards on other international organizations.

- the main trends of thought that determine Russian policy in the current polycentric environment,
- Moscow's positions and outlook on a global order in transition, how Russian actions are perceived by a country with the unique characteristics and sensitivities of Georgia, and whether Russia is a point of reference not only for the Commonwealth of Independent States,<sup>28</sup> but for the whole former Soviet space.
- the ways in which key foreign policy tools – including energy,<sup>29</sup> religion,<sup>30</sup> and Russian minorities and pro-Russian populations outside Russia (mainly in former Soviet republics) – are used.
- the key aspects of defence and security policy and the challenge Moscow currently and potentially poses to NATO's supremacy in the Euroatlantic geopolitical space,
- Russian information and cyberspace operations – which the West sees as a threat to national security – including theft of sensitive data, influencing of voters, and even disruption of vital infrastructure,
- the state of affairs and outlook for the foreseeable future in Russia's relations with the U.S., the EU, Germany, China and Egypt (as the largest Arab country),
- Russia's degree of commitment (military or opportunistic?) and modes of involvement in critical regions outside the post-Soviet space – such as the Middle East (especially Syria), the Eastern Mediterranean and Southeast Europe – and its view of the color revolutions and the Arab Spring,
- the (turbulent) course of the Russian economy following the break-up of the Soviet Union; the impact of Western sanctions in the wake of the annexation of Crimea; and the need to modernize the economy, linking it to education and technological progress,
- how Russia identifies itself in relation to the East and the West; which of its multi-dimensional characters is prevailing, and how this is reflected not only in politics but also in the arts and culture; and
- last but not least, Russia's current sensitivity to environmental issues, given its global role as a fossil fuel and heavy metals exporter, but also as a signatory of the 2015 Paris Agreement and its historically limited interest in reducing greenhouse gas emissions.

In these 22 chapters, we have secured the participation of a very pluralistic and competent group of 26 authors from different backgrounds: theoreticians and practitioners who combine experience with deep awareness and relevant expertise. While I certainly cannot say I agree with all of the views expressed in this book, I would argue that different approaches and views are essential to a volume that aims to make a useful contribution to the current debate on the main vectors (constant and variable) of Russia. It is no easy task –

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28 Loose regional inter-governmental organisation that replaced the USSR. Down from its initial 12 members to 10, as Georgia and Ukraine have terminated their participation.

29 A blessing and/or curse, depending on how they are used (see the danger of Dutch Syndrome). Also, we explore whether Russia can preserve its market share both regionally and globally in the years to come.

30 Indicatively, questioning of the primacy in the Orthodox world of the Ecumenical Patriarchate; power games in the Middle East; affiliation with Orthodox/Slavic populations on the European continent.

especially when dealing with such a topical subject, in a tense climate of ongoing divergences and narrow margins for understanding between Russia and the West – to maintain an impartial view of developments. So, if there is one thing that characterizes our collective volume, it is analyses with a clear perspective, but without exaggeration, whitewashing, emotional judgements or unsubstantiated claims. It is precisely in this that the usefulness of the present volume lies: it provides a realistic snapshot and evaluation of the key parameters of Russia's domestic and, mainly, foreign policy at a critical point in time for international relations.

Given the difficulty of 'reading' a country as complex and unique as the one in question, I would like to dedicate this book to Russia scholars, in the hope that it goes some way towards delineating the landscape. More specifically, I hope this book helps the younger generation of researchers, who run the risk of falling victim to the disinformation and misinformation that are currently so prevalent.

I am confident that the book "A Closer Look at Russia and its Influence on the World" will help readers gain a deeper and more objective understanding of Putin's Russia, enriching their knowledge in numerous fields/areas that determine Moscow's positions and fate.

I am also certain that you will enjoy reading the thoughtful and well-argued analyses that follow as much as I did.

Enjoy!

## *Chapter 1*

# **RUSSIA'S IDENTITY IN THE PUTIN ERA**

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## **ABSTRACT**

This chapter explores the Russian identity in the era of Russian President Vladimir Putin. The article assesses the evolution of this identity through the various stages of the Putin era, including the rise of Putin following the collapse of the Soviet Union, his first two presidential terms, the transfer of power to Dmitry Medvedev, and finally Putin's return as president for a third and fourth term. The article then assesses the deeper geopolitical forces, centered around Eurasianism, that are shaping Russia's identity in the present day. The chapter concludes by exploring how Russia's Eurasian identity will evolve in the coming years.

## **INTRODUCTION**

Russia is a country with a long and rich history, one that has gone through many historical phases and eras. From Kievan Rus to the Russian Empire to the Soviet Union to the Russian Federation, Russia is a state that has been transformed many times over, yet one which has retained unique and lasting characteristics of its identity over the centuries. To begin to understand the identity of Russia in the modern era – that is, the Russia led by Vladimir Putin – one must first understand the Russia that Putin inherited at the turn of the 21st century.

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## **PART 1- THE RISE OF PUTIN**

### **The Chaotic 1990s**

The 1990s were a time of great upheaval in Russia. The weakening of the Soviet Union during the reformist era in the late 1980s and early 1990s and its eventual collapse in 1991 triggered a number of serious political, economic, and security problems for the Russian state, both internally and in its immediate periphery. When Putin came into power as president in 2000, he became the leader of a country that was reeling from a decade of chaos and instability.

On the domestic front, the collapse of the Soviet Union and its political structures created a power vacuum in Russia. The transfer of power from the last Soviet leader in Mikhail Gorbachev to the Russian Federation's first president in Boris Yeltsin was uncharted territory for Russia (Marples 2004). This transition paved the way for a messy form of democracy to replace Communism; a democracy that was politically freer but far more chaotic than the Soviet one-party system that preceded it. Gone was the unrivaled decision-making of the Soviet Politburo, with no clear blueprint for how to replace it, as Yeltsin and the new Russian power structures were still coming into their own.

The Soviet collapse also paved the way for capitalism to replace the state-dominated command economy. In theory, free markets would lead to a revitalization of the Russian economy, but in practice this new system – punctuated by Yegor Gaidar's "shock therapy" economic program – produced a severe economic crisis in Russia, with the collapse of the value of the ruble triggering rampant inflation. The system also facilitated the rise of powerful businessmen, otherwise known as oligarchs, who were able to take control of key enterprises, industries and entire sectors of the economy, from oil to natural gas and minerals. Much of the rest of the population was thrust into poverty, with tremendous inequality taking root in Russia.

On the security front, Russia faced numerous issues, most notably in the North Caucasus region. Chechnya was a particular problem for Moscow, as a weakening of centralized power in Russia inflamed the long-dormant separatist sentiments in Chechnya. Though Russia had peacefully allowed former Soviet republics like Ukraine and Belarus to gain independence following the collapse of the Soviet Union, Moscow would not risk allowing the independence of regions within Russia itself, fearing that it could set a dangerous precedent and potentially lead to the splintering of the newly founded Russian Federation. As such, the Russian military sought to quash Chechen separatism with brute force, triggering two protracted and bloody wars in the republic and adjacent regions that raged throughout the 1990s and early 2000s.

In Russia's near abroad, numerous conflicts emerged on the post-Soviet periphery. The establishment of 15 newly independent countries in the place of the former Soviet republics sparked a number of territorial and ethnic disputes within and between these new states (Dawisha and Parrott 1994). There was the Moldovan separatist conflict over Transnistria, the Georgian separatist conflicts over Abkhazia and South Ossetia, the conflict between Armenia and Azerbaijan over the breakaway territory of Nagorno Karabakh, a civil war in Tajikistan, and violent clashes between ethnic Kyrgyz and Uzbeks in the Fergana Valley of

Central Asia. All of these conflicts absorbed Russian attention in different ways, as the weakened Russian military was still deployed and active in each of these theaters.

The 1990s under Yeltsin were thus marked by the emergence or intensification of many deep issues for Russia, from political, economic, and security problems on the home front to a number of simmering conflicts throughout the former Soviet periphery. The first post-Soviet decade was an experimental stage in capitalism and democracy; an experiment which, in the eyes of many Russians, failed miserably. It was a time when territorial issues and ethnic tensions suppressed during the Soviet era erupted in full force, both within Russia and throughout the former Soviet periphery. All of these issues taken together had the potential to tear apart the very fabric of the Russian state. A new leader was needed to stop the bleeding and pull Russia back together, and that leader was Vladimir Putin.

## **Enter Vladimir Putin**

Putin's political career began in 1990, just one year before the collapse of the Soviet Union. After serving for more than 15 years in the KGB, during the last five of which he worked as a counterintelligence officer in the German city of Dresden, Putin returned to his hometown of St. Petersburg (then Leningrad). Putin joined the city administration under the tutelage of his protege Anatoly Sobchak, who was serving at the time as mayor of Leningrad. Putin held several important posts within the city administration in the early to mid-1990s, including first deputy chairman of the government and heading the city's Committee for External Relations.

Putin then moved to Moscow to join the Federal Government in 1996, after Sobchak lost his bid for re-election as mayor in St. Petersburg. Putin was appointed as a deputy chief of staff in the Yeltsin administration in 1997, and from there he rose rapidly within the ranks of federal power. In 1998, Putin became the chief of the FSB, the successor to the KGB. From there he was appointed as Prime Minister under Yeltsin in 1999 and he then became acting President when Yeltsin announced that he would be stepping down at the very end of 1999. By March 2000, Putin was officially elected as the next president of Russia.

Given Putin's rapid rise to power, he was a relative unknown when he came into office as president. However, there were two aspects of Putin's experience that proved key in shaping his worldview and management style as president. The first was Putin's background in the security services during the Soviet era, and the second was his political career in St. Petersburg and Moscow during the immediate post-Soviet era, in the decade of political instability and economic and security upheaval under Yeltsin. It was these formative experiences that framed Putin's number-one priority when he was sworn into office as president: the stabilization of Russia and the reversal of the centrifugal forces that were pulling the country apart from within.

## **Putin Gets to Work**

For Putin, the stabilization of Russia involved, first and foremost, a re-centralization of power under a strong leader. A key aspect of this re-centralization of power was the reigning

in of the powerful oligarchs. Putin did so by drawing a line between economic power and political ambitions of the oligarch class. Putin allowed those oligarchs who were willing to subordinate themselves to the Russian state to retain their economic assets in exchange for such subordination. Those who were not willing to subordinate themselves to the state and sought to gain political power, most notably Yukos chief Mikhail Khodorkovsky, were stripped of their assets and sent to prison. The key message was that oligarchs would be allowed to do business in Russia, so long as they backed the state and stayed out of politics (Zygar 2016).

In addition to reining in the oligarchs, Putin also reined in the power of the Russian Duma, and regional governors and their administrations. The presidency was given the power to appoint regional governments, and all major decisions were to be made by the executive. Putin appointed key allies – many of whom, like Putin, hailed from St. Petersburg and had backgrounds in the security/intelligence fields – to cabinet posts. Putin also developed the ruling United Russia party, which would support the Kremlin and weaken the position of other political parties.

On the security front, Putin's stabilization of power involved ending the long-simmering conflict in Chechnya. Putin learned from the first Chechen conflict in the early- to- mid-1990s that brute military force was not enough put an end to the Chechen conflict. Thus, his strategy for ending the second phases of the Chechen conflict in the late 1990s and early 2000s was to co-opt important local players within the war, which involved supporting the more amenable nationalist forces in the region, led by Akhmad Kadyrov, against the more threatening jihadi-supported factions of Shamil Basayev. Giving greater autonomy over oil revenues and local security forces to Kadyrov enabled Putin to significantly reduce violence in the Chechen conflict and rein in the separatist and terrorist forces that were operating in the region and conducting terrorist attacks in Russia proper (Stuermer 2009). Ending the Chechen conflict also helped to quash any notions of separatism elsewhere in the North Caucasus and other autonomy-minded parts of Russia, like Tatarstan and Bashkortostan.

As Putin was able to re-centralize power and put an end to the country's territorial conflicts from within, another key aspect of the stabilization of Russia was to address the economic chaos of the 1990s. Here Putin was helped tremendously by a significant rise in global energy prices, with exports of oil and natural gas serving as key pillars of the Russian economy. Over the course of Putin's two terms, Russia was able to build up its foreign exchange reserves from just over \$12 billion in 2000 to nearly \$550 billion in 2008. Wages and living standards rose substantially over that time period. Therefore, improving economic conditions were able to strengthen the position of Russian society and facilitate Putin's political moves on the home front.

## **Putin's Foreign Policy**

Russia was thus able to regain stability across the political, economic, and security spheres on the domestic front in Putin's first two terms. However, Putin's focus on stabilizing the home front left Russia exposed when it came to foreign policy.

Russia's chaos during the 1990s and its initial recovery process in the early 2000's coincided with the strengthening of the U.S. and its allied Western blocs of NATO and the European Union. It was, after all, the U.S. that won the Cold War, with the collapse of the



Soviet Union paving the way for major expansions of both NATO and the EU, including into former Communist Central and Eastern Europe. Ten new members joined NATO and the EU from 1999 to 2004: Poland, Czech Republic, Hungary, Slovakia, Slovenia, Romania, Bulgaria, Estonia, Latvia, and Lithuania. With the exception of Slovenia, these were all members of the former Moscow-led Warsaw Pact, – with the Baltic states having been republics of the Soviet Union itself.

Russia was even more unnerved when Western-backed color revolutions swept through the former Soviet periphery. The Rose Revolution in Georgia in 2003, the Orange Revolution in Ukraine in 2004 and the Tulip Revolution in Kyrgyzstan in 2005 were painted by the West as popular and democratic uprisings against corrupt and authoritarian regimes, but in Moscow they were seen as Western-organized and -funded efforts to undermine Russian power and influence in its former Soviet territories. Russia wondered how far the West would go in supporting such revolutions under the pretext of promoting human rights and democracy, including within Russia itself.

This NATO/EU expansion and the color revolutions in the former Soviet periphery reminded Russia of the significant threats the country faces externally. These threats are deeply rooted in Russia's geographic position. Despite Russia's large size, it is inherently vulnerable from a geographic perspective, as it has little in the way of natural barriers from the countries surrounding it. This explains Russia's need to expand outward and establish buffer zones, which it had done over the course of centuries, from the Grand Duchy of Muscovy to the Russian Empire to the Soviet Union. However, the more Russia spreads out, the more costly it is to maintain these buffer states, as the overstretch and eventual collapse of the Soviet Union showed. Therein lies Russia's dilemma: it needs to expand in order to protect itself from neighboring powers, but these expansions require resources that prove unsustainable for Russia (Friedman 2008)

Therefore, as Russia was dealing with its own internal problems in the 1990s and early 2000s, Putin was not in a position to block or counter EU/NATO expansion and the color revolutions in a military sense. Russia also held little diplomatic sway, as Putin initially tried to reach out to the EU and NATO and even floated the idea of Russia's potential membership in these blocs, but only under equal terms and with veto power for Moscow. Given Russia's weakness at the time, the West was not interested in this, and its disregard for Russian interests was seen as a threat by Moscow.

It was in this context that Putin, at the Munich Conference on Security Policy in early 2007, gave a speech that would later be seen as a turning point in Russia-West relations. In his speech, Putin criticized U.S. dominance in global affairs, stating that the U.S. "has overstepped its national borders in every way" and that the expansion of NATO was a "serious provocation that reduces the level of mutual trust." Putin warned that Russia would "carry out an independent foreign policy" and that its interests would need to be taken into account. If not, Putin implied, the world should be prepared for a response from Russia.

This warning was not heeded by the West. Most Western countries, including the U.S. and most of the EU, recognized Kosovo's independence in February 2008, despite protests over the issue by Russia, which supported Serbia and was worried about the implications of independence movements within its own country (i.e., Chechnya). This was followed by the Bucharest summit in April 2008, when NATO recognized Ukraine and Georgia's aspirations to join the bloc. As Putin's second term as president came to a close, this would soon prove to be the final straw for Moscow.

## PART 2 - THE MEDVEDEV INTERREGNUM

In Putin's first eight years of power, there was not a clear-cut political strategy in Russia. Putin's priority was to put out fires and mitigate the country's many crises to shape a more stable foundation for Russia. However, by the end of Putin's first two terms, in 2008, a more concerted strategy began to emerge and a clearer picture of Russia's internal and external policy took shape.

### Putin's Protege

On the home front, Putin had reined in the power of the oligarchs and set a clear path for the executive office. Putin was confident enough in his position that, after serving two terms as president, he decided not to run for a third term. While the Russian constitution only allowed for two consecutive terms, Putin could easily have changed the constitution in order to expand term limits or eliminate them completely. However, he chose not to do so, and instead he decided to formally hand over power to his chosen successor, Dmitry Medvedev.

Like Putin, Medvedev hailed from St. Petersburg and was a protege of Anatoly Sobchak. Medvedev was a loyal ally of Putin, heading Putin's campaign in 2000 and subsequently serving as the head of Gazprom, Russia's natural gas giant. But unlike Putin, Medvedev didn't have a background in the security services, instead having worked as a lawyer and technocratic administrator.

Putin's choice of Medvedev was thus notable in the sense that he did not give the nod to the camp of his defense and security services allies, who came to be known as the *siloviki*. This camp was led by figures like Rosneft CEO Igor Sechin and Putin's former Chief of Staff Sergei Ivanov; politically conservative officials with security backgrounds who sought a state-dominated economy and were mistrustful of the West. Medvedev, on the other hand, belonged to a more moderate, reformist camp known as the *civiliki*. The latter supported the modernization and privatization of Russia's key firms and businesses and wanted to work more with the West, at least from an economic standpoint. Putin's choice to back Medvedev as president thus showed that the *siloviki* did not have a complete grip on power in Russia and would not dominate the Kremlin's agenda.

However, Putin did not step out of power completely. Instead, he moved into the role of prime minister, where he could manage and mentor his protege Medvedev. Nevertheless, Putin did allow Medvedev and his camp of *civiliki* to pursue at least some aspects of their reformist agenda as a counterweight to the *siloviki*. There were several significant reforms during Medvedev's term, including the reintroduction of direct elections for governors, judicial reforms, and a mixed electoral system for the Duma (Zygar 2016). Medvedev oversaw Russia's entrance into the World Trade Organization and pursued economic modernization and privatization campaigns for the country's economy, which included securing greater investment from the West and the creation of the Skolkovo innovation center in Moscow, Russia's version of Silicon Valley.

This transfer of power from Putin to Medvedev was notable not only for the reforms it generated, but also because it set Russia apart from some of the more extreme and personalized dictatorships elsewhere in the former Soviet space, such as in Belarus,

Azerbaijan, or most Central Asian states. In these countries, presidential term limits had been eliminated and a cult of personality had taken root around the leaders. But this was not so in Russia. Putin's position swap with Medvedev in 2008 proved that Russia was not simply an uncontested and personalized dictatorship from above, and that there was some semblance of a balance between hard-line and reformist camps.

That being said, Russia could not be described as a true democracy. What in fact emerged was something more complex – a so-called “managed democracy” or “sovereign democracy,” to use the term of Kremlin advisor Vladislav Surkov (Pomerantsev 2014). The election of Medvedev was carefully orchestrated and there were no true opponents vying for the presidential office by the time Putin had made his decision. Medvedev himself said that we would lean on Putin as an advisor to usher him through his presidential term (Stuermer 2009).

## **Foreign Policy under Medvedev**

When it came to foreign policy, the start of Medvedev's term as president represented a critical turning point for Russia. After the Western recognition of Kosovo's independence in February and the NATO Bucharest summit in April, which recognized Ukraine and Georgia's aspirations to join the bloc, Russia needed to send a message to the West – and to the wider world – that Moscow had emerged from the chaotic 1990s and was once again a power to be reckoned with.

Just a few months later, Russia sent just such a message in the form of the Russo-Georgian War of August 2008. Then Georgian President Mikhail Saakashvili was a fiercely pro-Western and anti-Russian leader, and clashes on the border between Georgia and the Russian-backed region of South Ossetia gave Putin the grounds he needed to send Russian forces in to thwart Georgia's ambitions to join NATO. Russia defeated Georgia's military in a matter of five days, subsequently recognizing the independence of Abkhazia and South Ossetia and beefing up its military presence in both breakaway territories. The West, and particularly the U.S. – which was embroiled in its own conflicts in Iraq and Afghanistan – did nothing to oppose Russia's actions, other than issue harsh rhetorical condemnations.

The 2008 Russia-Georgia war thus represented a watershed moment for Russia. The war sent a message that Russia would no longer tolerate NATO expansion, or even membership aspirations on the part of states along its periphery. The war also sent a message that Russia was able and willing to use any means necessary – including military force – to reinforce this message. Perhaps most importantly, the war exposed the West's lack of ability and/or will to do anything about it. In short, the war sent the message that Russia was back as a regional power (Kaplan 2012).

The fact that the war happened when Medvedev was president and just a few months into his term also offered an important lesson. It showed that the foreign policy of Russia was not personality-based and that Russia was returning to the geopolitical interest-based foreign policy of previous eras. Whether under Putin or Medvedev, Russia would make its power felt on the regional and world stage.

As such, Moscow was able to use the momentum from that war to reverse some of its losses and consolidate its influence in other areas of the former Soviet periphery. One key aspect of this was in Ukraine. The Orange Revolution of 2004 was a significant defeat for Russia, as Moscow-ally Viktor Yanukovich had been removed from power following the

large-scale protests on Kiev's Maidan square. But over the course of the ensuing five years of the Viktor Yushchenko administration, Russia used a number of techniques, including natural gas cutoffs, political manipulation, and propaganda, to weaken and undermine the Ukrainian government (Sakwa 2014). The EU and NATO had no appetite for including Ukraine into their blocs, and political infighting between Yushchenko and his running mate, Yulia Tymoshenko, created significant domestic fatigue over the pro-Western but dysfunctional Orange administration. Yanukovich was elected as president in 2010 – in elections there were free and fair – while Yushchenko barely passed the 5 percent threshold. Yanukovich immediately made moves to strengthen Ukraine's ties with Russia and weaken its relations with the West, including extending the lease of Russia's Black Sea Fleet in Crimea and striking a natural gas deal with Moscow.

The same year that Yanukovich came into power, Russia launched a Customs Union with Belarus and Kazakhstan, which expanded economic and political ties between the countries. This bloc evolved to become the Common Economic Space in 2012, and eventually the Eurasian Economic Union in 2015, which included Armenia and Kyrgyzstan. While the integration project was not nearly of the size and scope of the European Union, the Customs Union-turned-Eurasian Economic Union was nevertheless important, as it represented an institutionalization of Russia's influence in key parts of its near abroad. Russia improved its position in other areas of the former Soviet periphery, including in Georgia and Central Asia, regaining a good deal of the influence it had lost throughout the region in the 1990s and early 2000s.

## **Persistent Challenges**

Despite Russia's rise as a regional power, when it came to foreign policy, there were significant challenges that arose during the Medvedev era. One was the economy. Russia had experienced unprecedented economic growth from 2000 to 2008, with GDP rising by 83 percent. However, the 2008 global financial crisis exposed Russia's economic weakness and its reliance on commodities, especially energy. The collapse of global oil prices sent Russia into a deep recession, with Russia's GDP contracting by nearly 9 percent in 2009.

However, Russia was able to recover in a matter of a few years, as energy prices rebounded. Russia's newly found strength abroad also served to emphasize a bigger point: that Russia is able to wield military power and political influence that is disproportionate to its economic weaknesses. After all, Russia had historically been economically weak but was a major player in WWII and throughout the Cold War. The 2008 Russia-Georgia war and Moscow's ensuing resurgence proved that once again.

As the Medvedev term came to a close, Russia began to experience new political challenges on the home front. The political and economic reforms during the Medvedev term, as well as a decade of vast economic growth and rising living standards, began to fuel rising expectations among the citizenry. Russian politics became more active and more contested. This was reflected by the emergence of opposition figure Alexei Navalny. Navalny, a relatively young and charismatic lawyer who represented the younger, urban, internet-savvy generation of Russians who were fed up with the corruption and top-down ruling style of Vladimir Putin. Unlike other opposition groups and figures who had previously been discredited in Russia, Navalny did not harbor a pro-Western view or challenge Russia's

foreign policy – indeed, he was in many ways a nationalist. Instead, he stood as a legitimate internal opposition figure who went after the regime and who could activate society in ways that others previously could not.

This was seen most prominently at the end of 2011. Wide-scale protests came to Moscow in December, after the 2011 parliamentary elections over allegations of electoral fraud. Tens of thousands of people took to the streets of Moscow and other cities, mounting the largest demonstrations in Russia since the turbulent 1990s. The presence of a non-systemic opposition led by Navalny sparked fears in the Kremlin of another color revolution, only this time in the heart of Russia.

Protests heated up once again during the 2012 presidential elections, when Putin came back into power. Navalny, as well as other opposition leaders like Sergei Udaltsov and Boris Nemtsov, took part in these protests, which the Kremlin now had to take much more seriously. These 2011-2012 protests were seen as threatening to return Russia to the chaotic situation of the 1990s. This (perceived) threat would be quashed when Putin returned to power for a third term.

### **PART 3 - THE RETURN OF PUTIN**

In 2012, Putin returned to power as president for a third term, swapping places with Medvedev. Russia was now back as a regional power and in a stronger and more confident position on the world stage. However, the political situation had become more complicated within Russia, and Putin decided to wield a stronger hand on the home front.

After a politically active season of protests following the 2011 parliamentary elections and continuing into the 2012 presidential elections, many of the political reforms pursued by Medvedev during his term as president were scaled back. In the summer of 2012, Putin implemented a set of directives that came to be known as the May Decrees, which, among other things, tightened laws on holding rallies (Zygar 2016) and implemented harsher penalties for unsanctioned demonstrations, including fines and jail time.

Thus Russia returned to a more centralized state after its experimentation with political and economic reforms during the Medvedev term. Putin made clear that he was the one in charge, and he once again gave a nod to the siloviki style of political management. Putin also made it clear that there was only so much room for dissent, that democracy in Russia would be uniquely Russian, and that no system of government would be imposed from the outside (Mickiewicz 2014). Constitutional changes expanding presidential terms from 4 to 6 years now took effect, this time giving Putin a path for another dozen years at the helm.

### **EuroMaidan and the Russia-West Standoff**

Putin's third term also saw a significant shift in foreign policy. Russia had spent the previous four years of the Medvedev term on the rise as a regional power. Moscow's swift and decisive victory in the Russia-Georgia war sent the message to the West and throughout the former Soviet periphery that Russia was a power to be reckoned with. Russia improved its ties with Ukraine and Georgia, strengthened its position in Belarus, Armenia, and Central

Asia, and was now taken much more seriously by the Europeans and the United States. While far from re-creating the Soviet Union, Moscow had regained much of its influence in many of the former Soviet states, this time without requiring the resources needed to impose outright control and directly govern these territories.

However, 2014 marked another turning point for Russia. Early in the year, global oil prices collapsed once again, throwing the country back into recession. After recovering from the 2008 recession, Russia was once again reminded of its economic dependence on energy exports. In the meantime, Russia's position in Ukraine – arguably the most strategic country in the former Soviet periphery for Moscow to keep in its fold – began to unravel.

This unraveling began with a demonstration in the center of Kiev at the end of November 2013, against Moscow-ally Yanukovich's decision to ditch negotiations over a free trade agreement with the EU. While protests were initially small, a harsh crackdown by security forces against the demonstrators spawned much larger protests on Kiev's central Maidan square. These demonstrations continued for several months, into early 2014, and eventually erupted into a violent showdown between protesters and security services in February 2014, an event which came to be known as the EuroMaidan uprising. Yanukovich was overthrown by the opposition, which included pro-Western political opposition figures and ultranationalist contingents, forcing the former Ukrainian leader to flee to Russia in fear for his life.

For Russia, EuroMaidan was a second coming of the Western-backed Orange Revolution, only this time much more serious. This revolution did not come amidst fraudulent elections; nor did it come peacefully. Instead, EuroMaidan was in the eyes of Moscow an unconstitutional coup d'état against a democratically elected leader (Mickiewicz 2014). The new Ukrainian government swung more decisively towards the EU and NATO, and now these blocs – while still hesitant to grant Ukraine actual membership – were more willing to help Kiev in its Western-integration efforts. Just months after Maidan, the EuroMaidan government, led by freshly elected Ukrainian President Petro Poroshenko, signed the EU association and free trade agreement that Yanukovich had abandoned. So too did Georgia and Moldova, showing that EuroMaidan was having reverberations throughout the former Soviet periphery.

Putin had prophetically warned, back at the 2008 NATO Bucharest summit, that Ukraine could lose Crimea and the East if it were to join NATO (Zygar 2016). This is essentially what happened after Maidan, with EuroMaidan triggering a Russian response in the form of the annexation of Crimea and the support of a pro-Moscow rebellion in Eastern Ukraine. This rebellion evolved into a full-scale military conflict between Ukrainian security forces and Russian-backed separatists in the Donbas regions of Donetsk and Luhansk, a conflict which has claimed over 10,000 lives over nearly five years and continues to this day.

The conflict in Ukraine brought relations between Russia and the West to their lowest point since the end of the Cold War. The U.S. and EU passed sanctions against Russia related to the annexation of Crimea and its involvement in Eastern Ukraine, while Moscow responded with its own counter-sanctions and the restriction of agricultural exports to the EU and EU-aligned countries like Ukraine, Moldova, and Georgia. The Ukrainian conflict triggered a buildup of military forces by both Russia and NATO, primarily along the European borderlands.

Relations between the U.S. and Russia only became worse following allegations of Moscow's meddling in the 2016 U.S. presidential elections in favor of the eventual victor,

Donald Trump. Russia's actions in Ukraine, the U.S., and elsewhere brought increased scrutiny of Moscow's hybrid warfare strategy, in which Russia used a combination of multiple tools, including covert and overt security operations, cyberwarfare, propaganda, and political meddling to undermine the West and pro-Western states. In reality, Russia had long pursued such a strategy, but the conflict in Ukraine and subsequent election meddling attempts by Russia (not only in the U.S., but also in EU countries, such as France) shed a brighter spotlight on Moscow's hybrid tactics.

Ultimately, Russia's pursuit of such a strategy is framed by its threat perception from the West. A united West strikes fear into Russia, as the expansion of the EU and NATO and the West's support of color revolutions led to concerns about a growing strategy of encirclement and containment of Moscow, akin to the Cold War. As such, Russia has sought to undermine the unity of the EU and the Transatlantic partnership between the U.S. and the Europeans. Russia has also sought to undermine pro-Western governments throughout the former Soviet periphery and Central/Eastern Europe, while supporting anti-establishment parties and figures in Western Europe and the U.S.

As a result of these Russian efforts, the West put still more pressure on Moscow. Since 2014, sanctions against Russia have been repeatedly extended and increased by the U.S. and EU. NATO has stepped up its military presence in front-line states like Poland and the Baltic states, while the U.S. has increased its security support for Ukraine in the form of lethal weapons and military exercises. All of this has only confirmed Putin's worldview that the West – and particularly the U.S. – is intent on containing Russia and weakening it from within.

## **Russia Looks beyond the West**

As a result of the prolonged standoff between Russia and the West, Moscow started to look for partners and influential roles in other parts of the world. From Putin's perspective, EuroMaidan and the ensuing developments only proved that the West could not be trusted and was ultimately interested in weakening Russia. Moscow needed to diversify its foreign policy position, not only in terms of having other economic and security relationships as a replacement or supplement to its weakened ties with the West, but also in order to enhance its position on the world stage as a counterweight to the West, and especially to the U.S.

One such place has been Syria. Russia became involved in military operations in support of Syrian President Bashar al Assad in 2015, as the country reeled from years of civil war. This was a significant intervention, with Syria representing Russia's first military deployment outside of the former Soviet space in the post-Cold War era. Russia's intervention on behalf of Assad had several motivations. Russia had historical ties to Syria, including a naval base in the country's port of Tartus, a legacy of the Soviet era, and Moscow was worried about losing this base as a result of the Syrian conflict. Russia also wanted to counter the position of the U.S., which intervened in the conflict and was supporting rebel groups fighting Assad's forces. More importantly, Russia wanted to draw a red line on regime change efforts imposed by the West. Russia's intervention was thus not to save Assad per se, but rather to send the message to the U.S. that Moscow, too, could be a major military and diplomatic player in the conflict.

This in turn allowed Russia to expand its influence in other places in the Middle East. With economic ties with the U.S. and EU on the downswing, Russia was interested in expanding its arms sales, with Middle Eastern countries like Egypt and Turkey representing promising markets. Russia also wanted to expand its leverage against the U.S. in a theater crucial to Washington.

Perhaps the most important partner to emerge for Russia in the wake of Moscow's standoff with the West is China (Schoen and Kaylan 2014). Russia and China had steadily been building up economic and energy ties since the early post-Soviet period. However, the EuroMaidan uprising and Russia's ensuing standoff with the West accelerated the strengthening of the Moscow-Beijing relationship. The two countries have intensified trade and investment ties while building security cooperation in the form of joint military exercises to an unprecedented level. Russia and China have also coordinated on political matters when it comes to UN Security Council votes on issues like North Korea and Syria, particularly when it comes opposing the U.S. position on these theaters. Given mutual suspicions and overlapping spheres of influence in Central Asia, Russia and China are unlikely to become strategic allies in the long term, but Beijing has evolved to become an increasingly important partner for Moscow across numerous spheres.

Russia's domestic and foreign policies have thus evolved significantly since Putin returned to the presidency in 2012. Russia has taken a more conservative turn domestically, while it has a more embattled relationship with the West. The collapse of global oil prices and the EuroMaidan uprising in 2014 proved that Russia remains vulnerable to instability both at home and abroad. Yet over the course of the Putin-era, Russia has emerged as a country with a more stable footing than in the chaotic 1990s; one that allows the following question to be posed and considered: What identity has emerged in the new Russia?

## **PART 4 - THE CONTOURS OF RUSSIA'S EURASIAN IDENTITY**

It is difficult to pinpoint a specific identity for a country as large, diverse and complex as Russia. Winston Churchill himself described Russia on the eve of World War II as "a riddle, wrapped in a mystery, inside an enigma." Nearly seventy years later, Russia remains mysterious and enigmatic in many ways. But reflection on the evolution of modern Russia, combined with an assessment of its deeper characteristics, does at least point to the contours of such an identity.

In order to understand the contours of the Russian identity in the Putin era, it is important to first consider the evolution of the Russian state over the past two decades of the Putin era (see Parts 1-3). The emergence of the Putin regime came against the backdrop of the instability and chaos of the first decade of the post-Soviet era under Yeltsin; instability and chaos that needed to be overcome. On the domestic front, the government would be centralized under Putin, the state would dominate economic policy and re-establish control over Russia's vast natural resources, and territorial threats within Russia would be met with a harsh crackdown. On the external front, Russia would oppose Western expansionism in its near abroad and the West's efforts to spread the liberal democratic model around the world, and Moscow would be prepared to do what it deemed necessary to stop or reverse these efforts.



Russia's identity as it stands now is one of a country that is centralized internally, with a state-dominated economy and a "managed" democracy. Russia is a country that is distinct from the West and is in many ways opposed to it. Russia has regained a prominent position within the former Soviet sphere and on the world stage, but it still faces many internal and external challenges and does not wield the global power it did in the Cold War era.

## **The Deeper Roots of Russia's Identity**

In addition to the present conditions and circumstances, there are deeper characteristics of Russia that go beyond the modern era of Vladimir Putin, and these, too, must be taken into account when assessing the Russian identity.

First is Russia's geography. Russia is the largest country on earth, spanning more than 17 million square kilometers across 11 time zones. It is difficult to keep a country of this size together, and historically this has bred a highly centralized rule. From Ivan the Terrible to Peter the Great to Catherine the Great to Stalin to Putin, Russia's greatest periods of power and influence have been when it was held together by a strong leader. Under weak or divided rule, as seen in the collapse of the Russian Empire and Soviet Union, Russia can splinter apart.

Russia's geography also has shaped its interactions with its neighbors. Despite its large size, Russia does not have significant natural barriers for its protection, nor does it have a viable outlet to the sea. Russia is particularly vulnerable along the Northern European Plain, the route taken by Napoleonic France and Nazi Germany to invade Russia. But Russia is also vulnerable to its east, as the sacking of Kievan Rus by the Mongol Empire showed. This has historically driven the Russian state to expand outward beyond its land borders in order to establish buffer space around its Moscow/St. Petersburg core. This need for buffer space was seen throughout Russia's historical eras, from the Russian Empire to the Soviet Union to the current Russian Federation. No matter the specific leader or ideology of the Russian state internally, protecting the core and building buffer space around it has proven to be a lasting geopolitical imperative for the Kremlin.

Russia's location also has a significant impact on the country's identity. Because of its lack of natural barriers from within, its expansion has taken both a European and Asian direction. Geographically, Russia is both a European country and an Asian country. Culturally and politically, Russia has traces of influence and traditions from both continents but is neither completely European nor Asian. This marks a key facet of the paradox of the Russian identity.

Another factor shaping Russia's complex identity is its tremendous ethnic diversity. Russia's history as an imperial power has spread Russian culture and sent its people outward, but it has also absorbed many cultures and ethnic groups in the process, including Tatars, Chechens, Ukrainians and Armenians. As a result, it has developed an extreme ethnic and cultural diversity, with over 150 ethnic groups living in the country. Indeed, the small region of Dagestan in the North Caucasus alone has more than two dozen ethnic groups that speak more than 40 languages (Bullough 2010). To be sure, ethnic Russians are by far the largest ethnic group in the country, making up about 77 percent of the population as of the latest official census, taken in 2010. But the minority populations in Russia are growing, just as the ethnic Russian population is decreasing.

Another key factor is religion. The adoption of the Eastern Orthodox church by Kievan Rus in 988 served to distinguish the nascent Russian state from the Catholic states of Europe over the course of the next millennium. Russia's expansion into the Caucasus, Central Asia, and Siberia also brought other cultural traditions and religions into the Russian domain, most notably Islam. Russia thus absorbed a substantial minority of Muslims numbering in the millions, many of whom are concentrated in the volatile North Caucasus region, but with other concentrations in the Volga regions of Tatarstan and Bashkortostan. Russia is thus a multi-ethnic and multi-religious country.

The contours of the identity that has emerged in Russia is one that can be called Eurasianism. For the purposes of this chapter, the term "Eurasianism" has many meanings and layers to it, and it has both internal and external applications. Eurasianism is above all a geopolitical concept; one that carries components of both political ideology and foreign policy strategy.

### **Eurasianism as a Political Ideology**

The key political attribute of Eurasianism, distinguishing Russia from Europe, is the pursuit of collective stability over individual liberty (Byron 1933). Russia's chaotic experiment with democracy and capitalism in the 1990s proved to most Russians that Western-style structures were not appropriate or effective within Russia. The political culture that has emerged in Russia is one that is different from and incompatible with the liberal, democratic values of the West. Indeed, the support and proliferation of pro-democracy and human rights movements by the U.S. and EU is seen by Moscow as subversive attempts by the West to weaken Russia (Stuermer 2008).

Internally, Russia is run as a centralized state. A strong leader is crucial to holding together a state that would splinter apart without decisive leadership. In essence, the Russian president is the modern-day Tsar. This has its roots not only in Russia's political history, but also in its religious history. Russia built the "foundations of its culture on the ruthless subordination of man to a higher power, the supernatural..." (Kapuscinski 1992). This is a feature shared by Orthodoxy and Islam, but one that stands in contrast to the individualist West.

However, despite its propensity towards centralization of power, Russia is not run as a stifling dictatorship on par with a country like North Korea or even the Central Asian states. Russia is politically complex, allowing certain freedoms but suppressing others – with the regime of Vladimir Putin described by Robert Kaplan (2012) as practicing "low-dose authoritarianism." Russia's political system is carefully managed by the state. In the Putin era, this has taken the form of a dominant ruling party in the form of United Russia, with participation from the so-called systemic opposition parties, including the Communists and LDPR. There is little tolerance for true opposition parties or figures like Alexei Navalny, but demonstrations are selectively allowed, and if the government comes under enough pressure, it will at times even concede to certain demands.

In terms of official political ideology in the Putin era, it is clear that Communist/Soviet ideology is no longer viable and there are no longer global ambitions of spreading revolution. Instead, Russian nationalism has come to replace the universalist ideology of the Soviet Union. However, the state has controlled nationalist tendencies carefully, as it must

incorporate not only ethnic Russians but also the country's many minorities into this nationalism. Putin knows that Orthodox Slavs are not the only face of Russia, and he risks alienating the large and growing minorities in pursuing a strongly nationalist line, thus undermining the very stability that he has sought to reinstate in the new Russia. The same goes for religious support, as the Kremlin must reconcile Orthodoxy with Islam.

As such, Russian nationalism is key in promoting the greatness of Russia itself, not ethnic Russians. The strength of the Russian state and its ability to overcome external challenges and pressures, particularly from the West, is a key aspect of the Russian identity pursued by the Kremlin. Thus, the political ideology within the new Russia is one of pragmatism and supporting the Russian state against its enemies, whether real or perceived.

## **Eurasianism as a Foreign Policy Strategy**

A key factor shaping Russia's identity is the lands immediately surrounding it – its near abroad. Otherwise known as the former Soviet periphery, this is what Russia deems as its sphere of influence or privileged interests. Ultimately, what has remained constant throughout Russian history and continues until today is Russia's need to maintain its position as a regional power. For Moscow, it is important to maintain that crucial buffer space around its core. Thus, the former Soviet republics must be kept in Russia's fold – not necessarily officially, but certainly in a de facto manner.

It is no coincidence that the countries most closely aligned with Russia are in the Eurasian Economic Union and its military counterpart, the Collective Security Treaty Organization (CSTO), the two primary integration blocs to have emerged in the Putin era. These states have numerous features in common with Russia in terms of their internal Eurasian-ness: strong leaders, state-dominated economies, and an emphasis on stability over democracy. They also share strong suspicions of the West and its pro-democracy/human rights advocacy efforts.

Ideally for Russia, every state in the former Soviet Union would be part of the Eurasian Union. But this is not so. There are states – Azerbaijan, Uzbekistan, and Turkmenistan – that have chosen to remain neutral. There are other states, including the Baltic countries, and more recently Ukraine, that have sought a pro-Western path, and EuroMaidan has only solidified this divide for the Kremlin. There are others still that are autonomous or breakaway territories of countries (Transnistria, Abkhazia, South Ossetia, Donetsk, and Luhansk) and straddle these lines, and it is no coincidence that these pro-Russian statelets are located within pro-Western or neutral states in the periphery. Russia's goal is to make sure that each of the countries in the former Soviet periphery is aligned with Moscow or is at the very least neutral, and failing this, Russia will aim to undermine their pro-Western governments and their Western integration efforts.

Eurasianism as a foreign policy concept is not limited to the immediate states of Eurasia. It also extends outward to those countries that are also opposed to liberal values and/or Western interventionism. This can include countries within Europe that have illiberal tendencies, such as Hungary, whose government Russia works to support in order to undermine EU unity. This also includes China, Syria, and countries as far away as Venezuela and Cuba. The common thread is that Russia seeks to cooperate with countries seeking to

challenge the U.S.-led world order, or at the very least stoke divisions within U.S.-allied blocs like NATO and the EU.

## **Putin's Popularity**

Since he has come into power, Putin has maintained a high degree of popularity among the public. Why is Putin so popular? In large part, it is because Putin represents stability. He promotes his agenda against the standard of the chaos of the 1990s – in which a strong leader is needed to offset the instability of democracy, and economic protectionism is needed to counter the ambitions of the oligarch class and predatory Western firms. According to this view, democracy can lead to political chaos, while capitalism can lead to tremendous imbalances. If protests get serious, he promotes political restrictions and crackdowns as necessary for preserving political stability and preventing the rise of a Western-backed fifth column in the country. The West, and especially the U.S., is an effective enemy to rally against for Putin, who can point to Western countries and companies seeking to exploit Russian weakness.

The new Russia under Putin emerged from the ashes of the Soviet system and the decade of crisis that resulted from the USSR's collapse. This is a Russia that has pivoted back to its centralized state, but no longer with a Soviet ideology. Russia is a country that is distinct from the West and Europe, but it is also not quite part of Asia and the East. Modern Russia is heir to many of the fundamental traditions of the Russian Empire and Soviet Union in certain ways, but it is also unique in many others. These factors form the contours of the identity of the new Russia, rooted in history, but adjusted to the modern world.

## **PART 5 - LOOKING AHEAD**

With a Eurasian identity having emerged and evolved in Russia over the course of the past two decades of the Putin era, the question thus becomes: Where is Russia going? After all, Putin won't be in power forever, and the Russian identity has proven to be a living, breathing organism prone to changes and shifts with the prevailing geopolitical conditions. What, then, can be expected of Russia and the Russian identity in the future?

First, there is the question of Putin's succession. Putin is currently in his fourth term as president, which is set to expire in 2024. Putin's transfer of the presidential office to Medvedev in 2008 proved that the Russian leader would stick to the letter of the law and was not intent on holding the presidency indefinitely, even if that meant ruling from a different position. This can change in the future, of course, and Putin could choose to change the constitution to stay in power as president. But recent history and the political system developed over the course of the Putin-era point to someone else taking over the presidency at the end of Putin's term or soon thereafter.

Given the centralized system of power in Russia, the next leader will surely leave his or her mark on the country. But the next Russian president will also be shaped by the deeper geopolitical foundations and imperatives that have influenced each of the country's leaders. Regardless of who succeeds Putin, there will be several challenges that the next leader of the

Kremlin will have to contend with in the coming years and that are certain to factor into Russia's evolving identity.

First is Russia's demographic outlook. According to UN estimates, Russia's population is projected to decline from the current 143 million to 129 million by 2050; a loss of nearly 10 percent. This comes as many of Russia's competitors and nearby regional powers – including the U.S., China, Turkey, and Iran – will see double digit increases in population over that time frame. This will factor into Russia's ability to compete with countries like the U.S. and China in a direct sense, creating negative pressures on Russia's ability to maintain its economic size and military strength.

This will also impact the competition over influence in the former Soviet periphery, as Russia's declining population will weaken its ability to project power relative to those of competing powers. Thus, Russia could begin to act more aggressively in the former Soviet periphery in order to stave off the creeping influence of countries like Turkey, Iran, and China. But the population projections indicate that Russia will ultimately be at a disadvantage down the line.

The population within Russia will also see important shifts. While ethnic Russians currently make up nearly 80 percent of the country, this is shifting as the ethnic Russian population decreases and the Muslim population increases. The ethnic Russian population will decline at a faster rate on account of low birth-rates (1.3 children per woman) compared to their Muslim counterparts within Russia, who are having 2.3 children per woman.

This decline in the Slavic population of Russia is likely to lead to increased migration from the Caucasus and Central Asian states, which will also see a significant increase in population. Kazakhstan, Uzbekistan and Turkmenistan are each projected to grow by over 20 percent in population by 2050, while Kyrgyzstan will grow by nearly 40 percent and Tajikistan is projected to grow by almost 70 percent. These expansions in population, combined with Russia's growing need for labor, are likely to shift the demographic swing within Russia even further. Thus, Russia's population is likely to become progressively less Slavic/Orthodox and more Asian/Muslim, which will only further increase the scope and intensity of Russia's Eurasian identity. The question is whether the Russian state will embrace this evolution or try to stem it or act against it, and the answer to this question will determine Russia's ability to survive and thrive as an increasingly multinational state with an increasingly diverse and dynamic society.

## **The Next (Post-Soviet) Generation**

In addition to the demographic changes, a significant generational change is already underway in Russia that Moscow will increasingly have to contend with in the future. This generational change applies to a population that is transitioning from people born during the Soviet era to people born after the fall of the Soviet Union. Even today, the median age in Russia is just under 40 years old, meaning that most people within the country spent less than half their lives in the Soviet Union. In a matter of 10 to 20 years, most people in the country, including the leadership of Russia itself, will have little or no Soviet experience.

As this post-Soviet generation comes of age and enters positions of power in the political and economic spheres, it will certainly shape the way Russia behaves internally. The outlook and expectations of the younger generations are different from those of the older, Soviet-era

generations, as the popularity of opposition leader Alexei Navalny and recent youth-led protests have shown. Having come of age during a relatively stable period – the Putin-era – this generation is not as intently focused on stability-above-all-else as Putin and his generation are. Instead, they are focused on issues such as improving socioeconomic conditions and tackling corruption at all government levels.

This new generation will therefore test the political/economic model built by Putin over the past two decades. Their facility with technology – the internet and social media – will also make them a greater force to be reckoned with. Protests in Russia are thus likely to be more common and more widespread, and it will be more difficult for the government to address them merely by means of security crackdowns. Thus, a more fluid relationship between the state and society is likely to take shape, albeit under uniquely Russian – as opposed to Western – cultural norms and conditions.

This generational shift will not be limited to Russia. The other former Soviet republics are also facing this shift, which will bring cultural changes that challenge Moscow's ability to wield influence in its near abroad. This includes the declining use of the Russian language as a lingua franca within the former Soviet republics, with native languages and foreign languages like English increasingly likely to displace the use of Russian in these countries as a mode of communication. For example, UN and national data sets have shown that the use of Russian as the primary language has already dropped in Ukraine from nearly 34 percent of the population in 1994 to just over 24 percent in 2016. In Kazakhstan, the use of Russian as a primary language dropped from around 34 percent of the population to roughly 21 percent over the same time period, while in Georgia it declined from 6.4 percent to just over 1 percent.

To be sure, these numbers are imprecise and do not capture the whole picture, as Russian is still known and understood by more people than these percentages suggest, even if it is not used as their first/preferred language in these countries. And even though older, Soviet-era generations are more likely to know Russian than younger generations, Russian is still used by young people in many Eurasian countries, particularly those that are geopolitically aligned with Moscow, such as Belarus and Kyrgyzstan, and even in those that are not, like Ukraine. But it is beyond dispute that the use and prevalence of Russian is decreasing among the younger, post-Soviet generation of Eurasia, and in the future this will have an impact on Russia's ability to project power and influence in these states.

## **Foreign Policy Evolution**

In recent years, Russia has shifted away from the West as a result of the prolonged Moscow/West standoff and has become closer to China. However, this shift is not guaranteed to last forever. China's own rise and its overlapping spheres of influence with Russia in areas like Central Asia, the Russian Far East, and the Arctic will likely limit the extent of the Russia-China partnership. This could pave the way for a rapprochement between Russia and the U.S. in the future, especially since China is likely to emerge as a more serious economic and military competitor for the U.S. down the line. Russia's maneuvering between the U.S.-led West on the one hand and the China-led East on the other will only further solidify the Eurasian aspect of Russia's identity.

From an economic standpoint, technology will also be a key determinant of Russia's future economic position. Russia lags behind the West and China in this field, and could face a brain drain as educated and capable Russians flock to these places. Russia has traditionally been able to project power and influence disproportionate to its economy. However, demographic disadvantages and continued dependence on natural resources like oil and natural gas will make it increasingly difficult for Russia to face off against these heavy-hitting economies.

Thus, Russia's position as a major power is likely to be challenged in the coming years. While Putin put Russia back on the world stage over the course of the past two decades, maintaining this position will become increasingly difficult for whoever succeeds him. This is not to say that Russia will face the same chaos and instability that it did during the 1990s, and Moscow is likely to remain a regional power in the Eurasian space for quite some time. But Russia is likely to turn more inward to address the growing challenges of Eurasianism within its own borders as Moscow braces for the next, post-Putin era.

## CONCLUSION

Russia's identity in the Putin era is one that has been shaped by numerous factors, from its post-Soviet political evolution to the deeper geopolitical forces shaping the Russian state. The past two decades have tested Russia and brought many challenges for Putin and the Kremlin. The Russia that has emerged within this era is a strongly centralized state and multicultural country that stands in contrast to the West and its value system.

Russia is at once part of and distinct from both Europe and Asia, giving it a unique Eurasian identity. This is an identity that is fluid and will be shaped by looming demographic and generational changes in the country, as well as by growing foreign policy challenges that await Russia in the post-Putin era. Russia's ability to manage and overcome these changes and challenges will have a significant impact on the evolution of its identity in the years to come.

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*Chapter 2*

# **INTERNATIONAL ECONOMIC SANCTIONS AGAINST RUSSIA: ADAPTIVE STRATEGY, GLOBAL DYNAMICS AND GEOPOLITICAL OBJECTIVES**

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## **ABSTRACT**

This chapter provides a brief history of economic development in Russia, with particular stress on the international sanctions and their influence on the economic conditions of the country, the population and industry over the past thirty years. The author makes a comparative analysis of the economic situation during this time horizon and explains the differences between the role played by the global environment and the macroeconomic conditions in Russia itself. In this chapter Russia is seen as part of global economic community, a member of economic groupings such as the BRICS and the Eurasian Economic Union. The author draws a line between the economic policies of the early Russian government in the 1990s and the contemporary Administration. The author concludes by outlining some measures and strategies for Russia to attain economic stability and future development strategies.

**Keywords:** Russia, the BRICS, international economic sanctions

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## INTRODUCTION

The modern period of Russian history is determined by various economic, social and political factors. There have been ups and downs since the early 1990s, since the collapse of the Soviet Union. Russia returned to the path to reasserting itself as great power in June 1999, when its troops were sent to Kosovo. This was an unprecedented event, and no one in the West had expected such a bold action on the part of a weak state and the Yeltsin government. Although Kosovo sits much deeper and closer to the centre of Europe than the Crimea, the 1999 Russian military action did not provoke any international sanctions. On New Year's Eve of 2000 Yeltsin resigned as President of Russia, and Vladimir Putin was appointed acting President.

Internationally, the period of late 20<sup>th</sup> and early 21<sup>st</sup> centuries was very turbulent both economically and politically. In 1995–1998 a series of economic and financial crises hit a number of big countries in the Americas, Europe and Asia, or simply across the greater part of the globe. A harsh crisis hit Mexico, South-East Asian countries such as South Korea and Thailand; Argentina suffered much; Russia was badly hit by a series of financial and economic crises (Dorrucci'and McKay 2011). The United States met the new millennium with a dot-com bust and terrorist attacks on World Trade Center and Pentagon. Basically, terrorism and financial crises have become a constant threat to many countries of the world. In 1998 Russia declared default. And in 1999 Russia started regularly experiencing terrorist attacks as well (Gourinchas and Obstfeld 2012).

## METHODS

The competitiveness of the Russian economy can be explained by means of the mechanism of a liberal world price building. Here we will also try to use this general model to describe the impact of the international sanctions on the Russian economy. Major products that Russia exports include raw materials or product A, for short. According to the liberal concept of world trade (free trade concept), the world price, in this particular case product A's world price is determined through a classical mechanism of interaction between the supply of and demand for goods and services at the global level.

Basic categories of this model include the consumer surplus of Alfred Marshall. Generally, the greater the consumer surplus is, the bigger is the well-being of a country's population; total revenue is the value for which the products were sold on the market at an equilibrium price; excessive or dissatisfied demand is the total of consumers who are not able to purchase the given product at an equilibrium price. These are the people who cannot become participants in that market; excessive supply can be expressed as unemployed production capacity of the companies operating on the market. This production capacity can satisfy the demand of a greater number of people, but the companies are unable to do this not only due to the inability to produce, but also because the population of the producing country is too small to consume the manufactured products.

In this chapter our purpose is to understand the specifics of the Russian economy; to study the barriers which may be put in place preventing Russia from becoming a great economy; to analyze the industrial base of Russia, its international companies being a driving

force of the Russian economy abroad; and we will also try to answer the question of whether Russia will indeed become an economic superpower by the mid-21<sup>st</sup> century, as Goldman Sachs predicted back in 2003.

## **RUSSIA'S ECONOMIC POTENTIAL IN THE WORLD**

In 2001 Jim O'Neill of Goldman Sachs published an article, saying that there is something very wrong about the world in general and the world economy in particular. Therefore, he concluded, the world needs better bricks to be put into its foundation. These BRICs included Russia. Economists in Russia enthusiastically welcomed the prognosis made by Goldman Sachs in 2003, when they said that by 2050 the BRICs would outperform the G7 in terms of GDP (Galvão 2010).

Goldman Sachs classified Russia as one of a group of countries that are able to take a strong position among the G7 for a number of reasons.

First, Russia has significant raw material potential, especially in energy.

Secondly, in the world economy as a whole there is an increasing demand for energy on part of countries such as China and India, which leads to rising world energy prices and stimulates economic growth in Russia.

Thirdly, when the current Russian government came to power, there was a positive change in economic policies pursued compared to the 1990s.

According to some estimates, Russian resource potential is twice as large as that of the U.S. If we make an assumption that the U.S., in conditions of full employment and total manufacturing capacity utilisation, produces GDP equal to almost 18 billion dollars, then if Russia reaches its production potential frontier, it will have created GDP double that of the U.S., that is, 36 billion dollars. Currently Russian GDP amounts to a little over 1.5 trillion dollars. This means that its economy finds itself very deep beyond the transformation curve. For this reason, it does not produce potential GDP. Making a hypothesis that way and taking into consideration the GDP which Russia could potentially produce, its economy must grow at a rate of more than 10% annually within the next three decades in order to achieve the projected GDP by at least 2050.

Apart from its wealth of natural resources, Russia has a number of factors which may ensure economic growth in the country.

First is the labour factor. Russia is classified among nations with the most qualified work force.

Secondly, Russia is a transit country. It finds itself between the world's largest producers and exporters of goods and services, i.e., between the European Union and China.

Thirdly, thanks to geographic proximity to the European Union, Russia is a well-positioned country to offshore and outsource. In terms of time zones, Russia lies closer to Europe than any of the other BRICS.

The fourth factor is infrastructure. Despite a high degree of obsolescence of transport network, the telecommunication industry in Russia is developing very rapidly. This, in fact, creates the prerequisites for transnationalisation of the information system within the borders of the CIS and Eastern Europe.

The fifth factor is legislation. Taking into consideration general transformation facilitated by the Russian government, the law in this country on the whole is quite adequate for concluding successful business deals and facilitating investments in the high technology sector, including effective intellectual property rights. According to a survey by Baker&McKenzie, an international legal advisor, the quality of the judicial system in Russia has improved significantly since the 1990s, especially in the major industrial and business centres of the country.

It can be assumed that the leading growth factor facilitating a rise in the Russian GDP is the increase in world energy prices, which is confirmed by the analysis of the GDP dynamics in this country and world oil prices.

## **NON-STOP CRISES IN RUSSIA**

Following the classical business cycle, we can conclude that in the period between 1989 and 2018 there were at least six major stages in the cyclical development of Russia. The first is the period between 1990 and 1993, which can be called a crisis. Then comes the 1994–1997 period of depression. Recession occurred in 1998. Then there was a recovery from 1999 till 2006. In 2007, the economy started to boom. However, this boom was short-lived, and in 2008, when the world financial crisis began, Russia lost more than 10% of GDP in one year (Jordà, Schularick and Taylor 2011). The rouble devalued against the leading currencies of the world (Arner and Taylor 2009). There was financial panic, because – in anticipation of a new default like the one of 1998 – people rushed to buy dollars and euros, which of course had a detrimental effect on the economy.

By 2010 the economy again recovered marginally, but then international sanctions began. The rouble again devalued. However, it must be stressed that, this time, the general population reacted much more mildly than in 1998 (Reinhart and Rogoff 2011). This can be explained by a rise in patriotic sentiments during the Winter Olympic Games of 2014 in Sochi and the news about the Crimea becoming part of the country.

Taking into account the whole Russian business cycle within the past several decades, it is now clear that if the country's GDP amounted to 100% in 2006, and in 2007 100.9%, then the economy had started to grow since the previous year. And because the business cycle theory says that economic growth is only possible at this stage, it means that 2007 was the first year of economic growth in Russia since the 1990s. Since that time Russia started to show signs of sustainable growth.

One of the major causes of Russia's lagging behind post-industrial nations in its economic development lies in the revolutionary transition from capitalism to socialism and from socialism to capitalism again. The other reason is the inability of the ruling class to stick to sustainable leadership. Russia and its economy are heavily dependent upon the consistency of government policies, and any change in political direction can have drastic consequences. When the time comes for Vladimir Putin to retire, something unexpected may happen. Looking back at the history of Russia, a strong central government is always followed by a weak one. This happens due to the Russian mentality. People in Russia get used to things very quickly. Also, a strong government and centralized power in Russia tend to expel real leaders who could lead the country after the retirement of a strong and powerful leader. There

are of course some very talented people among the newcomers to Russian politics, but they are indecisive and unable to take important and strategic decisions because they are used to being told to do things and obeying. Left on their own, they will try first to collectively rule the government of Russia. This collective leadership is very dangerous for the country. Russia is a country of authority and power, and when these are not respected by the public, the government collapses. These new prospective leaders, being equals, will start to fight for dominance and will end up removing rivals until one of them comes out as the winner. Actually, this natural and human law was first described by Plato more than two thousand years ago and was later taken up by Machiavelli. So, our prognosis is that when Putin retires, the 'king's men' will come to power and rule collectively. They will tear apart the budget, the territory and everything which had been so scrupulously accumulated during Putin's term as president. Russia may again lose the Crimea and other geopolitically important areas. These weak leaders will destabilise the finances and the armed forces of the country, and in the end, they will nullify all acquisitions made by Putin. And the people's efforts to struggle out of the economic crisis caused by the international sanctions will have been in vain.

The efforts to transform the government for the good of the people in Russia usually end in economic, political and social disaster. For example, attempts to transform the economy of the Soviet Union and introduce elements of market relations were made in the 1920s, under the new economic policy of the Lenin's Administration. Similar attempts were made again during the thaw of the mid-1950s, and at the end of the 1980s. This was the time when Mikhail Gorbachev started a full-fledged liberalisation of the plan economy in the mid-1980s. His policy was expressed in increasing transparency in politics, openness in the mass media and guaranteed security of free entrepreneurship, as well as the establishment of private property. Glasnost and Perestroika may have been good things for the country. But what do people do after the long winter? They change their clothes. They want liberty. And this will result in anarchy. This was actually what happened by the early 1990s. Perestroika was aimed at increasing the stagnant economy's growth rates and labour efficiency. However, the results of perestroika included high inflation rates for goods and services, due to lack of competition in the marketplace and stubbornly sluggish economic growth.

Seeing that the economic policies of perestroika did not produce the expected results, a group of reformers headed by Boris Yeltsin started their activities. It was shortly before the collapse of the Soviet Union in late August 1991. Yeltsin's radical democrats, together with the party of Communists for Democracy, won the election to the Supreme Council of the Russian Soviet Federal Socialist Republic in March 1990. The Supreme Council was then the *ad hoc* legislative authority in the country. And the new government developed a 500-day programme to transform a seventy-year-old monopoly state into a market economy. The plan included things such as liberalisation, which required free price building, the creation of the free capital market and openness of the domestic market to foreign competition in order to liquidate the deficit of goods and services (Chinn and Ito 2006). This was followed by the institutional development aimed at adopting new economic legislation and the establishment of a central bank and other credit and monetary institutions. Then the privatisation started, and its purpose and mission were to transfer government or state-owned property into private ownership. Finally, the stabilisation policy was introduced, which essentially meant a consolidation of state finances as well as a reduction in inflation rates.

Together with the introduction of liberal price building in 1992, the government and central bank pursued lax fiscal and easy money policies. This was done to stimulate

investments. However, due to the domestic market being overwhelmingly monopolistic or oligopolistic, galloping inflation began and, in combination with the easy monetary policy, precipitated hyperinflation. The market was dominated by a few single enterprises that represented entire industries. Because of increasingly precipitating macroeconomic instability and credit system overheating, the central bank (Bank of Russia) sharply raised benchmark rates, which put an end to investment and general business activity, which sent manufacturing went into a recession. In contrast to the previous year, the country's GDP went down by 12.6% in 1994. Manufacturing, in turn, dropped even further, by 20.9% on a year-on-year basis. And unemployment went as high as 7.5%. The downturn in manufacturing and production activity, as well as in the profits of enterprises, caused lower tax revenues, resulting in growing government debt.

To create efficient, effective and competitive enterprises in the domestic marketplace, the Committee on Privatisation, under management of Anatoly Tchubais, began its operations. The Committee concentrated on distributing privatisation cheques or vouchers to the general public. The vouchers the people got should have been exchanged later for a share in the state-owned enterprises. However, later it turned out that the majority stakes of the enterprises accumulated in the hands of a few directors general of very big manufacturing facilities. These people were later called oligarchs and became the owners of huge financial resources. These oligarchs established integrated business groups which, by the end of the 1990s, became the foundation of Russian transnational corporations. These groups were mainly holdings.

As a result of the privatisation of state-owned enterprises in 1993, 70% of all small-sized businesses became private entities. And before the end of 1994, 80% of all big companies became joint-stock companies. The privatisation period in Russia can be called the epoch of preliminary accumulation of capital. It was also a period of property transformation. However, the privatisation did not produce the expected results, because it helped accumulate financial resources thanks to liberalisation of capital flows. This led directly to huge withdrawals of capital from the country. The consequence of all this was that private or privatised companies that were supposed to be the foundation of the competitive corporate class of efficient entrepreneurs in the home market were left to themselves and could not compete with their foreign counterparts, who invaded the new market and saturated it with more competitive products. The lack of competitive domestic enterprises is still a problem in the Russian economy. The government started to take decisive steps to solve the problem only after the international sanctions had been imposed on Russia in 2014–2015. The government applied import substitution strategy. It gave a new start to private businesses, for the sanctions restricted highly competitive imports to Russia. But it was a bit too late, because this strategy should have been introduced in the early 1990s. Besides, as Latin American experience shows, import substitution is a short-term strategy to try to develop the economy at the primary stage of modernisation. In the long term this strategy becomes a road to nowhere (Rousseau and Wachtel 2011). A further pursuance of this strategy in Russia will lead to the deficit of economic activity and stagnation. So, it may become a factor for a deeper economic crisis like the one that the country experienced in the mid-1990s, with high inflation, big government debt, budget deficit and high unemployment.

The economic history of Russia indicates that in 1994–1997 the economic crisis worsened and turned into a deep depression characterised by a significant reduction in GDP and the standard of living of the general public. The continued tightening of monetary policy pursued

by the Bank of Russia to stabilise the economy and keep inflation rates as low as possible compared to the 1990s resulted in attracting hot money into the country's banking system and in increasing government debt. The federal government, unable to service the accumulated foreign debt, defaulted on it in August 1998. By this time, the economy of Russia had hit bottom and the lowest point in business cycle. This meant a double or even triple dip recession – the worst since the end of World War Two. In 1998 the country's GDP was brought down to 55.8% of 1989 GDP. The manufacturing capacity of the country amounted to 40.9% of the respective figure for 1990. In 1999 the total manufacturing capacity of the country continued to fall. For example, light industry manufacturing capacity dropped by 12%, manufacturing by 33%, and foods industry by 49%.

The default of 1998 led to the rouble's devaluation and to a fall in foreign products' price competitiveness in the domestic marketplace. This situation became an incentive for Russian enterprises, due to weakened competition from foreign rivals, and helped Russian exports. At the same time world energy prices started to rise. Increasing windfall profits from oil and gas exports began generating an influx of free cash into the country, and this capital was invested in the development of the national economy (Yunus 2009). From the start of the international sanctions in 2014–2015, the government probably hoped for a repeat of how things developed in 1998. However, the modernisation process, from which there were high expectations initially, did not prove sustainable. And the economy is trying to find its way out of the current economic crisis very slowly.

In both the late 1990s and the mid-2010s, the official statistics showed a reduction in working capital to current assets ratio from 3.6 in 1992 to 1.8 in 2000. And by 2006 it still did not reach the 1992 figure, which amounted to just 3.3. The working capital asset amortisation ratio dropped from 1.6 in 1992 to 1.0 in 2009.

In terms of the world economic and financial crisis of 2008–2010 the advanced countries of the world and the rapidly developing countries did their utmost to introduce innovations that would lay the foundation for recovery. Russia continued to depend upon oil exports. This was done at the time when the advanced countries started to go over to the third industrial revolution. The new economy emerged, and we are now into the fourth industrial revolution, founded on biotechnology, nanotechnology and information and telecommunications technology. These technologies are going to become the determining drivers of global economic development in the first half of the 21<sup>st</sup> century. The major industries of this revolution in science, technology and innovation will be electronics, aviation, aerospace, nuclear, machine tool industry, education and telecommunications. Nano-, bio- and information and telecommunications technologies are to transform the whole of manufacturing, simultaneously increasing labour productivity and reducing resource-intensive patterns of industrial power in the majority of industries. Economic growth of these industries on the global scale is expected to reach 35% annually. Their contribution to world GDP is estimated at 2%.

One of the major reasons behind Russia's being slow compared to the advanced countries is that several industrial patterns simultaneously constitute the base of the economy. The majority of Russian industries find themselves in the third industrial stage, which is founded upon electric power, vehicle and steel manufacturing, and the fourth industrial stage, which is based on building gasoline and diesel engines and the production of oil and the chemical sector. The origins of the fifth industrial stage in the national economy of Russia can only be found in the aerospace industry and nuclear power.

The world financial crisis of 2008–2010 became more damaging for the Russian economy than for a number of industries in advanced and emerging economies such as Australia, Canada, China and India (Chorev and Babb 2009). For example, steel production in the world as a whole dropped by 25%. In Russia this figure went down by 40%. Russia's production of cement dropped by 33%. Russian car production decreased by 79.7%, bus production by 83.3%, truck production by 74.4% and tractors by 91.1%, whereas, for example, in China, according to the Chinese Association of Carmakers, average monthly car sales exceeded 1.1 million (Cohen 2012).

Despite the fact that the Anti-cyclical government programme included more government involvement in the economic life of the country, instead of a significant increase in state investment in the economic development of the country on a new technological foundation, fixed capital investment actually dropped by some 7.8%–12.4%. Instead of stimulating the production of competitive goods by Russian enterprises, the main stress in the anti-crisis policies was on maintaining the banking system by means of providing liquid assets in the amount of 12%–15% of the country's GDP. To support the real sector of the economy, the government supplied 0.5% of GDP. For Britain the figure would be 54% of the GDP, for France 89%, and for China 100%. The difference is that in China commercial banks are refinanced by means of the programme of public works, modernisation and development of the manufacturing and agricultural enterprises. Furthermore, in spite of the government's aims to provide loans to the real sector of the economy via the banking system, manufacturing and agriculture did not receive the allocated funds, because the banks used the financial resources to buy foreign currency on the domestic money market, driving the rouble-to-U.S. dollar exchange rates to new highs (Johnson 2013).

Under these circumstances both Goldman Sachs prognosis and the Concept of long-term social and economic development until 2020 ("Strategy 2020") are impossible to accomplish. The Concept presupposes a significant increase in labour productivity (from three- to five-fold), the doubling of the GDP and driving gross national income per capita up to an average of 30 thousand dollars. Before the introduction of the international sanctions, this might have looked more realistic, but now it is completely impossible. The Concept failed to achieve the first priority, i.e., to reach the goal of transforming the Russian economy on a new technological basis, because the sanctions put an end to this. The Concept also contained a plan for the economy to leapfrog to a new industrial era in the period between 2012 and 2020. This plan failed too.

During the last thirty years the Russian economy has suffered from high inflation, i.e., high CPI growth. Although the rampant inflation of the early 1990s is a thing of the past, constantly rising prices have become an inherent element of the country's economic development. As was said above the current level of inflation, which is considered mild by many politicians, is due to a drop in purchasing power of the rouble. So, even this relatively low rate of inflation may become a dangerous economic problem for the country, because according to the economic theory, inflation redistributes national income in favour of the wealthy. CPI growth adversely affects the least prosperous people.

Economic theory says there are at least five main reasons for CPI growth, including an increase in money circulation, national currency devaluation, increasing self-cost of goods and services, improved quality of products, and a rise in the demand for goods and services when they are not abundant in a particular marketplace.



According to the Russian ministry of finance, the country has a very low money in circulation-to-GDP ratio. This means that the economic actors do not have enough money to increase the demand for goods and services; i.e., they do not create the situation of overheating prices in the domestic marketplace (Zaring 2010). During the 2014–2018 sanctions period, the Russian central bank experimented with interest rates, driving them up or down, as well as with floating foreign exchange rates, changes in money in circulation and open market operations. This policy only partly helped stabilise the national monetary system. The failure of the central bank's monetary policy can be seen in the rouble devaluation and the general population's loss of the purchasing power parity.

Since in 2000–2008 the rouble strengthened against the US dollar and the euro, inflation in this period could not be justified by its devaluation. However, inflation could be justified in the period of 2015–2018 due to the sharp drop in its value (Woods 2010). At first it really looked this way. Prices indeed skyrocketed, especially in the early stage of the international sanctions. Then prices stabilised, and the CPI in Russia went to the lowest point on record in the country's modern history. But unlike the 2008 crisis and rouble devaluation, this time consumer sentiments were really low. The majority of the population were hit by a severe loss of purchasing power.

So, even assuming that during the recovery of the national economy systemically important enterprises have begun to produce more competitive products and continually increased the quality of those goods, the decrease in inflation rates can be explained more by sluggish competition than anything else, for during the sanctions many foreign companies exited the Russian market.

One other important reason for a rise in inflation rates in Russia is the increase in world commodity prices. However, the Russian economy, as stated above, finds itself under conditions of partial manufacturing capacity utilisation, and resources are abundant here. According to the Keynesian theory, the growth in self-costs of the goods in the economy starts when the latter reaches the production possibility frontier, i.e., all resources are employed in the economy, and there is no way to get them. This is true for a closed economy. Russia is not a closed economy, but in this particular case, during the period of the international sanctions, the country was closed to the rest of the world.

So, failing to identify the real causes of inflation or deflation in Russia, it is necessary to understand that internal prices are largely determined in the country by oil companies focusing on world energy prices. This means that what most impacts prices in Russia is that they are formed on the basis of the liberal price-building model in the world marketplace. And Russia is obliged to observe the rules, for it is a member state of the World Trade Organization.

One more cause of inflation in Russia can be explained by a specific monetary policy of the central bank. The general idea of this policy is as follows.

Right at the start of modern history, when inflation was really damaging, the Bank of Russia pursued monetary tightening. However, this policy did not produce successful results, since up until 2018 Russia experienced, if not hyperinflation, at least rampant inflation. The tight monetary policy led to severe consequences for the corporate sector. The corporations started to take loans abroad, for example at the Japanese banks that provide credits at a rate close to zero compared to 20%–30% annually in Russia. This resulted in the rising corporate foreign debt of Russia, which currently runs at about half a trillion U.S. dollars.

Maturing loans of the foreign banks and the economic crisis abroad forced the Russian companies to pay back those loans. Besides, the foreign banks demanded the loans back even before maturity due to their being on the brink of collapse themselves. So, they needed the liquidity badly. On the other hand, many Russian companies could also go bankrupt. This can be explained by the fact that the overwhelming share of foreign corporate debt belonged to Russian energy companies. And they, in turn, were hit by the collapse in world oil prices in the first place in 2015–2016.

Also, there are heavily progressive taxes on oil exports in Russia. This tax varies according to the level of the world oil price. With the world oil price close to the self-cost of producing a barrel of crude Urals of between 35 and 37 U.S. dollars a barrel, the Russian oil giants pay normal corporate tax, which is 20%. If the world oil price starts to exceed that price range, the government takes 90% of the revenue above that price as taxes. For example, given the world oil price of 135–137 US dollars a barrel, the companies will have to pay 90 US dollars from the sale of each barrel of oil abroad in taxes. These heavy taxes are the basis of the budget revenue of the Russian government. In the case of sanctions and their influence on Russia, this point is certainly the most important one. All of this proves the negative side of the sanctions, including the rouble devaluation and hence its loss of purchasing power and the loss of consumer confidence. But all other things being equal, since Russia is selling oil abroad for dollars, the budget revenue is not affected at all, possibly even benefitting, for if before the sanctions the government had received only 30–35 roubles for each dollar earned, now it gets almost 70 roubles for each dollar exchanged. Thus, the government has now almost twice as much money in rouble terms as before to pay wages, build factories, roads, support national defense, improve education and health care. This is due to the fact that the average wage in the country remains almost at the pre-sanction level, and in some regions, people have to support themselves on even lower incomes.

The Bank of Russia keeps changing the rate of refinancing from time to time, while at the same time it would like to see the rouble exchange rate continue its competitive devaluation downslide, which surely gives the country a competitive advantage over the countries unable to devalue their currencies, like Greece. In this way sanctions are a factor of increasing liquidity in the hands of the Russian government.

In case of economic crisis, according to the Keynesian macroeconomic concept, the central bank should pursue lax monetary policy or a sort of quantitative easing like the U.S. Fed did during the world financial crisis (Wade 2008). Low interest rates are set in order to stimulate economic activity and give incentives to the corporate sector of the economy. This also helps prevent domestic companies from borrowing too much abroad. In this particular case the Russian corporations will stop increasing their foreign debt, and thus will be able to better service their external foreign obligations. In the end, the real sector and not favourable world oil prices, is to become the basis of the country's future growth.

## **IS RUSSIA IS A DEVELOPED OR DEVELOPING COUNTRY?**

In the early 1990s Russia became a member of the G8, which is the club of the most developed nations on earth. The international sanctions of 2015 against Russia included its exiting the Group. Basically, this does not mean that Russia suddenly lost its status as a

developed country, for it is impossible for a nation to lose such a quality suddenly and unexpectedly. However, in the early 1990s the country was hard hit by a series of economic and political crises, and the standard of living diminished year after year until the end of the 20th century. So, what led one to believe that Russia was an advanced economy? It sounds ironic, but being a developing economy is not necessarily a bad thing, for such a country is treated differently and cannot be forced to take on the responsibilities of an advanced country. It is expensive for a nation to be advanced. But the fact is that Russia was an advanced country. Perhaps when they included it in the G8, they had in mind things like Russia's wide- and far-reaching network of roads and railways and good infrastructure in general; other elements of communications infrastructure such as maritime ports, airports, pipelines, telephone connections, electricity lines, and internet and mobile communications networks. Russia also has a highly educated labour force and human resources of rare qualifications. Some Russian pedagogical systems are the best in the world. For example, Russia provides the best musical education in the world. Russia has a very rich cultural heritage, including world famous art galleries, museums, libraries and video/audio archives, theatres and opera houses, ballet, concert halls, conservatories, cinemas, monuments, as well as a large number of symphonic orchestras and choirs. Russia has huge potential in natural resources and all necessary factors of production to ensure normal functioning of the manufacturing and various industries. Russia has an advanced space program. And last but not least, Russia possesses a full arsenal of nuclear weapons, which is the basis of national security and high degree of national defence.

If Belarus is a developing nation, then Russia is certainly not, for the former does not have all the above resources that the latter has. Of course, we may take other examples, because Turkey is also a developing economy, and it is certainly much more developed than Belarus. However, it must be said that Turkey also lacks many of the Russian assets listed in the previous paragraph. Well, the debate may go further and deeper, for everything in this world is relative and should be studied in comparison. Still, the truth is that, having all those things, Russia is a half-developed and a half-developing nation, which can be explained by the problems, including poor national infrastructure. Although it is extensive, this infrastructure is to a large degree run down and/or obsolete. According to various estimates, Russian working capital, machinery, machine tools, etc. are at least 60% obsolete and are breathing their last. Russia is a great industrial power but only 20 to 30 percent of its total manufacturing capacity is fully utilised. Russia is a great nuclear power, but its nuclear weapons and nuclear power stations are very old and need to be replaced by new and modern ones. This is being done, in part, but what is being done is certainly not enough for a nation such as this, because ageing nuclear facilities pose both a domestic and global threat. Russia takes advantage of extensive resource extraction and the export of the minerals abroad. This may be a good business deal, because oil and gas and other resources are sometimes very valuable and bring windfall profits. Russia's oil and gas industry is systemically important to the country's economy and keeps pumping money into the country's budget and national projects. However, oil and gas are not renewable, and world prices are not stable. This causes the dependence of Russia and its economy on the situation in the world marketplace, because world prices fluctuate continuously, and if high prices bring prosperity, low prices hit the economy and the population. Russia is a country of good and very qualified scientists, but a large part of this intellectual resource emigrated in the early 1990s, seeking better opportunities and remuneration.

Russia has world-class universities and other educational institutions, but the quality and the quantity of professors is diminishing year after year due to lack of money and motivation for young scientists. So, young people do not usually choose professions in the pedagogical and scientific fields. Instead they pursue MBAs and PhDs, but they do so to avoid serving in the army or to secure a higher salary in the business sector.

Russian heritage is among the richest in the world, but lack of financing is causing destruction, erosion and complete loss of old architecture and other objects of cultural significance.

The Russian space industry – scaled back significantly since the Soviet era – is not a serious competitor to NASA or European agencies.

Drug and alcohol abuse are at high levels, and the number of Russians living below the poverty line, which is again not a characteristic of an advanced economy (Obradović, Babović and Vukovich 2016).

The poverty line is usually determined considering two major indicators. One is the physical standard of living and the other is the social standard of living. The physical standard of living is a number of goods and services a human being needs in order to subsist. This is an absolute minimum of products to consume. If someone does not have the money to be able to purchase those products, he or she is highly vulnerable. The social standard of living is the amount of goods and services a human being consumes on a regular basis to remain a human being and to socialise. So, it is quite understandable that many goods and services are not included in the list of things people purchase to maintain the social standard of living – for example, tourism, visiting theatres or cinemas, etc.

In order for a government to maintain that its country is wealthier than it truly is, it publishes the physical standard of living. This is exactly the case in Russia. After the sanctions hit the Russian people in 2015, GDP per capita in dollar terms almost halved in the course of the following couple of years. Since Russia imports many goods that are not manufactured domestically, a drop in GDP per capita directly led to a reduction in consumption. By the summer of 2018 the Russian rouble had lost more than half its purchasing power parity. And since the people in Russia get paid in roubles, they are now able to buy only half of the goods and services they could buy before the sanctions, because wages do not increase very much and sometimes, usually during economic crises, drop significantly. It is difficult to estimate the number of people who are really living below the poverty line as measured by the social standard of living, but according to some estimates the share of the Russian population who do not satisfy their needs in socialisation is 75%–80% (Kozyreva and Blagodeteleva 2017).

So, this actually means that the number of consumers who can fully satisfy their needs in terms of the social package of goods and services narrows down to 20%–25% of the total population. This group of consumers lives in large urban centers, mainly those with a population of over one million, because these cities maintain the potential for employment at plants and enterprises. However, the bulk of this group of customers has to work continuously to meet their needs and those of their families and children. With prices getting ever higher and with wages stagnant, they have to work more intensively and for longer hours. Thus, due to a whole series of complicated economic and social issues, it is clear that a better life in Russia is enjoyed by a very limited number of people, including the children of wealthy parents, unemployed spouses when there is a rich provider of capital in the family,

government officials who, at the expense of the taxpayer, enjoy high salaries, and wealthy retirees or elderly people who have rich children.

Consequently, the percentage of people in Russia who are able to purchase all necessary goods and services amounts to 4%–5% of the total population (Fedorov 2014). However, in case of a deepening economic crisis in Russia, businesses may lose more customers with solid purchasing power either partly or wholly depending on the degree of the influence of the sanctions on the national economy, which reduces the prospects of development of not only general industries, but even industries that are traditionally competitive among the manufacturing branches, i.e., oil and gas.

Among the most serious consequences of the international sanctions – particularly damaging for the Russia's economy and people – has been the drastic change in foreign exchange rates. The foreign exchange rate is the cost of one currency which is expressed in another currency's exchange rate at purchasing power parity. To calculate foreign exchange rates of various foreign currencies at purchasing power parity, the notion of the consumer basket is used. The consumer basket includes a set of goods and services a person needs for everyday life. So, purchasing power parity is calculated as the relevant ratio of one consumer basket value to another. For example, in 2014 the rouble-to-U.S. dollar exchange rate was approximately 33 roubles per American dollar. According to the purchasing power parity theory, this means that to buy a consumer basket worth 100 dollars in New York, you needed 3,300 roubles. To do the same in 2018, you would require 6,800 roubles. Making simple calculations, you may say that the purchasing power of the Russian rouble more than halved since the start of the international sanctions. Although it must be said that the theory of the purchasing power parity is relevant in the long run, in the short run foreign exchange rates fluctuate under the influence of a number of factors, such as increasing demand for a national currency, which leads to an increase in its rate relative to a foreign one. To equalise the foreign exchange rate of a national currency in case of depreciation, a country's central bank should pursue foreign exchange intervention, i.e., it decreases the amount of the national currency in circulation and increases the amount of the foreign one in the foreign exchange market (this is the essence of the exchange rate policy of a given country). Moreover, to stabilise the foreign exchange rate of the national currency in case of its appreciation, the central bank does exactly the opposite: It expands the money supply and decreases the amount of the foreign exchange in the market. Increasing imports into the country lead to a drop in its currency's exchange rate, too. Finally, increasing exports strengthen the national currency.

Keeping the exchange rate at a certain level is very important, for a more expensive national currency unit of account causes a reduction in exports, and foreign customers purchase fewer products of this country.

As a result of decreasing the U.S. dollar-to-euro exchange rate, American products conquer both the national and European markets.

This mechanism shows that the higher the exchange rate of a national currency relative to a foreign one, the fewer products can be sold by the exporting nation in a country whose currency became cheaper. The fall in the foreign exchange rate of the exporting nation's currency stimulates sales of its products in the marketplace of the country whose currency got more expensive.

Applying this mechanism to our case, we may conclude that a fall in a national currency's foreign exchange rate leads to a drop in the consumption of foreign goods in the

marketplace of the country whose currency became cheaper, whereas a rise in the exchange rate strengthens the purchasing power of the currency.

## **THE RESOURCE CURSE OF RUSSIA**

There are countries in the world with a few industries that contribute greatly to their GDPs. Russia is one of these countries. Analysing foreign currency inflows into Russia from the sales of oil and gas abroad, the following trend can be identified: the major source of the GDP is that of developing or emerging nations that are very rich in natural resources, which give them a constant cash flow in the form of a foreign currency, usually a reserve currency such as the U.S. dollar or the euro. In these countries, Russia included, there is too strong a disproportion towards the extracting industries in the structure of the economy. Such a situation may have a negative impact on the economy of these countries in case of a drop in the demand for oil and gas and related products due to a world financial crisis when many people living in resource-intensive economies do not have enough disposable income to consume these products in bulk, and when they start economising on everything. Then a general decrease in aggregate demand for oil and gas and related products of a certain emerging country, such as Russia, will result in a significant drop in corporate profits. Companies will make many workers redundant. They will also reduce the scope and scale of their business and manufacturing activities, and many of the enterprises will go bankrupt. Then the unemployed will not be able to consume the products of other industries, which will cause a drop in profits and manufacturing capacity. As a result, such a national economy will be hit by an economic crisis – depression or recession, depending on the degree of decrease in the amount of aggregate supply and aggregate demand. This particular situation is called the Dutch Syndrome.

Going back to the 1960s, Dutch oil companies, first of all Royal Dutch/Shell, discovered oil fields in the North Sea. The oil companies started to actively extract the oil. In the 1970s world oil prices went increasingly higher. This was an incentive for the oil producers in Holland to increase oil production to get high profits. The contribution of the oil industry and refineries to Holland's GDP went up significantly, and the energy industry started to generate the overwhelming share of foreign exchange revenues. The other industries in the Holland's economy experienced deficit of financing and could not greatly contribute to the country's GDP.

Russia actually experienced a similar situation. In the late 1950s and early 1960s, Soviet geologists found oil and gas in Siberia. And this resulted in consequences similar to those experienced in the Netherlands.

A first increase in oil prices in the 1970s came in 1973 when the Yom Kippur War made the international cartel of oil exporting countries (or OPEC) declare the embargo on oil exports to the countries of the West. The conflict resulted in a tripling or even quadrupling of crude oil prices. Such an action was partly due to the U.S. refusal in 1971 to exchange the dollar at a fixed rate of 35 dollars to an ounce of gold. This was the end of the Bretton Woods fixed exchange rates regime, which was adopted in 1944 at a conference in New Hampshire. In the aftermath of the situation, high revenues coming from oil exports allowed the OPEC countries get back some of their gold holdings, which they had sold to the U.S. Fed before the

abolishment of the fixed exchange rate of the dollar to gold. Soaring oil prices caused an increase in inflation in the majority of advanced nations, in particular Western Europe and Japan. There, inflation went as high as 13% in 1974 alone, and remained high over the whole decade, ranging from 7%--12% annually. A second wave of oil shocks came in 1979, due to the war in the Middle East and the Soviet invasion in Afghanistan. On the whole, within the period from 1973 to 1979, there were at least eighteen oil shocks.

The two great waves of oil shocks of 1973-1975 and 1979-1980 led to deep economic crises in the advanced countries of the West and in Japan. The oil-exporting nations prospered and accumulated huge sums of petrodollars. However, the trend continued well into the early 1990s, when there was a big drop in world oil prices. The countries rich in oil did not expect such a disaster. It came as a shock to Russia as well. For Russia, this sudden drop exacerbated the tense political, social and economic environment, and the whole industrial infrastructure collapsed.

Among the reasons for the drop in oil prices, the following can be named in particular. First off all, the demand for oil decreased as a result of an economic crisis in the advanced countries, which was caused by the crash of the American stock market in 1990 and the world financial crisis precipitated by a sharp increase in the scope and scale of financial and foreign exchange machinations in the top international financial centres, including London, New York, Paris, Tokyo, Singapore.

Secondly, ongoing growth of the production costs in manufacturing in advanced nations took place due to soaring energy prices and high interest and inflation rates.

As a result of a sharp drop in energy prices, the economies of the Netherlands and Russia, in particular, stopped receiving as much reserve currency as they had in the 1970s and 1980s from exporting oil and gas.

In order for an economy to avoid such a disaster, no single industry should dominate in the structure of the industries, contributing a decisive share to GDP. Instead, a high degree of diversification should be pursued. For example, the share of the oil industry in the U.S. is not more than 2%, despite the fact that the U.S. is one of most energy-intensive nations on earth. The oil industry in Russia produces more than 30% of the country's exports. In the case of Russia, this means that the economy is not as diversified as the U.S. economy. It should also be taken into account that Russian GDP is not as large as that of the U.S. And the 2% of the oil industry in U.S. GDP is sufficient for a country with a population of more than 300 million people. The case of the Russian economy is closer to the situation of the Netherlands in the 1990s, when oil prices went down and the economy was hit hard by the slowdown. This means that Russia is also sick. And the disease is called the Dutch Syndrome.

A study of the national economies hit by the syndrome led to the creation of the theory of resource (or oil) curse. This theory maintains that there are at least fifty economies in the world, including Russia, Nigeria, that are rich in natural resources but lag behind the nations that are poor in minerals. Dmitri Mendeleev, the great Russian chemist and author of many books – on economics as well as chemistry – wrote in one of his treatises that extracting raw materials means refusing cream and making use of milk only, because raw materials are often not consumed as such, and their transportation, processing and post-manufacturing require efforts that are no less significant than the mining itself. The highest profits in all respects fall to industries that manufacture goods and do not mine. Cheap extraction of raw materials does not help the development of market relations and diversification of the economy. There are no innovations and initiatives on part of the government. Conversely, lower world oil prices and

the problem of budget deficits would have been a better incentive for the Russian government to pursue a more effective economic policy and create better conditions for economic growth in all industries of the country, rather than waiting until world oil prices get higher or gold and foreign exchange reserves accumulate.

## **THE LIBERAL MODEL OF RUSSIA'S DEVELOPMENT**

The liberal model of world price-building assumes that the international trade in product A, for example, is done by countries that are rich in the resources necessary to produce the product at the cheapest price, and the consumers who are ready to buy it at the equilibrium world price. In a simplified model, there are two countries, and one of them is Russia. The choice of the other depends on the competitiveness of both in producing the same product. A further assumption of the model is that Russia had been more competitive than a second country, for example England, in producing product A before the international sanctions were imposed.

Let us further assume that in the pre-sanction period it was costlier to produce product A in England than in Russia. This is due to the fact that it is much costlier to produce good A in England because England does not possess the necessary resources in the abundance that Russia does. However, in England there is a group of consumers willing to buy product A, but they are unable to because they do not have enough money. In this case the liberal model says that the British consumers are at a disadvantage. Besides, there is a significant share of the population in England who cannot afford product A at an internal or national equilibrium price, which means the British economy has a deficit situation.

In contrast, in the pre-sanctions economy of Russia, the production of good A was more price competitive because this country has the required resources in abundance, and there were a great number of effective international producers. The demand for product A is quite satisfied in this country or -- also possible -- the manufacturing capacity is not fully employed. This means that there is an excessive supply of product A on the Russian national market. Moreover, before the sanctions, the consumer surplus in Russia was greater than in the sanction period.

Based on a series of assumptions of the liberal model, Russia is ready to deliver product A onto the world market, and England is willing to purchase it at the world price.

Product A's world price is set in the international marketplace as a result of interaction between excessive or dissatisfied demand for product A on the part of England, and Russia's excessive supply. In theory, these two curves are projected on the chart of the international market of product A by means of a parallel transfer used in geometry. The curves of excessive demand for and supply of product A intersect at a point that shows the level of product A's world price. However, as can be understood, at this world price, Russia exports and Britain imports the quantity of product A that does not correspond to the quantity accumulated by the foreign market. This means that the curves of England's dissatisfied demand and Russian excessive supply change their elasticity in the international market for product A. So, they transform into the curves of product A's world demand and supply, which intersect at the point that simultaneously reflects both the quantity demanded or produced and the world price. Hypothetically, this quantity, which is at the same time



Russia's exports to Britain and Britain's imports from Russia, amounts to 40 units of product mass, for example.

The sale of the imported product A in Britain leads to a number of results, including a fall in the domestic (or national) price of product A in Britain, which descends to the level of the world price (from 3 to  $5/3$  money units of account, or MUA for short). Then the consumer surplus increases from 10 to  $490/9$  MUN. And on the whole, the well-being of Britain's consumers rises.

On the other hand, the export operations of Russia result in the following consequences for the economy: the internal (or domestic) price of product A goes up from 1 to  $5/3$  MUA. Next the consumer surplus drops from 40 to  $160/9$  MUA. And on the whole, the situation for the Russian national economy is quite precarious, especially for consumers.

It seems that the liberal model of world price building shows that international trade in product A brings profits to the importing country (England) and damage to the exporting nation (Russia). However, this assumption has been made without taking into account one of the most important basic economic categories that was mentioned at the beginning of the analysis and that is intrinsic to the model. And this category is total revenue. Making use of this notion, we can see that the imports of product A into Britain go hand in hand not only with the reduction in the internal price, but also a sharp drop in total revenue (from 60 to  $100/9$  MUA). Total revenue is the basis for calculating profits or returns received by the nation's corporations. As is well known, profits may be used to create new jobs, cover innovation costs and accelerate the rate of manufacturing. And we further know that when profits fall, entrepreneurs reduce the scale of production capacity utilisation and lay off workers. Thus, if you take a whole set of British industries where such a drop in expected profits occurs, the country's GDP is going to drop, economic growth slows, and unemployment increases. As a result of all this, England's economy is hit by the economic crisis.

In contrast, Russian exports of products A, in their turn, bring not only an increase in the internal production of good A, but also a rise in total revenue for the country's corporations (from 40 to  $1000/9$  MUA). Entrepreneurs' profits increase. These profits are used to invest in expanding manufacturing capacity and creation of new jobs. So, if the majority of Russian industries find themselves in the same situation, the nation's GDP rises, the number of unemployed drops, and the economy as a whole prospers. For example, the exporting capacity of Russia in the pre-sanction period significantly bolstered economic development. High oil prices led to great gold and foreign exchange reserve accumulation. In fact, Russia was called one of the most promising countries in the world. However, since the international sanctions began pressing harder and harder on the Russian economy, and oil prices dropped, imports became much more expensive for Russian consumers. In the end, the more the country is dependent on something as shaky as oil prices, the lower the potential of its economic security.

It must be stated that the national security of a given country is comprised of two basic elements: military security and economic security. Military security is determined by the quantity and quality of its armed forces and weapons, as well as by its nuclear arsenal and other weapons of mass destruction.

The country's economic security, on the other hand, can be understood as the sum or collection of national systemically important producers who create goods and services that can compete both domestically and globally. It is quite understandable, then, that if the

economy of a given country is developing at a high pace of economic growth, the government may allocate some of the revenues received as taxes for corporate activities and operations that strengthen the nation's military might and improve national defense and anti-terrorist systems. However, when the economy stagnates and is not developing, its military power gradually diminishes due to the armaments' obsolescence.

Thus, a determining and a fundamental base of national security for Russia must be an efficiently and effectively working and diversified economy comprised of a great number of highly competitive industries and corporations. Military security itself cannot be primary in relation to economic security, because the products of military manufacturing are not directly consumed on the national market, and military corporations operate using state funds at the expense of the taxpayers who are not directly involved in arms production. The military might of Russia will gradually diminish due to the absence of highly competitive national manufacturers in diverse industries.

Therefore, to avert the conquest of the national market by foreign companies, the government should pursue economic policy directed at defending national producers.

## CONCLUSION

To help Russia rise to a new industrial level, a more solid national strategy must be put in place. This strategy requires the modernisation and diversification of the Russian economy and its transition to an innovative path. This has to be done under conditions of the economic crisis and international sanctions, and not after they have been overcome. However, the strategy may fail, which can be explained by the fact that cheap credit cannot be provided to the real sector of the economy at lower rates, due to the central bank's fear of inflation.

Despite Russia's having a highly qualified labour force, the economy is unable to maintain a competitive position in the contemporary world economy due to decreasing budgetary assistance to education. This is happening at a time when, to go over to a new and higher industrial level of development, Russia needs as many professionals in nano-technologies as possible.

Finally, the inflation rate and foreign exchange rate should be kept at a sustainable level, because this is vital to attracting foreign investors.

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### *Chapter 3*

## STRUCTURES OF RIVALRY AND LESSONS OF HISTORY

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### ABSTRACT

This chapter looks upon modern scientific discourse devoted to the “new cold war.” The critical attitude to this concept is based on the analysis of the experience of the classical Cold War, its origins, content, and stages. The phenomenon of the Cold War and the post-bipolar period of history are placed within a broader framework of transitional periods (periods of “grand destabilization”) from one model of international relations to another. The author explores the possible variants of new structures of rivalry between Russia and the West, starting from hard confrontation to mild forms of competition. The changing role of atomic weapons is highlighted among the key factors influencing the processes. It is demonstrated that the most acceptable strategy for international security and development is constructive polycentricity, based on the principle of intertwining competition and cooperation. Special attention is paid to the issue of the foreign political identity of the European Union and the arguments in favor of its strategic partnership with Russia.

**Keywords:** new cold war, confrontation structures, nuclear weapons, great destabilization, geopolitics, constructive polycentrism, globalization

Starting from the first decade of this century, the probability of a “new cold war” has been widely discussed in Russian and foreign media, the expert community, academic circles, and has continued with renewed force in connection with the events in Ukraine. Recourse to the lessons of the history of the classic Cold War of 1940s-1980s is more relevant than ever before (Kremenjuk 2015; Gromyko 2016; Maksimych 2014; Urnov 2014; Utkin 2005; Sogrin 2015, 36–52 and 2016, 19–43). The points of view vary from the denial of the fact that

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the Cold War has ever ended to the rejection of the very possibility of conducting such a war at the present historical stage (Rogov 2016, 354–384; Lucas 2015).

If we agree that we are dealing not with an illusory, but a real phenomenon called “Cold War 2.0,” then it is necessary to accept the assumption that its participants have developed (or are developing) appropriate strategies designed for many years to come. If we consider that attempts to repeat history usually end up in farce, even then it is worth contemplating to what extent the desire to rewind back the Cold War back can lead to harmful consequences.

The actualization of the history of the Cold War is not connected only with the current events in the relations between Russia and the West. The magic of numbers does matter in history. 2016 was the 70<sup>th</sup> anniversary of W. Churchill’s speech at Fulton. The date was preceded by the dramatic anniversaries of the two examples of the use of nuclear weapons in Hiroshima and Nagasaki in August 1945. In 2017, historians recalled the message of H. Truman to the U.S. Congress, devoted to the confrontation with the Soviet Union in Turkey and Greece. The focus of attention was also on the centenary of the Russian Revolution. In 2018 specialists recalled the lessons of the 1948 Berlin Crisis, which was followed by the creation of NATO, the Warsaw Pact and the final institutionalization of the Cold War.

## **ETERNAL FRIENDS AND ETERNAL ENEMIES**

Whatever the starting points of the Cold War were, it is important to indicate that, unlike hot wars, neither its beginning nor its end was instantaneous. Even in hot wars, the time of their launch and their completion is often a bone of contention. For example, there are various and well-argued views on what year the Second World War started. The fact that the launch of confrontation of all kinds is a process, a chain of events, is important for understanding what is happening today. Any process unfolds in time and has its own objective and subjective sides, intermediate stages, interchanges and points of no return. This implies that there is no inevitability in the history of complex behavioral systems.

It took several years and a series of crises in the middle of the 20<sup>th</sup> century to create the structures of a long-term confrontation, which was labelled the “Cold War.” Now as well, the resumption of the Cold War in one form or another would need a whole set of causes and consequences, which in general represent a process stretched in time. This means that there are many possibilities within its framework; unknowns and variables that exclude any predetermination. In other words, there are chances both for the opponents of the new round of confrontation, and for the adherents of the “new cold war.” It may take several more years before it becomes clear which side took the upper hand. And it is obvious that both will exert efforts to tip the scales of history in their favor.

Deliberating on the danger of a new round of the Cold War, it is important neither to exaggerate, nor to belittle the current risks. It is clear that the world, as often in the past, is experiencing a period of grand destabilization, and international relations are in transition, moving from one model to another. History moves at different speeds and, moreover, it is characterized by a cyclical nature. One of the main incentives for progress is competition and the search for and use of the competitive advantages. Unfortunately, wars have frequently been the embodiment of competition in the history of mankind, simultaneously serving as a vehicle for technological progress. Atomic energy and rocket technologies, which made space

programs possible, and the internet are only a few examples of what we call a dual-use product. At the same time, two world wars showed that the option of sorting out relations with the help of brute force had exhausted itself, at least among major states. Due to technical progress, the price of this kind of rivalry has become unacceptable.

Even before the invention of the atomic bomb, it was getting clear that humankind would unlikely survive a third world war, due to the advanced destructive power of modern conventional means of warfare available by the end of the World War II. The nuclear bomb became not so much a game changer in calculations about inadmissibility of a global war, as an additional proof that it should not be allowed to repeat itself. As for nuclear weapons, the ultimate understanding of the unacceptable price of their use was embedded in the minds of politicians and the military on both sides of the barricade after the Caribbean crisis and the consequent establishment of strategic parity between the USSR and the United States.

Nevertheless, the exclusion of nuclear weapons from the arsenal of offensive weaponry and its use only as a deterrent factor did not stop further development in the structure of rivalry between the great powers. Competition, as an engine of progress beyond the ideological bipolar confrontation, began to take new forms. The events after the breakup of the Soviet Union demonstrated that the “end of history” was an idealistic and, moreover, harmful concept. The reliance on the intention to establish total domination of a single model of development has never justified itself. From this point of view, the idea of a “clash of civilizations,” no matter how controversial it may be, reinstated the fruitful thesis about the uneven development of the world (in other words, about the rise and the fall of great powers). The subsequent discussion about polycentricity became the embodiment of the desire to describe the dynamics of the new balance of forces taking shape in the world arena at the start of the twenty-first century.

The lessons of the Cold War as a specific form of international conflict are momentous in discussions about these processes (Kremenjuk 2015, 22). Whatever model of new structural competition (in the hard or soft version) is awaiting Russia and the West, it is necessary to maintain the basic principle, forged in 1940s–1980s, of rivalry as a combination of competition and cooperation. This balancing act can even include some elements of strategic collaboration, towards which, for the first time after World War II, both sides are being pushed by extraordinary threats, primarily by international terrorism.

The conflict between Russia and the West is part of the “grand destabilization” that has engulfed virtually all regions of the world. Certain fragments of the Yalta-Potsdam system are still in place – for instance, the United Nations – along with the fragments of the unipolar world over which the polycentric floors are now erected. Historically, such transitions have always been accompanied by bursts of violence and confrontation. However, this does not mean that the outcome of such destabilization should be the strengthening of the hostility strategy aimed at suppressing the competitor and designed to last for decades. It is much more rational to search for compromises and mechanisms of interaction that, without canceling competition, would not call into question the core national interests of the parties. History took this path after the Peace of Westphalia, the Congress of Vienna, the Caribbean crisis.

It is erroneous to equate the structures of competition with those of confrontation. The deceptive argument of acolytes of a “new cold war” is a reference to eternal contradictions among great powers, in particular between Russia in its various historical embodiments and Western countries (the collective West). In such an interpretation, the complex history of interstate relations reduces to one option: confrontation, although the latter is only one of the

forms of competition that does not exclude the possibility of cooperation, joint crisis management and even partnership in certain areas.<sup>1</sup>

Linear reasoning about eternal enemies and friends leads into logical traps and oversimplifies history. In the recent past, the USSR and China saw themselves as strategic adversaries (irrevocably, as it seemed after the fight for the Damansky Island in 1969). However, at the previous stage of their relations, the communist character of the two political systems had been regarded as a guarantee of eternal friendship. History has shown that such “axioms” are misleading. Speaking about the strategic cooperation between Moscow and Beijing, it is necessary to remember how unlikely this scenario seemed 30 years ago. For a long time, France and Germany, Germany and Poland, Japan and (South) Korea, and many other pairs of countries were considered sworn enemies. In the past, the United States and British Empire were at war with each other.

This discourse has another commonplace interpretation: Russia allegedly has only two friends – the Army and the Navy.<sup>2</sup> But in modern times it is obvious that if a country, apart from its armed forces, lacks allies, partners or at least fair-weather friends, its foreign policy should be recognized as a failure. Hard power will continue to play an important role in the twenty-first century, but it is only one ingredient of success. What is more, the long-standing tradition of Russian diplomacy has been to work systematically to build up partnerships and stable relations with various countries in the near and far abroad.

There is undoubtedly a grain of truth in the reasoning about the determinants of history. Eventually, the difference between the variable and the determinant lies in the concept of the duration of the time interval to which these notions apply. Indeed, there can emerge structures of confrontation that can endure not only during transitions from one model of international relations to another but beyond. For example, rivalry was dominant in the relations between Russia and Britain in the 19<sup>th</sup> century, in the 20<sup>th</sup> century, and now in the 21<sup>st</sup> century. The relations between Moscow and Washington also fall into this category, despite fundamental changes in the situation after the end of the Cold War.

The nature of such cases is twofold. Either the actors under consideration are major subjects of world politics with comparable resources, who develop their own geopolitical projects and global approaches, or, on the contrary, they are small countries whose relations with others is characterized by large asymmetry leading to a fear of domination from outside. The states of the first category tend to be located far from each other – for example, Russia and the United States, China and the U.S. The states of the second category often border each other (China and Vietnam, Russia and the Baltic countries, the United States and Cuba, etc.). The factor of geographical proximity in most cases makes the major players eventually find compromises and negotiate. France and Germany, Russia and China went along this way. Apparently, India and Pakistan, India and China are leaning towards this formula, while Iran and Saudi Arabia still embrace a confrontational mode in the struggle for regional leadership.

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1 The notion that, for Russia, the threat from the West (as well as vice versa) is taking on new forms, nourishing a kind of closed circle of hostility in relations between them, has shifted from public consciousness and mass culture of the Soviet period to the present time. For example, in the cinematograph, the endings of works, divided by epochs, are surprisingly similar in their message: the outstanding film “Ordinary Fascism” (1965) by M. Romm, and the feature film “White Tiger” (2012) by K. Shakhnazarov. In the first case, the bestial grin of fascism turns into the grin of an American infantryman; in the second, a member of a Soviet tank crew is preparing for a battle with the remaining threat from the West after May 9th, 1945 more carefully than before.

2 This dictum is attributed to the Russian emperor Alexander III (1845 – 1894).



History shows how much weight the factor of geographical location still has. Situated at a great distance from each other, the major players can afford themselves to be in a state of tough competition, even periodically of confrontation, especially if their economic relations are weak. But, starting from the second half of the 20<sup>th</sup> century, they can no longer afford to follow the course of complete exclusion or suppression of a major rival, especially in the military field. Nevertheless, the balance of tough competition will become no less characteristic of the 21<sup>st</sup> century than of previous centuries.

Globalization has introduced an important novelty in how the key actors behave towards each other. It has decreased their capacities but at the same time has offered additional potential for promoting their interests. On the one hand, due to globalization, a polycentric milieu emerged, in which resistance to domination is higher than ever, even in comparison with the bipolar world. In those days, it was possible, for example, to gradually strangle an opponent, even a superpower, by winning the race for the effectiveness of one's economic model (market versus plan, collectivism versus individualism). Now there are no superpowers in the former sense of the word. The ideological confrontation, which in the past artificially reduced the range of instruments of internal development, has become obsolete. Nowadays any country – with few exceptions (North Korea, failed states) – is free to experiment with different combinations of market, state, or mixed forms of ownership, socio-economic models, public administration in order to maximize its competitive advantages. At the same time, the demise of the world of superpowers and the emerging polycentricity do not cancel out the category of key states with a set of global attributes (members of the “Nuclear Club,” permanent members of the UN Security Council, etc.) that constitute the A-list of actors in the international sphere.

On the other hand, globalization is accompanied by new technologies, global communication opportunities, sophisticated means of influencing behavioral patterns with the help of social networks. These new instruments continue to feed the hopes of those, who believe that polycentrism can be reined in, thus preserving in international relations the phenomenon of superpower and unchallenged leadership. These hopes are illusory. Global governance follows the law of uneven development that reveals itself not so much in cross-country comparisons (on the contrary, polycentrism reveals the levels of development of rich and poor countries flattening out), as in the growth of social disparities within states and their regional associations. The example of the European Union is quite telling.

The relations between Washington and Beijing to a large extent represent a novelty, wherein states, while having extremely different socio-political systems, are deeply interconnected in the economic sphere. This type of relationship is the opposite of the pattern of the interaction between Moscow and Beijing, where general geopolitical interests dominate economic ones, at least at present. Current events demonstrate that the geopolitical dominant is clearly stronger than the economic benefits. For example, the regime of sanctions imposed on Russia is also to the detriment of its initiators.

It is possible that relations between Moscow and Beijing will continue to strengthen as economic interdependence – in addition to coinciding strategic interests – increases. In contrast, the economic relationship between China and the United States, against the background of growing geopolitical contradictions, will not be sufficient to prevent further complications in their relations. This is, by the way, the reason for Washington's antipathy to the idea of transforming the economic power of the European Union into political and military clout. If the EU becomes an autonomous player in the international arena and gains

its own geopolitical vision and strategy, then, for its leading members, the factor of the dense economic relations with the USA will cease to be the reason for automatic adjustment of the foreign policy of the West European capitals to Washington's decisions.

The EU's Global Strategy, adopted in June 2016, and the results of the NATO summits in Warsaw in 2016 and in Brussels in 2018 do not clarify the uncertainty as to whether the European Union's foreign policy will be able to free itself any time soon from the embrace of the Big Brother on the other side of the Pond. The strategy of Brussels continues to combine contradictory elements that, with the help of sophistry, are constantly presented as mutually complementary: the strategic autonomy of the European Union and the subordination of the military-industrial complexes of the EU member states to NATO.

## THE MOLDS OF RIVALRY

What is the underlying reason for the situation when the emergence of a new model of international relations does not cancel the previous pattern of open or latent competition between actors of world politics – for example, between Russia and the United States? Russia and Britain, China and the United States, etc.? The explanation based on the thesis of the “rise and fall of the great powers” does not work in this case, since it relates to the countries whose significant role in international affairs remains constant for several historical epochs.

Another explanation could be that as a state moves to the global level, its economic interests start to clash with the interests of another major player, and this situation cannot be managed otherwise than through the model of shifting rivalry and cooperation. But even this assumption does not explain the reasons for the confrontation between, for example, Russia and the United States, whose economic interests overlap to a limited extent, nor does it explain the pattern of relations between Washington and Beijing, whose economies, despite their considerable interweaving, increasingly compete with each other.

It is also unconvincing to explain the existence of durable structures of confrontation with ideological factors and the difference in political systems and values. For example, Russia has covered an impressive distance in its political and socio-economic development in a relatively short period of time after the collapse of the Soviet Union. But this fact has not reduced the pervasive distrust of the United States and its allies in Moscow. In contrast, the retention in China of the monopoly on power by the Communist party has not prevented the beneficial development of relations between Beijing and Washington, Beijing and the EU. Nor does it suffice to explain the contention between India and China or India and Pakistan with value differences. Conversely, the European Union and the majority of member states of the Council of Europe, and the United States view each other as allies, despite divergence on a number of fundamental values, including capital punishment, levels of social violence, social inequality, racial tensions, etc.

What, then, best explains the long existence of the molds of rivalry? In our view, it is the difference of visions and strategies, geopolitical projects. Big ideas, national concepts of development that inspire peoples at different periods of history are conducive to such projects; for example: the American dream, American exceptionalism, Moscow – the Third Rome, the white man's burden, liberty-equality-fraternity, the American frontier, Orthodoxy-absolutism-nation, living space, Workers of the world, unite!, Silk Road, etc. Major strategies

were embodied in the economic miracle of the Asian dragons, and then of China, partly in the West European concept of Eurosphere. Not all Big ideas conflict with each other. But when an empire or a state is successful, and sub-regional and then regional scope becomes too narrow for it, then, rising to the global level of politics, it enters into interaction with other contenders. And then different scenarios are possible, depending on history, culture, resources, and territorial size of each actor (Kremenyuk 2015, 63–64).

There is an opinion that Big Ideas belong to the 20<sup>th</sup> century, and that nations should be preoccupied mainly with their citizens' well-being and security, rather than with regional or global ambitions. Of course, for most national projects this task is obvious. But it concerns the tools, not the goals. For major powers, the real dilemma is different: either to integrate into geopolitical projects of others, or to create one's own. It is misguided to pretend that the world's leading players do not seek to maximize their competitive advantages, even at the expense of their allies. For example, industrial espionage is a common phenomenon in the history of relations not only between the U.S. and China, but also between Japan and the U.S., West European countries and the United States.

After the Second World War, Japan, Germany, France, Britain and many other states integrated or were forced to integrate into the West global project, led by Washington. Today, almost all countries that have followed this path are developed states. But let us not forget that in all cases, without exception, they were forced down this path. Some countries were defeated in war, others lost their empires after the war and objectively could not further compete with the new centers of power. The political classes of the former European and Asian empires did their best to preserve their leading positions and would never have given them up if they had had any chance of preserving them.

A number of other countries, including Russia, China and India, for one reason or another were able to preserve and promote their own geopolitical projects. One might wonder why they do not follow Washington's allies in recognizing U.S. primacy. Is it the short-sightedness of their political elites, who comfort themselves with the illusions of past or future glory, or is it still about protecting national interests?

Let us imagine a simplified situation in which Russia or China decide to adopt the rules of the game, say, of the United States and the West. To be accepted into the club, Moscow or Beijing would have to join NATO and (in the case of Russia) the EU. But even if a lustration of their political classes happens, or the political regimes change voluntarily, their bid for membership will never be approved. Despite being one of the oldest members of NATO, Turkey has not been able to join the EU for decades, and it seems that it will not succeed. Not all U.S. allies are members of NATO; for example, Japan is not. To follow its example, a country should have limited armed forces, be a non-nuclear state, and host foreign military bases on its territory. Even if we ignore these and other obstacles and somehow miraculously Russia fulfills all the conditions for becoming a part of the West, the question arises of Russia's function in the further geopolitical arrangements and promotion of the economic interests of the West. As a part of the West, Russia will be at the flank of its growing competition with China; the same applies to China in relation to Russia, if it becomes an ally of the West.

This leads to the conclusion that a number of major international players have no other alternative but to strengthen their own positions as autonomous centers of power and influence. It is not about hostility towards someone, but about too much of a risk when

answering the questions of what price has to be paid for joining others' geopolitical projects, and what role is to be played in others' chess games.

Of course, the possession of strategic thinking is not a guarantee of success. Apart from the ability to generate ideas, an international player needs to have an ability to implement them. In addition, the implementation of a particular strategic project may fail or prove to be a mistake. Therefore, the necessary ingredient of a strategy is the ability to adapt and adjust to the changing conditions, including the ability to recognize one's own mistakes and draw lesson from the past. For Russia, in the coming years and decades, large-scale national projects will be the Arctic, Eurasian integration, economic modernization, space research and programs, international scientific projects, the Turn to the East. Successful implementation of the latter inevitably requires carrying out the grandiose task of developing Siberia and the Far East, thus creating conditions for stopping migration flows from eastern to western Russia. The idea of transferring the Russian capital to Siberia (in the form of transferring a number of functions of the capital to, for example, Novosibirsk) fits into the same paradigm. The revival of authority and active state support of fundamental science should be among such projects,

The United States, Russia and China are the three leading countries with global ambitions and the desire to implement them. The resources available for this are very different, but in terms of their potential, these players are in the same category. For example, these three countries are the world's leaders in cyber technologies, space exploration, military-industrial development. They occupy strong positions in world sports and possess rich cultural heritage. They have strong fundamental science and experienced diplomatic and intelligence services. These states, despite the differences in their political systems, are able to quickly concentrate resources to attain their objectives.

## THE ELUSIVE STRATEGY OF THE EUROPEAN UNION

The European Union also belongs to this category on several counts. However, for several decades it has become commonplace to say that the economic giant has not yet turned into a political heavyweight. It remains unclear whether the new Global Strategy will help it to gain its foreign policy objective (Shared Vision, Common Action... 2016). Some aspects of the strategy are in the way of a manual on tactics. For example, through inertia in recent years, the strategy continues to promote the policy of restraining Russia, with few opportunities for selective engagement.

Until the advent of the European project, it was empires and, later (or in parallel with them), national states that showed a propensity for regional or global strategies. But the success of the European Union has always depended on maintaining a balance between its supranational and interstate pillars. The creation of the United States of Europe as a multinational state or federation has never been the undisputed priority target of the national elites of the EU member states, especially after the waves of enlargement in the 1970s and 2000s. Its further development, pursuing the path of multi-speed integration based on the experience of recent years, is obvious, but the creation of a classical federation is hardly attainable, as has been convincingly demonstrated by Brexit.

The imperial option is another way for the EU to acquire political subjectivity. There is a great deal of political science literature devoted to the EU as an empire (Zielonka 2006;

Cianciara 2013). Interestingly, it belongs to the apologetic school of thought towards the EU. The problem is that, based on the experience of history, empires by their nature need to constantly expand in depth as well as in breadth. When they lose the ability to do so, or when expansion causes them to overstretch, the process of (self-)destruction begins. Do the phenomenon of EU “enlargement fatigue” and the failure of the “neighborhood policy” block the imperial option, even as a “neo-medieval empire”? Does this not manifest the exhaustion of the neo-imperial strategy?

The collapse of the EU project is unlikely. It is based not only on the ideological rationale of Robert Schuman’s declaration and on the imperatives of the preamble of the 1957 Treaty of Rome on the “ever closer union of European nations,” but also on the pragmatic interest in a single market and in the multiplier effect that member states get from integration. Their concerns about external challenges and threats, the intensity of which will only grow if they leave the Union, also play a significant role. The naivety of the supporters of Brexit is becoming more and more obvious. At the same time, Brexit might lead to consolidation of the remaining 27 members, rather than to a new push by centrifugal forces. However, this scenario, being favorable for Brussels, does not promote the idea of the EU as an autonomous geopolitical player. Moreover, subordination of many of the European capitals to the goals of U.S. foreign policy – against the background of huge political and material resources being diverted for solving internal problems – leaves little room for fresh Big ideas, although this does not mean they will never emerge (Gromyko and Nosov 2015).

Much will depend on the political will of the leaders and on the evolution of the party-political systems of the member states – primarily Paris, Berlin, Rome and, to some extent, the Visegrad Four. When it is recognized that it is futile for the EU to try to emulate a multinational state or to expand its “neo-empire,” then the idea of Greater Europe may find its second wind (Shmelev, Gromyko 2014, 689–695). It is the alternative to the intractable problems of the “EU-empire” or the “EU-state.” In this case, the entrenchment of European Union geopolitical power would take place due to strategic partnership with Russia. Certain steps along this path were already taken in the past. One of the necessary components of this project is the creation of the pan-European security system. Until this happens, the EU remains a factor in promoting confrontation with Russia, including the option of a “new cold war.”

## **DETERRENCE FACTORS AND NEW THREATS**

Let us again refer to the argument that Russia is doomed to permanent confrontation with the West. It should be noted that this thesis is dangerous not because it rightly takes into consideration the known cases of prolonged structural confrontation during the transition from one model of international relations to another, and not because it focuses attention on the rivalry between Russia and the United States, Britain, or some other country. The logical inconsistency is that it implies confrontation based upon hard power and hybrid warfare. Such a paradigm of thinking would minimize the opportunities for interaction and partnerships among major states in the 21<sup>st</sup> century.

The reduction of the zone of cooperation between Russia and the West on various international issues should not be recognized as acceptable under the pretext that “somebody

else's problem is not my problem." The matter is that most of the regional and global challenges threaten all sides and joint efforts are the imperative. Putting on blinkers of confrontation, the rivals ultimately weaken not only their competitors, but also themselves. The rise of international terrorism since the early 2000s, in parallel with the hardening of rivalry between regional and global players, is convincing proof of this.

Paradoxically, an argument in favor of the "new cold war" may be that it is a confrontation-managing mechanism, without which the stand-off could reach the level of the third world war. However, it was not the Cold War that prevented the new global conflict, but the creation of nuclear weapons in 1945, when the Cold War had not yet begun. This novelty made warfare an unacceptable way of resolving conflicts between nuclear powers. In other words, it was not so much the Cold War that helped prevent the use of nuclear weapons, as that nuclear weapons, among other things, did not allow the Cold War to heat up. The "new cold war" would only exacerbate the problems of controlling weapons of mass destruction (WMD) and the non-proliferation regime, since nothing in the foreseeable future points to the renunciation of the Bomb.

Due to the experience of the First and Second World Wars, France and Germany were able to break out of the vicious cycle of violence, paving the way to the success of West European integration. The atomic bomb and the strategic parity between the Soviet Union and the United States, established in the 1960s and 1970s, made war between them pointless. Entertaining the possibility of a new cold war effectively increases the potential for a third world war, as it increases, for example, the danger of a local conflict's escalating out of control. The danger of the latter is well known through the chain of events that initiated the First World War after the assassination of Archduke Franz Ferdinand in Sarajevo. Later, the Cuban crisis (1962) or the shooting down of the Russian military plane by a Turkish fighter (2015) became dangerous episodes in history. A BBC program demonstrated the not too fantastic possibility of the "new cold war" escalating into a nuclear conflict (BBC Two 2016). A "new cold war," in which most of the official members of the nuclear club would once again confront each other, would only complicate the retention of nuclear weapons exclusively in the containment paradigm, in addition to inflating, rather than reducing, the danger of military escalation caused by an uncontrolled chain of events, a technical malfunction or the human factor (Savel'ev 2015, 30–39; Arbatov 2015, 5–18). Thus, the danger of access to WMD by non-state actors or irresponsible states increases, along with progress in the miniaturization of military technologies and with the growth of threats of international terrorism. It is hard to estimate the risks relating to cybernetic technologies, which, should they fall into criminal hands, can multiply the chances of a nuclear war. In order to solve these existential problems, major powers must cooperate actively, and not be in a state of a "new cold war." However, to date they have not only failed to do this, but have often behaved irresponsibly. With respect to WMD, this refers to the attempts to dilute the principle of strategic parity, primarily by unilateral actions in the field of missile defense system (ABM). As for cyber-weapons, the cyber-attack of the U.S. and Israel on Iran to disable the centrifuges for enriching uranium is the first case of this weapon's use as an act of undeclared war (Bemford 2016; Vasiliev and Rogovsky 2015, 47–62).

## CONCLUSION

Russia and the West have every reason to help the world leave the zone of grand destabilization on the terms of constructive polycentricity, instead of enlarging this zone with the help of the dangerous farce of a “new cold war.” The most important task of the world’s leading centers of influence is to find the *modus operandi* adequate to global challenges, and then the *modus vivendi*. Anchoring structural competition in the form of Cold War 2.0 would be an attempt to reapply obsolete thinking.

Such an entrenchment under the conditions of hostility, on terms of the worst version of the Cold War – deterrence by threats, hard power, and transactional cooperation – is particularly dangerous. In other words, this kind of structural competition – a hard Cold War – is a repetition of the period of the Cold War, which lasted until the establishment of the strategic balance in the 1960-1970s. This type of Cold War is not so much a frozen conflict as a deferred hot conflict. It never heated up because the USSR and the U.S. were poorly equipped to calculate the risks of exchanging nuclear strikes, even with asymmetric strategic arsenals and in the absence of military parity in the 1945-1950s. This hurdle was almost overcome in October 1962. The catastrophe was averted due to the common sense of two persons: Nikita Khrushchev and John F. Kennedy. If the conditions of the initial period of the Cold War are recreated – when the correlation of strategic forces is perceived by one of the parties as clearly asymmetric, leading to an illusion of military victory – who can guarantee that common sense will again prevail at the critical moment?

As for the soft type of Cold War, typified by the detente of the 1970s, it was possible in the unique conditions of a balanced bipolarity that emerged soon after the Cuban crisis but was gone with the collapse of the Soviet Union. Theoretically, bipolarity has a chance to return in the first half of the 21<sup>st</sup> century, should China, along with the U.S., succeed in becoming a new part of the dual core. However, there is little evidence that history will follow this route. One of the main obstacles is the absence of fundamentally different “worlds” that are not dependent on each other, as in the case of the Soviet and capitalistic systems in the past. If the elements of de-globalization transform to a new norm, international relations can develop into a set of regional blocs of states in tough competition with each other. For the time being, the U.S. and Chinese economies are in many ways closely intertwined mechanisms.

It is important to emphasize that the danger of the “new cold war” paradigm is higher than the unacceptability of the revival of any of its known types. Indeed, justifying the return of the Cold War in its hard or soft version, one can refer to its history, pointing out that the hot war was ultimately prevented. Or one can point to the fact that there is still strategic parity today, and the two leading nuclear powers continue to adhere to the doctrine of mutual assured destruction. One could draw the conclusion that it is not so dangerous to play the cold war game again.

The futility of such reasoning lies in the fact that the Big Bomb, unlike in the 1940s and 1980s, no longer safeguards the world against a Third World War. The threat of uncontrolled escalation is increasing. The risks of dangerous conflicts between major states – directly or through involvement in conflicts on the world periphery – acquire a new quality with the weakening of the non-proliferation regime, the acquisition of nuclear weapons by unstable states, the development of new high-precision weapons, the destruction of the ABM regime,

the growth of international terrorism, including in the territories of nuclear states (primarily Pakistan), and the rapid development of cyber technologies and their militarization.,

Under these circumstances, structural competition in the form of a “new cold war” would only indulge the destructive processes in international relations. On the other hand, structural competition, based on constructive polycentricism, would give Russia and the West the opportunity to reduce the risks of regional and global conflicts and to develop their competitive advantages within the framework of binding rules. A new *modus vivendi* would give them the opportunity to develop multiple forms of interaction while recognizing each other’s core strategic interests.

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*Chapter 4*

# **BREAKING OLD NORMS, INVENTING NEW RULES: RUSSIA’S REVISIONIST AGENDA AND THE EVOLUTION OF THE INTERNATIONAL SOCIETY**

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## **ABSTRACT**

The chapter explores the sources and implications of Russia’s increasing “revisionist” attitudes toward the post-Cold War international order. The central argument is that the current Russia–West controversies are rooted in fundamentally different understandings of the key international institutions, such as “statehood” and “nationhood,” “sovereignty,” and “international law.” From this viewpoint, an examination of Russia’s revisionism, manifested in both rhetoric (advocating the establishment of a “multipolar”/“polycentric” world, repeated complaints of unequal treatment from the Western powers, appeals to Russia’s “historical rights,” and claims for the restoration of “historical justice”) and policy (the war with Georgia in August 2008, the annexation of Crimea in 2014, and the support of separatist forces in Ukraine), implies a complex investigation of three important issues:

1. Imperfections of the existing international institutions designed to provide appropriate assignment of fundamental rights and duties among the nation-states;
2. The Russian leadership’s status concerns, facilitated by the perceived “injustice” of the post-Cold War international order, dominated by Western values and norms;
3. Russia’s inclination to pursue policies that have been denounced and condemned by the West.

Examining these issues, the author reveals the driving forces of the Kremlin’s revisionist strategy and estimates Moscow’s ability to introduce “normative innovations” that may have profound effects on the ideational structure of the existing international society.

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**Keywords:** Russia, revisionism, international order, international society, international institutions

## INTRODUCTION

Any stable society, as well as the established international community of states, rests on consent about the norms and rules, regulating behavior, and interactions of the social actors. Similar normative understandings, if shared by the majority of a society's members, provide favorable conditions for social (international) cooperation and shape common identities, which prevent (or at least dampen) the controversies and frictions inherent in any social arrangement. Besides, the members of a society are supposed to have sustainable consent about the appropriate way to distribute rights, duties, and privileges among them. This, in turn, implies the establishment of institutions designed to reflect and embed both the basic values of a society (such as "freedom," "justice," "equality," and so on) and the core interests of its members. These shared norms and institutions, reflecting core social values, should provide a normative basis ensuring that the fundamental interests of a community are safely protected and that the vital needs of the individual members of a society are satisfied. If, however, the established normative framework fails to provide a consensual basis for social cooperation or the key social actors find themselves either deprived and humiliated or disadvantaged with respect to their basic rights and interests, the society's norms and institutions are likely to be challenged by the dissatisfied members of the community, who often become increasingly revisionist toward the established status quo.

As the recent events of the 2014 Ukrainian crisis have confirmed, Russia is explicitly unsatisfied with both its inferior place within the post-Cold War international system and the "double standards" and "hypocrisy" of the Western powers, which are unwilling to recognize Russia as an equal member of the "Western community." Having proclaimed its right to the "restoration of historical justice," Russia annexed the Crimean peninsula and provided both military and financial support to the Donetsk and Luhansk republics (unrecognized separatist entities in the eastern part of Ukraine), which, however, fight for joining Russia rather than for political independence as such. Justifying its actions in terms of moral obligations (protecting the "Russian people"), historical duties (uniting the "Russian world"), and the great power's extended responsibilities (providing security and stability in the "near abroad"), the Russian leadership has explicitly challenged the established normative frameworks, which unambiguously privilege the sovereign rights of the nation-states, including the territorial integrity and inviolability of the formally recognized borders. This newly adopted agenda not only dramatically deteriorated the regional security environment but also contested the common understanding of international legitimacy (that is, the shared understanding about which actions are viewed as appropriate/inappropriate in international politics) and therefore questioned the very foundations of the post-Cold War international society. Russia's proclivity for contesting some established international norms (deeply internalized by the majority of states) and, at the same time, its eagerness to introduce new rules or principles of international interactions (such as the rights to the "restoration of historical justice," protection of "historical territory" and "historical sovereignty," reunification of the "historical nation," and so forth) seem to be the part of Russia's specific revisionist strategy aiming to

reframe and rebuild the normative architecture of the current international order. This assumption, in turn, inspires careful examination of the threats and challenges that Russia's proposed "normative innovations" have brought to today's international agenda.

This chapter explores the sources and implications of Russia's revisionist attitudes toward the post-Cold War international order and focuses on the specific normative understandings advocated by the Russian leadership throughout recent years. My arguments proceed as follows. In the first section, I briefly sketch the issue of international legitimacy and revisionism, unveiling the eventual sources of "international deviance" with regard to the "Russian case." Further, I focus on international law's inherent controversies, considering them as the powerful driving forces of Russia's revisionism. Finally, I discuss the impact of the Russian leadership's status concerns about Moscow's propensity to pursue foreign policies confronted by the "West." On examining these issues, I reach conclusions on the mainsprings of the Kremlin's revisionist strategy and evaluate the eventual consequences of Moscow's inclination to introduce "normative innovations" that may have a profound effect on the existing international society.

## **INTERNATIONAL LEGITIMACY AND REVISIONISM**

According to widely shared opinion, the degree of normative unity of the international society, conceived as a "body of independent political communities linked by common rules and institutions as well as by contact and interaction" (Bull 1995, 202), depends largely on the great powers' willingness and ability to negotiate the basic rules of interactions aiming to preserve the existing international system as well as the institutions on which this system rests. Precisely, this shared understanding about what is "general interest," what are the "primary goals" of international life, and what kind of behavior is consistent with these goals shapes the normative foundation of a given social order and legitimizes the established power relations. No less importantly, that legitimate international order, along with strong normative cohesion, implies the major powers' consent to the existing distribution of rights, privileges, and duties accorded to the members of the community. In this sense, "international legitimacy" inevitably entails "the collective judgement of international society about rightful membership of the family of the nations" (Wight 1977, 153) and presupposes the widespread belief that the existing order not just corresponds with the "common interest" but also sustains the appropriate distribution of rights among the social actors that make up the community.

It is necessary to note, however, that the international order has always lacked legitimacy due to the anarchical nature of the international system, consisting of a number of legally equal sovereign nations subordinated almost exclusively to the domestic authorities. Not surprisingly, the great powers have regularly diverged in their understanding of what constitutes legitimate action under anarchy, sometimes advancing very specific, often controversial justifications for their actions and aspirations. Not surprisingly, such disagreements have repeatedly evoked the emergence of a great power refusing to build relations with other states on the basis of established rules of the game and, ultimately, "revolutionizing" the international order (Kissinger 1964, 1–6). Such a great power is usually labeled by the world community as a "revisionist state" which rejects the prevalent norms of

interaction of a given international society, believes that active involvement in overturning that order serves its national interests, and frames its aspirations to advance different international ordering principles in aggressive national rhetoric and doctrines (Legro 2005, 9). Students of international politics, though acknowledging the destructive nature and subversive effects of revisionism, have disagreed about the sources of this kind of foreign policy. Thus, many scholars have linked revisionist behavior with the rational calculations underlying a great power's policy aiming to increase its resources and even to initiate a war, expecting that the eventual benefits will exceed the costs (Schweller 1993, 76). These rational expectations are normally underpinned by a sense of humiliation or oppression by the status quo, provoking a revisionist state to "demand changes, rectifications of frontiers, a revision of treaties, a redistribution of territory and power" (Schuman 1948, 378). This sense of deprivation, in turn, is often caused by the fact that "revisionists" gain increased capabilities and, consequently, salient political ambitions "after the existing international order was fully established and the benefits were already allocated" (Organski and Kugler 1980, 19). Not surprisingly, the revisionist states share a common desire to overthrow the prestige, resources, and principles maintaining the status quo order (Schweller 1993, 76), which deprives them of the great part of the benefits and privileges that they wish to acquire. Unlike the "satisfied states" that seek to keep what they have and therefore share a strong commitment to the established status quo, "revisionists" want to increase, rather than preserve, "their core values and to improve their positions in the system" (Schweller 1994, 87), imposing some sort of "new order" on the international system.

At the same time, however, revisionist powers often try to avoid large-scale conflicts and "continue benefitting from participation in the international system," pursuing multiple options through the strategies that combine "confrontation and cooperation in order to spread the risks inherent in achieving a single objective" (Puri 2017, 307), such as regional hegemony or a higher international status. In general, the proponents of "rationalist" understanding agree that "revisionism" represents a specific policy designed not to improve the state's position within the existing institutions and power relations (what the "status quo" often tries to achieve) but to establish "the maximally beneficial arrangement," which implies "a continuous reassessment of every rule and relationship from an instrumental view" (Hurd 1999, 386).

It is worth noting, however, that, despite the prominence of rationalist explanations of revisionist behavior, some scholars advocate "structural" understanding of revisionism, arguing that this kind of foreign policy is inevitably embedded in (and depends on) the "structure of shared knowledge" within which "status-quo states are divided or naïve," while revisionists are rewarded due to their selfish behavior (Wendt 1995, 77). This understanding also suggests that status quo states are prone to view the accumulation of power as a necessary means to survive, which stops when security goals are achieved. Conversely, revisionists do not just try to grab territory, conquer the other state(s), or change the rules of the system in their favor—they tend to view the accumulation of resources rather as the end than the means, so no amount of power is enough for them (Wendt 1999, 103–104). Moreover, the revisionist states, according to this understanding, constitute a specific kind of anarchy, which differs substantially from the anarchy of status quo states, which respect each other's rights and seek to avoid military conflicts. The anarchy of revisionist states, by contrast, pushes them to conquer each other, to contest territorial rights, to change the rules of the game, and to create "aggressive coalitions that maximize their chances of changing the

system” (ibid. 105). In this sense, the states (both revisionist and status quo) and anarchy constitute each other as the “agents” and “structures” do. Revisionist behavior is therefore common for states that exist under specific structural arrangements and share a set of “socially grounded interests in revising the status quo” to “protect enduring interests under new strategic circumstances” (Moravcsik 1997, 521). From this point of view, revisionism should be conceived as a structurally conditioned attitude based on “shared knowledge” (mutual expectations, understandings, and collective identities) rather than as behavior caused purely by rational calculations of benefits and costs.

In my further discussion, I examine revisionism as a sort of “deviant behavior” which is common for states that are challenging the key norms of international society and advocating an alternative vision of the international order. I assume that deviant behavior (as well as any social behavior) constitutes the response by an actor to the environment (social context) evoked primarily by perceived maladjustment between the actor’s position, from which the rights and privileges are derived, and this actor’s actual needs, aspirations, and self-understanding. According to this approach, revisionism represents a specific sort of behavior that is most common for “rising” or “emerging” powers seeking to redefine their role and place within the international system. Due to their eagerness to attain an appropriate place and decent treatment within the community of states, these powers “are almost always troublemakers,” since “they are reluctant to accept institutions, border divisions, and hierarchies of political prestige put in place when they were relatively weak ...” For this reason, “... emerging powers seek to change, and in some cases overthrow, the status quo and to establish new arrangements that more accurately reflect their own conception of their place in the world” (Friedberg 1996, 13). Revisionist behavior, from this viewpoint, is unlikely to occur in the so-called “consensual societies,” in which the environment is relatively static. All units have the same needs and similar abilities and opportunities to pursue these needs; the outlets for the fulfillment of these needs are deemed to be adequate, and the units generally succeed in making the necessary adjustment (Burton 1976, 71).

However, a rise of revisionist attitudes may occur if power shifts cause changes in the actors’ self-perceptions and/or the emergence of new identities, which make the social context increasingly fluid. As a result, the normative unity of the society is likely to be undermined by those who seek either to derive more benefits from their newly acquired (or restored) position or to regain their lost rank and to deserve both the assigned privileges and the appropriate treatment. The current international society hardly fits the “consensual” definition insofar as the “nations” and the “nation-states” have different, often incompatible needs (self-determination versus territorial integrity), the abilities to satisfy basic needs are allocated highly unequally (among the advanced states and the underdeveloped countries, for example), and, finally, although the distribution of power and influence in the post-Cold War world is gradually changing in favor of the “rising powers,” the necessary adjustments (such as the extension of UN Security Council membership, decentralization of the global financial system, and so on) encounter more or less explicit resistance from the “traditional” powers. Under these conditions, the unequal distribution of benefits and deprivation in the relationship apparently may provoke the so-called “environmentally induced deviance” arising from “inadequacy in relation to underprivileged conditions, and which would not occur in a society that provided full expression to attributes” (Burton 1976, 74). Within the international domain, “deviance” normally refers to the “flouting of key norms of conduct espoused by the global community” (Nincic 2005, 13), which often (but not always) provokes a severe

response from those powers that have substantial stakes in the existing status quo and try to oppose the “deviant” to preserve and enhance the normative cohesion of the international society.

Almost immediately after the outbreak of the 2014 Ukrainian crisis and especially after the annexation of the Crimean peninsula, Russia found itself in the position of a “deviant state,” the actions of which toward both the other member of the international community (Ukraine) and the core norms of international society were unanimously condemned by the vast majority of states. Thus, the Western powers accused Moscow of overtly neglecting the established international norms privileging the sovereign rights of the recognized nation-states and prohibiting the territorial partition of any state without the consent of the latter’s legitimate government. Russia, in turn, proposed an alternative vision, founded on the moral conviction that the addition of Crimea “was designed to correct historical injustice inflicted on the Russian people on both sides of the arbitrarily drawn border, enabling the two populations to reunite into one national whole” (Teper 2016, 383). From the Russian leadership’s point of view, the legitimacy of this territorial acquisition was uncontested insofar as Crimea and Russia have always been essential parts of one historical and cultural whole, united by collective memory and a common past. Thus, in Vladimir Putin’s words, “almost everything in Crimea is penetrated with our common history and proud ...” of the performance of Prince Vladimir, who adopted Eastern Christianity, which “defined cultural, value, civilizational ground, uniting the people of Russia, Ukraine and Belarus” (Putin 2014a). Supporting this statement with additional arguments, Putin reminded readers that “Crimea is a place of Russian military glory, having sacral meaning, indigenous Russian land ...” possessing such fundamental features as the “unique combination of cultures and traditions of various peoples,” which preserves their originality, traditions, language, and religion and proves its close cultural relationship with Russia (*ibid.*).

As one can see, this understanding emphasizes the “actual” unity of the Russians and the people of Crimea that exists “in people’s hearts and minds,” for which “Crimea has always been and will remain the essential part of Russia” (*ibid.*). It is also important to note that, within the framework of this legitimizing discourse, the historical, cultural, and spiritual unity of Crimea and Russia acquires a salient political meaning, since it shapes the foundation for the establishment of common statehood. Thus, according to Putin, Crimea is the true place where “the spiritual origin of the multi-faced, but monolithic Russian nation and centralized Russian state” exists. This state has been shaped under the influence of Christianity—a “powerful spiritual force, which enabled inclusion of the diverse tribes of the wider Eastern Slavic world into a unified Russian nation ... Precisely this spiritual ground inspired our predecessors to perceive themselves as one nation, once and forever” (Putin 2014d). After all, this vision stresses the idea that the cultural and spiritual unity of Russia and Crimea makes them one indivisible “sacred place,” inhabited by people with both the nation’s features and its rights, such as the “unalienable, sovereign right to choose its own way of development, the allies, the form of political organization ... and the way of providing security” (*ibid.*).

This set of arguments, delivered by the Russian President during and in the immediate aftermath of the 2014 Ukrainian crisis, explicitly questions the normative foundations of the existing international society as long as it challenges the established understanding of appropriate behavior in international politics. Not surprisingly, the harsh response of the Western powers, highly concerned about the Kremlin’s determination to revise the post-Cold War normative landscape and reorder the post-Soviet space on its own, pushed Russia to act



as a “deviant” rather than an “ordinary” member of the international society. In particular, the Russian leadership began to exploit some rhetorical techniques that are commonly ascribed to so-called “renegade” political regimes. Thus, the Russian leadership has revived a specific ethnocentric doctrine, which acquired prominence in the middle of the 2000s as the “Russian world” idea, advocating a peculiar understanding of the Russian people as a nation comprising the core of the socio-cultural community, founded on the sense of national unity and enhanced by a widely shared commitment to Russia and loyalty to the Russian culture (Tishkov 2007, 5). This doctrine views Russia as a unique civilizational phenomenon that extends far beyond the territorial borders that were established after the Soviet Union’s dissolution and constituted the “post-Soviet space” as a new geopolitical entity. These “artificial” borders may therefore be neglected if the survival of the “Russian world” is at stake. Moreover, according to the doctrine, the Russian language and culture constitute a powerful “institutional resource” that should be deployed widely to maintain Russia’s hegemony in the region (Hopf 2013, 343). To facilitate the attainment of this ambitious goal, the “Russian world” doctrine ushers in new criteria for legitimate action, emphasizing Russia’s “mission” and “responsibility” to integrate and pacify its “near abroad” for the benefit of the “dissociated peoples” of Russia, Belarus, and Ukraine (Bogdanov 2017, 47). Notably, this specific understanding is not just caused by Russia’s self-perception and identity, but is also shaped by such objective factors as the multiethnic composition of Russian society and the presence of the “title nation.” Under these conditions, as various pieces of evidence confirm, political elites are often inclined to bolster their position “by promoting the interests of one ethnic group against those of others, generally claiming to right historical wrongs ...” (Nincic 2005, 74). In this sense, the proclamation of the “Russian world” idea, aiming to unite and protect the Russian-speaking population throughout the post-Soviet space and across the globe, and the Russian leadership’s eagerness to correct the “historical injustice” by the inclusion of the Crimean peninsula in the Russian Federation seem to be meaningful evidence of Russia’s growing inclination toward “deviant behavior.”

Another important piece of evidence comes from President Putin’s prominent speech in which he overtly blamed the “fifth column” and “national traitors” for attempts to undermine Russia’s socio-economic condition and provoke discontent among the citizens (Putin 2014a). Condemning these “irresponsible and explicitly aggressive” endeavors, the Russian leader seemingly tried to gain political advantage by stressing the centrality of the conflict both with other nations (the Western powers) and with domestic opponents of ethno-nationalist policies, having labeled the latter as “quislings.” Commitments like these, as Nincic pointed out, often help the political elites to “justify extreme policies and structure the domestic political climate such that the regime’s position benefits from an assumption of external enemy” (Nincic 2005, 36). With respect to the issues discussed in this chapter, it should be noted that ethno-nationalism often acquires salience within the broader revisionist agenda, challenging the established norms of behavior and therefore undermining the normative consensus within the international society. Thus, the proliferation of the conviction that hostile foreign forces have consistently deteriorated the state’s dignity and significance (“they constantly try to get us cornered, because we have an independent position, advocate it without hypocrisy and call the things as they are” (Putin 2014a)) may provoke redemptive policies, often manifested in acts of national self-affirmation, which, in turn, may pose a substantial threat to international security.

Regardless of this evidence, however, the sources of Russia's revisionist agenda cannot be explained comprehensively by referring exclusively to the ethnic structure of Russian society or to the responses of the political elite (or wider social groups) to the unfriendly actions of both external adversaries and "enemies" within the country. There are also important external factors, which, in my view, have shaped a specific environment that is conducive to manifestations of "revisionism" and "deviance" in various (both explicit and implicit) forms. A proper understanding of these factors entails a careful examination of the international order's institutional foundations, which provide for the distribution of rights and duties across international society and assign privileges to its members.

## **INTERNATIONAL INSTITUTIONS, JUSTICE, AND REVISIONISM**

International institutions, broadly defined as the "sets of formal and informal rules, regulating the states' behavior, constraining activity and shaping expectations" (Keohane 1988, 383), are the necessary preconditions and essential pillars of any stable international order. No less important is the fact that international institutions link together various political communities, providing them with common rules, goals, and understandings of appropriate/inappropriate behavior, which, in turn, shape the foundation of the international society (Bull 1995, 202). The importance of the institutions is also determined by their inherent ability to define the positions of the social actors and assign rights and duties accorded to various social standings. International institutions, in this sense, acquire crucial meaning insofar as they define the international society's structure, which contains various social positions that the states occupy and different expectations assigned by these positions and by the international system at large. Ultimately, this leads to the emergence of an international hierarchy—a specific social structure, ascribing certain rights, duties, and responsibilities to the states with regard to their respective positions. Remarkably, however, the stabilizing effects of the international institutions are determined not just by their capacity to provide the "goods" for international society, but also by their ability to regulate international interactions with regard to a shared "concept of justice." This concept, according to John Rawls's seminal contribution, implies that, firstly, the members of a society accept and know that the others accept the same principles of justice and, secondly, the basic institutions generally satisfy and are generally known to satisfy these principles (Rawls 1999, 4). Otherwise, some social actors may question the legitimacy of the existing order insofar as it fails both to provide an appropriate distribution of benefits within a society and to serve the "common interest." The absence of a widespread and stable sense of "justice," providing the international order with legitimacy in the eyes of the vast majority of states, would make this order precarious and unstable (Ayoob 2010, 130), generating both actual and potential tensions among the members of the international society. This, in turn, may result in the proliferation of revisionist attitudes toward the status quo and inspire unsatisfied actors to attempt to make a radical change to the normative framework underpinning the established social order.

Examining the issue of international justice, scholars have normally focused on its "distributive" aspect, which refers to the allocation of values among the members of a specified group. From this point of view, international justice implies equality in the

distribution of values among the actors of the world system (Young 1975, 2), depending on the degree of consent among the key powers concerning the existing distribution of material resources, privileges, rights, and duties. At the same time, the notion of “justice” is much broader than this understanding and hence cannot be reduced exclusively to the “distributive” meaning. In particular, “justice” may be “substantial” (recognition of rights, assigning certain rights or duties), “formal” (equal implementation of the rules to the subjects of one sort—citizens, states, nations, and so on), “arithmetical” (equal rights and duties are distributed according to an overarching goal), and “mutual” (recognition of rights and duties through trade, when an individual or a group recognizes the rights and duties of others in exchange for the analogic recognition of their rights) (Bull 1995, 75–77). Nevertheless, despite the existence of various meanings and interpretations of the concept, “justice” inevitably entails the appeal to the idea of “equality” (*equal* rights or duties and their *equal* implementation), which is crucial for the recognition of the social order’s legitimacy by the members of a society. In the absence of a certain degree of consent within a society regarding what is “just” or “unjust,” as Rawls argues, “it is clearly more difficult for individuals to coordinate their plans efficiently in order to ensure that mutually beneficial arrangements are maintained” (Rawls 1999, 6).

At the same time, despite the eventual disagreements on what constitutes the essence of “justice,” social institutions may continue being “just” if “no arbitrary distinctions are made between persons in the assigning of basic rights and duties and when the rules determine a proper balance between competing claims to the advantages of social life” (ibid. 5). Applying this logic to the international domain, one might say that, to provide a sustainable order, the international society should develop a “concept of justice,” relying on the “set of principles for assigning basic rights and duties and for determining what they take to be the proper distribution of the benefits.” These principles, comprising the core of the social concept of justice, should “single out which similarities and differences among persons are relevant in determining rights and duties and ... specify which division of advantages is appropriate” (ibid.).

Over the centuries, the “concept of justice,” defining the structure of international society, has been based on the distribution of rights, duties, and privileges among the nations and nation-states. According to this concept, any nation-state is supposed to have the right to territorial integrity and sovereignty (that is, the right to exercise supreme authority within its national borders). Besides, every recognized nation-state enjoys the privilege of rightful membership in the international community and derives from this allegiance a set of rights, such as waging war, crafting diplomacy, and creating, or participating in, international organizations, forums, summits, and so forth. It is no less important that every nation-state is obliged to protect its citizens and nationals from eventual oppression or discrimination, providing for their safety within national borders and even beyond. In a similar vein, “nations” are supposed to have the “right to self-determination”—that is, the right to establish a “state”—and acquire “sovereign existence” as an equal member of the community of nation-states. Hypothetically, equal distribution of rights among both the nations and the nation-states should provide a sustainable sense of “justice” within the international society as long as every nation’s claim to self-determination is satisfied and each nation-state’s sovereignty and territorial integrity are protected. In practice, however, the rights of nations and the rights of nation-states are hardly compatible as long as the consistent implementation of the self-determination right poses the gravest threat to the preservation of territorial

integrity and sovereignty of the nation-states. This fundamental collision weakens the normative unity of the international society, providing the grounds for eventual revanchist attitudes among the members, who view themselves as being deprived of the rights that they deserve. Predictably, these attitudes may result in the setting of revisionist agendas that question the legitimacy of the international order and threaten the foundations of international peace and security. In this sense, the great powers' consensus on the basic "concept of justice" for international society is crucial for the preservation of the system. The lack (or absence) of widely shared consensus on the issue of "international justice" may lead to a situation in which the international order's "justice" and "legitimacy" will be challenged so profoundly that unconstrained violence will spread across the system, undermining the foundations of international peace.

Russia had been preoccupied with the issue of international (in)justice long before the 2014 Ukrainian crisis began, having revealed the Russian leadership's determination not merely to express its worries about the inappropriate distribution of rights and duties within the international society but rather to correct the blatant inequalities inherent in the post-Cold War international order. Thus, Russia's recurrently declared aspiration to establish a "just and democratic" international system, in which all nations have an equal voice, has become one of the persistent elements of Russia's recent foreign policy doctrines (*Koncepcija ...* 2013, 2016). After the outbreak of the Ukrainian crisis, however, Russia's perception of this issue evolved and, consequently, the official discourse changed as well, advancing to the foreground new considerations and concerns about both Russia's actual place in the world and its appropriate treatment by the rest of the international community. Thus, Vladimir Putin, in a number of his "post-Crimean" public addresses, regularly accentuated Russia's sincere desire to obtain "just" treatment from the world's leading powers, stressing that "we address with respect to all countries, all nations, we respect their legal rights and interests ..." and, accordingly, we "ask everyone to respect our legal interests, including the right for restoration of historical justice and right for self-determination" (Putin 2014b). Justifying the Crimean referendum, Vladimir Putin articulated three core arguments, stressing several historical precedents that acquired salience within the context of the international justice issue. Firstly, the President of Russia claimed that, in 1991, Ukraine itself decided to secede from the Soviet Union, having used the same right that it refused to grant the Crimean people twenty-three years later. This apparent injustice, according to Vladimir Putin, was exacerbated by the fact that, in 2014, the Crimean authorities (Supreme Council of Crimea) acted in consonance with international law, declaring Crimea's independence and scheduling a referendum with reference to the United Nations Charter, in which the nations' right to self-determination is pronounced (Putin 2014a). Secondly, Putin pointed out that the Crimean authorities, making the decision to declare independence from Ukraine, had in mind the Kosovan precedent, "when our Western partners in the situation, absolutely identical to the Crimean case, recognized the legitimacy of Kosovo's separation from Serbia, proving that no permission from central government is necessary for the unilateral proclamation of independence" (ibid.). Further, the Russian President again appealed to the considerations of justice, pointing out that Russians, Ukrainians, and Tatars in Crimea were deprived of the right to self-determination, which had been given to Albanians in Kosovo (ibid.), stressing the obvious unequal treatment. Thirdly, Vladimir Putin reminded readers of the history of the reunification of Germany in the early 1990s, claiming that, "during the political consultations ... our country unequivocally supported sincere and uncontainable striving of Germans for

national unity” and now expresses the hope that “the citizens of Germany will also support the aspiration of the Russian world, historical Russia for the restoration of unity” (ibid.), demonstrating strong commitment to the values of justice.

Trying to promote its own vision of international justice, the Russian leadership portrayed the addition of Crimea to Russia as “historical reunification,” which has been undertaken not merely according to the “will of the people and the norms of international law” but also in adherence to “conscience, justice and ... truth” (Putin 2014c). In this sense, the reunification of Russia, Crimea, and Sevastopol occurred in accordance with both the “norms of international law and common democratic procedures” and the principles of “justice,” given that Russia had taken back the territory that “spiritually and culturally has always been with our country—despite the decisions, made in the Soviet period, and the borders, inherited from this epoch” (Medvedev 2014). As one can see, this discourse blends the notions of “justice,” “law,” and “truth,” appealing to the necessity of combining both moral and legal considerations in decision making. Moreover, the Russian leadership, employing such concepts as “historical justice” and “historical nation,” demonstrated its intention to correct a number of “injustices” committed in the past (such as the ceding of Crimea to the Ukrainian Soviet Republic, the collapse of the Soviet Union and “dissociation” of the Russian nation, and Western powers’ consistent disregard of what Russia viewed as its “vital interests” in the 1990s and 2000s). All this allows one to argue that justice concerns constituted the essential component of Russia’s revisionist agenda. One might also assume that the “discourse of justice” was caused by the Russian leadership’s apprehension of “unjust” treatment by the Western states, which have assigned to Russia an obviously inappropriate place within the post-Cold War international hierarchy. Having perceived this unpleasant reality, the Russian leadership articulated an explicitly revisionist agenda, challenging international law, as the major institution of the current international order, through the exposition of its inability to provide appropriate distribution of rights among the members of the international society. Moreover, having claimed that the current international order is apparently “unjust” (insofar as it fails to provide equal distribution and implementation of basic rights), Moscow questioned the ideas and norms that comprise the core of this order and legitimized the nation-states’ claims for sovereignty, non-intervention, and territorial integrity. Instead, Russia proposed its own vision of an appropriate “concept of justice” based on the assertion that any “historical nation” should be assigned the right to preserve its “historical sovereignty” and, consequently, to self-determination within the space defined by the area inhabited by the “historical nation” rather than by the recognized formal borders of a nation-state. If this logic is to be applied universally, every nation-state should enjoy the right to “restoration of historical justice,” which is apprehended largely in terms of the historical nation’s rights to reunification and equal treatment in accordance with the same rules and principles that are applied to every rightful member of the international society.

It seems obvious that these normative understandings, consistently advocated by the Russian leadership during the critical phase of the Ukrainian crisis, were to a great extent shaped by the inherent flaws of international law, which, as some scholars argue, “attempts, but ultimately fails to balance the tension between ... state and nation” (Griffiths 2016, 520). It is important to note, however, that Russia’s perception of “inappropriate treatment” is not merely caused by injustice of the major international institutions but is also affected by the specific structural conditions that emerged after the dissolution of the Soviet Union and attributed to Russia an explicitly inferior position within the newly established post-Cold War

international hierarchy. Thus, having lost its superpower position, Russia has also been deprived of appropriate treatment by the Western community (including primarily the United States). Clearly, this inequality pushed Moscow toward the rejection of, firstly, Russia's subordinate role within the post-Cold War international order and, secondly, this order's justice and legitimacy. In this sense, the addition of Crimea to Russia in March 2014 unequivocally demonstrated that Russia's revisionism, aiming to achieve equal treatment by restoring genuine international justice, may cause the erosion of international legitimacy (as it is commonly understood, at least). Since the Russian viewpoint is based on the conviction that the Western powers' "unjust" attitude is directly linked with Russia's loss of its "great power" status as a result of its defeat in the Cold War, attaining a higher social ranking is regarded as key to regaining a decent place within the international society. In this sense, status concerns constitute the essential component of Russia's revisionist agenda and provide useful insights into the Russian leadership's policies aimed at revising those normative aspects of the current international order that inhibit Moscow's return to the club of world powers.

## **RUSSIA'S STATUS CONCERNS AND "INTERNATIONAL DEVIANCE"**

As a number of recent studies have shown (Freedman 2016; Renshon 2016; Wood 2013; Wolf 2011), scholars of diverse theoretical traditions are becoming increasingly preoccupied with status issues in the international politics of the twenty-first century. The growing attention of the academic community to the impact of the distribution of statuses on the states' behavior can be explained by the rapidly proliferating apprehension that social differentiation is not just inevitable for any international system but also influences the way in which global power and international authority are (re)distributed and exercised. This understanding implies that all states, as inherently social actors, are inevitably ranked according to a number of criteria that define their position within the international hierarchy. The critical point is, however, that, although "status" refers primarily to the rank that an actor occupies within a social group (or within a society as a whole) according to its performance in various social dimensions (Onea 2014, 129) and the possession of "valuable attributes," the distribution of statuses also contributes to the establishment of power relations insofar as the positions that the actors occupy within the social hierarchy confer on them certain rights and privileges, such as the nations' right to self-determination, the nation-states' rights to sovereignty and territorial integrity, or the great powers' responsibility for managing the international system. In this way, "status," due to its intersubjective nature, defines which attributes matter and how (Lake 2014, 250), granting the states a degree of both international prestige and authority, derived from the recognition of the other members of the international society. It is not surprising that the status competition acquires such great importance both for policy makers, concerned with the relative gains from the higher status attribution, and for IR scholars trying to explain the dynamic of great power politics in terms of the struggle for a better social standing.

A substantial number of the recent studies on status in international politics borrow their assumptions from the "social identity theory," arguing that individuals and social groups (including nations and nation-states) acquire their identities largely through membership in

specific communities (national, ethnic, religious, political, and so forth). Accordingly, “status attribution” is conceived as being an inherently social process, presupposing that, first, relevant attributes are defined by comparison with “others” and, second, since an attribute is neither possessed by an actor nor rests on self-proclaimed assertions of rights or other traits, “status” acquires meaning only via social recognition (ibid. 249–250). Thus, people tend to privilege their own nation, comparing the qualities, features, and achievements of others with their own (Wood 2013, 392). Social actors are also inclined to compare their position (especially their achievements, qualities, and rights) with the position of a “referent group,” equal to or slightly superior to them (Brown and Haeger 1999, 31–42). Hence, social status is largely defined by the collective understanding of the place that a state occupies within the international social hierarchy, according to the distribution of the most valuable attributes—wealth, military might, culture, social–demographic qualities, political organization, diplomatic influence (Larson, Paul, and Wohlforth 2014, 7), and so on. If the most valued attributes are distributed among the members of the international society according to their expectations, the overall social order is seen as relatively “just,” since everyone is aware of (and agrees with) the principles defining which similarities (or differences) have relevance in determining the way in which the fundamental rights and duties are assigned. However, states sometimes diverge on a number of status dimensions, and those that rank relatively highly in economic capabilities and military power may be accorded little prestige by the world community. As a result, this “deprived” state may start to believe that its disadvantaged status is illegitimate (“unequal treatment”), that passing is difficult (for example, because of the resistance of higher-status groups), and, at the same time, that a different social order (a “just” international system, “multipolarity,” a “polycentric world,” etc.) is achievable through engagement in direct intergroup competition (Hogg, Terry, and White 1995, 260). Under such conditions, incongruence between a certain level of achievement and the recognition accorded to that achievement can make the decision makers see this inconsistency as “an important indicator of all that is wrong with the international system and may take steps to change status quo” (Volgy and Mayhall 1995, 68). This attitude, if adopted by the political elites of the “dissatisfied state,” often manifests in the promotion of a revisionist agenda that explicitly challenges the established international order and stresses the urgent need for radical change.

International status, from this perspective, may be conceived as an important driving force of a state’s international behavior, since the rights and duties assigned by a social position define actors’ capacity to act. From this point of view, the rise of revisionist attitudes and “deviant” behavior may be explained as the effects of “rank disequilibrium,” which results from the divergence between an actor’s (positive) self-perception and the differential treatment (according to a number of commonly recognized criteria) to which this actor is exposed. This situation, when it happens with a specific state, will imminently “force a correspondence between his objective situation and his subjective perception of it” so that disequilibrium becomes “a part of his phenomenological existence, and the idea of rectification may occur” (Galtung 1964, 99). Importantly, the situation of rank disequilibrium unavoidably evokes claims of a higher status, which necessarily should be justified in the eyes of both the “others” and the claimants themselves, who “must feel they are right to the point of self-righteousness” to employ “both the resources and the inner justification needed for acts of deviance” (ibid. 100). In other words, revisionism as a sort of deviant behavior is often backed up by feelings of discontent, engendered by the perception of a discrepancy between what a social group (in particular, a nation-state) is currently experiencing and what

it is entitled to expect (Brown 2000, 749). Besides, since both individuals and groups are strongly inclined to make social comparisons—that is, to evaluate their own positions within the social hierarchy—they normally define for themselves some *reference points* and *reference groups*, which provide them with an understanding of which social attributes are the most attractive and desirable and which groups constitute positive examples of social success and recognition. If, however, the perceived gap between a social group's wants and their satisfaction increases dramatically, this group may become obsessed with the persistent sense of "relative deprivation" (Lockwood 1992, 72), evoking strong dissatisfaction with the existing social order, which "may be threatened unless the reward system is somehow seen as legitimate or unalterable" (Rose 2006, 5).

Revisionist behavior as a sort of "international deviance" may therefore be explained by a state's dissatisfaction with its present status, as conferred by the international community. From this point of view, the Russian leadership's revisionist agenda may be conceived as a response to an unfavorable social context, within which Russia continuously finds itself in the position of a disadvantaged ("disequilibrated") state deprived of the basic rights and privileges assigned to a rightful member of the international society. This logic implies that, after the end of the Cold War and the Soviet Union's demise, Russia's social ranking dropped dramatically from the superpower's highly advantaged status to the rather unprivileged position of a "regional power" with poor ambitions. Unsurprisingly, since the 1990s, Russian political and intellectual elites have started to attach critical significance to Russia's return to the "great powers club" and the restoration of its lost status, seeking recognition primarily in terms of liberal democracy and a market economy (Neumann 2008, 146) as the key reference points defining the set of the most valuable attributes. Moreover, in this period, Russia made substantial efforts to gain membership of the "Western world" by joining the G-7, the International Monetary Fund (IMF), and the World Trade Organization (WTO) as the key structures of the "liberal democracy community" (Larson and Shevchenko 2010, 7) as a reference group, uniting the members that possess valuable social attributes. At the same time, however, the launching of NATO's enlargement in the middle of the 1990s and the Alliance's military involvement in the resolution of the Kosovo crisis (1999) clearly demonstrated that the Western powers do not view Russia as an equal partner whose opinion on the key international issues should be taken into account and respected. As Vladimir Putin recently lamented in his address to the Valdai Forum, although Russia demonstrated "unprecedented openness and trust" in the 1990s, it faced "complete ignorance of our national interests," manifested in "support of Caucasian separatism, violent actions against the resolutions of UN Security Council and bombings of Yugoslavia and Beograd" (Putin 2017).

The advance of the twenty-first century and the remarkable improvement of Russian–American relations after the 9/11 terrorist attacks did not, however, ignite a new era of genuinely equal relationships between Russia and its Western partners. The United States' withdrawal from the ABM (anti-ballistic missile) treaty, Washington's unilateral decision to invade Iraq in 2003, and, most importantly, the Republican administration's explicit approval (and alleged financial and organizational support) of the "color revolutions" in the post-Soviet space (in Georgia, Ukraine, and the Kyrgyz Republic) have exposed the clear reluctance of the American leadership to treat Russia as an equal counterpart. No less importantly, during the last 25 years, Russia has regularly been criticized by the Western powers for violations of human rights, authoritarian tendencies in domestic affairs, and overall neglect of liberal values. These criticisms mean that the United States and most of the European countries are



highly reluctant to acknowledge Russia's equal membership in the "Western democratic community." As a result, by the middle of the 2000s, conservative and nationalist attitudes, backed up by the perceived discrepancy between Russia's increased capabilities and its current place within the international hierarchy, had rapidly proliferated within the Russian political elites and the society as a whole. Not surprisingly, the Russian leadership, which had been facing this increasingly "unjust" treatment by the West, attempted to resolve this issue by correcting the most blatant "historical injustice" (through the annexation of Crimea) and thus "convincing" the Western community that Russia's interests could no longer be ignored and its social status should be adjusted with regard to Russia's improved capabilities and current self-perception. From this point of view, the 2014 Ukrainian crisis, and especially the presidential rhetoric that accompanied the Crimean referendum and the subsequent addition of the peninsula to Russia, exposed the Russian leadership's basic status concerns, which manifested in persistent accentuation of "sovereignty" as the key attribute of rightful membership in the international community, and stressed Russia's commitment to "international law" as the major international institution for assigning essential rights to and imposing duties on the members of the international society.

It is commonly recognized that "sovereignty" has historically constituted the essential property of a nation-state; a valuable attribute necessary for admission to the club of formally equal members of the international society. The attribution of "sovereignty" provides a political entity with the status, conferring certain rights and duties, shaping the conditions necessary to attain its goals, and ensuring (relatively) equal treatment within the international community. For Russia, the "protection of sovereignty, independence and territorial integrity ..." and the satisfaction of "internal and external sovereign needs of the state ..." (*Strategija* ... 2009) comprise the core of the national security doctrine. Notably, the Russian approach, based on strong commitment to the norms of traditional Westphalian sovereignty, non-interference in domestic affairs, and territorial integrity, radically differs from the Western "soft" understanding of sovereignty, which stresses the centrality of transnational norms and institutions that govern the nation-states' behavior in the progressively globalized world. This divergence between Russian and "Western" approaches to sovereignty became apparent in the middle of the 2000s, when the Russian Government, acting in response to the criticism of human rights abuses, retreated from democracy and, especially in response to the number of "color revolutions" in the post-Soviet space, developed the concept of "sovereign democracy." It emphasized the unique historical path of Russia and its legal right to establish its own model of democracy, and prioritized the need to protect Russia's sovereignty from the attempts to impose an "alien" political arrangement from the outside that ignores Russia's cultural and historical peculiarities (Surkov 2006). Not surprisingly, after the outbreak of the Ukrainian crisis, the idea of strong sovereignty occupied one of the central places within Vladimir Putin's presidential discourse, stressing the importance of "real" state sovereignty, which is vital both for Russia, willing to preserve its national originality and identity (Putin 2014d), and for Crimea, because "this strategic territory should be under strong, sustainable sovereignty, which effectively may be provided only by Russia today ..." (Putin 2014a). Substantiating this statement, President Putin emphasized the actual unity of the Russian and Ukrainian peoples, since "Kiev—is a mother of Russian cities ..." and "Ancient Russia—is our common origin and we cannot live without each other ..." (ibid.). Consequently, as long as the Russians and the Ukrainians constitute one nation, NATO's intention to extend membership in the Alliance to this nation (Ukraine) and to "run the show near our home or on

our historical territories ...” (ibid.) poses a direct and immediate threat to the Russian nation’s “historical sovereignty.” Retaining sovereignty is therefore necessary both to provide Russia’s national security and to regain its lost status insofar as precisely this attribute is crucial for rightful membership in the international society.

Commitment to the existing legal norms is also crucial for both membership in the international community and, hence, for status attribution. Bearing this point in mind, the Russian leadership has repeatedly declared its intention to “build international relations according to the principles of international law, firm and equal security of the states,” to enhance the “legal foundations of international relations, respect international commitments,” and to maintain and strengthen international law (*Strategija* ... 2009), despite the “Western states’ striving to uphold their positions ... by imposing their own viewpoint on the world processes and by pursuing containment policies towards alternative centers of power” (*Koncepcija* ... 2016, 4). Under these conditions, attaining an equal standing with the major powers implies that Russia should pursue “policies aimed at establishing a stable and sustainable system of international relations that relies on international law and rests upon the principles of equality, mutual respect and non-interference in domestic affairs of the state” (ibid. 8). Moreover, as Russia’s recently issued “Foreign Policy Conception” asserts, the Russian Federation is determined to protect international law, consistently resisting the attempts to make “arbitrary interpretation of the most important international legal norms and principles, such as non-use of force or threat of use of force, peaceful resolution of international disputes, respect to the states’ sovereignty and territorial integrity, the nations’ right to self-determination” (ibid. 10). Remarkably, in recent years, the appeal for the re-establishment of a multipolar (or “polycentric”) international system “in which all major powers, including Russia, have an equal voice” (Kanet 2011, 212) has become the central and persistent theme in Russian foreign policy discourse. Attaining this goal and hence securing Russia’s great power status implies, first of all, that the United Nations Security Council retains a central role in managing international affairs, providing stability, respect, equality, and mutually beneficial cooperation among the states (*Strategija* ... 2009). Consistent implementation of these principles is expected to provide the establishment of a genuinely “just and democratic international system, founded on the collective basics in dealing with the international issues, on the supremacy of international law” (*Koncepcija* ... 2016), and equality and partnership among the states. In this sense, Russia’s permanent membership of the United Nations Security Council, inherited from the Soviet period, confirms Moscow’s unquestionable right to have an equal voice within the international community. Therefore, the United Nations should continue to perform its pivotal role in world politics, providing the great powers with equality and international justice and, ultimately, strengthening the international order’s legitimacy.

It is quite remarkable, however, that, regardless of the declarative adherence to the existing legal norms and principles, the Russian leadership’s discourse explicitly challenges the efficiency of international law as the major institution designed to provide the appropriate distribution of rights and duties among the members of the international community. It can be argued that the flaws inherent in the “basic structure” of the international society, which fails to balance the claims for self-determination and territorial integrity of the nations and nation-states, respectively, largely condition this perceived inefficiency. Thus, many nations that have been seeking to acquire statehood and enjoy rightful membership in the community of states have ultimately failed to accomplish their quest for sovereignty. Following this uneasy

pathway, they have regularly faced the consistent resistance of both the “great powers” and international law, which unambiguously favor the rights of the recognized nation-states, which, in turn, strive to preserve “sovereignty” as their basic property and privilege at the expense of the nations’ right to self-determination. Not surprisingly, the international society has still not developed any effective “basic concept of justice” that provides an acceptable way of distributing the advantages of international life (such as the rights to “sovereignty” and “self-determination”). Consequently, the absence of a mutually recognized concept of international justice may eventually undermine the international order’s legitimacy, providing the ground for the emergence of “unsatisfied powers” and provoking the rise of revisionist or even revanchist attitudes toward the established status quo.

With regard to these considerations, one can argue that the persistent sense of “injustice” within the Russian political elites and the wider public, underpinned by the comprehension of the growing discrepancy between Russia’s increased material capabilities and its inferior position within the international hierarchy, is closely linked with the perception of unequal distribution (and implementation) of rights among both the “states” and the “nations.” From this point of view, Russia’s revisionist agenda relies on the widespread belief that the current international order reflects primarily the core interests and values of the West and does not provide legitimate distribution of fundamental rights among the rest of the members of the international society. In this sense, Russia’s revisionism may also be conceived as a specific attitude rooted in the Russian leadership’s conviction that Russia’s subordinate role within the post-Cold War international system is the major cause of “unjust” treatment, deprivation in the relationship, and overall discrimination against Russia’s views as its “legal” claims and rights as a member of the international society. This belief, in turn, provokes the Russian leadership to question the international order’s legitimacy and the efficiency of its major institutions, claiming that the latter, although “designed to harmonize interests and shape a common agenda,” are progressively undergoing erosion and decline, causing “devaluation of basic multilateral international treaties and critical bilateral agreements” (Putin 2017).

## CONCLUSION

One might conclude that Russia’s revisionist agenda, which was articulated largely during the 2014 Ukrainian crisis, has various sources (both domestic and external) and contains a strong normative appeal aiming to affect the established international society in a crucial way. It seems to be evident that Russia’s propensity to engage in “normative revisions” became salient after Moscow had fully realized its “inappropriate” treatment by the Western states coupled with the growing sense of “status discrepancy” within the existing international hierarchy. Having encountered this unfavorable reality, the Russian leadership adopted an explicitly revisionist foreign policy agenda, challenging international law as the major institution of the international society and questioning international law’s ability to provide appropriate distribution of rights, duties, and privileges. In particular, the revisionist discourses adopted by Moscow in 2014 advanced the moral considerations to the foreground of the decision-making process, engendering a collision between these ethical categories and the established legal principles. Acting in this way, Russia has questioned the norms that comprise the core of the existing international order and legitimize the nation-states’ claims

for sovereignty, non-intervention, and territorial integrity. Thus, Moscow, trying to justify its offensive policy toward Ukraine, proposed the idea of Russia's right (as a "historical nation") to the restoration of "historical sovereignty" over its "historical territory." This claim, consistently advocated by the Russian leadership, has occupied a central place on Russia's revisionist agenda, questioning both the post-Soviet borders and the distribution of rights among the "new independent states." This radically new vision of appropriate international behavior implies that any "historical nation" should be granted the rights to preserve its "historical sovereignty" and, consequently, to self-determination within a certain "historical area." Importantly, according to Russia's vision, every nation-state should also be granted the right to the "restoration of historical justice," which is understood largely in terms of the "historical nation's" rights to reunification and equal treatment from the other states, in accordance with the same rules and principles that are supposed to be applied to any rightful member of the international society.

Besides, the normative arguments that were proposed by the Russian leadership in the course of the 2014 Ukrainian crisis asserted that, although international law is supposed to endow the nations with the self-determination right, in practice this liberty is sometimes implemented unequally, as happened in the case of Kosovan Albanians and the "Crimean people." Stressing these cases' similarity, the Russian leadership effectively claimed that the principles of "formal" justice had been violated and that this "unequal treatment" had questioned both the efficiency of international law and the legitimacy of the international order. Precisely these claims for "international justice," expressed in terms of equality of "historical rights" and "moral obligations," may undermine the unity and cohesion of the modern international society, resting on equal legal rights and implying that certain rights are assigned according to a juridical status ("nation-state"), which is rendered through formal recognition by the international community of states. Conversely, a "moral" understanding of the issue, persistently advocated by Moscow, asserts that both "nations" and "nation-states" may claim certain rights (such as "self-determination" and "restoration of historical justice") on the grounds of cultural, historical, or spiritual unity alone, regardless of the established international legal frameworks. In addition, the declared right to the "restoration of historical justice," being applied in practice, should be given to every nation-state, as Russia obviously cannot be the only member of the international society granted this specific privilege. In this case, however, the rise of revisionist attitudes and the sharpening of historical enmity among and, perhaps, within a number of states across the globe may eventually destabilize whole regions, provoking dangerous rivalries among the powers seeking to implement their newly acquired "right."

In general, Russia's normative claims constitute the essential part of its revisionist agenda aiming to expose the inherent flaws in the post-Cold War international society and to change its institutions. The need for this change seems to be rather urgent, as long as the existing international society explicitly lacks the widely acknowledged "concept of justice," according to which the legitimate assignment of rights, privileges, and duties could be organized effectively. As Russia's revisionist claims prove, there is still no sustainable international consensus on the issues of sovereignty, territorial integrity, self-determination, and even the basic rights that should be assigned to the rightful members of the international society or to those political communities that seek to gain membership. This situation is substantially complicated by the rising aspirations of those powers that seek to acquire a more decent place within the international hierarchy (such as China, India, Russia, and Brazil) and are prone to

claim both the new rights and the new responsibilities that should constitute their legitimate roles within the post-Cold War international system. Besides, the international hierarchy's fluidity, caused by the global power shifts and the concomitant structural changes, sharpens the sense of injustice among those states that experience "unequal treatment" and seek to adjust their current position with the actual distribution of capabilities, influence, and their own self-understanding. These attitudes, coupled with the perceived inefficiency and decline of major international institutions, provoke "dissatisfied states" to make claims that hardly suit the established normative frameworks, which reflect primarily the values of status quo powers and ultimately serve their interests. Until these claims are satisfied (or the attitudes of the claimants change), the danger of the emergence and proliferation of revisionist attitudes is likely to persist, creating an environment that is highly conducive to diverse manifestations of international deviance.

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## Chapter 5

# RUSSIA'S FOREIGN POLICY DEBATE

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## ABSTRACT

To understand a state's foreign policy, it is very important to study different schools of thought which, to a lesser or greater extent, may influence the decision-making at a specific time, based on both internal and external (systemic) parameters.

In Russia, after the collapse of communism, which was serving as the "unifying" ideology, and as the country was trying to redefine itself under a totally new reality concerning both its domestic and its international affairs, a tough debate began as regards to the strategic orientation that the country should follow. After a short period of ideological dominance of the Westernizers, other schools of thought (such as Realism or Civilizationism) increased their influence, driving Russian foreign policy in a different direction from that of the early 1990s.

The aim of this chapter is to analyze Russia's foreign policy schools of thought, which can be divided into three main categories: *Westernism*, *Realism/Pragmatism* and *Civilizationism*. Specifically, it tries to analyze the general assumptions of these schools as well as those of their main sub-categories.

## INTRODUCTION

The study of different schools of foreign policy thought is particularly important in an understanding of the deepest features of a state's foreign policy. This foreign policy is obviously dependent on the influence that each school may have on the decision-makers. That is, if a particular school is highly influential at a specific time, this may lead to adjustments on the basis of its assumptions. For example, the ideological dominance of the Westernizers in the early post-Soviet period resulted in Russia's following a pro-Western foreign policy. But the weakening of this particular school after 1993 led to an increased influence of other

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schools, such as Realism or Eurasianism. In turn, this resulted in Russia's following a very different foreign policy path compared to that of the early 1990s.

In general, the influence of different schools may be determined by two main parameters: the internal (political, economic, social) developments and needs of a society and a state, and the external influences (structure of the international system, systemic constraints) that the state may face. In other words, the internal and external factors are closely linked.

Different schools of foreign policy thought approach such issues in different ways, even though some common assumptions may often be noticed. In any case, each school's assumptions may be determined not only by what they propose for a state's current or future foreign policy, but also by the way they interpret the past. As every country has followed a specific historical path, the way each school interprets this path greatly affects its position on contemporary issues.

This chapter assumes that there can be no internal consensus regarding the strategic direction that a state should follow. That is, depending on the circumstances, particular schools may have more or less influence at a given time.

Following the fall of the Soviet Union, Russia had to redefine itself, given the fact that it could not retain its superpower status. That is, it had to adjust to a new international reality. At the same time, as its previous economic system collapsed, its internal needs were determined by the necessity for a successful transition to the market economy. Both needs greatly influenced its foreign policy decisions.

The collapse of communism, which served as a "unifying" ideology during Soviet times, and the fact that Russia had to look for a different path following the dramatic changes of the late 1980s-early 1990s, sparked a new debate over the strategic orientation that the country should adopt.

While in the beginning Westernism – which suggested a fast transition to the market economy and Russia's steady integration into the West – gained momentum, the debate continued and other ideological currents became increasingly influential starting in the mid-1990s. As Romanova (2012) states,

"the 1990s were characterized by three trends in Russia: the introduction of pluralism in the science of international relations, Westernization, and simultaneous isolation. The first implied a renunciation of Marxism as the only infallible paradigm; the second came as an attempt to transplant Western concepts to Russian soil; and the third one was actually a reaction to rapid Westernization. With the rare exception, the study of international relations in Russia was based upon what was created in the West."

Taking into account that Russia's foreign policy debate has a long past, the purpose of this chapter is to examine its basic features as they formed in the post-Soviet period.

In general, the Russian schools of foreign policy thought can be divided into three broad categories: *Westernism*, *Realism/Pragmatism* and *Civilizationism*. However, these categories are not unitary, as major differences exist within them. In particular, Westernism can be divided into liberal and pragmatic, Realism into neorealism and neoclassical realism; Civilizationism into Eurasianism, Pan-Slavism, Ethnic Nationalism and Isolationism. A special reference will be made to the National-Democratic (*Natsdem*) ideological movement, which, for reasons that will be explained in a special section, is difficult to categorize.

This categorization does not imply that more sub-divisions do not exist. However, it suggests that the aforementioned are the most influential, as they give a very broad idea of the features of the three main traditions.

Before moving to the analysis of each school, it has to be clarified that the chapter's goal is, with rare exceptions, neither to make reference to specific personalities/proponents of each school, nor to analyze specific foreign policy decisions through the prism of each school. Rather, it is to provide a theoretical framework that will help analyze Russia's Foreign Policy.

## **1. WESTERNISM**

Westernism's main suggestion is that Russia should, to a larger or lesser degree, adopt the Western political, economic and social paradigm. Freedom, human and civil rights, rule of law, free economic activity and equality of opportunity constitute the main assumptions of this school, regardless of which of its particular trends we refer to (Chebankova 2014, 344). Accordingly, it is suggested that Russia should adjust its foreign policy to this need. As a result, it should come closer to and increase the level of cooperation with the West.

Despite this broad consensus, important differences can be noticed between Westernism's two main sub-categories.

### **1.1. Liberal Westernism**

Liberal Westernism, in contrast to Russian conservatism, rejects the cultural division of the world, viewing the liberal ideology as being universal. That is, it is applicable to all states and societies (Zevelev 2009, 79). For Liberal Westernizers, history follows a linear path toward progressiveness, and for that reason liberalism is the ultimate destiny of every state and society, regardless of the different historical paths that they may have followed. Consequently, they reject the idea of Russia's specificity and they suggest that Russia should adopt the basic elements of the western political, economic and social paradigm. For them, Russia is (or should become) a country with a western identity and system of values (Tsygankov 2006, 4-5). Liberal Westernizers are heirs to the views expressed by one of the most prominent 19<sup>th</sup> century thinkers, Pyotr Chaadaev (1794-1856), who claimed that Russia has no tradition, no special role to play in human history and, for that reason, the only path that it should follow is to integrate into Europe (Chenbakova 2014, 345).

Liberal Westernizers claim that Russia needs Westernization in order to solve its major economic and social problems. That is, they support the radical reformation and transformation of the state, through a process of systematic modernization that will improve the people's standard of living and boost the country's competitiveness. Accordingly, they suggest that Russia should abandon its traditional statist model of economic development, as this impedes free economic activity.

At the same time, they remain highly critical of the political model that Russia has chosen, as they support that it should become a truly democratic state where society operates autonomously and free from tight state control. For them, this is the only way for individual and human rights to be protected.

Liberal Westernizers suggest that Russia's foreign policy should be closely linked to these internal needs. For that reason, it should integrate into the Western political and economic institutions, which will help it make all the necessary adjustments on the basis of the Western model (Mc Faul 1999). Close cooperation with or even integration into the West means that Russia should follow a very different path regarding its external relations. That is, it should completely reject its imperial past and refrain from understanding the world in geopolitical (zero-sum) terms. It should also abandon its constant striving for great power status, as this will bring it into conflict with the West while distracting it from the goal of modernization (Mankoff 2009, 72). Consequently, Russia needs close and deep cooperation with the West, from which it can get the know-how to reform. It can also attract western capital, which will facilitate the restructuring of its economy and the diffusion of technological expertise to society. In other words, it is the internal needs of the state and the society that constitute the basic determinants of Russia's foreign policy. Hence, by ensuring good relations with the West, Russia can secure its smooth integration into globalization. Significantly, such views challenge the traditional emphasis that Russia's political elite puts on state sovereignty (Kuchins and Zevelev 2012, 149).

For the same reasons, Moscow should abandon its efforts to increase its influence or achieve a dominant position in the former Soviet space, as this would put its relations with the West at risk (O'Loughlin and Talbot 2005, 329). Moreover, it would distract Moscow's attention from the process of internal restructuring and also strengthen the "Eurasian" element of its identity.<sup>1</sup>

It is clear that Liberal Westernizers do not support Russia's close cooperation with states such as China or Iran, since, according to their views, the political, social and economic models of these states cannot serve as a model for modern Russia.

## 1.2. Pragmatic Westernism

Pragmatic Westernizers are also committed to the main liberal assumptions (free economic activity, rule of law, political freedoms). However, they do not consider the liberal paradigm to be universal. For them, it constitutes only one of many different paths that a society may follow (Chenbakova 2014, 343). In other words, they do not believe liberalism is either a society's ultimate destiny or a natural law that no one can escape. Hence, they claim that every society may follow a different path, develop its own specific characteristics, and adopt a distinctive model of development that does not follow a general rule.

In this framework, Pragmatic Liberals recognize Russia's double identity as it has been formed through the centuries. While they consider Russia to be a European state in cultural terms, they also recognize that it has always played a dominant geopolitical role in Eurasia, both as the Russian Empire and as the Soviet Union. As a result, Russia cannot ignore this geopolitical reality and the significance of the Former Soviet Space for its international standing. Its foreign policy should thus take into account not only its internal needs, but also its position in an increasingly competitive geopolitical environment (Chenbakova 2014, 358).

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<sup>1</sup> In this framework, some Liberal Westernizers have even supported the separation of some parts of the North Caucasus from the Russian Federation. This would reduce the latter's territory but also weaken its "Eurasian" identity.

For that reason, Russia should look to cooperate with the West, but on terms of parity.<sup>2</sup> Western powers should recognize Russia as a great power and refrain from actions that aim at forming a unipolar international system (Tsygankov 2009, 14).

Regarding the relationship between state and society, Pragmatic Liberals claim that liberalism's goal should be to set limits on both the state and society. For them, the danger of the "individualization" of the mob<sup>3</sup> and the predominance of the people's egoistic interests remains real. In other words, in contrast to the Liberal Westernizers, they remain less critical of the role of the state and they support reaching a balance between it and society.<sup>4</sup>

Understanding the need for modernization and the preservation of political and social stability, and recognizing the central role that the West (as the most developed part of the world) can play in this direction, Pragmatic Westernizers suggest that Russia should indeed approach the West. This decision, however, should also be based on pragmatic economic and political interests rather than just values (Tsygankov 2009, 13). It should also be taken by Russian society itself rather than imposed from the outside. Liberal values cannot be imposed through external pressure, but should be adopted as a result of society's conscious choice.<sup>5</sup>

In any case, Pragmatic Westernizers do not support the view that Russia should merely copy the Western model.<sup>6</sup> Instead, they believe it should develop its own by creating a balance between some of liberalism's main propositions and its own distinctive cultural features. Social stability, liberalism's main task, would thereby be achieved (Kara-Murza 1999). In that sense, Russia has to accept its duality and the fact that historically it has developed specific features.

## 2. REALISM/PRAGMATISM

Following Gorchakov's<sup>7</sup> tradition, Russian Realists are the proponents of the Realist theory of international relations. The Realists' main assumption is that a state's foreign policy should be driven by national interests and be determined mainly by external (systemic) developments rather than internal needs. That is, realists understand foreign policy in geopolitical terms, in contrast to the Westernizers (especially the Liberal camp). In general, in post-Soviet Russia two main subcategories of Realism can be observed: Neorealism (which remains the dominant camp) and Neoclassical Realism.

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<sup>2</sup> Pragmatic Liberals also understand that cooperation with the West will allow Russia to achieve balanced relations with the increasingly powerful East Asia states, of which they remain skeptical.

<sup>3</sup> For instance, Pragmatic Liberals consider the October Revolution a result of the extreme individuation of Russian society rather than the result of the predominance of social solidarity and collective spirit.

<sup>4</sup> Indeed, they think that the state has never been an enemy of Russian liberalism.

<sup>5</sup> They often criticize the West for trying to interfere in Russia's internal affairs in order to press for radical changes that Russian society is not ready to accept.

<sup>6</sup> They regard Russian Liberalism as having its own features rather than as being a mere copy of Western Liberalism.

<sup>7</sup> Alexander Gorchakov (1798-1883) was the Foreign Minister of the Russian Empire from 1856 to 1882.

## 2.1. Neorealism

For Russian Neorealists, Russia's Foreign Policy should be determined as a response to external developments. They follow Neorealism's main assumption: that in an anarchic world where states remain unsure about each other's intentions, the main goal is survival (Gotz 2016, 303). For that reason, the external environment and the way the international system functions are the main determinants of a state's foreign policy. Understanding the world in geopolitical terms, Russian Neorealists focus on the external threats that Russia faces, given the increasingly antagonistic international environment where great powers compete with one another to protect their security and secure their interests (Marocchi 2017).

For Neorealists, the main challenge for Russia comes from the West, which they claim took advantage of the situation that took shape after the fall of the Soviet Union in order to weaken Russia's position in the international system. In other words, the West behaved as the winner of the Cold War. By trying to integrate the countries of the Former Soviet Space into its political and military institutions (see, for example, NATO eastward expansion), the West gave a clear signal that it did not recognize Russia's legitimate (political, economic, security) interests in this critical region. The Western policies not only challenged Russia's ability to project power in its former sphere of influence (weakening its international position), but also posed a threat to its internal security. Russia would now find itself being encircled by antagonistic (or even hostile) powers, capable of moving heavy military equipment close to its borders.

Some other developments, such as the U.S. withdrawal from the Anti-Ballistic Missile Treaty (understood in Russia as an effort to shift the nuclear balance in favor of the U.S.) and the alleged Western interference in support of various separatist movements challenging Russia's territorial integrity, were also perceived as threats.

In a broader context, Russian Neorealists often accuse the West of interfering (politically or even through the use of force) in the internal affairs of states (including Russia itself) in order to secure its interests or even impose its values (which it regards as universal) on societies that have no related tradition. This signifies a challenge to the concept of state sovereignty to which Neorealists pay particular attention.<sup>8</sup>

Based on the above, Russia should focus its attention on restoring the balance of power in the international system, which will create stability and order. Accordingly, it should support the formation of a new Concert of Nations (similar to that of 19<sup>th</sup> century Europe) – namely, a directorate of major powers that will decide on the main international issues (Karaganov 2017). The unipolar international system that the West wishes to construct will thereby be replaced by a multipolar one in which Russia (as well as other major powers) will participate on equal terms (Council on Foreign and Defense Policy 2012). To achieve this goal Russia could even try to create a coalition with other emerging powers (such as China and India) in order to contain the West (Gvosdev 2015).<sup>9</sup>

Following this thinking, the Former Soviet Space is understood as a region where Russia's privileged position should be recognized. Moscow should undertake initiatives to reintegrate this region, as this would secure its interests and increase its international leverage. If this goal is achieved, Russia will be able to form an independent pole within an

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<sup>8</sup> Realism, in general, considers the state as the main actor in the international system.

<sup>9</sup> This is what Russia did during Primakov's term as Minister of Foreign Affairs.

emerging multipolar international system. According to President Putin, this is the goal of Russia's effort to create the Eurasian Union (Putin 2011).

Such initiatives, however, should not entail Russia's breaking ties with the West. Instead, good Western-Russian relations should be secured on condition that the former recognizes Russia as an equal partner, a major power with a strong say on international matters, and not simply as a peripheral power (Cheng 2011, 32). Russian Neorealists continue to recognize the West as a major international pole, cooperation with which is necessary both to solve major international issues (such as terrorism) and to modernize the Russian economy, which continues to depend on the export of hydrocarbons (Kuchins and Zevelev 2012, 150).

Focusing on the need to preserve state sovereignty (from both external and internal challenges), Russian Neorealists suggest that foreign policy is a matter for the state rather than society. In order for the state to implement a policy that would secure national interests, it should be able to perform autonomously so that it can respond to the external challenges. Accordingly, it is the interests of the state rather than the internal needs of society that foreign policy should mainly serve.

## **2.2. Neoclassical Realism**

Neoclassical Realism is the midpoint between the traditions of Realism, on the one hand, and Liberalism and Constructivism on the other (Romanova 2012). It suggests that the foreign policy of a state is determined not only by the external environment but also at the unit level (Reichwein 2016). Society's needs and utilities, as well as perceptions, historical traditions and culture also matter. In that sense, international competition is not only about power but also about values.<sup>10</sup> All these are significant determinants of a state's foreign policy, as they influence its final goals. For example, speaking about Russia, Becker (2015, 117) states that "neoclassical realists would understand Russia's interventionist behavior as a product of its former status as a hegemon and current status as a rising power and revisionist state." Following this logic, Russia's key foreign policy goal to construct a multipolar world should be understood on the basis of its worldview. Moreover, its policies in the Former Soviet Union are also driven by ideological considerations (Reichwein 2016).

According to Russian Neoclassical Realists, the state should not decide autonomously on foreign policy issues, but take into account the needs of the society with which it needs to interact. That is, Russia, like any other state, should not determine its foreign policy based only on its material needs. It has to take into account subjective factors (Kropatcheva 2011, 31, 38). In that sense, while Russia should look to strengthen its international position, it should simultaneously avoid breaking ties with the West, as cooperation in the economic sector is important for the modernization of its economy. Relations with the West are thus a matter of economics as well as security. According to Kropatcheva (2011, 32), Russia "wants to become economically stronger vis-à-vis the West, but it realizes that it can only achieve this goal with Western help."

While Russian Neoclassical Realists (like Realists) claim that in an anarchic international system, Russia's foreign policy should be driven mainly by external factors, they also

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<sup>10</sup> This, however, does not mean that they do not regard the external environment as being the main determinant of Foreign Policy.

recognize the role of factors such as ideology, perceptions and culture. In that sense, while Russia often regards the West as its main adversary, it simultaneously seeks recognition as a major power by the latter, often becoming more assertive when it feels that this recognition is not forthcoming.<sup>11</sup> Neoclassical realism is thus helpful in understanding that Russia is pursuing more or less permanent interests throughout different phases of its post-Soviet foreign policy. These include provision of security and autonomy, maximization of material utilities and maximization of status/prestige.

At the same time, Neoclassical Realists understand the dominant role that the state has always played in Russia due to Russian society's strong belief in the state's role (especially in foreign policy issues). However, they recognize that the Russian state has often been able to use foreign policy as a tool for increasing its internal legitimacy (Romanova 2012). Hence, the state is often able to build a "national ideology" to consolidate its primacy over society.

### 3. CIVILIZATIONISM

Russian Civilizationists support the idea of Russia's cultural specificity. Assuming that civilization, rather than the nation-state, constitutes the main actor in the international system, they divide the world into different civilizations, each of which has its own distinct characteristics deriving from a given historical path. In that sense, states are considered parts of broader civilizations.

In this context, Russia constitutes a distinct civilization. As such, it cannot and should not be considered part of any other civilization. This relates primarily to the West, which in the Russian discourse has always been regarded as the big "other".<sup>12</sup>

Civilizationists focus on Russia's distinct cultural characteristics: Russian spirituality (in contrast to Western rationality and materialism), religion's enhanced role in the society, Russian communalism (in contrast to Western individualism) and the hierarchical structure of the state that results in social stability and peaceful coexistence between autocratic power and society (Lentiakov 2012, 65-66). In general, Civilizationists glorify Russia's medieval past and the adoption of the Third Rome ideology, according to which Russia had a specific mission in the world (Russian Messianism); namely, to rescue Orthodoxy, which was in danger after the fall of the last Orthodox Empire (Duncan 2000, 2, 12; Sidorov 2011, 320-321).

A general characteristic of contemporary Civilizationists is the rejection of globalization and Russia's decision to integrate into it in the early 1990s through a process of rapid privatizations and the implementation of the "shock-therapy" model. According to their analysis, the powerful economic elite that was created through this process later gained huge political influence and essentially dictated the country's future, leading it to economic and social destruction. This elite is thus accused of behaving not as a national elite, but as a global elite that cared not about Russia but only about how to promote its interests at society's expense (Panarin 2001).

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<sup>11</sup> This assertiveness is indeed provoked both by improved capabilities (as Neoclassical Realists would also assume) after years of economic development and by the perception that Russia is a great power whose increased ability to claim an enhanced international position should be respected.

<sup>12</sup> As the Russian discourse is Western-centric, it is in relation to Western civilization that Russia mainly defines itself (either positively or negatively).



Civilizationists also agree on the need for Russia to pursue a great power status that will also help it achieve internal stability (Chebankova 2015, 6). They are proponents of a strong state which provides for security, integrity and order while being able to act independently externally in order to achieve Russia's geopolitical goals.

Despite Civilizationists' general consensus on these assumptions, they differ in how they define Russia's specificity, how they understand its identity and, accordingly, its geopolitical goals. Consequently, the way they understand Russia in relation to the West is also different.

Given all the above, we can specify four distinct subdivisions of Russian Civilizationism: *Eurasianism*, *Slavic-Orthodox Nationalism*, *Russian Ethnic Nationalism* and *Russian Isolationism*. In the final chapter of this essay, we will also refer to another recently emerging ideological current, the *National-Democratic (Natsdem)*, which is difficult to categorize as it includes elements of both Westernism and Civilizationism.

### 3.1. Eurasianism

Eurasianism can be seen as the most anti-Western school of foreign policy thought. It is based on two main assumptions: first, that the world is divided into separate civilizations (the main actors in international relations), each of which has followed a different historical path and has developed its own specific characteristics. For that reason, they do not resemble one another. Second, that Russia has also developed its own distinct culture through a process of engagement of the Slavic (*Russkiy*) element with Asiatic (mainly Tatar and Turanic) peoples, which were steadily integrated into the Russian state as a result of the latter's continuous expansions in the east. In that sense, Eurasianists claim that, after the end of Mongol rule (which coincided with the fall of the Byzantine Empire), Russia emerged as an heir to both the Byzantine and the Mongol legacy. In particular, it adopted Byzantium's political model (Divine Monarchy) and claimed its legacy, but at the same time it began expanding eastward, integrating Asiatic peoples and trying to rebuild the former Mongol Empire under its own rule.<sup>13</sup>

Eurasianists were highly influenced by the views of two 19<sup>th</sup> century philosophers: Nikolay Danilevsky (1822-1885) and Konstantin Leontiev (1831-1891). Danilevsky was the first Russian thinker to introduce the theory of historical-cultural types (which is accepted and used by contemporary Eurasianists). He divided the world into separate civilizations, with each civilization having its cultural center/core. Being a Pan-Slavist, he claimed that Russia – as the greatest Slavic power – had a responsibility to unify Slavic civilization under its rule. At the same time, despite being a Slavophile, he rejected the Slavophilic view on Europe,<sup>14</sup>

<sup>13</sup> Eurasianists pay particular attention to Ivan the Terrible's conquest of the Tatar Khanates of Kazan (1552) and Astrakhan (1556), which altered Russia's ethnic composition, forming a multi-ethnic, multi-confessional state. In particular, Eurasianists claim that eastern expansion was the result of both geopolitical calculations (eliminating the risk of future invasions from the east) and Russia's cultural familiarity with the peoples of the steppe. In general, they hold a positive view of the period during which Russia was under Mongol rule, as they believe that the Mongols saved Russia from the prospect of being conquered by catholic states whose goal was – according to their view – to force Russia to embrace Roman Catholicism. In the words of one of the most prominent Eurasianists, Pyotr Savitsky (1895-1968), "there would be no Russia without the Tatars" (Savitsky 1922).

<sup>14</sup> Slavophiles were critical of Western Europe as it emerged after the French Revolution. However, they still considered Russia part of Europe. In their view, Russia's mission was to help Europe rediscover its old, traditional Christian values.

claiming that Russia has no cultural relation with the latter (Chenbakova 2017, 4). Total rejection of Europe is also consistent with Eurasianist ideology.

Leontiev, too, completely rejected the compatibility of European and Russian values. Being a staunch supporter of Russian autocracy, he supported a strictly hierarchical sociopolitical paradigm while rejecting egalitarianism and ideals such as universal prosperity or universal acceptance of middle-class values (Walicki 2015, 349). He considered the equalization of the social strata, which took place in Europe after the French Revolution, a sign of the decline of European societies, as it would lead to the dominance of the “average man”, whose only interest would be in satisfying his material, selfish needs and interests. For that reason, Russia had to follow its pre-Petrine path of political and social development (Leontiev passionately rejected Peter’s westernization efforts).

Leontiev, fearing the possibility of Europe’s imposing its values on Russia (Ianov 1970, 168), supported the creation of two (Russian) Empires: one with Kiev as its capital, and a second Great Eastern Union, with Constantinople as its center. The latter would include not only Slavic peoples (Leontiev rejected the idea that Russians were a purely Slavic people) but also Hungarians, Greeks, Romanians, Turks, Persian and Egyptians (Lentiakov 2012, 124). In that sense, Leontiev was among the first who stressed the need for Russia to pay more attention to the East by integrating peoples who were not impregnated with Europeanism but had managed to keep their identities free of negative external influences. In full consistency with Eurasianism, he also referred to the Russians as coming from a mixture of Slavic and Turan peoples.

In this framework, Eurasianists reject Russia’s purely Slavic identity, claiming that the continuous expansions of the Russian state resulted in the integration of Asiatic peoples. This led to the creation of a *super-ethnos*, namely a Eurasian ethnos that constitutes a unique and unitary civilization that followed its own historical path. Early Eurasianists (such as Nikolay Trubetzkoy) rejected Russian nationalism as being as dangerous for the territorial integrity of the Russian state (at the time, in the form of the Soviet Union<sup>15</sup>) as other nationalities’ separatist tendencies. Significantly, for early Eurasianists the preservation of Russia’s territorial integrity could even come at the cost of redefining or even subordinating the special position of the Great-Russians (Bassin 2003, 261). Therefore, Eurasianist ideology served as the unifying basis for the preservation of the territorial integrity of the former Russian Empire.

According to classical Eurasianism, Russia-Eurasia constituted an “integral whole” formed by the integration of Asiatic peoples into Russia. The Eurasian civilization was also organically linked to its territory (a sum of forest and steppe). The synthesis of this territory and Eurasia’s sociopolitical environment constituted a “single whole” (*mestorazvitie*)<sup>16</sup> (Dugin 1997, 50).

According to Bassin (2003, 264), for classical Eurasianists “opposition between Russia and the West could be considered as part of a more fundamental cleavage between Europe on

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15 Eurasianism emerged as a distinct ideology among Russian (White) emigres who fled Russia after Whites’ defeat in the Russian Civil War. Despite their obvious and deep ideological differences with the Soviet regime, some of them supported it as it managed to preserve both the territorial integrity of the former Russian Empire and the national unity.

16 Classical Eurasianists believed that the huge Eurasian landmass was bound to be unified, as its geographic features were complementary. For that reason, if it was unified under the rule of a strong power (as it had happened many times in the past), it could emerge as an independent, economically self-sufficient, political entity.

the one hand and 'mankind' in general on the other." That is, classical Eurasianism rejected the universality of Western culture while also claiming that Russia was a potential colony for Europeans who feared its strength, its immense territory and resources, as well as its central geographic position, which enabled to project power along Rimland and the open seas. After all, that was Russia's messianic mission: resist Western (cultural and political) dominance and help the rest of the (non-Western) world do the same.

According to Eurasianists, a basic element of Russia's imperial identity is that the people (regardless of confession or ethnic origin) should remain loyal to the state and its ruler. As in pre-Petrine Russia, society has to unite under the leader of the state, who is the bearer of Russia's official state ideology and mission (ideocracy). That is, ideology serves as a legitimizing factor of Russia's autocracy, giving the spiritual impulse to the state through a top-down process that secures its strictly hierarchical structure (Dugin 1997, 51-52).

Based on these assumptions, neo-Eurasianism (as it emerged in the late Soviet period) formed a specific geopolitical model in order to determine Russia's role in the international system. Considering the Former Soviet Space an integral part of Russian-Eurasian civilization, it argues for the restoration of the Russian Empire, even by military means. At the same time, while some Eurasianists limit the Empire's borders in the boundaries of the Former Soviet Union, others (such as the leader of neo-Eurasianist movement, political scientist and philosopher Alexandr Dugin) add to it regions of China and Scandinavia, as well as most of Eastern Europe. In particular, Dugin claims that Russia's strategic goal is to gain access to "warm waters". For that reason he goes even further to claim that Manchuria, Tibet, and Sinkiang have to become a part of Russia's "strategic spaces", together with Central Asia, the Caucasus, Afghanistan, Iran, and even a section of eastern Turkey. For him, all these regions are critical for Russia-Eurasia to achieve its strategic goal (Bassin and Aksenov 2006, 109).

Neo-Eurasianism, accepting Huntington's division of the world and Danilevsky's theory of historical-cultural types, divides the world into culturally coherent territorial entities ("great spaces") whose formation will be based on the right of the people to unite (right of self-determination) (Dugin 2018). At a later stage, these entities are to be integrated into four vertical geographical belts: the Atlantic which will include North and South America and will be controlled by the USA, the Euro-African, with the European Union as its center, the Russian-Central Asian zone (dominated by Russia), and the Pacific zone, in which Japan will be the dominant power (Dugin 2009). A multipolar world will thereby be created, limiting U.S. influence to the American continent. The ultimate purpose of this model is to eliminate U.S. influence on the Eurasian continent (here, Eurasia is defined as the geographic sum of Europe and Asia). To achieve this goal, the three Eurasian geopolitical spaces should form an anti-hegemonic (anti-U.S.) coalition, inspired by the model proposed by the German geographer Karl Haushofer (1869-1946), who supported the creation of the Berlin-Moscow-Tokyo axis (Cohen 2009, 21). As Russia holds a central position in the Eurasian continent (what Halford Mackinder<sup>17</sup> defined as Heartland), its mission is to unite the other two Eurasian geographical belts in a geopolitical coalition aimed at eliminating U.S. geopolitical and ideological influence in the Euro-Asian (Europe + Asia) space.

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17 Halford Mackinder (1861-1947) was an English geographer, academic and politician. He is considered as one of the fathers of geopolitics.

### 3.2. Russian Ethnic Nationalism

Russian ethnic nationalists understand Russians as a purely Slavic nation. They reject Eurasianists' theory that Russians and the non-Russian peoples that were (or still are) part of the Russian state share a common Eurasian history and identity as part of a larger "super-ethnos". Consequently, they understand Russia as a nation-state rather than as an empire. Defining the Russian nation in purely ethnic terms, ethnic nationalists regard non-Slavic peoples living in Russia as "alien" (*inorodtsy*), having no relation to Russian culture. Significantly, some radical ethnic nationalists are even in favor of an ethnically "clean" Russia, even if it is smaller in geographic terms (Mankoff 2009, 63). For them, Russia should be a homogeneous ethnic state free from the presence of the "disturbing and culturally inferior" Muslims (including Russian citizens of North Caucasian origin and migrants from Central Asia). Therefore, in contrast to the expansionist (imperial) nationalism of the Imperial and Soviet times, a new defensive nationalism has emerged in Russia, with low confidence in the country's ability to integrate non-Russian cultures. This type of nationalism pays particular attention to Russia's internal problems, and especially the demographic crisis – as, in contrast to the Russian Muslims, the ethnic Russian population is decreasing numerically (Popescu 2012, 47).

Ethnic nationalists completely reject the prospect of Russia's reintegrating the Former Soviet Space. Russians are considered victims of the past: they supported non-Russian peoples of the former Soviet Union and the Russian Empire financially, they guaranteed their security and helped them develop as nations without getting anything in return. As a result they share, in part, the view of the Westernizers, claiming that Russia should abandon its imperial past even at the expense of its dominant position in the Former Soviet Union. Interestingly, while initially being primarily anti-Caucasian ("Caucasophobia"), ethnic nationalism steadily evolved into being Islamophobic. Significantly, this fear of losing "Russianess" remains powerful society, including among young people and highly educated strata (Laruelle 2014, 285).

An extreme version of ethnic nationalists supports racist activism. Groups such as the Movement Against Illegal Immigration (DPNI)<sup>18</sup> or Russkiye (Russians)<sup>19</sup> express a radical form of nationalism, often engaging in acts of violence against external and internal immigrants.

In general, ethnic nationalists remain critical of Putin's regime, as they reject both its "soft" stance towards internal and external immigrants and its efforts to reintegrate the Former Soviet Space. Moreover, as nationalists, they give priority to the interest of the nation rather than the interest of the state and its leadership (Morozovy 2013, 2-3). For them, the nation's mobilization and stronger participation in the public affairs is necessary. Authoritarianism, considered an integral part of Russia's imperial legacy, is thus partly rejected. In other words, the role of the leader must be subordinate to that of the nation. This leads to more open political processes and broader participation of society in decision-making.

In general, ethnic nationalists are divided on some critical foreign policy issues. For example, while some supported Russia's activity in Georgia in 2008 and consider the

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<sup>18</sup> Outlawed in 2011.

<sup>19</sup> Outlawed in 2015.

Ukrainian and Belarussian nations part of the Russian nation (Mankoff 2009, 64, Popescu 2012, 48), others reject Russia's recent policies in Ukraine, as they consider them a sign of new imperialism that also increases Putin's popularity.

### 3.3. Neo-Panslavists

Neo-Panslavists emphasize the Slavic-Orthodox element of Russia's identity. Accepting Danilevsky's division of the world into distinct civilizations, they define Russians primarily in Slavic-Orthodox terms, considering Russian culture to be inconsistent with Western culture (Sidorov 2011, 334). Moreover, they focus on Russia's conservative values as they have been formed through history. Following the Slavophilic tradition, they glorify Russia's pre-Petrine past and traditional Russian values. They emphasize specific characteristics of Russian culture, such as communalism which is based on the role of the rural community and its peaceful self-government (*sobornost'*). In particular, they claim that such values have influenced Russian society, differentiating it from the individualist West. Moreover, they emphasize the role of Orthodoxy and Russia's spirituality (*dukhovnost'*), which they contrast with western materialism, rationalism and non-religiosity. They also support the centralization of the Russian state, as they accept the patriarchal nature of Russian power. For them, Russians live on the basis of an "internal truth" giving increased power to the state and refraining from interfering in political affairs (Lentiaikov 2012, 64-67).

Much as the above-mentioned assumptions appear similar to those of Eurasianists, there are stark differences between the two schools: firstly and most significantly, Neo-Panslavists and Eurasianists take a different view of Europe. While the latter completely reject Europe and its values, the former understand Russia as part of Europe, even as they divide it into modernist and traditional one. For them, Europe has to rediscover its "old," traditional Christian values. Russia's new mission is to help it in this direction. According to Narochnitskaya (2012), "the great Romano-Germanic and Russian Orthodox cultures are based on a single apostolic-Christian and spiritual foundation." That is, both Russia and Europe represent branches of one ancient civilization, which formed the basis for reaching a common understanding and peace on the continent (Chebankova 2015, 13). For that reason, Russia and Europe should join forces.<sup>20</sup> This unity, however, should be based on recognition of the equality of the values of both parties (Sidorov 2012, 334). A Russian-European alliance is considered both a necessary condition for limiting the effects of globalization (which the Neo-Panslavists reject) and a way for Europe, which the U.S. simply considers its springboard for geopolitical advancement to Eurasia (Brzezinski, 57-86), to emerge as an autonomous pole in the international system. Such an alliance is important for Russia, too, if it is to be able to resist the geopolitical pressure exercised by the U.S., which Neo-Panslavists criticize for trying to construct a unipolar world, challenge state sovereignty and impose its "universal" values (Narochnitskaya 2012).

Secondly, they take a different view of Islam. Even if Neo-Panslavists do not reject its role in Russian history and the fact that Orthodoxy and Islam (as traditional faiths) can

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<sup>20</sup> Narochnitskaya notices that "the future lies in a constructive combination of the historical heritage and creativity of all the ethnic, confessional and cultural components of Europe: German, Roman, Slavic, and Latin Europe and Orthodox Europe" (Narochnitskaya 2012).

coexist, they hold a more critical view of the latter and regard Russians as a primarily Orthodox nation.

According to Neo-Panslavists, Russia, as a great power, should be able to preserve its state sovereignty, resist western cultural influences and increase its international standing. Orthodoxy and Slavism are the basic elements of Russia's foreign policy, which should focus on Ukraine, Belarus, some Slavic-Orthodox Balkan states (especially Serbia) and Kazakhstan (where a large Russian ethnic minority lives). In their view, as great powers strive to gain influence in this broader region, Russia should try to achieve a dominant position. Of particular interest to Neo-Panslavists is the fate of the Russian minorities in the Former Soviet Space, who, after the fall of the Soviet Union, found themselves outside the borders of the newly founded Russian Federation. According to Neo-Panslavists, the rights of these Russian minorities are often violated as a result of nationalist policies. Significantly, in a more radical version of Neo-Panslavism, expressed by, among others, Aleksandr Solzhenitsyn, Russia's goal should be the creation of a Slavic Union that would include Russia, Belarus, Transnistria, part of the Ukraine, and northern Kazakhstan<sup>21</sup> (Laruelle 2015, 7).

Summing up, we conclude that Neo-Panslavism is a type of imperial nationalism, in the sense that it considers peoples who are neither Russian citizens nor ethnic Russians to be part of the broader Russian World.

### 3.4. Russian Isolationism

Russian Isolationism also accepts the civilizational division of the world and the fact that Russia constitutes a specific cultural entity that has followed a separate historical path. Indeed, Isolationism's main scholar, Vadim Tsymburskii (1957-2009), believed that Russia has a unique and autonomous identity.

According to Bassin and Aksenov, "Tsymburskii develops his own novel concept of 'ethno-civilizational platforms' (*etnotsivilizatsionnye platformy*). In the case of Russia, this would be defined as what might be called the ecumene of Russian settlement. In other words those territories where the Russian nation was concentrated most intensively and lived out its historical existence. They would include most of present-day 'European' Russia (west of the Urals), the Urals themselves, and Siberia" (Bassin and Aksenov 2006, 114, see also Morozova 2009, 680). Indeed, Tsymburskii accepted the role of geography and the interaction between the space where the Russian state has been historically formed and the peoples that inhabited it. However, unlike the Eurasianists, he did not identify this space with Heartland. According to him, Heartland does not correspond to the geographical space that the Russian nation has historically developed. This primarily relates to Russia's huge forest zone, which Mackinder does not consider as part of Heartland (Bassin and Aksenov 2006, 113). If that is the case, Russia should avoid establishing a new empire to reintegrate Heartland. Rather, it should focus on its internal development, paying particular attention to Siberia, a region with specific characteristics due to its distance from the center, its low population density and its geographic proximity to China.

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<sup>21</sup> Solzhenitsyn also proposed the smooth separation of some Muslim regions that are part of the Russian Federation.

In the same context, Tsymburskii claimed that Russia, in its post-Soviet borders, constitutes a cultural “island” (*ostrov*), as it is isolated from the civilizations surrounding it. For that reason it has to follow its own path, rejecting any integration into the West and its institutions (Krastev and Leonard 2014, 3). For Tsymburskii, the collapse of the Soviet Union had a major significance for Russia, as the latter was now separated from the intermediate geographic region which, until 1991, linked it to other civilizations (especially European civilization). This evolution further isolated Russia from Europe, which it had historically tried to approach by conquering territories (Eastern Europe and the Baltics) that brought it closer to the European center (Mezhuev 2017). According to Morozova (2009, 680), “the almost perfect congruity between the borders of the Russian state on the eve of Peter’s accession to power and the borders of the state which emerged after the dissolution of the Soviet Union enables Tsymburskii to interpret the latter as Russia’s ‘return’ to its island which now must be accompanied by a shift in geopolitical priorities. For that reason, Russia should not try to bring such territories back to its control as this would pose a threat to Russia’s autonomous path.”

Tsymburskii believed that it would be wrong for either the Euro-Atlantic community or Russia to try to integrate the states of what he defined as the Great Limitrophe – namely, the vast space from Central Asia to the Baltics that borders on Russia. Such a development would create instability, given the fact that some limitrophe states would probably disintegrate, as it is not clear to which of the two broader cultural communities they belong to (see, for example, Ukraine). Russia should thus do anything possible to prevent the integration of the limitrophe states into the West, as this would create instability on its borders and pose a threat to its security. Initially, Tsymburskii did not believe that the West would ever try to integrate the “culturally alien” regions of the Former Warsaw Pact. As this proved not to be the case, he modified his concept of “Island Russia,” claiming that Russia should integrate those regions of the Great Limitrophe which culturally consider themselves part of the Russian World. Specifically, he referred to Eastern Ukraine, Crimea, and certain territories of the Caucasus and Central Asia, which he defined as the “shelf of Island Russia”<sup>22</sup> (Mezhuev 2017). The military conflict in Georgia in 2008 seemed to play a significant role in Tsymburskii’s modification of his initial theory. However, he still hoped that even this modification would not entail in a radical change of his theory. For him, the revision of Russia’s borders should be very limited and should happen only as a result of the West’s efforts to expand to the states of the Great Limitrophe; That is, only if the latter lost their neutral status.

### 3.5. The National-Democratic Movement

*Recent years have seen the emergence of the National-Democratic movement, which challenges the traditional categorization of the foreign policy schools of thought. Its supporters (Natsdems) hold nationalistic views while at the same time supporting Russia’s democratization and the stronger participation of the nation in the public affairs. Their*

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<sup>22</sup> “Russian world” would thus no longer be defined in ethnic terms. Other nations that gravitate towards Russian civilization, in particular Abkhazians and Ossetians, may be included in this concept. It is quite possible that they would be joined by Belarusians, Gagauzes, Tajiks, Serbs, and other peoples (Mezhuev 2017).

ideology is based on the assumption that nationalism and democracy are compatible concepts, as the former focuses on the role of the nation and the need for it to mobilize and play a dominant role in state matters. Claiming that democracy allows the majority to express its interests, they reject society's passive role and its subordination to the state (Popescu 2012, 49). For Natsdems, nationalism and democracy have historically emerged simultaneously. Nationalism expressed the need for the nation to demolish the autocratic empires of the 18<sup>th</sup> and 19<sup>th</sup> centuries and demand an increasing say in public affairs. In that sense, in contrast to imperial states, in nation-states it is the people's rather than the state's sovereignty that matters more (Pain and Prostakov, 101-102).

On that basis, Natsdems reject Russia's imperial past, considering it. The main source of autocracy. Accordingly, they reject any prospect of Russia's reestablishing its old empire. Claiming that Russia should come closer to Europe,<sup>23</sup> they define the Russian nation in ethnic terms, considering it a (Slavic) European nation that has been negatively affected by its interaction with peoples who are not part of European civilization. They reject defining the nation in civic terms<sup>24</sup> and they propose the creation of a nation-state in which the ethnic Russians will have a dominant role (Lassila 2016, 120). Natsdems even reject federalism, which they consider a legacy of the imperial past and a way for the local (corrupt) elites to maintain their privileges (Laruelle 2014, 280).

In general, Natsdems have a negative view of the North Caucasus and its corrupt and autocratic practices, which they see as a negative influence on Russia.<sup>25</sup> They also see the 1994 Chechen war as a source of the non-democratic path that Russia followed after the first years of transition. Natsdems also propose restricting migration from the South Caucasus and Central Asia (including by imposing a visa regime<sup>26</sup>) and are against the naturalization of immigrants. Having adopted such views, some of them maintain close contacts with far-right groups.

All the above indicate that, in post-Soviet Russia, liberals and nationalists, while holding very different views on critical issues, share some common views: rejection of Russia's imperial identity, emphasis on the need for the country to follow a path closer to Europe, and the idea that the interaction of a European nation with peoples that share another (non-European) culture has a negative influence on the nation.<sup>27</sup>

On that basis, Liberals, Natsdems and Ethnic Nationalists have a very critical position against Russian President Putin (whom they accuse of being autocratic, corrupt, and following imperialist policies). Some Natsdems have even participated in the Russian Marches, the annual demonstrations organized by nationalist groups on November 4 (the day

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23 This position contradicts the ethnic nationalists' strong opposition to the West in general and Europe in particular (Lassila 2016, 120).

24 Speaking about Alexei Navalny, whom she categorizes as a Natsdem, Marlene Laruelle (2014, 291) states that "it seems that if (for Natsdems) "ethnic Russians" are endowed with rights of both a collective and an individual identity, "non-Russians" exist only through their collective rather than individual identities. Hence the total absence with Navalny of any discursive range about the violated rights of the Russian citizens of the North Caucasian republics or those of individuals in work migration."

25 This, however, does not imply that they support either the secession of the region or the imposition of restrictions on the free movement of their citizens.

26 Interestingly, they do not take the same view of migration from Ukraine or Moldova. This is another indication of their ethnic definition of the nation.

27 While this is true, a major difference is that liberals are supporters of an inclusive (civic) definition of the Russian nation (they adopt the term *rossiyskiy* rather than *russkiy*). Moreover, Liberals obviously do not support nationalists' often anti-Semitic and chauvinist views.



of National Unity). They also participated in the 2011 protests following Putin's announcement that he intended to run for President in the March 2012 elections. In any case, despite the steady fusion of nationalist ideas with those of liberals (Popescu 2012, 50), it should be made clear that such common activities have tactical as well as ideological underpinnings, determined, as they are, by the need to form a united anti-Putin front.

It is interesting to note that the Natsdem movement's popularity is most pronounced among the middle classes, young and educated people who live in large cities and have benefited most during the years of Putin's leadership. This should in part be attributed to the fact that immigrants from the Caucasus and Central Asia settle mainly in large cities. At the same time, such societal groups are obviously more likely to support a pro-European path for Russia, emphasizing the European (Slavic) features of Russia's identity.

## CONCLUSION

Following the collapse of the Soviet Union, a new debate opened in Russia as to the country's new identity and the foreign policy it should follow, taking into account the radical changes in the international system and the internal needs of a society and a state that had to absorb the effects of a difficult political and economic transition. As the "unifying" ideology (communism) had now been discredited, different schools of foreign policy thought proposed different paths for Russia's external affairs. Generally, it can be said that three main schools appeared: Westernism, Realism/Pragmatism, and Civilizationism. These schools, however, are not homogeneous and can be divided into various sub-categories, each one having its own specific features.

Westernism supports the idea that Russia should follow a pro-Western foreign policy, as this would better serve the country's external and internal needs. Its foreign policy should mainly be determined by the need for the country to adopt the main features of the Western economic and political paradigm in order to modernize and be ready to meet today's challenges. Westernism is divided into the Liberal and Pragmatic camps. Liberal Westernizers support the idea that Russia's foreign policy should mainly serve the country's internal needs; namely, economic modernization and the need to transform the political system according to the Western political model. For that reason, they claim that Russia should forget its imperial past and focus on improving its relations with the West, ideally being in the position to integrate into the latter's main political, economic and security institutions. For Liberal Westernizers, Russia has no distinct identity and for that reason it should act "normally" and constructively in the international system.

Pragmatic Westernizers also support the need for Russia to adopt the main elements of the Western political and economic paradigm. At the same time, however, they understand that the geopolitical challenges Russia faces should be taken into serious account as far as its foreign policy is concerned. Russia should thus try to approach the West, but demand parity in its relations with it. In general, Pragmatic Westernizers accept Russia's double identity (European and Eurasian) and claim that for Russia (as well as other states) liberalism should not be regarded as a natural path or destiny.

Russian Realism can be divided into Neorealism and Neoclassical Realism. Neorealism emphasizes the role of the state as the main actor in the international system and argues that

Russia's foreign policy should be determined mainly by its external needs, given the anarchic nature of the international system. Neorealists understand the international system in geopolitical terms; that is, as a field of great-power antagonism. Given this reality, Russia should try to increase its power and achieve an enhanced international role, and parity in its relations with the West (considered to be Russia's main antagonist). Moreover, it should strive to construct (in cooperation with other non-Western powers) a multipolar world in which global affairs will be managed mainly by a directorate of great powers.

Neoclassical Realism, too, claims that foreign policy should be formed mainly as a result of Russia's external needs. However, it posits that internal needs should also be taken into account. For that reason, Russia should do its best not to damage its relations with the West, as the latter may play an important role in Russia's efforts to modernize its economy. Neoclassical realists also claim that foreign policy is severely influenced by identity and internal perceptions of the country's position in the international system.

Civilizationism considers culture the main actor in international relations, while claiming that the distinct culture that Russia has historically formed should dictate its foreign policy. Civilizationism can be divided into four main sub-categories: Eurasianism, Neo-Pan Slavism, Russian Ethnic Nationalism and Russian Isolationism. All of them accept Russia's specificity but define it in a different way.

Eurasianism supports the idea that Russia has formed a distinct Eurasian culture after integrating Asiatic peoples through its continuous expansions. Its culture is thus very different from both Western and other major cultures. For Eurasianists, the West (whose culture they consider totally incompatible with Russia's) claims universality for its values and tries to impose them globally in order to create a unipolar (Western-centric) international system. In that sense, Russia's goal should be to contain such efforts. To achieve this, it should reestablish its former empire in order to become an equal and independent pole in a new multipolar world whose construction should be Russia's ultimate goal. For Eurasianists, this is the only way for the West's "aggressiveness" to be contained.

Neo-Panslavists also understand Russia as a distinct civilization. However, without rejecting its interaction with other faiths, they emphasize its Slavic-Orthodox character. That is, they do not support Eurasianists' view that Russia and the Asiatic peoples that it integrated form a unique civilization. Moreover, they do not reject Russia's Europeanness and claim that Russia should help Europe rediscover its traditional values and reject the path that it is now following as a result of influences from the Anglo-Saxon World. Neo-Panslavists claim that Russia's foreign policy should focus mainly on building stronger ties with Slavic-Orthodox nations. At the same time, they promote the protection of ethnic Russians who live outside Russia's borders.

Ethnic Nationalism defines Russia in strict Slavic terms. It unambiguously rejects the idea of a Russian-Eurasian civilization and claims that the cultural interaction between Russians and Asiatic peoples was at the expense of the former. For ethnic Nationalists, Russians went to great expense to finance and guarantee the security of these peoples, without gaining anything in return. They reject the civic definition of the Russian nation. Some of them even support the secession of some North Caucasian regions from the Russian state so that a smaller but ethnically "cleaner" Russia can be created. North and South Caucasians, as well as immigrants from Central Asian republics, are frequent targets of violent ethnic nationalist groups. In general, ethnic nationalists focus more on internal rather than external affairs.

Russian Isolationism also supports Russia's cultural specificity. Emphasizing the role of geography, it claims that, historically, Russian civilization has developed mainly in regions such as European (Western) Russia, the Urals, and Siberia. As it was in these regions that the Russian nation was most concentrated, Russia should not look to reestablish a new empire, but simply strive to prevent the limitrophe states from integrating into the Western economic, political and security institutions. It is only in this later case that Russia should look to expand its territories to include peoples that consider themselves part of the Russian World.

Finally, the National-Democratic Movement is a special school of thought that is difficult to categorize, as it combines both pro-Western and nationalistic features. In general, Natsdems hold nationalistic views, as they define the Russian nation in ethnic more than civic terms. At the same time, they are pro-European, as they understand Russians as a European nation whose interaction with other (non-European) peoples is problematic. They also support the active participation of the masses in public affairs, harshly criticizing President Putin and the Russian government for being autocratic.

To sum up, it is true that many more sub-categories of the three main schools of foreign policy thought exist. For obvious reasons, it is impossible to analyze all of them in this chapter. However, we can still claim that we have analyzed all the main sub-divisions that cover a large swathe of the broader categories. As a general conclusion, we can say that the determination of Russian identity and foreign policy is western-centric. That is, the West is the big "other" in relation to which Russia mainly defines itself (positively or negatively) and forms its foreign policy. This, in our view, defines the framework for analyzing and understanding Russia's foreign policy debate.

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*Chapter 6*

## **RUSSIAN ORTHODOX CHURCH: FROM RUSSIFICATION AGENT TO SOFT POWER INSTRUMENT**

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### **ABSTRACT**

The ambitions of the Russian Orthodox Church (ROC) to overtake the Ecumenical Patriarchate of Constantinople (EPC) as the highest authority in the Orthodox communion have a long history, dating from the 15<sup>th</sup> century. The largest and richest among the Orthodox churches, the ROC was also, for four centuries, the only one among them to be an established state church, invested with an intrinsically political role. It was used by the state, in both Imperial and Soviet times, as an agent for the Russification of non-Russian Orthodox nations within its borders and an instrument of soft power among the Orthodox abroad. Post-Soviet independence reignited the struggle of Orthodox nations in Russia's "near abroad" to sever ties with the ROC and establish independent churches under the Istanbul-based EPC. This led to an all-out war over jurisdiction and influence between Moscow and Constantinople, of which the recent face-off over the autocephaly of the Ukrainian Orthodox Church is but the latest episode. The Putin years have also revived the imperial tradition of using the ROC as a soft power tool, in order to align Orthodox nations with Moscow's political objectives. The Kremlin has "marketed" Orthodoxy and Putin's image as its protector, especially in Orthodox countries which are EU and NATO members. The aim is to turn local societies against that western alignment, forging a pro-Russian, anti-Western and anti-liberal consensus.

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## **INTRODUCTION**

For the Orthodox Christian world, October 2018 was probably the most eventful month of the last three decades. On October 11, the Holy Synod, the supreme administrative body of the Istanbul-based Ecumenical Patriarchate of Constantinople (EPC), launched the process for creating an autocephalous church in Ukraine. Another Holy Synod, that of the Russian Orthodox Church (ROC), announced four days later the suspension of Eucharistic communion with the EPC. As things stand, Russian Orthodox are banned from receiving any sacrament in any church directly under the EPC.

The news left many people in the Orthodox world (and many more outside it) wondering what “autocephalous” and “Ecumenical” really mean. Even though the retaliatory decision of the ROC was expected and surprised few Orthodox, it did shock many. The ROC is by the far the largest and richest of the fourteen autocephalous Orthodox churches. Roughly half of the three hundred million Orthodox fall under its jurisdiction. The EPC, on the other hand, is traditionally referred to as “The Mother Church” all over the Orthodox world and is recognised as Orthodoxy’s supreme spiritual authority. Its prerogatives, including the right to create autocephalous churches and to resolve differences in jurisdiction among existing ones, are at the very centre of Orthodox canon law.

The rupture between the ROC and the EPC may have dire consequences for the Orthodox world. By challenging the EPC’s authority to create a new autocephalous church in Ukraine, the ROC has effectively challenged its primacy. A break with the “Mother Church” threatens to create a schism that would tear the Orthodox world in half. The immediate background to this crisis is to be found in the tumultuous political and religious situation in Ukraine. The purpose of this chapter, however, is to demonstrate that this is just another round in a centuries-old feud between Moscow and Constantinople over primacy and influence in the Orthodox communion. At the heart of the confrontation are Moscow’s ambitions to replace the EPC as the highest Orthodox authority. An overview of the organisational principles of the Orthodox Church and the history of the ROC is necessary in order to put the current crisis in perspective and to understand other crises that may follow.

## **“ECUMENICAL”: CONSTANTINOPLE’S PREROGATIVES IN A CENTRIFUGAL SYSTEM**

In marked contrast to Roman Catholicism, Orthodox Christianity is not structured around a single centre of authority. The Orthodox firmament lacks the hierarchical uniformity of the Roman church; there is no Orthodox equivalent to the Pope. This difference in organisation developed very early on and reflects the different realities and historical trajectories of the Western and Eastern parts of the Roman Empire. In the West, Rome had always been the single great metropolis. After the collapse of the Western part of the Empire in the late 5<sup>th</sup> century, the Roman Church was left as the sole custodian of Roman culture, traditions and heritage (Runciman 1968, 6).

Conversely, in the East there existed several great cities: Alexandria, Antioch, Ephesus. Constantinople quickly overtook them all when it was founded in 330 as the “New Rome” to replace the old imperial capital. Each had its church and none was ready to submit to a rival



(Runciman 1968, 8). The Roman East consisted of ancient peoples with venerated literary traditions in Greek, Aramaic and Coptic. This made it impossible to promote a single “sacred” language in the East, in the manner that Latin was accepted in the West. From the outset, a centrifugal system developed in the East – an inevitable consequence of rivalry between its great cities and ancient peoples.

Theoretically, every bishop was (and still is) accepted as equally charismatic; the church was formally organised on democratic principles. In practice, however, a hierarchy was gradually established among bishops, their order of precedence reflecting the importance of their respective cities to the Empire: church organization mirrored civil administration. The bishop of Rome was quickly accepted as the most senior, simply by virtue of dwelling in the imperial capital. His views and rulings were accorded particular respect. With the transfer of the capital to Constantinople in 330, the city’s bishop was quickly recognised as second in pre-eminence. Rome’s primacy was not challenged, but the idea that transfer of imperial power implied transfer of ecclesiastical primacy became very popular in the East. The bishop of Alexandria was ranked third, that of Antioch followed in the fourth place. Jerusalem, where the faith was born, had always been of peripheral importance in the Hellenistic and the Roman worlds. Its bishop was thus relegated to fifth place.

This order of precedence was quickly entrenched as part and parcel of the canonical order in the East. Gradually, these five bishops acquired the title of Patriarch. Precedence was defined as “honorific”: theoretically, the Church was jointly managed by the five Patriarchs, a principle known as “pentarchy.” The position that a Patriarch could be “infallible” was never accepted in the East. All disagreements concerning points of doctrine had to be resolved jointly by all bishops of the Ecumene (“the inhabited world”) convened in council – *Ecumenical Councils* guaranteed the organic unity of the Church and issued decisions that were binding for the entire Christian world. The Ecumenical Councils confirmed the pentarchy’s order of precedence.

It was the prerogative of the Emperor, chief magistrate under God, to convene an Ecumenical Council. The Emperor, defender of the faith, thus had a central role in church affairs. The ideal model for church-state relations was described as *symphonia* (“agreement”); i.e., a symbiotic, harmonious relationship based on co-operation and mutual support and respect. Events surrounding the Christianisation of foreign peoples illustrate how this cooperation worked in practice.

Fundamental as it was in canon law, the pentarchy was a stillborn project. Copts and Aramaic/Syriac-speaking nations defied the decisions of the Ecumenical Council of Chalcedon in 451 and formed separate churches (Coptic Orthodox and Syriac Orthodox, respectively). The Armenians, who lived in an independent kingdom, also left the Chalcedonian mainstream. The Armenian Apostolic Church is the first “national church,” inseparably tied to Armenian language and identity. After this first split, the faithful of the “Roman” Patriarchates of Alexandria and Antioch were limited primarily to enclaves of Greek-speakers. Rome and the entire Western half of the Empire were lost to the barbarian invasions of the 5<sup>th</sup> century, and the Arab invasions in the 7<sup>th</sup> century led to the loss of North Africa and the Levant. Jerusalem, Antioch and Alexandria found themselves not only outside the Empire, but under Muslim rule.

Yet in the East, the Roman Empire would survive for another thousand years, until the Ottoman conquests of the 14<sup>th</sup> and 15<sup>th</sup> centuries. Among the pentarchy, only Constantinople remained in Roman territory, which had gradually shrunk to Greek-speaking areas and

acquired the Greek-speaking, Orthodox Christian character termed “Byzantine.” Long before the Great Schism of 1054, the political, linguistic and cultural chasm between Rome and Constantinople had set the two cities on separate paths. Constantinople’s Patriarch was accepted as “*primus inter pares*” by the Eastern Patriarchs. Yet even after the Schism, Rome was not written off; when “her Bishop abandons the errors of his predecessors [...] she will return to her position as the senior of the five Patriarchates [...] In the meantime the Patriarch of Constantinople enjoys the acting primacy” (Runciman 1968, 23).

In practice, this primacy is not merely honorific. Constantinople’s Patriarch holds canonical prerogatives that, in a highly decentralized system of independent churches, are there to ensure coordination and resolve jurisdictional disputes. They include the authority to recognize new autocephalous or autonomous churches, to adjudicate in jurisdictional disputes, and to convene a Council of all Orthodox churches. It suffices for one of the parties in a dispute to call for the Ecumenical Patriarch’s intervention for the latter to assume his prerogative and adjudicate. Hence the title “Ecumenical”: the Patriarch bearing it is the supreme arbiter in the entire Orthodox world (Ecumene). Beyond such cases, however, the EPC cannot interfere in the affairs of another church.

## **“AUTOCEPHALY”: A TRADITION TIED TO INDEPENDENT STATEHOOD**

The ancient ethno-linguistic groups in the East proved defiant to the linguistic and cultural assimilation inherent in the Roman Empire’s melting pot. The Coptic and Aramaic-speaking populations would not submit to Latin or Greek church authorities, fearful of their assimilationist tendencies. Ethnic and linguistic identity weighed heavily on church organisation. The recognition of Alexandria and Antioch among the pentarchy was, *inter alia*, deference to Copts and Arameans respectively. Their secession in the aftermath of the Council of Chalcedon illustrates how, at a time when ideas on “national” identity were very blurred, religion was the sphere where ethnic and cultural particularities were aired and collective identities were expressed.

Nations living in independent kingdoms joined the faith. Their political independence posed a major challenge to the decentralised church in the East: political independence had to be combined with ecclesiastical communion and recognition of the EPC’s prerogatives. The solution was found in *autocephaly*: “national” churches appeared in the Orthodox communion centuries before they did in Reformation Europe. The first was created in Bulgaria in the 9<sup>th</sup> century. A few years earlier, brothers Cyril and Methodius from Thessaloniki had embarked on a mission to evangelize the Slavs of Great Moravia. Competing with Frankish missionaries who insisted in the adoption of Latin liturgy by any new converts, Cyril and Methodius promoted the use of liturgy in the local language (Slavonic). They devised the Glagolitic alphabet (a precursor of the Cyrillic now in use by Eastern and Southern Slavs) to transcribe the Bible into the Slavonic language. Moravia would eventually fall under the orbit of Rome. However, Cyril and Methodius, the “Apostles to the Slavs,” had devised the linguistic tools for the Christianisation of the Slavs and the development of Slavic culture.

Bulgaria’s Christianisation shows how political considerations played a crucial role, and Emperors in Constantinople an active part, in “spreading the faith.” Christianity had made significant inroads in Bulgaria decades before its ruler, Boris I, proposed to be baptised as an

offer of peace to Constantinople, with which he was at war. Emperor Michael III symbolically acted as godfather, and in 864 Boris was christened, taking the name Michael in a gesture of homage. His baptism, however, did not mean the immediate creation of a Bulgarian church under the EPC. Boris took advantage of the jurisdictional competition between Rome and Constantinople. To achieve a maximum degree of church independence, he negotiated with both centres for over five years. Finally, an autonomous Bulgarian archbishopric was founded in 870, under the EPC. The new church was the first in Europe to use Slavonic, not Greek or Latin, in liturgy. It had considerable autonomy, while its primate was appointed by Constantinople. Boris made it the established church in Bulgaria.

It was political and military matters that led it to autocephaly. Autocephaly is a step beyond autonomy: an autonomous church is free to manage its domestic affairs, but has its head appointed by the EPC. An autocephalous (from the Greek for “self-headed”) church, on the other hand, elects its primate. After inflicting two sweeping defeats on the Byzantine army, Tsar Simeon I convened an all-Bulgaria church council that unilaterally proclaimed the Bulgarian Church autocephalous and awarded it patriarchal rank (919). Constantinople recognised the Bulgarian Patriarchate as part of a bilateral peace treaty in 927. The Bulgarian case demonstrates how political and cultural parameters weigh heavily in the recognition of autocephaly. Bulgarians feared that a primate from Constantinople, Greek-speaking and identifying with the Byzantine Empire, would hamper their autonomous cultural development and even jeopardize their political independence. At the same time, their respect for Greek culture, the work of Cyril and Methodius, and Constantinople’s imperial pedigree made them eager to retain communion with the EPC. In the future, political parameters would bring the latter to rescind then reinstitute the Bulgarian Patriarchate more than once (Massavetas 2017, 384-390).

Autocephalous churches always appeared within independent states. National traits are not per se sufficient for autocephaly; the existence of an independent state is also required. The history of the Georgian Apostolic Orthodox Church, founded five centuries before the Bulgarian Church, illustrates this. When Christianity reached the Georgians, their lands were divided between two kingdoms: Egrisi (Colchis) and Kartli (Iberia). In 334 Constantine the Great sent priests from Constantinople to baptise the King of Kartli. They organised the local church as a Metropolitanate, which became Kartli’s established church in 337. It used the Georgian language in liturgy, imparting huge impetus to national culture: the Georgian alphabet was devised to transcribe the holy texts into the national language.

The Metropolitanate was placed under Antioch, which appointed its primates. It was at the urging of Emperor Zeno in Constantinople that the Patriarch of Antioch elevated the Metropolitan to *Catholicos* in 480. Zeno aimed to ensure that the Church of Kartli, which had strong ties to the Armenian Church and its non-Chalcedonian creed, would remain within the Chalcedonian communion. It was a first step to autocephaly: local bishops could now elect the *Catholicos* (who, nevertheless, had to be confirmed by Antioch). Full autocephaly came only when Kartli and Egrisi united in the Kingdom of Georgia, and the respective churches merged into a properly “national” church. In 1010, the *Catholicos* of Kartli was elevated to *Catholicos and Patriarch of All Georgia*, and the second autocephalous national church in the Chalcedonian world was created.

## KIEV: THE BIRTHPLACE OF EASTERN SLAVIC ORTHODOX CULTURE

The *Baptism of Rus*, a century after the Christianisation of the Bulgarians, is often mentioned as the most splendid achievement of Constantinople's "Mother Church." Rus was a loose confederation of principalities covering most of present-day Ukraine, Belarus and European Russia, with its capital in Kiev (hence the term *Kievan Rus*, often used in the West). The Cyrillic alphabet and the translation of the Bible into Slavonic facilitated the spread of the faith among Eastern Slavs.

Many colourful myths surround the decision of Vladimir I, prince of Kiev, to be baptised in the Greek rite. It was probably crude political considerations, however, that actually motivated him. Vladimir had just murdered his reigning half-brother and, his legitimacy questionable, was looking for an alliance. The Eastern Roman Empire was at the time the most powerful and prestigious Christian state; its rulers were the direct heirs of the Roman Emperors and its church the Mother Church of the East. In Constantinople, Emperor Basil II was himself seeking an ally to help him quell a revolt. He offered his sister Anna in marriage to Vladimir, on condition that he accepted baptism.

Vladimir was baptized in 988, taking the name Basil in honour of his brother-in-law, and married Anna. According to the legend, he forced the inhabitants of Kiev into a mass baptism in the Dnieper. The mass baptism of the Kievans marks the birth of Eastern Slavic Orthodoxy. The Baptism of Rus tied the vast world of Eastern Slavs to Constantinople, which became their "Mother Church" as well as their cultural and artistic ideal. Once more, Christianisation had a political backdrop, as had been the case in Bulgaria and Georgia. Personal ambitions of rulers and questions of prestige were again paramount, and the Emperor of Constantinople actively intervened.

The EPC appointed the *Metropolitan of Kiev and All Rus*, whose jurisdiction extended over the immense state. Three centuries passed without significant problems. After the 1220s, however, the Mongols of the Golden Horde (referred to as "Tatars" in Russian historiography) invaded Rus, inaugurating a period of turmoil. The conquest was marked by an onslaught of brutality. Kiev, the place where Eastern Slavic Orthodox culture took root and form, was burnt and razed to the ground in 1240, its inhabitants massacred. Rus was shattered.

Initially, its entire territory came under the suzerainty of the Khan of the Golden Horde. From the early 14<sup>th</sup> century, however, the lands now forming Ukraine and Belarus came under the Grand Duchy of Lithuania; those to their East remained under Mongol suzerainty until the late 15<sup>th</sup> century. The Mongol invasion thus brought the political fragmentation of the Eastern Slavic world, consequences of which can be felt to this day in Ukraine. The Mongol invasion's other significant consequence was the progressive migration of the political-ecclesiastical centre to the northeast, from Kiev to Vladimir and finally to Moscow.

## "THE THIRD ROME": MOSCOW'S AMBITIONS TO REPLACE CONSTANTINOPLE

Violence was limited to the conquest of Rus; otherwise the "Tatar Yoke," as Mongol suzerainty is usually referred to in Russia, was limited to tax collection and general oversight.

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Mongols did not settle the lands, which were divided among Rus Princes, with the Khan as suzerain and power arbiter. The ROC quickly established a *modus vivendi* with the new rulers – famously tolerant in religious matters – retaining its properties, enjoying tax exemption and independence in its affairs. With Kiev in decay, its region exposed to constant slave raiding by the Crimean Tatars, the Metropolitan relocated to Vladimir in 1299. The title “Metropolitan of Kiev and All Rus” was nonetheless retained. The departure of the Metropolitan had caused great consternation in Kiev and its region, which were deprived of their cultural prestige.

In 1325, the Metropolitanate moved to Moscow, still retaining its historical title. The transfer added immensely to Moscow’s prestige, reflecting its rising power among Rus principalities. While Moscow’s star was rising, Constantinople was in its death throes. Emperor John VIII Paleologos was in a desperate struggle to save what remained of the 1,100-year-old Empire. Hoping to obtain military aid from Western monarchs, he entered negotiations to unite the Orthodox and Catholic churches under the Pope’s primacy and thus end the Great Schism. The Union was agreed upon at the Council of Florence (1439). Among its signatories was Isidore, Metropolitan of Kiev and All Rus, an ethnic Greek.

When news of the Union reached Moscow, it caused great scandal. It was interpreted as submission to Rome and betrayal of Orthodoxy; Grand Prince Vasily II repudiated it. Arriving in Moscow in 1441, Isidore was arrested, deposed and charged with apostasy. In 1448, Vasily had a new Metropolitan appointed without Constantinople’s consent. The Moscow church became *de facto* autocephalous, having appointed its own primate. At the same time, there was cessation of communion with the Mother Church. The rupture did not last long: in 1453, a few months before the Fall of Constantinople, Moscow asked the EPC to approve its autocephaly. The approval was granted.

Constantinople’s fall to the Ottoman Turks in 1453 was interpreted by many in Muscovy as divine punishment for “submitting to the Pope.” Its loss inspired a new narrative: that of Moscow as “the Third Rome.” The original Rome was lost to heresy, to which the New Rome, Constantinople, had also succumbed by signing the Union. There was no longer a Christian Emperor there to lead the Orthodox, but an infidel Sultan. The Great Prince of Moscow was the sole reigning Orthodox monarch, able to fulfil that leadership role. Moscow seemed destined to succeed Constantinople, becoming the “Third Rome.” “The Fall of Constantinople meant... that its place was vacant and waited for its heir or replacement” (Laats 2009, 103). “To the Muscovites it seemed no coincidence that at the very moment when the Byzantine Empire came to an end, they themselves were at last throwing off the few remaining vestiges of Tatar suzerainty: God, it seemed, was granting them their freedom because He had chosen them to be the successors to Byzantium” (Ware 1993, 53).

The narrative, laden with messianic connotations, became popular faith during the long reign of Ivan III (1462-1505), which brought momentous changes and shaped the “imperial” ideology that still permeates the ROC. Ivan initiated the process known in Russia as “the gathering of the lands”: he forced several Rus Princes into submission, stripped them of their titles and annexed their lands. In 1480, the suzerainty of the Golden Horde came to an end, and Muscovy became the only part of Rus free from foreign domination.

Ivan III married Sophia Paleologina, a niece of the last Emperor of Constantinople. Through her, he could claim that his lineage were descendants and legitimate heirs of Constantinople’s Emperors. After their wedding, Ivan became the first Grand Prince of Moscow to use the title *Tsar*, a Slavic corruption of “Caesar.” The implications were obvious:

the bearer of this title was the successor of the Emperors of Rome and Constantinople and carried imperial pretensions. Ivan even adopted the Byzantine double-headed eagle as his state emblem (Ware 1993, 53). He gradually shifted towards autocratic government, ending the established practice of consulting with the boyars. The person of the Tsar acquired the sanctity which had surrounded that of the Constantinople Emperor: supreme Orthodox sovereign and champion of the faith. Simultaneously, a discourse on the holiness of Muscovy developed, the state being described as *the new Israel*, Moscow as the *New Jerusalem* and its inhabitants as a new chosen people (Ware 1993, 54).

The obvious question was: If Moscow was the Third Rome, should not its primate rank above Constantinople (Ware 1993, 54)? Should its church not be organised as a Patriarchate? After 1461, the Metropolitan's name dropped its reference to Kiev, becoming "Metropolitan of Moscow and All Rus." If Kiev had been the heart of ancient Rus, Moscow would be the heart of its reincarnation. The political ideology of the Moscow Tsars claimed the entire territory of medieval Rus as their legitimate patrimony. In the 15<sup>th</sup> and 16<sup>th</sup> centuries, the name "Russia," derived from the Byzantine Greek Ῥωσσία, began to be used in Muscovy alongside the traditional "Rus."

While there was indeed no longer a Christian Emperor in Constantinople, the EPC quickly developed a *modus vivendi* with the Sultan, as the ROC had done with the Khan. In the theocratic Ottoman system, it became the representative before the Sublime Porte of all its Orthodox subjects, who were grouped – irrespective of linguistic and ethnic differences – under a "Roman" (Rum), i.e., Christian Orthodox, "millet" (confessional nation). The Ecumenical Patriarch was recognized as "national leader" of the "Orthodox nation." The Bulgarian and Serb Patriarchates were abolished and their faithful placed directly under the EPC. After the conquest of Egypt and the Levant by Selim I in 1516-7, the three ancient Patriarchates of Alexandria, Antioch and Jerusalem found themselves, for the first time after nine centuries, in the same state with (and thus under tighter control of) the EPC (Massavetas 2017, 119-123 and 362-364).

The Fall of Constantinople, therefore, did not mean the demise of the EPC, whose authority in the Orthodox world increased. The EPC did, however, suffer from chronic financial hardship and depended on Muscovy for much-needed injections of cash. Patriarchs often travelled to Moscow to raise funds. It was during such a trip that Tsar Fyodor I and his brother-in-law Boris Godunov pressured Ieremias II to invest their church with patriarchal status. Ieremias yielded and in 1589 the Patriarchate of Moscow and All Rus was formed. In 1593, a Council of the Eastern Patriarchates in Constantinople awarded the Moscow Patriarchate (MP) fifth place in pre-eminence, after the four ancient Patriarchates of the East.

## **“LITTLE RUSSIA”: MOSCOW’S TAKEOVER AND THE LIQUIDATION OF THE KIEV CHURCH**

The Rus under Lithuanian and later Polish-Lithuanian rule – the ancestors of modern Ukrainians and Belarussians – are referred to as "Ruthenians" in Western sources and "Little Russians" in Russian and EPC documents. Ruthenians lived for centuries in a political, cultural and religious environment markedly different from that of their Eastern brethren, with whom they had little contact. When Moscow unilaterally proclaimed its autocephaly,

evicting Isidore, Ruthenians remained faithful to Constantinople and relations broke down. In 1458, the EPC organised its dioceses within the Grand Duchy under a *Metropolitanate of Kiev, Galicia and all Rus*, headquartered in the capital, Vilnius. The previously united Church of Rus was thus divided into a Muscovite and a Ruthenian Church.

As the Union of Lublin created the Polish-Lithuanian Commonwealth (PLC) in 1569, the lands of today's Belarus remained in the Grand Duchy, while those of Ukraine passed to the Kingdom of Poland. In the multi-ethnic PLC, the Ruthenian Church faced grave challenges. The Reformation was thriving and large numbers of Ruthenians, especially nobles and burghers, converted to Protestantism, as did many Poles and Lithuanians (Sharipova 2016, 371-72). This early success of Protestantism "undermined the sacrosanct status of the traditional faith as a core element of Ruthenian identity" (Sharipova 2016, 373). Orthodoxy, lacking the state support of the Catholic Church or the prestigious schools both Catholics and Protestants had at their disposal, was at a disadvantage. Ruthenian elites began to voluntarily espouse Protestantism and Catholicism in growing numbers (Plokhly 2006, 163).

Burghers established "Brotherhoods" of Orthodox lay professionals, resembling medieval guilds, to press for church renewal, counter Protestant and Catholic proselytising, and check the moral decline of Orthodox hierarchs. Orthodox printing presses and academies were founded by lay patrons. Yet as the Counter-Reformation triumphed, more and more Ruthenian nobles embraced Catholicism and a "Polonised" identity, distancing themselves from Ruthenian culture. When Patriarch Ieremias II visited the PLC in 1588-89, the Orthodox Church was mired in financial and moral scandals and ruled by people discredited in the eyes of their followers (Chynczewska-Hennel 2002, 100). Ieremias replaced the Metropolitan and appointed an EPC Exarch to oversee church affairs.

Ruthenian Orthodox looked to Constantinople for solutions. A group of senior bishops, however, judged that only Rome could stem their church's material decay and loss of prestige. They convened in Brest in 1596 and proclaimed their submission to Rome. It was the first such union of an Eastern church after that of the Maronites in 1182. The Union of Brest was based on that of Florence: in return for accepting Catholic dogma and the Pope's jurisdiction, Uniates were allowed to retain their Slavonic liturgy, Eastern rite and usages. A similar deal had been reached with the Maronites. The Greek Catholic Church (GCC) was thus created, where "Greek" refers to the retention of the Byzantine rite. Uniate bishops hoped the Union would give Ruthenians equal standing with Poles and Lithuanians, transforming the PLC into a "union of three nations" and ending "Polonisation."

Instead of solving problems, the Union created a profound rupture in Ruthenian society. Relations between Orthodox and Catholics–Uniates broke down. The majority of Ruthenians repudiated the Union. Nevertheless, Commonwealth authorities recognized the GCC as the only legal "Greek" confession and outlawed the Orthodox Church. Inevitably, "Polonisation" intensified: many Ruthenian nobles, anxious that allegiance to an illegal confession would damage their status, left Orthodoxy. Burghers, lower and monastic clergy, and peasants largely remained loyal to it. The confessional division assumed dimensions of a national, cultural and class conflict which would erupt, fifty years after the Union of Brest, into seismic violence. The Cossack uprising under Bohdan Khmelnytsky (1648-1654) paved the way for the Russian occupation of Kiev and East-bank Ukraine.

The Zaporozhian Cossacks inhabited the steppes of today's south-central Ukraine, a wilderness outside state control (Plokhly 2002, 18). After the Union of Brest, they adopted the defence of Orthodoxy as their rallying cry and became the persecuted faith's armed

protectors. Strong Cossack presence in and around Kiev was instrumental in reviving the Metropolitanate of Kiev and All Rus in its ancient See: Patriarch Theophanes of Jerusalem, acting on the EPC's behalf, re-established it as an EPC Exarchate. It was only in 1632 that PLC authorities recognized the new Orthodox hierarchy, after much Cossack violence.

The recognition did not end the confessional war. A new uprising under Bohdan Khmelnytsky spread over today's central and western Ukraine and a significant part of Belarus, taking the form of "a mighty revolution that swept up all strata of Ukrainian society" (Plokyh 2002, 48). It was at once a peasant revolt, a religious war and an ethnic uprising. In mass consciousness, "allegiance to Orthodoxy became the distinguishing mark of identification with Ruthenian identity, and thus with the uprising" (Plokyh 2002, 50). Lasting until 1657, the uprising was marked by ruthless massacres of the Polish, Jewish and Ruthenian Uniate populations – as well as of nobles, irrespective of ethnicity. The death toll reached hundreds of thousands.

Khmelnytsky aimed to establish an independent Cossack state, the Hetmanate. Cossack power soon proving insufficient, he eventually turned to Moscow, offering vassalage to the Tsar were the latter to declare war on the PLC. In 1654, the Pereyaslav Agreement established a Russian protectorate over the Hetmanate (the name "Ukraine" had started to be used, unofficially, for its territory). Russia invaded the PLC and a protracted war began. With the Treaty of Andrusovo (1667), the PLC retained West-Bank Ukraine but ceded Kiev and the territories east of the Dnieper to Russia. The Khmelnytsky Uprising thus opened the door for the area's Russification.

In the Tsardom of Moscow, church and state were closely associated. This followed on a long tradition from Byzantium and Rus, both of which were characterized by "the fusion of religious and territorial-national identity" (Magocsi 2010, 158). In Muscovy, "the dependence of the church upon the sovereign grew simultaneously with territorial expansion" (Zema 2011-2014, 854). Moreover, the conviction developed that territorial expansion meant the corresponding expansion of the ROC's canonical territory. Already during the Pereyaslav negotiations, Moscow insisted that the Kiev Metropolitanate be absorbed into the ROC and the title "of all Rus" be dropped from its name (Sysyn 1991, 8). This led to fervent protests from both clergy and Cossacks. To save their church, some hierarchs even proposed re-incorporating the Hetmanate into the PLC as a "Duchy of Rus," (Sysyn 1991, 15). The eventual absorption of the area by Russia sealed the fate of the Ruthenian Church. In 1685, the Patriarch of Moscow usurped the EPC's jurisdiction and ordained a Metropolitan in Kiev, who accepted the subordination of his church to the MP. A synod of the local church denounced the ordination as uncanonical. Peter the Great petitioned Ecumenical Patriarch Dionysius IV to transfer Kiev to Moscow's jurisdiction.

The EPC recently published the original text of the 1686 act, signed by Dionysius and the Holy Synod and addressed to the Moscow Patriarch (Ecumenical Patriarchate 2018). The act cites "the constant battles" and the spread of "heresies" (i.e., the Uniate movement) in the region as reasons for its issuing. It communicates that the EPC, "having recourse to its ancient prerogatives" and aiming to ensure the smooth operation of church life in the troubled region, "grants permission" to the Moscow Patriarch to consecrate the Kiev Metropolitan, "provisionally and as [the EPC's] agent." The permission is given on condition that the Metropolitan be elected by a local synod and that, when the Metropolitan officiates, he commemorate the Ecumenical Patriarch before Moscow's. The act makes it clear that the Kiev Metropolitanate remains canonically under the EPC and is not transferred to the MP's



jurisdiction (Similarly, it was not transferred to the Jerusalem Patriarchate when, in 1620, Theophanes, acting as an EPC delegate, re-established it and consecrated its new hierarchy).

The EPC's conditions were ignored: in 1688 the title of the Kiev Metropolitan was changed to "Metropolitan of Kiev, Galicia and *Little Russia*." Moscow's takeover of the Ruthenian Church had dire consequences for Orthodoxy in the PLC, whose authorities now viewed it as an agent of Russia. Most of its Ruthenian subjects defected to the Uniates, unwilling to accept church rule from Moscow. The GCC, also eager to disassociate itself from Moscow, Latinised and Polonised to a great extent. Meanwhile, in areas under Russian control, "the Ukrainian Orthodox Church, which in the seventeenth century had helped sustain Ukraine's identity during its confrontation with the Poles, had become by the eighteenth century a vehicle of Russification." Russian authorities banned the publication of ecclesiastical books in the local vernacular (Prizel 1998, 305).

## **THE ROC AS AGENT OF RUSSIFICATION AND SOFT POWER: IMPERIAL AND SOVIET TIMES**

The annexation of the Kiev Metropolitanate was a victory for the ROC. Nonetheless, it was followed by a serious setback when Peter the Great stripped the ROC of its patriarchal status. Peter was very averse to the idea of a Patriarch possibly rivalling the Tsar's influence. When the office fell vacant in 1700, no election for a successor was convened. Until 1917, the ROC was governed by a Holy Synod, presided over by a senior bureaucrat; the Tsar appointed all bishops. Effectively, it became a department of the state.

Territorial expansion continued during the 18<sup>th</sup> and early 19<sup>th</sup> centuries; the ROC became the prime agent for the cultural Russification of Orthodox nations in conquered lands, whose own churches were dissolved and replaced by ROC eparchies, as per the principle "one state, one church." Naturally, this policy did not apply to churches outside the Chalcedonian communion: the Armenian Apostolic Church was left unmolested when Russia annexed Eastern Armenia in 1828. The only non-Orthodox church to be dissolved was the GCC, when areas of Belarus and Western Ukraine were annexed during the partitions of Poland. Russian authorities considered the GCC synonymous with a Polonised or Ukrainian nationalist identity and hence anti-Russian – "a spearhead of the Roman-Polish advance against 'Holy Russia' and the means of separating the Ukrainians and Belorussians from Moscow" (Bociurkiw 1965, 92). Its properties were transferred to the ROC and Uniate clergy were forced to join it. Uniate faithful were confronted with violence, occasionally deadly. Similar tactics were later used by the Soviet regime – which, under Stalin, reverted to traditionalist notions of Russia's national interests (Bociurkiw 1965, 92) – in Galicia, where the GCC had flourished under Austro-Hungarian and then Polish rule. In 1946, a "synod" staged by the Soviet authorities in Lviv "annulled" the Union of Brest; the GCC was "re-united with" the ROC (Bociurkiw 1965, 97-107). The Uniate faith survived underground until the GCC's rehabilitation after 1989. The forced submission of the GCC to the ROC by both the Tsarist and Soviet governments demonstrates how both regarded the ROC as an instrument to "Russify" a "culturally suspect" group and as a promoter of patriotism and loyalty to the state.

The first Orthodox church to be dissolved was the Georgian, after the country was annexed by Russia between 1801 and 1810. In 1811, the Georgian Church and its Patriarchate

were replaced by a “Georgian Exarchate” under the Russian Holy Synod. The Exarch was always an ethnic Russian, Slavonic replaced Georgian liturgy, and ancient Georgian frescoes were systematically whitewashed. Protests were violently suppressed (Rapp 2010, 150). All this caused great resentment among Georgians, who have always considered their national church as the repository of their history and culture. Its autocephaly and Patriarchate were restored under the Georgian Democratic Republic (1918-21), but the ROC refused to recognize it. Soviet rule and its atheist propaganda brought new tribulations. In 1943 Stalin, himself a Georgian, made an overture to Orthodoxy and recreated the MP in order to rally popular support for the “Great Patriotic War.” It was on his orders that the reinstituted MP recognized Georgian autocephaly that same year.

In Bessarabia, present-day Moldova, ROC encroachment had more lasting consequences. During the Russo-Turkish war of 1806–1812, Russia annexed the eastern half of the Principality of Moldavia. One of its first actions was to merge local parishes into ROC. Slavonic replaced Romanian, Russian hierarchs were imposed, and local customs and usages were replaced with those of the ROC (Popovschi 2000, 36). When, in 1918, Bessarabia united with Romania, the *Metropolitanate of Bessarabia* was founded as an autonomous branch of the Romanian Orthodox Church. After the Soviets invaded in 1940, they dissolved the Metropolitanate, submitting its parishes to the ROC. Until Moldova’s independence in 1991, the ROC was the only Orthodox church allowed in the country.

Outside Russia’s borders, Orthodoxy acquired central importance in Russian diplomacy as an instrument of soft power for targeting Orthodox nations. The Tsars interpreted the peace treaty of Küçük Kaynarca (1774) with the Ottomans as acknowledging their “protection” over the Sultan’s Orthodox subjects. Promoting this “protector” image, Russia gained immense prestige among Ottoman Greeks and Slavs. By the mid-19<sup>th</sup> century, its “soft-power” ambitions focused on the Orthodox in the Middle East. The medieval Rus tradition of pilgrimage to the Holy Land was revived. Rival claims by Russia and France over the “right to protect” Christians and important Christian sites in the Holy Land constituted the immediate cause of the Crimean War (1853-56) (Figs 2011, 103).

Even though Russia lost that war, its influence in the Holy Land increased dramatically. ROC pilgrims outnumbered those of any other church. Societies were founded in St. Petersburg to assist the pilgrims, increase ROC “visibility” and instil Russophile sentiments in the local Orthodox. From 1889 onwards, the Imperial Orthodox Palestine Society (IOPS) would lead efforts to reconfigure Orthodoxy in the Levant (Astafieva 2003, 41-68). An all-out war erupted between the ROC and the EPC over control of the Antioch and Jerusalem Patriarchates (the former has been based in Damascus since the 14<sup>th</sup> century). Antioch (covering today’s Syria and Lebanon) and Jerusalem (covering present day Israel, Palestine and Jordan) had for centuries been controlled by Greek clergy from the Jerusalem *Brotherhood of the Holy Sepulchre*. Greek control was a source of resentment among local Arab Orthodox; Russia saw an opportunity to intervene.

Like Ruthenians two centuries before, Arab Orthodox in Syria and Lebanon were defecting en masse to Catholicism. Commercial considerations were of primary importance in the decision to convert, which was never coerced. Christian merchants wished to strengthen their ties with Catholic merchant houses in Europe. Moreover, as Catholics they had a better chance of becoming protégés of a European consulate and thereby enjoying significant legal prerogatives and tax exemptions. European “cultural capital” was another incentive, especially the education offered in missionary schools. Still another was the desire to obtain

less corrupt, better-educated local clergy who would be more independent from the Greek-dominated EPC (Masters 1999, 55-59 and Mansel 2016, 32-33). The Greek Catholic (“Melkite”) Church was founded in 1724, retaining its Byzantine rite and Arabic language. It quickly earned a significant following all over Antioch’s canonical territory.

In this context, Russia appeared on the scene posing as the defender of Orthodoxy against Catholic encroachment. The IOPS began to campaign for church control to be transferred from Greeks to local Arabs. It portrayed Greek clergy as rapacious and corrupt and created a school network (covering the canonical territory of both Antioch and Jerusalem) with the aim of instilling “Arab national feelings” in Orthodox students. IOPS schools became very popular: the lack of Orthodox schooling had previously made the Orthodox dependent on missionary schools (Vovchenko 2013, 908). At a time when national feelings overtook confessional loyalties, the rule of an ethnocentric Greek clergy over Arab faithful seemed like religious imperialism. By the end of the 19<sup>th</sup> century, Russian propaganda had provoked a veritable uprising in the Antioch church, and Greek senior clergy were replaced by Arabs. This “Arabization” is considered a major achievement of Russia’s “Third Rome” foreign policy (Papastathis and Kark 2013, 120).

Russia won in Antioch, but had very little success in Palestine, despite massive investments in property, schools and prestige projects. The Jerusalem Patriarchate was (and remains) under the control of the Brotherhood of the Holy Sepulchre, dominated by Greek-speaking clergy. The Brotherhood, assisted by the EPC and the Athens government, fiercely resisted the IOPS, seeing in it a formidable adversary. The October Revolution put an abrupt end to Russia’s Orthodox ambitions in the Levant. Seven decades later, however, Soviet collapse would initiate a new, bitter confrontation between Russian and Greek Orthodoxy, Moscow and Constantinople.

## **CONFLICTS WITH THE EPC: FROM ESTONIA (1991) TO UKRAINE (2018)**

Upon independence from the USSR, non-Russian Orthodox nations wished to sever ties with the ROC and form independent churches under the EPC. This process began in Estonia, where it was a return to the pre-War World II ecclesiastical regime. After Estonian independence in 1917, the newly founded Estonian Apostolic Orthodox Church (EAOC) proclaimed its autonomy from Moscow. The EAOC swapped Slavonic for Estonian and was recognised in 1923 by the EPC as an autonomous Metropolitanate. Ceasing to appear as a Russian implant, Orthodoxy became much more acceptable to Estonians. In 1940, a fifth of ethnic Estonians belonged to the EAOC, which had a 200,000-strong following.

Estonia’s Soviet occupation led to the dissolution of the EAOC and its absorption into the ROC. This had disastrous repercussions for Estonian Orthodoxy, which all but disappeared: more than half of its clergy resigned in protest and the hierarchy fled to Stockholm. Most Estonian Orthodox either fled abroad or converted to Lutheranism. The ROC in Estonia was identified with the growing numbers of Russian settlers and with Moscow’s rule. With independence in 1991, the EAOC was revived and was recognised by the EPC in 1996. This recognition led the Estonian-born late Moscow Patriarch Alexy to sever ties with the EPC for a short period. Orthodoxy in Estonia has since been along ethnic lines. The Russian minority

remains under the “Estonian Orthodox Church – MP,” which operates in Slavonic and numbers around 170,000 faithful. Ethnic Estonians joined the EAO, which numbers around 25,000 members. The revival of an Estonian-speaking Orthodox church with a “Byzantine,” not Russian, self-perception led a few thousand Estonians to convert from Lutheranism to Orthodoxy in recent years (Engelhardt 2009, 85-106).

Similarly, soon after Moldova’s independence in 1991, the Metropolitanate of Bessarabia was revived, under the Patriarch of the Romanian Orthodox Church. The Moldovan government refused to recognise the Metropolitanate, fearing Russian intervention in the secessionist Republic of Transnistria. Recognition came only after the Moldovan government was condemned by the European Court of Human Rights for violating religious freedom. Around 20% of Moldovans have joined the Metropolitanate, with the majority still under the MP’s “Metropolis of Chişinău and All Moldova.” The Metropolis of Chişinău is accused of holding a markedly pro-Russian and fervently anti-EU stance. Relations between the two churches remain tense.

Nowhere are ecclesiastical tensions fiercer than in Ukraine, the prime battlefield in the jurisdiction tug-of-war between the MP and the EPC. Until December 2018, Ukrainian Orthodoxy was highly fragmented. At Moscow’s insistence, the Ukrainian Orthodox Church under the MP (UOC – MP) was the only church in the country recognised as canonical by the Orthodox communion. Shortly before the dissolution of the USSR, an autocephalous Ukrainian Orthodox Church was unilaterally proclaimed in 1991, organised under a Kiev Patriarchate (OUC – KP). A third church, the Ukrainian Autocephalous Orthodox Church (UAOC), claimed to be the revival of a church of the same name which had functioned during Ukraine’s brief period of interbellum independence. Until October 2018, the latter two churches were considered “schismatic” by the Orthodox communion.

For the ROC, control over Ukraine is of vital importance. The UOC-MP controls around 12,000 parishes in the country, which account for 40% of the ROC’s total number of parishes. Its property in Ukraine includes historic landmarks and amounts to hundreds of millions of dollars. More importantly, Kiev is the place of the “Baptism of Rus” and is considered the cradle of the ROC. Losing Ukraine would sever the ROC from its roots, as well as deprive it of its imperial vision qua church “of All Rus” – i.e., of Russians, Ukrainians and Belarussians. Ukrainian demands for autocephaly go back to the collapse of the Russian Empire; it was fierce threats from the ROC that made the EPC ignore them for a century.

Ecclesiastical subordination to Moscow became untenable after the 2014 annexation of Crimea and the separatist war in Eastern Ukraine. Despite the UOC-MP owning most of the parishes in Ukraine, the UOC-KP and UAOC combined counted more adherents. As a warning to the EPC not to interfere in Ukrainian church affairs, Moscow decided to boycott the Pan-Orthodox Council convened in Crete by Patriarch Bartholomew in 2016. Russia’s boycott aimed at discrediting Bartholomew and the EPC before the wider Orthodox World. The churches of Bulgaria, Georgia and Antioch, which have traditionally followed Moscow’s course, also boycotted the Council – the first of its kind since 727 – which with ten out of fourteen autocephalous Orthodox churches attending.

A month after the failed coup attempt in Turkey that same year, Russian security services targeted the EPC in an unprecedented attack. A libellous “opinion piece” was published on a website known for its proximity to the Kremlin, under the signature of Arthur H. Hughes, a retired U.S. diplomat. The text alleged that Ankara “no longer needed” Patriarch Bartholomew, who, “due to his authoritarian manner, his obstinacy and his enmity towards

Russia,” had lost his influence over the world’s Orthodox, “as was shown in the failure of the Crete Council.” The article proceeded to portray Bartholomew as a Trojan horse for U.S. interests in the Orthodox world; it spoke of “a US-Israel lobby” on which the EPC depends financially. Bartholomew, it was alleged, was a close associate of Fethullah Gülen, the Pennsylvania-based preacher generally accepted as the mastermind of the aborted coup. It was implied that the Patriarch supported the coup.

Hughes promptly denied he authored the text, while few doubted it originated from the Russian secret service. The article disappeared from the website which had originally published it, but not before being translated and republished by Turkish nationalist and Islamist media (Massavetas 2017, 330-334). The text intended to intimidate the EPC, preempting any possible “meddling” in Ukraine. Bartholomew, however, was more incensed than intimidated. In 2018, after he announced he was considering the creation of an autocephalous Ukrainian church under the EPC, emails of his associates were hacked by Russian cyber-spies indicted in the U.S. (78-year-old Bartholomew does not himself use email) (Satter 2018).

Despite a barrage of threats, Bartholomew initiated the process for creating an autocephalous Ukrainian church. “We saw that the situation was untenable. No country can accept its church to be ruled from an enemy state,” a Metropolitan of the EPC actively involved in the process told this writer. “We also wanted to remedy a situation where more than half of the Ukrainian faithful were considered schismatic. All Ukrainian Orthodox – irrespective of current church allegiance – are invited to join the unification council in Kiev and jointly form the new autocephalous church.” The *Tomos*, the document recognising autocephaly, will be handed to the primate of the new church to be formed, he noted.

The unification council was held on December 15, 2018, with an EPC Metropolitan presided over the proceedings. On that very day, the UOC-KP and the UAOC both dissolved themselves. The UOC – MP had called on its bishops to boycott the council, but at least two attended. The UOC-KP and UAOC merged into the Ukrainian Orthodox Church, while the council elected Epiphanius I as its first primate. The *Tomos* creating the world’s fifteenth autocephalous church was issued to Epiphanius on 6 January 2019.

## **THE “RUSSIAN WORLD” AND “SPIRITUAL SECURITY”: THE ROC IN RUSSIAN DIPLOMACY**

The ROC takes pride in being the only surviving institution of Imperial Russia. The controversial canonisation of members of the Romanov family who were executed by the Bolsheviks is indicative of its identification with the Empire. The very title of the Moscow Patriarch, however, illustrates that the ROC sees itself as the direct descendant of something much older: he is styled Patriarch of Moscow *and All Rus*, not “and all Russias” as often mistranslated.

Claiming to be the continuation of the very church established in 988 with the Baptism of Rus, the ROC sees itself as linking all Eastern Slavs to the spring of their common culture. Through their allegiance to the same church, the repository of their identity, they are united in an undivided cultural and spiritual world transcending political boundaries. The reference to Rus is thus a potent political message: it presents the ROC not as “a Russian Church” but as a

supra-national spiritual body with historical rights to jurisdiction over all descendants of Rus. Those include Russians, the Orthodox in its “near abroad” (the ex-Soviet world), and their diaspora.

In the post-Soviet era, the ROC moved quickly to claim the space it had occupied in the public sphere during imperial times. During the Putin years, the ROC assumed a prominent role in both domestic politics and Russian diplomacy. Since his ascension to the Patriarchy in 2009, Kirill has formed a close alliance with the government. He mentioned *symphonia*, the Byzantine model of state-church relations, upon assuming his duties (Hovorun 2017, 280-296). State and church joined forces to promote a nationalist, anti-Western, socially conservative agenda at home and abroad. Political, diplomatic and religious objectives have merged.

This is most apparent in two official state policy concepts actively promoted by the ROC: the “Russian World” (Russkiy Mir) and “spiritual security” (Payne 2015, 65-71). In the “Russian World” concept, world “should be understood by its ancient meaning, that of a civilisational space: ancient sources spoke about the Greek world, the Roman world and the Byzantine world as a way to define broad territories under the influence of a singular centre” (Laruelle 2015, 3). Russia “is depicted as a ‘civilisational pole’ with its own cultural space (russkiy mir)” or “civilisational sphere of influence” (Curanovic 2012, 4 and Payne 2015, 66). In Kirill’s words, the ROC “emphasises the importance of spiritual bonds over the divisions of national borders. It therefore uses the term russkiy not as a geographical, or ethnic concept, but as a spiritual identity that refers to the cradle civilization of the Eastern Slavs (Rus)” (Petro 2015). The “Russian world” consists of “anyone who shares the Orthodox faith, a reliance on Russian language, a common historical memory, and a common view of social development” (Petro 2015).

In 2007, Putin established the “Russkiy Mir Foundation,” modelled on institutions such as the British Council, the Institut Français and Goethe Institut. The Foundation is a joint project of the ministries of foreign affairs and education and aims to promote the Russian language and culture both in the “near abroad” and further afield (Fond “Russkii Mir” 2016). The ROC is actively involved in the foundation, which, through linguistic and cultural activity, also promotes Russia’s image and interests.

The “Russian World” concept is complemented by that of “spiritual security.” The latter is defined in the *National Security Concept* document, which states that “Ensuring the national security of the Russian Federation also includes the protection of the cultural, spiritual and moral legacy, historical traditions and the norms of social life [...] the formation of government policy in the field of the spiritual and moral education of the population [...] along with counteraction against the negative influence of foreign religious organizations and missionaries” (Payne 2015, 65). Restraining western cultural-religious penetration in the “historically Russian spiritual space” and protecting the role of the ROC are perceived as an important security concern. Globalisation and the inherent danger of “Westernisation” are seen as prime threats to the national identity (Curanovic 2012, 6). Abroad, “spiritual security” calls for the creation of the “Russian World”, a civilisational sphere of influence (Payne 2015, 65-66).

The increasing use of Orthodoxy in Russian diplomacy reflects its resurgence in public life and as a central feature of Russian identity. Orthodoxy is accepted once more as “a crucial component of tradition and as such the foundation of values for spiritual recovery of Russian society and Russia’s regaining its power status” (Curanovic 2012, 4). It is usually the

Kremlin that takes the initiative and uses the ROC to promote actions deemed beneficial to national interests. Strengthening the ties of the Russian diaspora to the homeland and reinforcing the “Russian World” in Russia’s immediate neighbourhood are the Kremlin’s foremost expectations from the ROC (Curanovic 2012, 18). The latter’s paramount objective is to maintain its jurisdiction, especially over Ukraine, Belarus and Moldova.

The ROC’s handling of the Ukraine crisis is indicative of its recourse to the concepts of Rus and the Russian World. The conflict is perceived as a civil war within the *Russkiy Mir* (Petro 2015). The solution can be found only in accepting the unity of all descendants of Holy Rus, a unity based on historical and spiritual ties. That unity could be achieved only within the civilisational sphere of the Russian World and through the spiritual unity of the ROC. That was clearly the message Putin wanted to send when he had a colossal statue of St. Vladimir, the canonised Grand Prince of Kiev, erected next to the Kremlin in 2016 (Chapnin 2018). Obviously, an autocephalous Ukrainian Orthodox Church is seen as a division within the Russian World, endangering the global influence of its values and culture.

Occasionally, the ROC initiates its proper diplomatic efforts, complementing and even superseding those of the Kremlin. Its closeness to the Georgian Orthodox Church is a typical example. Despite frigid relations between the two states after the 2008 war, the respective churches emphasize their brotherly relations and maintain ties at the highest level. Significantly, a rare disagreement between the state and the ROC arose in Georgia, as the former pursued a diplomacy independent from the Kremlin’s. After the 2008 war, the Kremlin asked the ROC to recognize the breakaway republics of Abkhazia and South Ossetia and absorb their churches. Patriarch Kirill refused, recognising the two as within the jurisdiction of the Catholicos-Patriarch of Georgia (Payne 2015, 66). The refusal enabled the ROC to exert considerable influence over the Georgian Church, at least for the duration of the tenure of Patriarch Ilia II. This influence became apparent when Ilia boycotted the Pan-Orthodox Council of Crete in 2016, siding with Kirill’s positions. This was an important victory for the ROC.

Beyond the “near abroad,” the ROC is a prime instrument of Russian soft power in the Orthodox countries of the Balkans. Its diplomatic efforts concentrate on those Orthodox countries politically aligned with the West: members of the EU and NATO; i.e., Romania, Bulgaria and – especially – Greece. Foundations tied to the ROC and the Kremlin have engaged in frantic efforts to forge an anti-Western and anti-liberal social consensus based on perceived “Orthodox values.” This, of course, is a political rather than spiritual endeavour; it uses Orthodoxy and the image of its self-proclaimed protector, Vladimir Putin, to lure the EU’s Orthodox closer to Russia. Russian infiltration of the Greek Church is perhaps the best example of this attempt to manipulate a society via its church.

## **TROJAN HORSE: KREMLIN AND ROC INFILTRATION OF THE GREEK CHURCH**

The Greek Church has been a prime target for Russian infiltration. By gaining influence over Greek church and society, Russia can indirectly attack the EPC, which has always been Greek-speaking and dominated by Greek clergy. Presently, its staff is drawn from Istanbul’s

Greek minority and from Greece proper. The rivalry over primacy in the Orthodox world is a rivalry between Russian and Greek Orthodoxy.

“Despite its meagre demographics, Greek Orthodoxy exerts disproportionate influence within the wider Orthodox world,” explains Andreas Loudaros, a veteran journalist specialising in church affairs. “Greek bishoprics constitute the backbone of the EPC. Greeks and Cypriots staff the EPC as well as the ancient Patriarchates of Alexandria and Jerusalem. The original text of the New Testament is in Greek. [The autonomous monastic enclave of] Mount Athos is situated in Greece and dominated by Greek and Cypriot monks. The current Patriarchs of Constantinople, Alexandria and Jerusalem are all Greek; the one at Antioch was educated in Greece. In Western Europe and Africa, senior Orthodox clergy is mostly of Greek origin; in the United States and Australia Greeks have the largest presence among the Orthodox. Anyone aspiring to control the Orthodox world will first have to control Greek Orthodoxy” (Massavetas 2018).

Its disproportionate influence notwithstanding, Greek Orthodoxy is particularly vulnerable to Russian infiltration, due to the chaotic church organisation in Greece proper. About half of Greece’s territory is under the jurisdiction of the autocephalous Church of Greece (CoG). The rest is divided into distinct regimes: most bishoprics belong to the EPC but are under the “caretaker” management of the CoG; some are directly under the EPC; Athos – the autonomy of which is constitutionally guaranteed – is a monastic state under the EPC. There have been tensions between the EPC and the autocephalous CoG ever since the latter’s creation in 1850. The EPC has never come to terms with the autocephaly of the CoG, and the latter has never accepted the fragmentation of church organisation in the country. The EPC’s aim is to maintain the status quo, while the Archbishops of Athens have traditionally sought to unite all Greek bishoprics under the CoG. Ever since the early 2000s, recurring tensions between the EPC and the Athens Archbishopric have provided the ROC with opportunities to lobby Greek bishops. Russia portrays itself as the Big Brother who supports the CoG in its demands against Constantinople (Massavetas 2018).

Over the last fifteen years, the Kremlin and the ROC have engaged in a systematic operation of political and cultural infiltration in Greece, using diverse instruments of soft power. The objective is to bring the CoG closer to the ideological concepts of the ROC and at the same time create a massive social movement in favour of Putin and against the country’s western orientation. The first signs of such an endeavour date back to 2003-2004, when certain Greek journalists at rather marginal television channels began to portray Putin as a great leader and a defender of Orthodoxy. At the same time, they telemarketed their books on Putin and on the lives of famous Athonite monks (Massavetas 2018). Initially, they were viewed with condescension by the mainstream press as a “cult” phenomenon of “trash TV”; their ability to influence the masses was underestimated. They quickly acquired a mass following among working-class and rural sectors of Greek society. “Greeks suffer from a syndrome of national defeat and thus look admiringly on great leaders,” comments Vlassis Agtzides, a Greek historian specialising in Pontic Greeks and Greeks from the former USSR.

With the growth of social media, the internet became the new battlefield for Russia’s propagandists. “Hundreds of news sites, blogs and Facebook groups have been launched in recent years, inundating the Greek-speaking cyberspace with Russia’s political and ecclesiastical positions,” a well-known Greek analyst of church developments notes. “These sites publicise every move of the ROC, however unimportant, and Putin’s every act or



statement, in a triumphalist tone. Meanwhile, they propagate fake news and shameless calumnies against Ecumenical Patriarch Bartholomew.”

Their message, the analyst notes, is the following: “Bartholomew is manipulated by the Turks/the US/the Vatican and is an agent of the ‘New World Order’ – whatever that means. The EPC is thus unable to carry out its mission. The ROC upholds the genuine Orthodox spirit and Putin is its protector in the world. A common claim is that ‘third centres’ sabotage the good relations between ‘Orthodox brothers’ Greece and Russia.” Loudaros explains that said sites, blogs and Facebook groups “promote the image of Putin as a good Christian, a defender of our common faith. They also accuse the EPC of having succumbed to heresy and fallen into the embrace of the Papacy, betraying the ideals of Orthodoxy. Comments abound in the line of, ‘Look at Bartholomew embracing the Pope! And look at Putin, how he makes the sign of the cross, how he attends church, how he forces his will on everybody!’ They have propagated a hysterical Russophilia, turning many parishioners against Constantinople and against their own bishops.”

These “Putin televangelists” and “news sites” spreading Russian ecclesiastical and political propaganda form the instrument of Russian soft power most familiar and accessible to the general public in Greece. The fact that these outlets are on Russia’s payroll is well-known among Greek journalists. “Nobody wants to come forward with revelations, out of fear of reprisals,” the aforementioned analyst says. Recently, Sputnik News launched a Greek-language site. Evidently, Russia has carved out its own media space in Greece.

In addition to hiring eager promoters of Putin on Greek television and cyberspace, Russia attempted to create facts on the ground, erecting monuments and chapels in places somehow connected with Russian history. In 2004, Russians began a yearly pilgrimage to the island of Lemnos, where Russian seamen who lost their lives during the Russo-Turkish war of 1768-1774 are buried. A funerary monument was erected in their honour. The yearly pilgrimage has brought Russian diplomats, clergy and battleships of the Baltic Fleet to the island (Kroustalli 2018; Massavetas 2018).

Another notable incident, on the island of Corfu, concerned Admiral Fyodor Ushakov, canonised in 2000 by the ROC as the patron of the Russian Navy. In 2002, Russians organised commemorations in Corfu for Ushakov, who battled Napoleon’s troops in the area. His bust was erected in a prominent location in the island’s main town and Russian battleships rendered honours during the commemoration. In 2005, a group of Russian and Greek entrepreneurs established a foundation named for Ushakov to promote the veneration of the admiral-saint and establish churches dedicated to him in Greece. This initiative caused such alarm among the political and church leadership in Athens that the foundation had to change its objective to that of “perpetuating the memory of Ushakov and founding a private chapel on the island” in order to be registered (Massavetas 2018).

A typical case of how Orthodoxy and history are used to create a pro-Russian political climate is the NGO Elaia (“Olive Tree”), founded by an Athonite monk. Elaia has published three calendars. The first was dedicated to the late Patriarch of Moscow Alexy II, the second to the current holder of the title, Kirill, and the third to Count Ioannes Kapodistrias, a distinguished diplomat who served as Foreign Minister of Russia and as the first head of state of independent Greece. Elaia had an icon manufactured by Athonite monks and donated to Putin. The icon was named *Virgin the Patriot* (an epithet of the Virgin certainly not recognised in Greek tradition) and depicts Mary surrounded by the Russian coat of arms and,

among others, Admiral Ushakov and Count Kapodistrias (Kornilakis 2015 and Massavetas 2018).

Perhaps the most dangerous infiltration of the church in Greece is by Russian money. An easy way for a bishop or monastery to raise funds is to lend the holy relics in its possession to other parishes. The relic draws huge crowds to the receiving parish, generating proceeds for both the latter and owner the treasure. Recent years have seen much Russian interest in relics kept in Greece. Characteristic of state-ROC cooperation in the “relics business” was the loan of the relics of Saint Andrew by the Bishop of Patras to the Russian “Saint Andrew Protoclite Foundation” (Massavetas 2018). This foundation was established in 2013 “in order to study and preserve the Russian national legacy both in Russia and abroad,” while donations “will be allocated to the development of [the Foundation] and the Centre of National Glory programmes” (St Andrew the First-Called Foundation 2017).

That same year, Vladimir Yakunin, then-director of Russian Railways and of the “Saint Andrew Protoclite Foundation,” arrived in Patras and invited the city’s bishop, Chrysostomos, to visit Russia carrying the Cross of Saint Andrew. Chrysostomos accepted and the relic toured the Russian Federation courtesy of the Russian Railways. Several Greek bishops agreed to carry out similar “relic tours,” from which they returned with sizeable sums. “It is not per se the money and donations they receive which are a source of worry,” explains a person close to the Athens Archbishop. “It is the channels they open to the ROC; channels through which the ROC can then penetrate our church and create a Russophile Greek Orthodoxy.”

In exchange for large sums, Greek bishops have granted permission for Russian churches (complete with golden onion domes) dedicated to Russian Saints to be erected within their parishes. Several honour Saint Luke the Physician, who lived in Crimea in Soviet times. There is an obvious political message in promoting the cult of a Crimean Russian Saint after Russia’s 2014 annexation of the peninsula. Some of the newfound Russian churches are located in areas with virtually no Russian presence (e.g., in a small village in the Peloponnese), leaving no doubt that this is just another way to increase Russia’s visibility and reach as an “Orthodox power.”

Efraim, the abbot of the Vatopedi Monastery in Athos, is considered the prime agent of the ROC in Greek Orthodoxy. “His monastery receives large sums from Russia and makes generous donations to parishes all over Greece,” the aforementioned analyst explains. “This is a way for Efraim – and, indirectly, Russia – to exert influence. Otherwise, Russian efforts to control Athos have failed. Only Vatopedi and the Russian monastery of St. Panteleimon have been hijacked.”

The general consensus is that, despite the persistence its efforts, Russia’s influence on Greek Orthodoxy will remain of limited scope. “No Archbishop could keep his place in Athens if he formed an alliance with Moscow against the EPC,” Loudaros says categorically. “Constantinople is our Mother Church. Opportunistic alliances with the ROC are possible, but doomed to be temporary. Most bishops take the Russian money and donations to address the needs of their parish, not as part of any wider plan. It’s business as usual. The only real danger would be if one of the few genuinely Russophile bishops became Archbishop of Athens or Metropolitan of Thessaloniki. That would be as disastrous as it is unlikely,” he concludes.

## CONCLUSION

The last quarter of 2018 was a period of intense activity in the Orthodox world. The launching of the process to create an autocephalous Ukrainian Orthodox Church led to the rupture of communion between Moscow and Constantinople. Russian threats did not deter the EPC from launching the process, nor did they avert the unification council held in Kiev on December 15. The Ukrainian Orthodox Church is now a reality, and its Tomos of autocephaly was issued by the EPC early in 2019. However, this will not immediately bring peace and quiet to Orthodox Ukrainians. The UOC-MP will continue to operate in Ukraine; a system of “parallel jurisdictions,” like the ones in Estonia and Moldova, will likely take root in Ukraine. The greatest problems will arise around claims by the autocephalous church on parishes and buildings now held by the UOC-MP. Russian state authorities have repeatedly warned that they will protect ROC parishes in Ukraine (Balmforth and Zinets 2018), while the MP has been making ominous references to a religious civil war (Chapnin 2018). Even though a full-scale religious war in Ukraine seems unlikely (as it would not change the situation in Russia’s favour), all indications are that the coming year will be “interesting times” for Orthodoxy in Ukraine and far beyond.

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*Chapter 7*

## HOW PARTICIPATION IN THE PARIS AGREEMENT WILL AFFECT RUSSIA'S POSITION AS A GLOBAL PLAYER

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### ABSTRACT

In 2015, at the height of crisis in Russian-Western relations, Russia signed the long-expected Paris Agreement and later ratified it. The nature of the decisions taken by Russia, and previously by the USSR, on foreign policy is to some extent not obvious, as they derived from different motivations than those of other states. During the time of open calls within the Russian authorities for minimalization of international cooperation, Russia willingly signed and ratified the agreement demanding actions for the sake of reducing greenhouse gas emissions – not an area of Russia's highest political interest, to say the least. What kind of motivation and background led Russia towards this decision, how does this affect implementation of this deal by Russia, and how does it affect climate change mitigation on a World scale?

This research focuses on environmental policies and perspectives in Russia and observes that Russia, as a state, has a rather limited impact on the World, both as an environmental player and carbon emissions contributor.

**Keywords:** Paris Agreement, Kyoto Protocol, energy efficiency, carbon dioxide emissions, methane emissions, carbon sinks, international cooperation

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## INTRODUCTION

For nearly two decades after collapse of the Soviet Union, Russia has been searching for its role in the new unipolar World. Being a legal successor of the USSR and inheriting its bipolar World political thinking, Russia has pursued and is still pursuing international influence on the global stage, through the various forms of leverage available to it. With the dramatic growth of oil and gas prices in the middle of 2000s, Russia finally found contexts where it felt confident and had relevant experience in terms of international coexistence and cooperation. Among these were hydrocarbon exports and participation in international climate change mitigation movements.

In 2015, at the height of crisis in Russian-Western relations, Russia signed the long-expected Paris Agreement and later ratified it. The nature of the decisions taken by Russia, and previously by the USSR, on foreign policy is to some extent not obvious, as they derived from different motivations than those of other states. Since 2014, Russia has taken multiple steps to resist international pressure on the Ukraine crisis and involvement in the Syrian civil war, through publicly criticizing and pulling out of major international platforms that have far more importance to the well-being of the Russian economy than, for example, the Kyoto Protocol or the Paris Agreement. Yet, Russia willingly signed and ratified the agreement that demands actions for the sake of reducing greenhouse gas emissions – not an area of Russia's highest political interest, to say the least. What kind of motivation and background led Russia towards this decision, how does this affect implementation of this deal by Russia, and how does it affect climate change mitigation on a World scale?

## METHODS

The topic has been researched on the basis on my experience of working in an assembly of Northern states' subnational governments, the Northern Forum, and research for a 2013 MA dissertation at Keele University, United Kingdom. Sources used in this research are open access internet sources from major researches of this topic, analytics of mass media, press articles, relevant government documents, and personal observation of Russian and global political processes.

## Russia and Climate Change Mitigation

Despite its image as a nation with a lack of interest in environmental issues, making its living by resource extraction, Russia still has a story of environmental policies and participation in major international environment deals. The story of environmental policies in Russia traditionally combines lack of interest from the top and sometimes ground-breaking activity from the bottom and from particular individuals in decision-making circles. The international dimension itself is therefore not always a driver for change in this field.

Among the important environmental policies adopted without international pressure was the energy efficiency policy introduced in 2009, by then-President Medvedev. It became one of the largest environmental actions in modern Russia, combining the climate change issue



and pure practicality. This policy was originally aimed at reducing energy's share of the national GDP by 40% by 2020. Massively inefficient energy consumption at that time was to a great extent inherited from the Soviet era – and this applies not only to hardware, but also to a variety of other phenomena, from consumption culture to the updating of energy governance administrative measures. The core value of this initiative was characterized by defining and applying limitations on energy inefficient technologies and inaccurate consumption calculation. Its implementation in Russia was so widely promoted that it was symbolized by average Russians as an electricity saving gas bulb, nicknamed “Medvedevka” (a folklore analogy to a classic electric bulb nicknamed after Lenin, who propagated the electrification of Russia in the early 1920s). Growth of Russian GDP during implementation of this policy, and simultaneous updating of industrial hardware in the country, had allowed some decoupling of emissions and GDP growth to happen – and to a notable extent, this policy was a part of this process. However, the overall result was far below the optimistic 40% reduction of energy's share in GDP, averaging only 15%, according to the Russian Ministry for Energy official report of 2015 (12-13). This report does state, however, that this trend is a global average, as countries generally struggle to reach their desired energy efficiency results in this process.

In 1997 the international community launched the Kyoto Protocol, aiming to reduce carbon emissions, ideally to a pre-1990 level, and slow down global warming. During this time, two major greenhouse gas (GHG) producers were the United States and People's Republic of China, with the U.S. alone producing 36% of global emissions. Despite the general positive tone of their leaders, neither the U.S. nor China ratified the Protocol, making the initiative a collapse waiting to happen, and it was the Russian decision to ratify the Protocol in 2004 that finally launched it the next year. The Russian economy in 2004 was very different from what it was in 2014 – still recovering from a decade of painful reforms, internal conflicts and low oil prices, it had a more grounded agenda in mind. Not surprisingly, the idea of joining the foundering treaty that had been hanging on since its launch in 1997 caused a major debate among the Russian elite. Whereas large state companies like RAO UES (a monopoly energy producer) were supportive of this idea, arguing for additional income from carbon quota sales, scientific circles were generally critical. Typical arguments against the Kyoto Protocol were often tied to its administrative nature, where intentions to make it “user-friendly” for bureaucracies would have brought administrative, and not environmental, results. Also, even though Russia was already below the proposed ceiling on GHG emissions, participation in the Kyoto framework still meant additional expenses on environmental issues, beyond those that were planned internally. Although Andrey Illarionov, a key advisor to the Russian president, had openly criticized this idea, Russia ratified the treaty.

This controversial decision was taken with political, rather than environmental, motivation – key players of the EU had agreed to remove objections to a much-wanted WTO membership for Russia. This motivation was especially visible in the following years: when talks on the Russian WTO membership failed to lead to a quick result, Russia gradually lost interest in the Protocol. Moreover, by the end of his first Presidential term, Vladimir Putin had launched extremely unpopular internal reforms to consolidate authority around his cabinet. The role of a savior of a major international venture had somewhat eclipsed criticism of his decisions, at least abroad. Finally, the obligations of Russia under the Kyoto Protocol were not challenging and even promised financial benefit, since even in 2010 Russia's

emissions were 34% lower than the 1990 level, enabling it to sell its quota to states obliged to reduce their emissions (Lyutova 2012). It is worth adding that Russian actors eventually gained a very limited financial benefit from participating in the Kyoto system – and this was only a partial driver for Russian involvement in the international environmental deals, where the main driver was geopolitics. Trading quotas for state companies were only a side business that they really had little interest in, since they generated stable guaranteed income from their monopoly and the full support they received from the state. Russia's main state deposit bank, Sberbank, was allocated rights to conduct Russian emission quota deals. Information on sales volume is, however, extremely sparse, which contrasts with the emission market activity in the European Union.

Despite the fact that Russian actors still had good opportunities to sell quotas, Moscow did not renew its commitment in 2010 and withdrew from the Kyoto Protocol on grounds of unfairness in participation. Since membership in this treaty was originally meant to speed up the process of joining the WTO and create the new stage for cooperation and communication with the leading states, lack of major greenhouse gas (GHG) emitters in this treaty and very slow movement in the WTO direction had effectively alienated Russia. This situation deteriorated further when Russia continued to reject other actions in this field on upcoming UN FCCC COPs in 2011-2013 until the 2015, when top emitters finally agreed to ratify.

## **Russia's Emission Deposits and Structure**

Carbon dioxide emissions in Russia are produced by a variety of sources, but the core areas are: energy (1.49 billion tonnes) and industries (up to 177.1 million tonnes). 2.1 million tonnes is produced by the agriculture sector and, interestingly, land use has a negative 555 million tonnes figure, explained to be CO<sub>2</sub> consumption by forests. This particular figure is a result of carbon absorption by Russian boreal forests. Although the actual extent of absorption is still an arguable figure, the whole trend definitely exists, hence the size of the forest deposits. (Ministry for Natural Resources, Russian Federation official report 2016, 38-40).

Because of its sheer size and low population density, Russia had always struggled to develop a modern nationwide infrastructure to ensure both socio-economic development and its defense capability. Energy infrastructure, in particular, has always played a key role. While most of Russia is connected to a united energy system with interlinked power stations, the whole North-eastern part of the country remains an isolated power system. Both systems are characterized by over-emissions, mainly due to power loss because of long distances; but if the united power system produces extra emissions because of transmission losses, the isolated system incorporates a variety of power stations (some of them united in locally connected power station pools) that widely use diesel and coal for production of electricity and heating power. In the case of regions located in the Arctic areas of the North-east, this multiplies by a need to deliver fuel several times a year, which is extremely expensive for the state and extremely hard on emissions – all to simply keep afloat remote settlements, industrial plants and the military in the region.

*Closer Look: Heating of Residences as an Example of “Emission in the Mind”*

In general, power consumption in Russia is still largely characterized by a Soviet-inspired philosophy of a united and therefore monopolized service. The majority of Russian citizens, for example, live in apartment blocks that are fed heating, electricity, natural gas, and running hot/cold water, all in separate lines (while a common Western household would only have a gas pipe, electricity and running cold water). In this system, a neighborhood of apartment blocks would be fed by a district heating unit with a large network of separate hot and heating water pipelines. Despite the fact that, in theory, a district heater has more advantages in terms of energy efficiency over use of domestic boilers, in reality there are problems of both technological and anthropogenic nature. Number one here is the vast loss of heat from insufficiently insulated pipelines. Number two is lack of correlation between heating bills and actual amount of consumed heat – and since heat insulation of residences is only a comfort issue for the residents, vast amounts of heat are wasted every day of a typically long winter in Russia. In the newer buildings that are fitted with a built-in boiler unit, there is no waste of heat on transmission; but, since Russian standards of heat consumption are to a great extent inherited from the USSR, heating systems nationwide must maintain very high water temperature (typically 80-90C), which leads apartment residents to release domestic hot air and waste this energy. The fact that most residential heating in Russia is produced by burning natural gas, and that a vast majority of the 140 million Russians lives in areas where seasonal heating is a necessity, means a giant emissions deposit that is only beginning to be calculated and thoroughly researched.

*Post-1990 Plummeting Emissions*

The USSR collapsed in 1991, leaving a Commonwealth of independent states and the Russian Federation as a successor state. In terms of climate change, this milestone event has launched a series of events leading to the current state of GHG footprint in the country. First of all, the USSR was a union of many now-states, so its collapse has physically reduced emissions, as Russia was only a republic within the Soviet system, and even before its economy began spiralling into a deeper crisis of 1998, it already had a reduced number of national power stations, heavy industry objects, utilities and population – therefore there were less emissions due to this reduction.

During the second half of the 1990s and early 2000s, the Russian economy was dominated by a painful transition from a planned state economy to a free market, during a destructive war in the Chechen Republic and the collapsing of Soviet-era sectors of economy. Any statistical graph on emissions deposits during these years will show a gradual decline to 70% of 1990 levels by the time of Russia’s adoption of the Kyoto Protocol. During the era of emissions reduction, the division between emission sources did not change much – in related research, the energy sector dominates every GHG emission pie chart, while itself shrinking in accordance with reduced consumption. Other areas, such as agricultural and other waste, shown in the 2016 Ministry report, also tend to fall, as Russia is experiencing annual reduction of agricultural entities. However, its total share is still eclipsed by that of the energy sector, where shrinkage was first caused by reduced consumption (due to reduced population and a reduced number of industries) and then by retooling of the existing emission-producing infrastructure.

This retooling was a long-term process launched in the early 1990s, with privatization of core Russian industries. For example, by 1997, half of major hydrocarbon companies in the

country were private and in many cases in a better financial state than companies that belonged to the state. In the early 2000s, when crude oil prices showed positive trends, the government performed a series of actions that returned over 40% of the total energy market to itself, retooled and restructured in a standard international way. A good example was the biggest Russian private oil company, Yukos, the assets of which were integrated into the modern oil-gas sector after arguable bankruptcy of the company. Retooling was also necessary to keep the whole industry going, since the Soviet-era units in general were outdated and worn out. Therefore, this favored environmental upgrade of infrastructure in Russia, as many industries and companies had performed this simultaneously with rising energy consumption, right in the time of Kyoto Protocol negotiations (Korppoo and Vatansever 2009, 3).

Finally, replacement of heavy industry with light industry and service-based industries had also reduced emissions; as now Russia preferred to import heavy industry products, using petrol-dollars, rather than producing them itself. The second part of 2000s saw a dramatic rise of goods imports and replacement of local production. Moreover, many foreign heavy industries had moved their assembly branches to Russia, in accordance with localization policies imposed by the Russian government. This led to local production of foreign goods that in reality was often just assembly, therefore leaving significant amounts of emissions across the borders. This is partially visible on graphs that show limited emissions in tandem with growing industrial production figures.

### *Deposit of Other Types of Environmental Damage*

While being to some extent behind the top states on GHG emissions, Russia still has major environmental problems. During the past decade, Russia has suffered from repeated floods, forest fires and results of land pollution. Whereas the first two are more or less results of global environmental trends, the latter is locally made.

A major share in GDP of Russia is generated by oil and gas exports. According to the 2017 Bank of Finland research, during the peak oil price years, it reached a twenty-five to twenty-six percent share of total GDP, while remaining the busiest sphere of industry and therefore the most prone to environmental damage.

Currently, the biggest problem associated with resource extraction is land pollution, often due to poor enforcement of environment protection regulations and obsolete extraction utilities. Because of the size of the territory and remoteness of key oil and gas extraction sites, the extraction companies have to build and maintain large pipelines and multiple intermediate stations. These pipelines, built for either gas or oil transmission, are prone to leaks. According to a Greenpeace media-packed research released on August 16, 2012, up to 5 million tonnes of crude oil are spilt on Russian territory during both extraction and transmission. This figure is comparable to the oil spill of the Mexican Gulf disaster, but Russian spills do not attract such attention, as they are smaller-scale leaks on remote pieces of land that remain unnoticed for long periods of time (Ochetova, BBC Russian, 2010). Whereas the Gulf disaster caused an international scandal, followed by fines on BP, and further raised awareness of the dangers of oil extraction, Russian officials keep pointing out that despite high volumes of extracted and transmitted oil in Russia, there has never been an accident nearly as serious as the Gulf spill or the Exxon Valdez spill. Statistically, this is true – the biggest oil spill happened on a pipeline between Irkutsk and Krasnoyarsk in 1993 and it took nearly 20 years for the soil to return to more or less safe condition, according to the 2017 Ministry for Nature Protection

report. However, although this looks rather positive on paper, smaller incidents like the ones mentioned above happen regularly.

It is worth briefly returning to the nature of Russian politics, where decision-makers tend to balance between positive and negative edges of their policies, as seen by the internal and external players. This is important to remember if we look to policies enforced in the Yamal Peninsula, the main natural gas extraction region. Despite this area's extensive extraction and transmission infrastructure, its original status as a reindeer herders' territory has been immensely supported by the state, with an apparent will to promote its environmentally-friendly approach to gas extraction. As a result, the Yamal Peninsula remains the biggest Russian reindeer herding region, whereas husbandry in other regions is showing decline (Klokov 2002). The widely promoted result of this is one of the World's biggest reindeer herds, owned mostly by Sami indigenous peoples. The Russian government boast of this as evidence of its positive attitude to indigenous peoples.

This is especially important most of the Yamal Peninsula gas is exported, so it seems logical that any company would be interested in this kind of policy for bolstering its business image through social responsibility. Since extraction companies in Russia belong to the state in one way or another, their agenda practically reflects the state's agenda. This means that, since gas extraction in Yamal is vitally important for Russia's global position, the extraction company maintains a higher (or simply a high) level of attention to safety, construction design and social responsibility. However, if we are talking about infrastructure that is more remote from publicity and less important for international relations, while still being economically important (such as oil and gas pipelines deep in Central/Eastern Siberia and the Far East), risks of spills, small-scale incidents and simply disregard for other factors would rely solely on readiness of residents and local governments to reinforce environmental legislation through available leverage.

## **Russian Environmental Thinking and Decision-Making**

The Russia of today is known for its somewhat dualistic approach to policies, with no regard to whether it is domestic or foreign. On the one hand, the government pursues economic nationalism and uses its core exports as foreign policy tools for negotiation, business and sometimes as an economic weapon to reinforce its aspirations. On the other hand, in moments of non-cooperative trends (i.e., during international crises or as a result of a single negative event), when the domestic agenda is normally dominated by anti-foreign rhetoric, Russia sometimes takes unexpectedly positive or cooperative decisions. All of this is a part of Russian political thinking that is characterized by the will to find balance between positive and negative extremes of policies, as seen by the internal and external players – something that will be closely reviewed in this chapters.

### *Drivers for Actual Implementation of Environmental Policies*

Russian participation in the Kyoto Protocol had been rather successful for both the country and the treaty, as during its most active years, Russia's carbon emissions were well below the limits (that is the 1990 emissions level), so Russia made little sacrifice in order to meet the terms. Dramatic reduction of emissions in the post-1990s period was a direct result

of the collapsed Soviet-era industrial economy and the industries themselves. By early 2000s, when Russian GDP started to gradually grow, results of 1990s era reforms and retooling of Russian industries had allowed partial decoupling of economic growth from growth of emissions, as is clearly visible in a graph by Carnegie Endowment research of 2012 (Figure 1).

In an extended report of 2016, the Russian Ministry of Natural Resources claimed that the decoupling had almost fully characterized the post-2000 slow growth of emissions, as during years of oil-export-fuelled GDP growth after the 2009 crisis, the amount of total emissions did not follow. The graph shows a very limited rise that is still well below 1990 levels. It is not to be forgotten, though, that rapid growth of GDP with slow growth of emissions has another explanation: after oil prices rocketed from \$54 a barrel in circa 2005 to \$120 in 2012, growth of GDP was almost exclusively due to this reality.

Although Russia is not a top emitter, its environmental situation is problematic enough to threaten other countries.

In 2017, the Russian Ministry of Natural Resources and Environment released a 761-page report on major challenges and general condition of the Russian environment. This report covers situation up to 2016 and it reflects many environmental aspects that influenced the Russian decision to participate in the climate deal. This is an important report, as it was drafted with the new amendment to existing environmental legislation in mind. And it was even more important for attracting the attention of decision-makers to the current state in this field, with much greater detail than previous reports. If a 2013 report dedicated only two pages to air pollution and carbon dioxide emissions, the 2016 report contains over 40 pages that cover a much wider perspective. The 2017 report also has climate change and state of air pollution as top two items on the list, while the worst environmental challenges in recent years were floods, forest fires and land pollution. This is obviously not meant to mean actual gradation by importance, but knowing the political background behind the brand-new aspiration towards environmental protection, it might well be interpreted as a sign of political attention.

However, it is not simply politics that has motivated Russia to start applying more effective environmental actions. Despite its image as an authoritarian unitary state that has little respect for anything but geopolitics and hydrocarbon trade, climate change has already gained notable weight in an internal list of problems that are treated seriously, at least on a local level. The massive nationwide forest fires of 2010, deadly floods, and especially melting of permafrost that covers most of the country to the east of Ural Mountains, were wake-up calls. Climate change itself is becoming too serious to be ignored, as, according to the Russian Hydromet research, the number of extreme weather incidents more than doubled in the decade between 1991 to 2006 and is even bigger now (Kozeltsev 2008, 8-9).

Another major issue is melting of permafrost, caused by global warming. The Sakha Republic (Yakutia), being the biggest region of Russia that is almost fully located on permafrost, accommodates a specific Permafrost Institute that tends to produce more warning reports than before, since evidence of melting permafrost in the region is getting more serious. This issue is extremely important, as deterioration of the permafrost poses a variety of alarming threats.

First of all, degradation of permafrost threatens serious damage to highly vulnerable social and economic infrastructure in this vast, mineral-rich region. In other words, buildings, pipelines, power and heating plants will start to physically collapse, leading to casualties,

anthropogenic accidents and colossal financial burdens on Russia's core economic activity, as settlements and industries located in this part of the country are extremely expensive to run, even as they are now. This process is actually already under way. Russian officials estimate that the government and state companies spend up to \$55 billion annually on restoration of permafrost thawing-related damage. Statistics show that Western Siberian industries (including mining) alone have up to 7,500 cases of infrastructure damage annually (Anisimov et al. 2010, 14). Therefore, climate change mitigation is a good investment as well.

Second is natural gas (methane) emissions. Despite carbon dioxide's claim to being the main contributor to global warming, methane is also a greenhouse gas and its deposits locked under the permafrost are vast. It is already proven that thawing permafrost tends to release up to 17 million tonnes of methane annually. And though the actual impact of methane on the atmosphere is not fully researched, it definitely has a great potential to add to the damage caused by carbon dioxide emissions, even if states manage to reduce emissions. There is also methane emission in the Russian Arctic shelf – a topic that is covered in the following section of this chapter.

Therefore, Russia faces negative outcomes of ignoring global warming, and it seems that the government is fully aware of this. However, this full awareness does not necessarily lead to action.

## **RATIFICATION OF THE PARIS AGREEMENT: STEPS TAKEN SO FAR**

On April 22, 2016, Russia signed the Paris Agreement after giving support to and agreeing with it during the Conference of Parties late in 2015. One month later, the Natural Resources Ministry released a statement drafting the new legislation set to implement the embraced responsibilities.

The current political structure of the Russian government is very centralized, which is an advantage in terms of implementation of any ideas that have the support of the supreme authority, and this also applies to direct emitters and polluters in Russia; namely, state-run or state-associated mining, energy and industry companies. In this case, the terms of the Paris Agreement do have notable support from the top Russian officials, including the president. This was revealed in news reports, as CEOs of state companies began discussing ways to reduce average corporate emissions, making propositions for emissions reduction policies, such as the introduction of an internal Russian carbon taxation.

There were talks within the Russian government that generally focused on reconsidering ratification of the deal, but during the 2017 Ministerial meeting in Canada, the author of this idea (Minister for Natural Resources Sergei Donskoy) proclaimed that Russia “does not foresee a possibility of withdrawing from the agreement,” quoted by the ministry press service as of September 18, 2017. Since Russia's official proclamation of will to implement the climate deal, a number of legislative actions have been taken.

On December 6, 2017, the ministry drafted the new legislation to regulate mechanisms for implementation of the climate deal. On January 10, 2018, this legislation was approved by the government for further authorization – but this already means that the law is about to be adopted.

The new legislation, which is in fact an amendment to existing legislation, brings some new terms and concepts that were never used before. First of all, legislators introduced legal definitions of “greenhouse gas,” “greenhouse gas emissions” and “source of greenhouse gas emissions” that did not exist in Russian legislation before. Introduction of these very basic legal terms, after nearly a decade of participation in a major international GHG emissions deal, shows a modest approach that Russia took to comply with the “pre-1990” goal in the Kyoto framework. Also, with only two years left before the deadline, introduction of new legal terms and recommendations for action appears to be quite late. It is even more behind its time if we look at the core environmental documents in Russian governance: the 2009 Climate Doctrine and the 2013 Presidential Decree on climate change. Both of them had 2020 as a final year and a goal of reaching 75% of the 1990 emissions level, plus the Decree in Russia has executive power, being an immediate task for executive authorities. It even included a six-month deadline for producing a plan of policies aimed at decreasing emissions and creating reliable markers for measuring the shrinking emissions. Creation of the legal framework for the GHG emissions only in 2018 is a marker that little work had been done within the government in this direction, and knowing that there were no negative reports for late implementation, no remarks or public progress checks from the President or any other source of supreme power, there is no genuine interest in participation in the Paris climate deal.

The goal that this new legislation pursues is to establish a legal framework for measuring total greenhouse gas emissions nationwide – notably, all industrial, mining and construction companies will now have to account for their emissions and develop policies for reducing the volume of their emissions to the lowest possible levels.

A second observation is that the state aims to delegate the actual implementation to businesses, state companies and, more importantly, to its subnational regions. This logic may be explained by analyzing the current internal structure of Russia, which is characterized by dominance of an economic center (areas surrounding Moscow) and the donation-based nature of its relation with regions, where the latter are to a great extent funded by the center, according to a local budget plan. Since Russia is applying a more and more USSR-style planned economy to its overall internal policy, the new environmental legislation seems to be perfectly in accordance with this top-down trend. Local governments were tasked with supporting the new environmental policy by local action, and in real life this would practically mean tackling the whole issue on their own. In accordance with a familiar scheme of administrative work, local governments of Russia will have to account for greenhouse gas emissions in cooperation with locally-housed emitting bodies and then draft plans to reduce these emissions (using standard financial penalty for non-compliance, as in any other type of legislation enforcement). And most importantly, they will have to draft a yearly plan of action that must fit the strategic plan, through which Moscow intends to achieve the final goal of 75% of the 1990 emissions level.

During discussions over the climate deal, there were internal propositions from the Rusal company CEO to launch a carbon tax with all parties of the Paris Agreement and convert East Siberia to a coal-free area. This is a good example of a traditional Politburo-style supportive discussion of the new policies of supreme authorities, by which these measures that were disadvantageous to Russia did not go anywhere beyond discussion. Apart from challenging the main carbon producer in Russia (extraction industry), these initiatives were simply unrealistic; for example, Siberia and Far East Russia, being extremely dependent on coal and



oil energy, have no remotely realistic perspectives of abandoning key energy sources simply to gain internal political weight.

At this point, the spirit of committing to the Paris Agreement appears political at first, with true goals loosely related to the environmental objectives. It is also worth keeping in mind that absence of the biggest economies from the second commitment to the Kyoto Protocol was a leading reason for Russia's withdrawal. In 2016, a decision by the newly elected President of the United States to withdraw from the Paris Agreement did not change the Russian position.

While the legislation is being passed, some major climate change projects are already under way. One particular area that constantly feels the effects climate change is the Russian Arctic. Among a long list of environmental challenges that are already destroying fragile Arctic ecosystems, there is a problem of Arctic shelf methane emission. While Russia possesses largest natural gas deposits, this methane is both a blessing and a curse. Emission of the natural gas happens as a direct result of a warming climate, which causes permafrost soil to thaw and release the gas. Along with land-based methane, there is also sea-based methane, which is already seen as a major contributor to global warming. Estimates of sea-based and potentially releasable methane deposits in Russia show figures of 500 gigatonnes. The effects of the emissions are still not fully understood, and therefore methane did not accompany carbon dioxide emissions in major environmental deals. However, while carbon emissions are mostly man-made and can potentially be controlled, methane emissions have the potential to become the number-one and natural source of global warming, which will be extremely hard to control (Harvey 2016).

Russia funds various projects to investigate this problem. A notable example is a long-term research program by the Tomsk Polytech institute, in cooperation with several scientific institutions from other states. This program did not lose its funding during an ongoing economic crisis and has recently been given funds for the next steps of the research. Methane emissions were researched during earlier stages too, but before the surge of methane emissions in the mid-2010s, this research was in the nature of an audit, where researchers analyzed financial losses of methane leaks during extraction. For example, one such project was conducted by Gazprom group in cooperation with the U.S. EPA in 2009.

## **Russian Boreal Forests as a Measure against GHG Emissions**

There is also emissions absorption, and since plants are known to absorb CO<sub>2</sub> emissions through their photosynthetic mechanisms, global forest deposit occupies a key position on environment experts' radars. However, normally only tropical rainforest is recognized as a leading CO<sub>2</sub> absorber, thanks to biological properties of trees. It is especially relevant today, since global rainforest coverage is a victim of deforestation, and attempts to stop this process have not been successful enough so far. This is another case where Russia aims to implement its legally binding Paris Agreement policy of climate change mitigation. Russia possesses a large territory covered by boreal forests that, Russia claims, completely equalize the country's current carbon footprint. The forests that form a "taiga" completely cover a territory to the East of Urals and to the North of the Southern regions of Siberia and the Far East. According to FAO, this is 70% of the World's boreal forests and approximately 22% of total forest reserves. Because the majority of this territory is practically wild, it is less endangered by the

logging industry than, for example, the Amazon rainforest. A similar situation exists in Canada, which is among the leading per capita emitters. However, opinions of the boreal forest's role in global CO<sub>2</sub> absorption tend to differ, with some scientists claiming it tend to consume less GHGs than tropical rainforest; plus, Russian stock is aging and suffering from global warming. It is also being pest-damaged more than before due to warmer winters (Zamolodchikov et al. 2015, 5-6).

One way or another, much like Canada, Russia has always aimed to push through recognition of the absorption capacity of its boreal forests as a vital part of the global carbon emissions reduction quest. Russia's chief negotiator for the 2013 climate agreement talks in Bonn, Oleg Shamanov, told the Thomson Reuters Foundation that "In the future (climate) agreement, a proper consideration of all forests, including boreal ones, should be provided."

This is a background for Russia's intention to update the current carbon sink accounting framework: having more absorption accredited, Russia would further reduce its footprint on paper and therefore claim greater success in front of the international community, thus gaining more credit. And at the same time, there are real examples of successful policies of reforestation and administrative limitation of logging. Reforestation and conservation of existing forests in Russia will prevent not only emissions of carbon dioxide, but also the emission of the aforementioned underground methane deposits and other GHGs currently locked in permafrost soil.

A long-term aspiration of relevant states to put the forests on the carbon emissions agenda has been rather successful in the end, since the Paris Agreement has stated that deforestation is one of the major causes of emissions. According to the agreement, 10% of total GHG emissions is a result of forest degradation, deforestation and improper land use. Since this is also an easier way of reducing footprint for states, the majority of the parties to the Paris Agreement has chosen land use issues (including forestry) as a priority of their respective climate adaptation plans.

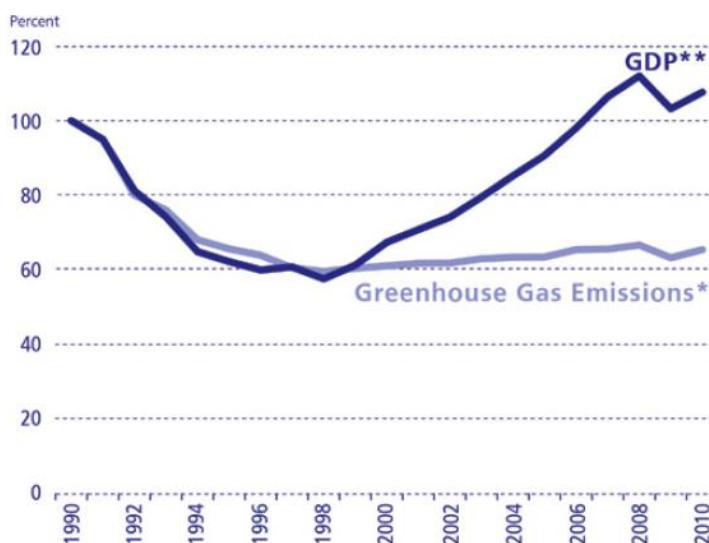
## **Scale of Russian Environmental Policy Impact on the World**

Russia is the largest country on earth and among the top-ten producers of greenhouse gases. Therefore, it is generally viewed as a major player in the climate change game.

However, if we look at it from the more detailed and to some extent fairer perspective of greenhouse gas emissions per capita statistics (Clark 2011), we discover that Russia does not make the top-10 list. Despite the fact that Russia has real motivations for much more efficient environmental policies than its current ones, its actual goal of political bargaining keeps prevailing over the environment, and knowing that the international community itself has a lot to do in this field, Russia is little burdened by its international environmental deals, which are aimed predominantly at the biggest polluters, who have emissions figures two or three time those of Russia.. The rather limited action being taken by Russia does not seem too incongruous, given that some of the most environmentally friendly states of Europe – with smaller populations, smaller territories and smaller emission-by-state figures – are in fact producing more per capita emissions because of the size of actual consumption.

### *Emissions by Russia from the Global Perspective*

Understanding of Russia's current political willingness to participate in most of the notable environmental deals lies in the fact that the goals of these deals, set internationally, usually aim to reduce emissions below 1990 figures and further down, depending on the type of treaty. Russia concluded its participation in the Kyoto Protocol with severe reduction of its emissions, but even though this was a victory on paper, in reality it was to a great extent the result of a plummeting economy of the late 1990s and early 2000s. Consumption of energy during this time fell in two major patterns: reduction of internal consumption of CO<sub>2</sub> per capita and gradual replacement of completely outdated Soviet-era energy, transportation and mining infrastructure, with new and therefore "greener" hardware, which came as a bonus. Infrastructure was updated during an era of high oil prices and therefore helped to obtain a larger carbon quota that still had little commercial success during the Kyoto Protocol years. Rapid growth of the Russian economy by the late 2000s, and especially in years 2010-2014, placed emission figures closer to limits set by the deal. However, by the time of the Paris conference, the Russian economy had been hit with sanctions and a recession caused by low oil prices. This meant nothing but reduction of net emissions due to shrinking consumption, and according to modest predictions, this trend will continue. For Russia this means a lower risk of the need to limit its resource extraction emissions, as overall figures will again go below figures agreed upon by the 2015 climate deal (Fig.1, 2).



\* Greenhouse gas emissions in carbon dioxide equivalent.

Source: [www.unfccc.int](http://www.unfccc.int).

\*\*GDP, purchasing power parity in constant 2005 dollars.

Source: World Bank database.

Figure 1. Russia's Greenhouse gas emissions and GDP since 1990.

To gain a clearer picture, we can compare CO<sub>2</sub> emission dynamics of Russia, the United States and China as top emitters, and the global figures. These statistics cover emission size trends and allow us to see the extent to which changes in emissions of particular states actually impact the global scale.

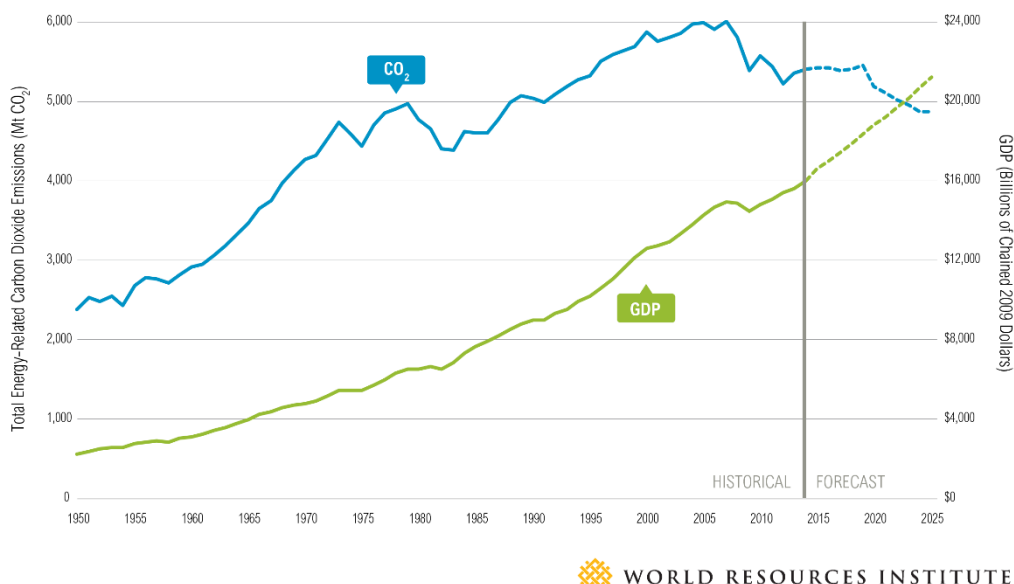


Figure 2. CO<sub>2</sub> Emissions and GDP of the United States 1950-2025.

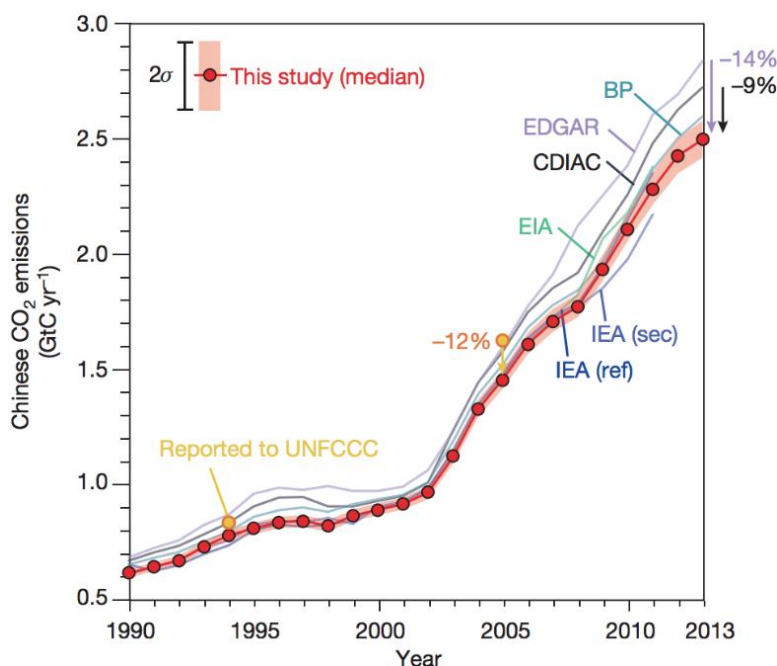


Figure 3. Emissions of the PRC (China) in 1990-2013.

In Figure 4, blue colour represents emissions from energy sector, while green shades represent: industrial emissions (light green) and chemicals, nature- and agriculture-related emissions (dark green). The graph is taken from the 2016 Report of the Ministry.

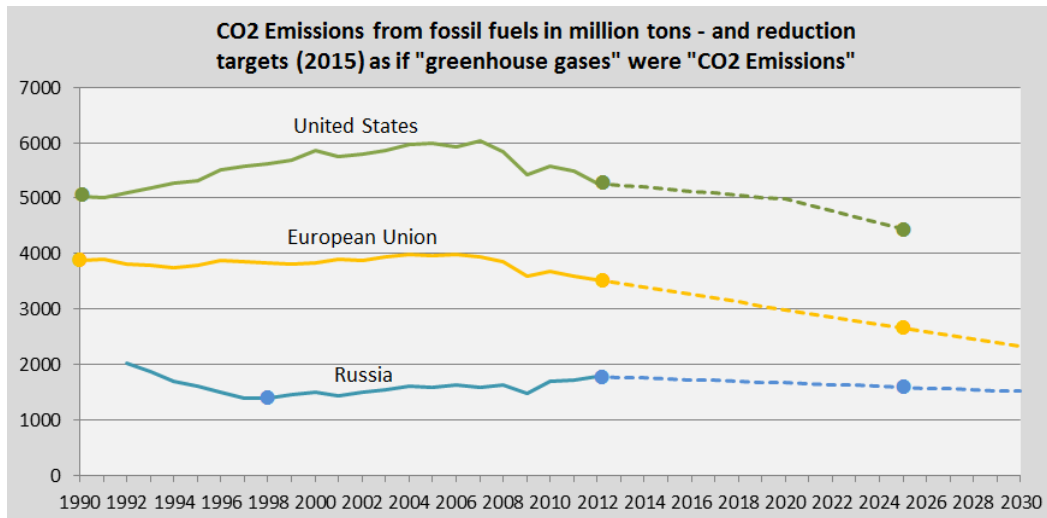


Figure 4. CO2 emissions of the USSR and Russia, 1990-2016.

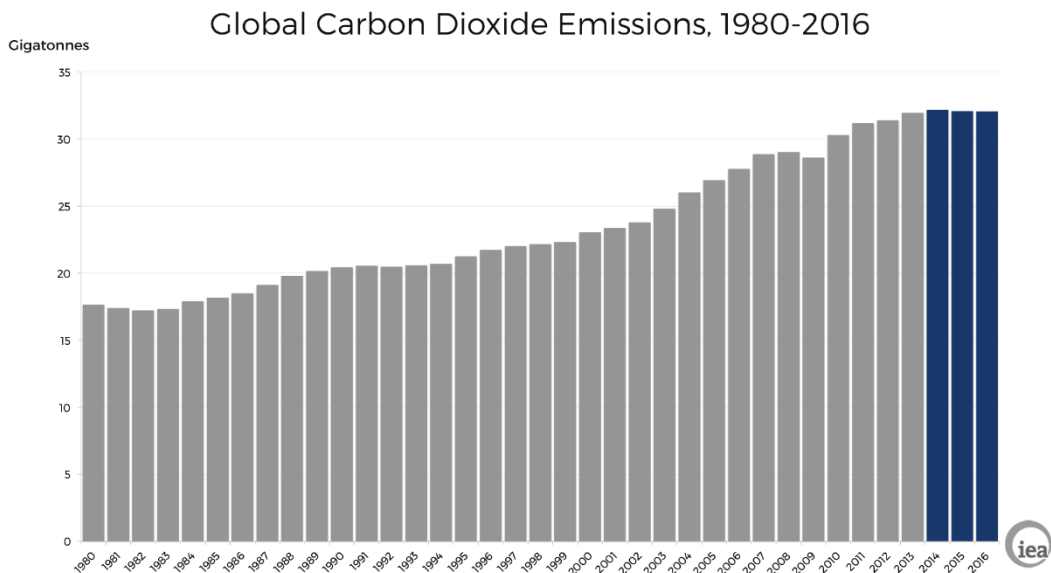


Figure 5. Global emissions in years 1980-2016.

Comparing figures 3, 4 and 5, we can see that the dissolution of the Soviet Union and the subsequent dismantling of its economy (with the following revitalization of the 2000s) had an extremely limited impact on the global graph. Though it is no doubt a very rough analysis, the major international agreements themselves are not about small trends. A quick look at Chinese and American emissions in this era may explain the non-impact of the disappearance of a superpower that was also a top-five emitter: in the decade following the 1990s and partially due to the end of Cold War, the World had a relatively peaceful decade characterized by growth of global consumption (which chased growing GDP in developed states) and the subsequent growth of CO2 emissions. The 1990s were an import era when the world saw “Made in China” on virtually every item. This was the beginning of “export of emissions” to

rapidly developing Asian states. While their emissions had really rocketed only in 2000s, the 1990s were still an era of confident growth of CO<sub>2</sub> emissions. Remarkably, even during the Kyoto Protocol years, global emissions continued to grow despite the progress that many of its participants (including Russia) had achieved in accordance with the initial responsibilities. Only the recession of the late 2000s, which hit the Western economies the hardest, tends to be a reason for sudden decrease of total emissions. The U.S. chart would show a dramatic fall of emissions during the 2008-2010 recession, which lowered figures to almost the 1990 level. This also shows a relatively strong correlation between emissions and GDP dynamics, as consumption (of goods, services and energy) is heavily tied to production of greenhouse gases, at least in the United States of this era.

Despite being somewhat superficial, this analysis points to the conclusion that Russia, while not being a trend-setter, occupies a notable position in global GHG mitigation.

### **Emissions by State, or Because of State? Russia and Other States in Reducing GHG Emissions**

However, if we set aside all the factors that lead Russia to ignore global environmental problems and imagine a dramatic and enthusiastic involvement in reduction of carbon emissions, we will see that, in the bigger picture, the bulk of emissions per capita will remain with the most developed states of the World – hence their high consumption figures.

In a 2008 research, the Energy Policy journal pointed out that up to 33% of total Chinese CO<sub>2</sub> emissions were export-related. This 33% meant a sizeable 1.7 billion tonnes annually; for example, that year the United Kingdom managed to reduce its carbon footprint down to just 532,8 million tonnes. (Brahic 2008)

If we compare charts of emissions per capita to net emission by states, we will immediately notice a mismatch of actual emissions and “consumed” emissions. For example, China, with its incredible amount of emissions, occupies a mid-fifties position, staying well behind states that are typically a lot “greener” and simply smaller in size. Russia as well holds a rather low position, according to 2014 statistics from the World Bank, with 11.9 tonnes per capita. It occupies positions below even Palau, Faroe Islands and several mostly well-developed economies. The list is topped by Qatar, with a massive 45.4 tonnes per capita.

This method is not an ultimate source of accurate information, being corrupted by relation of actual emissions to size of a territory and its population. However, there is still a definite link of actual emissions to consumption rates, since carbon producers would certainly emit less if there were there no exports. It is therefore no surprise that China did not support the Kyoto Protocol, since its carbon emissions reduction framework was built around net emission values and therefore excluded the consumption factor. Plus, necessity of CO<sub>2</sub> quota purchasing would be somewhat unfair, since a large part of those emissions were generated for consumers in import markets, so China would have had to pay an additional “tax” to keep exporting. This story was not radically different from those of other developed nations, notably the United States.

The Paris Agreement, with its “bottom-up” approach, occupies a more favorable position, since many of its states – namely, China – have their local emissions reduction strategies. Yet, this agreement does not address the “commercial” aspect of emissions, leaving the biggest

emitter by a mile with nothing but its own will to make an effort toward severe reduction of its emissions.

The most important intrigue of the Paris Agreement was Chinese dedication to actual implementation of its pledges to peak emissions before 2030 and plummet emissions by 2050 through eliminating coal from its energy sector and applying a variety of restrictions in emissions-related sectors of its economy. (Buckley 2017). Despite Russia's being among the biggest polluters, its rather moderate scale of emission-producing consumption and therefore smaller share of greenhouse gases allows it to stay behind states with either higher overall emissions or higher per capita emissions. While Russia itself has considerably lower greenhouse gas output, it also sells hydrocarbons that are burned in other states, thus transferring these emissions. Thinking globally, this means that, since it is required to take little real action, Russia will not make a bigger difference to the global warming process than effective actions of any of the World's leading emitters and top consumers.

## CONCLUSION

The logic of the current environmental policy in Russia today, including the Paris Agreement participation, is built around an understanding that the state pursues, first of all, geopolitical aims in any kind of international environmental deals. These aims, one way or another, pursue reinforcement of Russia's role as a global actor on an international stage, and events like the withdrawal of the United States from the climate deal at the worst time possible, as top Russian officials think, improve Russia's image even further. Researchers with solid experience in Russian political thinking and decision-making might know a species of international policy of the Putin age – it is often characterized by will to balance between negative and positive extremes, which seems rather unusual to the rest of the World. Russian hard-line policies of conflict resolution or supposed non-engagement in the internal affairs of foreign states often go along with a radically positive outlook in a variety of other spheres. Russia has demonstrated its use of power in territorial disputes, on the one hand, while at the same time making a “sweet deal” over a hydrocarbon-rich seabed demarcation (as happened with Norway in 2010). The result of this deal gave Norway an additional 30 billion tonnes of oil reserves, even though it was discovered three years after the deal. Even Putin, mostly known for his autocratic style of governance and disrespect for alternative means of development (other than through hydrocarbon export), continuously demonstrates his personal interest in wildlife conservation. He was filmed guiding a crane swarm, he has expressed open support for Amur tiger conservation, and he repeatedly refers to environmental problems of the Arctic in his Arctic-related speeches. Even though the remote resource-poor areas of Arctic only interest the Russian authorities as military assets, environmental interest is being maintained as a part of the agenda.

Russia continuously tries to use environmental cooperation to soften the worst political crisis with the outside World seen in decades. Russia maintains a presence in a variety of environmental or sustainable development-oriented NGOs, mostly through its subnational governments. Since Russia's top climate change concern area is its Northern and Arctic territories, a focus on cooperation is notably shifted northwards. This coincides with Russia's

clearly visible intention of maintaining a leading position in the Arctic relations that were expanding to a major global agenda until changes of 2014-2015.

Several examples are: highly unprofitable, yet very desirable, participation in the World's first association of the Northern subnationals, the Northern Forum; attendance at all major and moderate conferences and assemblies (such as an Icelandic Arctic Circle annual forum, events of Euro Arctic Barents Council); and, on a state level, participation in the Arctic Council and environmental projects of the UN, where Russian subnationals and organizations take part in various climate change-related projects.

Currently, given the instability in Russia-West relations, the environmental agenda remains the most reliable and relatively politics-free way of maintaining fruitful connections with other states and therefore reinforcing Russia's decreasing role on the global stage. This is important, because participation in the Paris Agreement or Kyoto Protocol alone has very limited results for Russia, since it has both a moderate emissions-per-capita rate and – thanks to its historically moderate level of total emissions – it is not really expected to go the extra mile; the attention of the Agreement parties is drawn to Chinese plans that this time tend to look very serious, unlike the 1990s refusal to ratify the Kyoto Protocol. From this perspective, it would be fair to say that even support for the implementation of the Paris Agreement and all recent actions taken in this field will not transform Russia into a leading actor in terms of GHG emissions reduction and will not be the sole reason for its leadership in the international community.

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*Chapter 8*

# **FROM SUBJECTS TO GOOD NEIGHBORS: THE EVOLUTION OF ATTITUDES OF THE RUSSIAN RULING CIRCLES TO THE FORMER NATIONAL PROVINCES**

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## **ABSTRACT**

This article presents an attempt to look at the evolution of views, attitudes, and policies of the Russian ruling class towards the national and ethnic minorities throughout the history of the country. The imperial, the Soviet and the post-Soviet periods, as well as the corresponding political traditions, are considered. The fact that both Russia's nation-building and its expansion across Eurasia have been closely connected is underlined. In this respect, two traditions of state cultural and language policy, namely the "Eastern" (somewhat more liberal) and the "Western" (more authoritarian) ones, are focused on. In Russia, the two traditions have competed since the formation of the state, but historically, the "Eastern" pattern prevailed, not repealing the principal role of the Russian ethnos and its language. The subjective factor, constituted by the personality of the ruler and the influence of his or her immediate circle, has always been important. Since the collapse of the USSR, the former Union republics have been involved in complex political processes developing around Russia, its internal stability being a guarantee of its attractiveness for the closest environment. Russia remains a regional and global center of power, although it faces extreme difficulty in retaining this status at the current turning point of world history.

**Keywords:** national policy, language policy, multilingual society, attitudes, multiethnic and multilingual state, national movement, Russification, indigenization, indigenous language, national minority, imperial complex, post-colonial trauma

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## INTRODUCTION

It is difficult to maintain objectivity in the field of national relations and national policy. In this delicate sphere, people easily succumb to the temptation of being guided by emotions, stereotypes, and myths.

Many of us have found ourselves in a situation where even well-trained and objective people are not ready to discuss such problems in a sensible and unbiased manner, instead defending their own nation, culture or language. Such sentiments are repeatedly amplified and spread during the epochs of social upheavals and wars. Now we are going through a difficult period when enmity is facilitated between representatives of neighboring nations exchanging recriminations and accusations that reflect deep-set attitudes close to animal instincts. This phenomenon has a multi-level nature, and the national question and the corresponding rhetoric can be an attribute of both domestic scandals and interstate disputes.

This short article is an attempt to cast a glance at the evolution of views and attitudes of the Russian ruling circles to the problem of national and ethnic minorities and the choice of an appropriate policy. Here I try to link relevant traditions and approaches prevailing in three different periods of Russian history – the imperial, the Soviet and the post-Soviet.

### **IDENTIFYING PATTERNS OF NATIONAL AND LINGUISTIC POLICY – FROM MUSCOVITE RUS' TO THE RUSSIAN EMPIRE**

In Russia, nation-building and the expansion of the state have been walking hand in hand from the very beginning. Unlike Western colonizers, Russian settlers seemed to avoid alienation from indigenous peoples. The readiness and easiness with which Russians borrowed elements of the culture and languages of conquered peoples blurred the border between the metropolis and the colony. It is difficult to trace the origin of this feature, but one may suppose that it is a complex legacy of the traditional Russian peasant communal values, on the one hand, and strict centralization and despotism, on the other. Mongol rule, with its specific cultural interaction between Slavs and non-Slavs, might also have contributed to the development of certain peculiarities of “friend-or-foe” differentiation in Russian culture.

In their approach to the new territorial acquisitions, Russian rulers followed what is known as the “French model of colonization” [1, 456], in which the conquered peoples were given the same rights as the native French. According to this pattern, in contrast with the English one, the elite of the conquered countries and/or peoples were easily admitted by the nobility of the metropolis and enjoyed the same privileges as the latter.

Needless to say, language policy is an integral part of national policy, and for a multiethnic and multinational country like Russia, the question of language has always had paramount significance. In this respect, one can also observe two patterns characteristic of multilingual societies, which peculiarly may or may not coincide with the two patterns of attitudes to the colonized population mentioned above.

Thus, some authors [cf. 2, 345] single out two traditions of state cultural and language policy. The first of them, conventionally named the “Eastern” one, considers

the existing variety of cultural traditions and languages to be natural and acceptable. The second tradition, the so-called “Western” one, on the contrary, advocates for a unified culture, presupposing one faith and preferably one language. Different countries, some of which may still be empires or successors to former empires, usually follow one of these two traditions in their cultural and language policy, which may alternate and conflict in different periods of history.

If we take France again as an example of a post-imperial state, it is interesting to point out that it has combined an utterly favorable policy to its citizens originating from the colonial (postcolonial) territories with the “Western” pattern in its language and cultural policy, which is very strict as regards communications practices throughout the country, most cultural implications of language use, etc.

Russia is a country where the two traditions came to replace one another and competed in different periods, but historically, the “Eastern” tradition prevailed, while not repealing the principal role of the Russian language, of course. One can argue about the roots of said prevalence, but intuitively it is possible to assume that both Muscovite Rus’ and the Russian Empire have been multiethnic and multilingual states with a considerable part of their elites constituted by a non-Russian element. Besides, the non-Russian ethnic groups have always lived alongside Russians and lived much closer to their colonial rulers than did the inhabitants of the overseas territories of such maritime empires as Great Britain or France. Therefore, it is only natural that there has evolved a special type of cultural and linguistic tolerance in the vast continental Russian Empire. The Russian authorities have always had to communicate with their non-Russian subjects and to ensure a normal course of life in the territories under their control, to which end they have had to pursue more or less sensible language and cultural policies. These policies were subject to serious fluctuations – from favoring and promotion to widespread bans. For instance, as early as during the reign of Catherine II, the governmental educational board recommended that the schools in the territories where non-Russian populations lived take into account local languages and culture in teaching.

Both traditions co-existed in Russia and could be applied in parallel in different regions of the empire. The subjective factor, constituted by the personality of the ruler with all his (or her) attitudes and preferences, played an important role, of course, making the national and language policies very susceptible to change, if not inconsistent.

Thus, in the reign of Alexander III, a notoriously conservative tsar who stood the widespread uniformity in the state on the basis of Orthodoxy, the monarchy and the Russian language, the “Eastern” tradition of attitudes towards languages in Russia was supplanted by the “Western” tradition, especially in the western regions of the empire (Poland, the Baltics, Finland), which, along with his policy towards the Jews – with its “pale of settlement” – is considered by many to have contributed to the rise of radical sentiments and paved the way to future revolutionary changes.

In the times of Alexander III, the attitude towards the peoples living in the west of the Empire changed, obviously, because the authorities perceived the danger to the integrity of the country from the national movements evolving in those territories. As part of the then policy of Russification, the language rights of those peoples were significantly infringed, primarily affecting the press, schooling, and theater. At the same time, the status of indigenous languages in the east of the country remained undisputed, and some of them were even introduced as languages of instruction and disciplines of curricula, e.g., Kazakh.

Besides, the authorities looked benevolently on individual attempts at language planning, not interfering with the efforts of language activists, especially in the eastern regions of the empire.

Accumulated social contradictions surfaced under Nikolai II, namely in the revolution of 1905, after which national and language policy swung again to its “Eastern” extreme as part of the overall liberalization of life in the country.

## **THE SOVIET PERIOD**

Focusing on the Soviet epoch, let us underline that classical Marxism, as is known, considers the nation as a relic of the past and stands for a common culture and language for all people. However, in the early Soviet period these views did not find any practical implementation, especially in the field of national and language policies. Continuing the line of the last years of the empire, the early Soviet period brought about more liberalization in the fields of national and language policy, with the famous push for indigenization. However, by the mid-1930s this policy was reversed quite abruptly by Stalin, whose demand for further centralization reasserted the “Western” pattern.

In the post-Stalin period, especially under Brezhnev, the policy shifted again to some extent to its “Eastern” pole, although the whole picture was far from being homogeneous and there existed numerous issues which came to the fore in the years of Perestroika, followed by the collapse of the Soviet Union.

It must have been caused by the recognition of equal democratic rights for all peoples and the natural response to the policy of Russification in the prerevolutionary decades. The Bolshevik party in its 1st and 2nd programs (1903 and 1919) declared in favor equal linguistic rights for all ethnic minorities of Russia, and having come to power, Lenin even stood for “the absence of a compulsory state language” as such [3, 36].

As is known, the foundations of the national policy for the entire Soviet epoch had been laid by the end of the civil war (appr. by 1922). The newly formed state – the successor to the Russian Empire – was a system of national entities arranged in a hierarchical order, the union republic being its principal structural unit, comprising (or not comprising) autonomous republics as units of a smaller scale. Other smaller administrative units, i.e., ‘national region’ or ‘national territory,’ were also envisaged. The lower the rank of such a national entity, the less autonomy it enjoyed.

It is obvious that the question of language was vital and decisive for a multinational state like Soviet Russia, and at the early stage of its history, it was solved in a rather radical way. The Constitution of the RSFSR, adopted in 1925, legislatively entitled all citizens to use the native languages at congresses, in court, in government, and in public life. The policy pursued under the Constitution provided for instruction at school in all local languages. The proclaimed norms and values were implemented by authorities at all levels.

It was assumed that official functions were to be performed in the language of the people concerned. Therefore, within the framework of an autonomous republic, a given republic’s title language or languages were fully equal to the language of the corresponding union republic, and the language of the union republic was equal to nationwide Russian. The list of

social functions of local languages, in theory, was equal to that of Russian, but in fact, it seldom was the case.

A mostly national principle of organization of the state came to replace the mostly administrative principle characteristic of the former Russian Empire. This principle quite predictably turned out to be a mine laid under the state structure and contributed substantially to the collapse of the USSR in 1991. In fact, today's Russian Federation is based on the same principle, which it inherited from the Soviet Union and is considered by many to be a potential agent of further disintegration.

Thus from the very beginning, the Russian Soviet Federative Socialist Republic (RSFSR) included 8 autonomous republics and 12 autonomous regions. The then Khorezm and Khiva People's Soviet Republics were in contractual relations with the RSFSR. The Ukrainian and Belarusian republics did not have any autonomies at all. The Confederation of the Transcaucasian Union republics was composed of Georgia, Armenia, and Azerbaijan. Georgia included the Adjarian Autonomous Soviet Socialist Republic and the South Ossetian Autonomous Region. The Abkhazian SSR joined Georgia on a contractual basis. Azerbaijan included the autonomy of the Nakhichevan SSR.

The national division was later implemented in Central Asia as well, and as early as in 1924-1925 the Turkmen and Uzbek republics were organized into a number of autonomies. Later, three of the autonomies, namely Kazakhstan, Kyrgyzstan, and Tajikistan, were given the status of republic [4, 372].

Ideally, the borders of the union republics and autonomies of all kinds were supposed to coincide with the territories occupied by compact ethnic groups. However, this ideal was mostly unattainable because of obvious objective obstacles. First, ethnic homogeneity was quite a rare condition, and much more often, representatives of different ethnic groups or tribes inhabited their territories in alternating patterns. Second, the ethnic composition of urban areas often differed greatly from that of the surrounding rural areas. The measure resorted to was a further subdivision of autonomies and creation of autonomies within autonomies [ibid.].

In the course of building the new multiethnic and multinational Soviet state, the term 'national minority' was introduced into practice and had become widespread. Its relevance and timeliness are substantiated by the fact that the neologism "natsmen" appeared, originally an undeclinable abbreviation of the Russian "natsional'noe men'shinstvo" (i.e., national minority), which started to be used far beyond the narrow fields of administration and state-building. In the Soviet context, the term 'national minority' was interpreted as an ethnic population living outside its national territory or in a foreign environment. According to the Bolshevik ideology, any ethnic group had the right to form a national administrative unit where its idiom could function as an official language.

There was much arbitrariness and immediate political interest in the question of drawing border lines of the union and autonomous republics. Such a delineation was carried out as a rule for reasons other than those of ethnic composition of the local population. Therefore some national or ethnic groups turned out to be more or less "lucky" as a result. Peoples such as the Chukchi, Evens, and Evenks received both their national districts outside the Yakut Autonomous Republic and national regions inside it, as their traditional territories overlapped that of the Yakut Republic but did not coincide with it altogether.

In some cases, the borders had developed historically and were not subject to revision. It was characteristic of the post-civil war Caucasus that certain ethnic groups constituting the

majority in one republic became a minority in the adjacent region of another republic, as was the case with Armenians in the Akhalkalaki region of Georgia. In other cases, ethnic groups might not have been recognized at all and therefore did not get any autonomy, as was the case with the Talysh people in the Lankaran region of Azerbaijan.

The arbitrariness in internal border delineation and granting (or not granting) the status of autonomy greatly affected the preservation of the culture and language of many peoples. The following facts confirm that purely administrative decisions have a significant effect on the fate of language and culture. For instance, there are Bulgarians and Gagauzians in Southern Moldova and South-Western Ukraine, but their languages are preserved to varying degrees there. Depending on the number of speakers in the neighboring states (the former Soviet republics) the Gagauz language is better preserved in Moldova and Bulgarian is better preserved in the Odessa region of Ukraine. There is no doubt that if each of these peoples had not been divided by the republican border in the Soviet time, both languages would have remained in a better condition.

Another example is the fate of the Kurds and their language in Armenia and Azerbaijan. In Armenia, the number of Kurds was considerably smaller and the character of their settlement was far less compact there. However, this ethnic group enjoyed the status of autonomy with its own newspaper and school [4, 376].

Meanwhile, the status of the Azerbaijanian Kurds was far less favorable. Initially, they received a national district, but as early as the late 1930s they were registered as Azerbaijanians and lost their national press and education. Those changes led to a double decrease in the number of Kurds in Azerbaijan by the late 1980s. As regards the language, only about 65% of the Kurds in Azerbaijan are native speakers of the Kurdish language, compared with 80% in Armenia, with its far smaller Kurdish community.

As for the early Soviet language planning, considerable advances in this field achieved in the 1920s and early 1930s are widely known. By the early 1930s, more than 80 nationalities and ethnic groups had received their alphabets, teaching in indigenous languages, written language and corpora of important literary texts [cf. 5; 6].

However, by the mid-1930s, language policy had changed dramatically. The need to build a centralized state and strengthen the ties between regions dictated the task of promoting and maintaining communication in Russian. After the “idealistic” and “naïve” early Soviet period, it was a natural return to the usual language policy in an industrialized multinational state facing serious economic, political and military problems. Meanwhile, Article 121 of the 1936 “Stalin” Constitution proclaimed the right to education in one’s native language, thereby preserving the previous slogans on “free development and equality of nations and languages.”

Thus, by the mid-1930s this policy of indigenization was canceled quite abruptly by Stalin, whose demand for further centralization brought a reverse to the “Western” pattern. Most projects of applied sociolinguistics, as we would dub them today, were curtailed. The translation of the newly created alphabets from Latin into Cyrillic began as early as 1935. The Russian language was introduced as a mandatory subject all over the country, in all national schools, by a special decision of the Party Central Committee and the government in 1938. Only in Tatar and Bashkir ASSRs were there schools that taught in the indigenous languages. The initial plans to introduce higher education in languages other than Russian were also scrapped.

From the end of the Second World War to Stalin’s death in 1953, the “Western” pattern grew stronger in the Soviet Union. The inertia persisted until the exposing of the cult of



personality at the 20th Congress of the CPSU. The advent of relative liberalization during the “thaw” affected the national and language policy as well. Under Khrushchev, Russification somewhat softened. Publishing activity in languages other than Russian increased marginally. In 1958-59 the equality of all languages in the field of education was again declared. Under the new regulations, parents were free to choose the language in which their children were to obtain an education, although this “freedom” was of reduced character, as the basic education continued to be conducted in Russian. Meanwhile, the CPSU Program, updated under Khrushchev, received a provision on the leading role of Russian as the language of interethnic communication. Besides, the general “warming” of social life was accompanied by active attempts to “purify” and implement the Marxist tradition, with natural consequences for all spheres of life, including national and language policy [7, 183].

The main task of national schools was officially declared to be the preparation of students who would know and love the Russian language. This official position had implications for education policy all over the country and approximated language shift for many minorities. Although the policy of intentional Russification was never declared officially, it was being implemented “by default,” so to speak, not least because of the fact that it is much more convenient to maintain all types of communication in a society in just one language than in many.

The results of the creeping Russification were notable. So, by the beginning of Gorbachev’s “Perestroika” the number of representatives of some considerable minorities (e.g., Buryats, Tatars, Yakuts, etc.) who were non-native speakers, had doubled [ibid., 184]. In general, in the later Soviet period, especially under Brezhnev, the policy shifted again to some extent to its “Eastern” pole, although the whole picture was far from being homogeneous and there existed numerous issues which came to the fore in the years of “Perestroika,” followed by the collapse of the Soviet Union.

## **THE DEVELOPMENTS OF THE POST-SOVIET PERIOD**

After the disintegration of the USSR, Russia faced the need to search for and choose a new vector of its geopolitical and geo-economic development. Looking back over the years, one can say that in gaining its new identity in the post-Soviet space, Russia has travelled a difficult path that was directly related to its special status in the world. The former relations of the metropolis and the national margins had to be revised, as they did not fit the new situation. It was a difficult task for both Moscow, which had to root out the “imperial complex,” and the former provinces, which had far-reaching ambitions and suffered from “post-colonial trauma” (post-colonial is in quotes here because the union republics had never been “colonies” proper).

After the Soviet Union had collapsed, it was necessary to ensure stability and take measures to ensure that political and territorial contradictions did not lead to wars in the post-Soviet space. Besides, the disintegration of existing economic interdependence could inevitably lead the economies of newly independent states to break down. To prevent this, political and economic relations were to be rebuilt on a new basis. To solve these complex problems, in 1991 the Commonwealth of Independent States (CIS) was established – initiated by Russia along with Ukraine and Belarus. This was done right after the abolition of the

USSR in the Bialowieza Forest by the same political leaders who buried the Soviet Union (i.e., Yeltsin, Kravchuk, and Shushkevich). The new organization became the platform through which the former union republics were supposed to solve the emerging contradictions and develop new principles of coexistence and cooperation.

## **CHANGE IN THE POSITION OF NATIONAL REPUBLICS WITHIN RUSSIA**

It is worth mentioning that the situation inside Russia, a multinational country itself, was extremely complex. On August 6, 1990, i.e., a year before the breakup of the Union, the then head of the Supreme Soviet of the RSFSR, Yeltsin, uttered the historic phrase: “Take as much sovereignty as you can swallow.” These words were gladly picked up by the autonomy authorities. The period from August to October 1990 is known as a “parade of sovereignties” of the autonomous republics of the RSFSR. The declarations on the state sovereignty were adopted by the Karelian ASSR, the Komi ASSR, the Tatar ASSR, the Udmurt Republic and the Yakutia-Sakha ASSR, the Chukotka Autonomous Okrug, the Adyghe Autonomous Okrug, the Buryat ASSR, the Bashkir ASSR, the Kalmyk ASSR, the Mari ASSR, the Chuvash ASSR, the Yamalo-Nenets and the Gorno-Altai autonomous regions, the Irkutsk region, etc.

The centrifugal processes were on the rise. Some republics sought to distance themselves from Russia and enhance their status (e.g., North Ossetia, Tatarstan, Tuva, and Chechen-Ingushetia), which resulted in the two Chechen wars and other minor turmoil and protest campaigns in several national territories. Only in the Putin’s second term a President was this situation generally overcome.

Beyond the borders of Russia, there appeared favorable ground for social conflicts of all kinds, not least of which were language conflicts due to the profound restructuring of all spheres of life in the post-Soviet countries. Many of these conflicts traced their origin back in the USSR. New language laws were proclaimed in most union republics at the end of Perestroika (i.e., in 1989-90). Only Belarus retained Russian as a state language. After the collapse of the Union, language conflicts became particularly acute, often accompanying ethnic, religious, economic and other types of confrontations.

The transition of a new state to a new language is, obviously, a multifaceted problem. It features a political, economic, educational and psychological aspect, to name only the key issues. The status of the title language and that of Russian changed dramatically, causing a whole set of problems, e.g., from the introduction of a “non-citizen” status for Russians who did not speak local languages in the Baltic states to the non-recognition of Russian as a state language in Ukraine, where half the population are native speakers of Russian.

As for Russia itself, the then Supreme Soviet of the RSFSR adopted the Law “On the Languages of the Peoples of the RSFSR” as early as 1991, proclaiming Russian a state language in the Russian Federation and recognizing at the same time the right of the subjects of the Federation to establish their own state languages in their territory. That law was followed by adoption of similar laws by the numerous subjects of the RSFSR. The languages of the title nations were granted state status, which created a legal basis for expanding the list

of their social functions. In this way, the Russian Federation officially became a multilingual state, as confirmed by federal and republican laws.

## **CHANGES OF ATTITUDES AND POLICY TOWARDS THE FORMER NATIONAL PROVINCES**

Returning to Russia's relations with its former national provinces, it is interesting to compare the essence of Moscow's policy towards the republics in the Soviet era and its development after the declaration of independence of the Russian Federation.

In the Soviet period, the policy in question was determined by the desire to pacify and suppress local nationalisms and prevent them from turning into a real force. In the post-Soviet era, the main focus has been on finding a common language with the same nationalist forces, which came to power in the republics in more or less radical form. To achieve this goal, Russia had to elaborate an intricate approach of "flirtation and coercion," focusing on mutual interests and tasks. However, Russia's policy in its near abroad has often been short-sighted and rather inconsistent, lacking real forward-looking planning and scientific approach (cf. the relations with Ukraine).

As recent history shows, numerous economic and political disputes between the former union republics arise constantly and are extremely difficult to resolve (cf. the Russian-Ukrainian gas wars, economic disputes between Russia and Belarus, settling the armed conflict in Nagorno-Karabakh, etc.). The whole situation is complicated by the fact that, following the "divorce," each republic has its own list of claims against Russia. Each nationalism has its own genesis and history of self-affirmation, which includes more or less violent and bloody stages, hence the more or less irreconcilable position in relation to Russia.

Obviously, the former republics are to varying degrees inclined to establish good neighborly relations with Russia. In their turn, foreign competitors of Russia (or "partners" – a euphemism popular with modern Russian top officials) may have more or less successful in their efforts to find allies among them (cf. Ukraine and Belarus).

To describe relations between Russia and the former republics, it is convenient to use the scheme of concentric circles suggested by R. Millar [8, 173], although, unlike Millar, we distinguish these circles not on the basis of the commonality of historical destinies of certain peoples and territories, but on the basis of the level of their "loyalty" to Russia. Returning to this scheme, it can be noted that the former republics constituting the outer circle (definitely, the Baltic countries) disassociated themselves from Russia from the outset and quickly and quite successfully integrated into the EU, with which they had deeper historical, cultural and linguistic affinities than other former Soviet states.<sup>1</sup> At the same time, they retain economic and cultural ties with Russia, despite the more or less aggressive rhetoric of local nationalists at the household level and/or in the ruling circles.

The middle circle, constituted by Ukraine, Moldova, Georgia, Azerbaijan, Turkmenistan, and Uzbekistan, is very heterogeneous as regards the level and quality of relations with Russia. In each individual case, there are specific pitfalls preventing Russia from consolidating its influence over these countries. In the case of Ukraine, the largest and most powerful former Soviet republic, it even came to an open armed conflict in 2014. The

Western countries, led by the USA, became indirect participants in this conflict, inciting Ukraine to distance itself from Russia.

Finally, the states of the inner circle, Belarus, Armenia, Kazakhstan, and Kyrgyzstan, for cultural, historical, geopolitical and economic reasons, are more closely associated with and more dependent on Russia. Important factors in this respect are the position of nationalism in society, on the one hand, and, on the other hand, the personality of the leader of the newly independent state, who may have more or less pro-Russian views and preferences (e.g., the permanent leader of Kazakhstan, N. Nazarbayev).

The policy of today's Russia in its far and near abroad is determined by the contradictory nature of its goals. On the one hand, since Gorbachev's time Russia (or the Russian elite) has sought to become a full member of the "club" of Western democracies, whose de facto leader is the United States, and on the other, it only reluctantly tolerates this leadership and again demonstrates the ambitions of an independent player in the international arena. The situation is complicated by Russia's deep dependence on international financial institutions and the dual position of a large part of the Russian elite, who keep their financial assets abroad.

## **IN SEARCH OF A BALANCE OF INTERESTS**

Former Union republics, Russia's nearest neighbors, have been involved in complex political processes developing around Russia from the very beginning. Of course, the CIS has not completely justified the hopes pinned on it, and many adopted decisions were not and could not be implemented.

In the last years of the existence of the USSR, and especially in the post-Soviet space, centrifugal tendencies led to the separation of the former republics from Moscow and their search for new allies outside and inside the CIS. Russia had to compete with other world and regional powers (the United States, China, Turkey, Saudi Arabia, Qatar, etc.) in an effort to maintain its influence in the post-Soviet space.

New political and economic contradictions have emerged. Not infrequently, they have been provoked from abroad: some countries do not want the former Soviet republics to reunite in a new powerful union or state, and they do everything in their power to separate them in different directions, to include them in the orbit of their influence. New coalitions of states appeared in the post-Soviet space. With the support of the United States and other Western countries, a political union of Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova (GUUAM) was formed in 1998. It was conceived, definitely, as an organization of an anti-Russian orientation, its aim being to reduce Russia's leading role in Eurasia. However, GUUAM proved to be inefficient and did not meet the expectations of its founders and their Western allies. Russia had to react to those unfavorable and hostile trends. Besides, something had to be done about the declining volume of trade in the CIS.

At all costs, Russia has already been solving the issue of ensuring stability along its borders, more or less successfully, for almost three decades of the post-Soviet period. With the active participation of Russian diplomacy and with the help of Russian troops, it was able to extinguish or weaken military conflicts in Transnistria, Tajikistan, Karabakh, South Ossetia, and Abkhazia. Still, new conflicts have arisen, not without a certain incitement from without. The Russian-Georgian conflict around South Ossetia and Abkhazia in 2008 and the

Russian-Ukrainian conflict in 2014 shook the whole structure of the CIS and changed the situation altogether.

Anyway, thanks to the efforts of Russia and other countries of the post-Soviet region, it was possible to preserve the basic economic and cultural ties between the former union republics, to avoid a collapse in the economies of the republics, and to suppress serious, insoluble conflicts between them.

A recent important indicator of the relative success of the Russian policy towards the former Soviet republics is the fact that none of the CIS countries (except Ukraine) has joined the anti-Russian sanctions introduced by the EC and the USA in 2014 and later.

Indeed, with the beginning of the sanctions confrontation with the West, economic cooperation within the framework of regional organizations has acquired special significance for the Russian Federation, with the tasks of protectionism and substitution of imports coming first. These tasks are solved jointly by all participants of regional clubs who have not signed documents on the “policy of sanctions” against Russia. Moreover, Russia’s support pushes its strategic partners to search for fundamentally new forms of cooperation. In a certain sense, the events of 2014 became the moment of truth for the post-Soviet states.

Thus, under the economic and political sanctions of the West, the Eurasian Economic Union (EEU), the Organization of the Collective Security Treaty (CSTO) and other international political and economic structures have become not only a source of monetary, financial and investment resources for Russia, but also an additional opportunity to strengthen its partnership with regional centers of power, primarily China, as well as an opportunity to restore dialogue with the West.

Meanwhile, respecting the opinion of its allies, Moscow does not try to “bind” them to itself by forcing them to abandon their multi-vector foreign policy and make a choice in favor of loyalty. This approach characterizes Russia as a country conducting a flexible policy towards its closest neighbors and allies. It soberly assesses the consequences of its decisions, realizing that its allies are not obliged to take responsibility for the decisions that its leadership took alone.

Today, the Russian Federation participates in a multitude of international and regional political and economic structures, organizations and blocs, helping it to maintain multilateral ties with its immediate neighbors and protect its interests in the post-Soviet space and beyond.

Over the past quarter of century, Russia has also accumulated a very diverse experience of cooperation with the CIS member states within the framework of such international structures as the Collective Security Treaty Organization (the CSTO), the Eurasian Economic Union (the EEU), the Shanghai Cooperation Organization (the SCO), and others. This experience allows Russia to defend its own military-political and economic interests efficiently in the vast region of Eurasia, and to solve security problems that are faced to varying degrees by all the countries of the region today. In general, Russia’s participation in the activities of these structures is intended to ensure the realization of its interests in a wide range of geopolitical and economic tasks by capitalizing on the common historical past, geographical proximity, and economic ties of the member-states.

At the present stage, it is by no means possible to characterize Russia’s role in the region and in the relevant regional organizations as one of “dominance.” Any attempt to dominate would be counter-productive and would lead to even greater alienation of the former republics.

The best characteristic of today's Russia is provided by the formula "primus inter pares," which reflects its size, peculiarities of geographical position, historical destiny and level of economic development.

## **MOST RECENT SHIFTS**

External political and economic processes have been affecting the CIS countries with ever-increasing force. It has already become a widely accepted statement that humankind is going through another transitional period in its history; a transition driven by opposition between the liberal-globalist and conservative-nationalist paradigms, a painful transition to a new post-Yalta reality and to a new technological order accompanied by crises and cold and hot conflicts. At the end of the second decade of the 21st century, events in the world are obviously speeding up, with new stress points and fault lines emerging here and there.

After the euphoria of Perestroika and the "dashing nineties," Russia – as one of the key players on the world stage – quickly found itself "on the other side of the barricades" from the "Western world." Putin's third presidential term and declarations on the inviolability of Russia's sovereignty annoying "the collective West," the Ukrainian crisis, the incessant sanctions wars, the international military presence in Syria, and the reciprocal bellicose rhetoric of the United States and Russia are some of the most expressive features of this confrontation.

What is happening in the post-Soviet countries in a situation where Russia finds itself in an increasingly tough confrontation with its Western "partners"? No doubt, centrifugal tendencies intensified in some areas.

Quite predictably, Ukraine, in the current situation and with its current authorities, is demonstrating an increasingly uncompromising position in relations with its eastern neighbor. Such "long-term" problems as the Donbass "clinch," the loss of the Crimea and the worsening of the situation in the waters of the Azov Sea, due to the construction of the Kerch Bridge, leave no chance for any "warming" in the foreseeable future. Reciprocal sanctions, denunciation of a number of co-operation agreements in different areas, toughening of border crossing for Russian citizens, the Ukrainian Orthodox Church's obtaining autocephaly of the Kiev Patriarchate and, as an apotheosis, declaration of martial law by Ukraine in a number of areas after a recent incident in the Kerch Strait, which was a clear provocation from the Ukrainian side. With absolute certainty, it can be stated that, in the current state of affairs, the estrangement between the two East Slavic states will only deepen in the near future. How far it can go is impossible to predict, although it can be said with certainty that Ukraine's loss of the Crimea, like the tragedy of Donbass, will forever remain a stumbling block between the two countries. One of the recent events confirming this tendency was the adoption by the Verkhovna Rada (i.e., the Ukrainian Parliament) of a law providing for the termination of the agreement on friendship, cooperation, and partnership with Russia. In accordance with this law, the agreement expires on April 1, 2019, and will not be renewed.

Relations with another Eastern Slavic country, Belarus, are experiencing what are perhaps not the best of times. Despite its complete dependence on Russian energy and loans, Minsk pursues an independent foreign policy, periodically flirting with the West as opposed to Russia, not recognizing Russia's Crimea status and the sovereignty of Abkhazia and South

Ossetia, as well as maintaining good neighborly relations with Ukraine hostile to Russia. Now and then, trade conflicts erupt between Minsk and Moscow, which, as a rule, are politically motivated. Meanwhile, despite all these problems, the military-political union of Russia and Belarus under the regimes operating in both countries is likely to remain unshakable, because, despite the independent rhetoric of Belarus, the West is clearly not ready to take into its fold “the last dictator of Europe” (i.e., A. G. Lukashenko).

Serious changes are occurring in Armenia, traditionally the closest military-political partner of Russia in the Transcaucasus, where after a recent wave of protests that ended with a change of power, there has been a drift in the opposite direction from Moscow. Paradoxically, with the high degree of Yerevan’s dependence on Moscow in economic and military-political terms, the rhetoric of the forces that came to power, as well as the spread of American influence on Armenia, speak for themselves. Curious and symptomatic is the fact that the American embassy in Armenia, with its three million population is the second largest in the world with disproportionately numerous diplomatic staff. Various American organizations are conducting an “aggressive” cultural and educational policy, fighting for influence in this post-Soviet republic.

Among the symptomatic recent events in the post-Soviet space, some of the not-so-pro-Russian actions of Kazakhstan that took place in 2018 can be noted. Kazakhstan opened its Caspian ports to the United States under the official pretext of creating an alternative route for transporting cargo of various purposes for Afghanistan. This logistical decision should compensate for the ban by Russia in 2015 of US transit through Ulyanovsk.

The second significant event was the announced transition of Kazakhstan from Cyrillic to Latin, which in the current situation is certainly a political decision rather than a measure of a general cultural plan. The most obvious explanation for this step is the desire to join the “family of civilized nations,” just as Turkey did – in terms of its alphabet – in the early twentieth century. There is no doubt that both of these steps taken by Kazakhstan reflect the rethinking of the country’s interests related to its place in the post-Soviet space and in the world. And these measures do not by any means contribute to the strengthening of relations between Kazakhstan and Russia.

The situation changes so quickly, and life presents such nontrivial plots, that the preparation of such reviews turns into a very ungratifying task. One thing is obvious: The internal stability and prosperity of Russia itself is a guarantee of its attractiveness for its closest environs. However, it is extremely difficult for Russia to meet these requirements at the current turning point of world history.

## CONCLUSION

Returning to the very beginning, one can recall the well-known statement by V. O. Klyuchevsky, according to whom “The history of Russia is the history of a country that colonizes itself. The area of colonization in it has expanded along with its state territory. Falling and rising, this centuries-old movement has continued to our days” [9, 50]. Indeed, integrating numerous peoples and cultures, Russia itself underwent profound changes that created the unique image of this Eurasian super-state. As a result of the interaction of centrifugal and centripetal forces usual in any empire, a successor to the Russian Empire and

the Soviet Union, the Community of Independent States, was formed. Now the separate parts of the once whole have begun to live their own lives. In some post-Soviet countries, the younger generation no longer speaks Russian. History has already known a multitude of such fluctuations, and, obviously, there will be more of them in the future. However, such unchanging factors as geographical proximity, shared economic interests, and a common historical and cultural heritage undoubtedly provide mutual attraction and a permanent positive foundation for the potential integration of the parts of the original whole on a new level.

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## *Chapter 9*

# **THE CURRENT STATE OF CULTURE IN RUSSIA AS REFLECTED IN THE ART, MUSEUM, EXHIBITION SPHERE**

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## **ABSTRACT**

Russia's contemporary impact on art, exhibition practice and museum work is a subject of intensive scientific discussion today, as it reflects the country's status not only in the global cultural context, but also in the context of ideological, political, and media aspects. A hypothetical "soft power" of the native mass media and mainstream art is reflected in a number of traditional clichés, considered in this chapter: among them *Moscow the "Third Rome," Russian messianism, the axiological antinomy "Holy Russia and Euro-Sodom"* and other cultural myths and ideas. Curatorial conceptions of the biggest museums and galleries demonstrate the same tendencies, but, on the other hand, Russian cultural institutions try to be a part of the international art world. The dialectics of the Russian cultural mission, in general, are based on the opposition of conservative tendencies and contemporary trends in art associated with aspects of success, novelty, commercial value, media impact and global evolution of art.

**Keywords:** Russian cultural policy, Russian contemporary art, museum, exhibition practice, cultural myths, media world

## **INTRODUCTION**

Art exhibition practice usually reflects the aims and preferences of a country's cultural policy. In the Soviet era, the non-conformist art movement in Russia had no chance to be

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widely demonstrated in museums, and large-scale shows of contemporary Western art were numerous. Now, the sharp criticism of contemporary art in the mass media or by Orthodox Church officials, as well as refusals of the state art institutions to show particular projects, do not exclude Russia from the mainstream of European culture. This chapter considers the aspects of contemporary art and exhibition practice of the State Hermitage Museum, the State Russian Museum, the Tretyakov Gallery and the Pushkin State Museum of Fine Arts in Moscow in relation to the national spiritual and ideological consciousness, connection with tradition, myth-making, ludic aspects of culture, internationalism, i.e., openness to the perception of other cultures. Curatorial conceptions demonstrate the main trends in the Russian cultural situation, which is challenging not only for exhibition projects in Russia, but also for Russian art projects abroad. As a rule, exhibitions' conceptions might be evaluated not only from the point of view of modern cultural paradigm, but also from the point of view of cultural policy that sets a specific direction for the future. The State Hermitage Museum, in particular, opens over thirty exhibitions each year. Most of them have solid concepts related to the history of art in general, with the rest showing the art of the latest trends, whether such demonstration is a sign of evolution, or, on the contrary, of regression of a cultural situation, according to the critics. Especially popular in the last two decades are projects related to contemporary art in the context and space of a classical museum. Of particular interest is the conception and implementation of the European biennial of contemporary art *Manifesta 10*, held in 2014 in St. Petersburg. The author considers the project of *Manifesta 10* in the Hermitage in comparison with other major projects of exhibition institutions, i.e., the Venice Biennale, *documenta* in Kassel, etc., and by analogy with "big museum projects" in Russia, which have features of a single artistic and metaphysical entity referring to social, political and philosophical realities, cultural traditions and media. This essay discusses the social and cultural impact of these projects, their symbolic meaning and their contradictory reception and interpretation. The ideological, political and social situation in today's Russia is a subject of intensive scientific discussion. Russia's influence on the world is referred to by J. Mersol, R. Bova, N. Morozova, A. Monaghan (Mersol 2017, 95-100; Bova 2003; Morozova 2009; Monaghan 2013). In some recent studies, the culture of the Russian State is presented as full of political and ideological myths, outside social values or taste preferences of the intellectual elite (Rogers 2015; Robinson 2017; Galeotti and Bowen 2014). Moreover, the cultural situation in Russia attracts scientific attention in the context of global culture and, more specifically, as a reflection of ideological doctrines of the State or protest intentions in society (Epstein et al. 1999; Beumers 2005; Jonson 2015; Rzhnevsky 2012; Makarychev 2013; Chukhrov 2011; Sartorti 2010; Nickles and Kalman 2008; Kennedy 2002).

It is obvious that political and ideological theories and realities present a wide context for contemporary art and exhibition projects. A closer look at critical discourses concerning contemporary art and exhibitions in Russia reveals an interesting set of views ranging from apologetic to negative. There is no uniform mode of reception in this sphere of culture, just as there is no common official style existing today in Russia, no *Gesamtkunswerk Putin* as analogues to *Gesamtkunswerk Stalin* (Groys 1988). The most significant cultural outcome of such hypothetical total artwork, if it were possible today, could be an attempt to construct an ideal cultural situation in accordance with ideological rules. The desire for "total artwork" is an inherent characteristic of any totalitarian regime. In fact, there is no such tendency in contemporary culture in Russia. We see a variety of artistic intentions from strictly conservative to radically innovative and liberal as presented in art projects. Of course, the

State authority uses so-called *soft power* to strengthen its status on the world stage through the sphere of culture. In particular, J. Nye, Van Harpen and H. Marcel, J. Ćwiek-Karpowicz, I. Goldman, A. Tsygankov write about this “propaganda” phenomenon (Nye 2004; Van Harpen 2015; Ćwiek-Karpowicz 2013; Goldman 2008; Tsygankov 2013).

André Mommen considers “recent Russian foreign policy and the emergence of ‘soft-power’ policies in Vladimir Putin’s hegemonic project at home and abroad.” Mommen argues that “Though Putin’s ‘iron fist’ is well felt at the domestic level and in his near abroad, ‘soft power’ has nonetheless become an indispensable ideological attribute of any regime developing its own domestic and foreign policy aims” (Mommen 2014).

Mass media, the activities of the biggest cultural institutions, and artistic and educational projects are part of these instruments of “soft power.” The emphasis here is on the possible ideological value of art and culture projects. However, is there any such value, and is it really the ideology which is approved by the officials that is reflected in these projects?

## IDEAS AND CLICHÉS OF THE “SOFT POWER” CULTURAL POLICY

To achieve a positive and compelling image of Russia as reflected in the native and foreign mass media, well-known traditional approaches and clichés – implemented for centuries of Imperial and Soviet Russian history – have been used.

These clichés or concepts, and the global tasks and challenges of the image-making policies of Russia closely related to them are as follows:

1. The concept of messianism associated with a sense of Russia's “sacrifice” during and after the October revolution as a negative example for other States, which had escaped a bloody regime change and Russia’s suffering the highest number of losses during the Second World War. Additionally, the feeling of messianism is associated with the awareness of Russia’s underestimation in the West and the country’s unrealized potential, in both politics and culture. In relation to this, M. Engström explores “the connection between the new 2013 Foreign Policy Concept of the Russian Federation and Christian messianism in contemporary Russian intellectual thought” (Engström 2014, 357). Such intentions in politics result in the intentions of messianism in culture discussed further in the paragraph dedicated to the Russian exhibition activities abroad.
2. Axiological antinomy “Holy Russia and Euro-Sodom.” Peter Pomerantsev and Michael Weiss note that “For a country that President Obama claims “has no global ideology,” Putin’s Russia cares very much about ideas—funding and engaging with intellectual influencers, think tanks, political parties, and religious and social movements across the world” (Pomerantsev and Weiss 2014, 18). “Holy Russia and Euro-Sodom” is a specific expression used by the authors to describe the characteristics of axiological status of Russia and the West (Stodolsky 2009).
3. Moscow as the “Third Rome.” This popular myth or symbolic figure reflects interactions of political power, culture and religion in Russia. According to I. Stodolsky, “The role of Moscow as the “Third Rome” implies a messianic mission for Russia in which it was ordained to redeem Europe from its supposed corruption

and decay, or at least to show the way by abstaining from such apostasy themselves” (Stodolsky 2009, 19). The concept combines both the intention of messianism and opposition to the West as no longer able to be a serious rival in the religious-ideological field.

4. Contemporary myth-making. Domination in the sphere of mass media, an attempt to create a national idea, creation of media myths about politics and political events are important tasks of contemporary Russian image-making policy. The myth-making and ideological ability of Russian mass media is referred to by K. Tsetsura, S. Hutchings and N. Rulyova (Tsetsura 2011; Hutchings and Rulyova 2009). Putin heroic mythology and the picture of the State’s powerful potential are being created primarily on TV (Goscilo 2013; Roxburgh 2013). No less significant is the same trend in cinema production (Shlapentokh 2009). Some foreign researchers of the Putin phenomenon only support his myth. For example, Melik Kalyan writes in his essay about Putin’s strategic conservatism: “Putin is onto something big.... He has discovered a significant weapon with which to beat the West and divide its potential allies around the world. It’s a weapon we have given him gratis. He has sensed our confusion, our inability to define and preserve our traditions, to conserve our historical sense of nationhood accrued over centuries, our conservatorship of a coherent civilization that after all begins with family, loyalty to the land and the larger ethnos....In short, Vladimir Putin knows what he’s doing” (Kaylan 2014). Media representation of the State’s power has a certain quality of performance. Aspects of media myth-making, as analogues to aspects of commerce and politics, ignore the quality of the narratives’ reliability in the sphere, where the key role-play sensation and momentary fame. There are global narratives in mass media, but their relevance is doomed to be short-lived and the method of delivery suggests the possibility of parody, guile, lies or such quality as described by Harry G. Frankfurt, who defines the term as “bullshit” (Frankfurt 2005). Frankfurt analyzes the need to lie and different ways of lying in the philosophical and social contexts. Boris Groys writes about the phenomenon of media convincingly in the book *Under suspicion. Phenomenology of media* (Groys 2000). The theatricality in representation of ideology and the iconic figures of the modern Russian State is considered, for example, by Emil Persson (Persson 2013). Sometimes these performances represent large, skillfully staged shows, like a show of V. Solovyov on Russian television, where each participant has a special role: a “patriot,” a “Ukrainian nationalist,” a “Stalinist,” a “cosmopolitan,” a “Western chauvinist,” etc.
5. Overcoming the complex of imitating the West in culture. The tradition of assimilating and applying the Western cultural experience is subject to rigorous revision today. According to I. Stodolsky, “Ever since he set St. Petersburg’s founding stone, the legacy of Peter the Great’s tyrannical Westernization has haunted Russia. The Bolshevik charge into modernity offered another cataclysmic reminder of how Western ideals may be radically distorted in transfer. The post-Soviet 1990s were arguably equally devastating – at least morally” (Stodolsky 2009). Concepts of Russia’s relationship to the West, and more specifically, to Europe, are considered by Nikolai Danilevskii and Stephen Woodburn (Danilevskii and Woodburn 2013). However, there are still many aspects of imitation in culture. In particular, the

exhibition activity of the largest art institutions of Russia in the field of contemporary art is strongly in line with the Western postmodern tradition (Epstein 1995).

In general, art and exhibition projects in Russia reflect the core aspects of the cultural mission mentioned above. They manifest themselves in the exhibition practice of Russian museums abroad as well as in the local large-scale curatorial projects. In fact, whether an exhibition opens abroad or takes place in Russia is irrelevant to its cultural and social impact in the modern world of media. A major art project is always equally presented and interpreted by Russian and Western critics and media. Russian exhibition practice is focused on the basic semantic complexes, clichés and ideas, and these ideas can be symbolically implemented in curatorial conceptions.

As “big exhibition projects” are integral artistic phenomena or events with a clear idea or conception, the State, although not quite aware of the potential of such projects for broadcasting of its own myths and ideas, is still trying to support major projects. However, it can be stated that in Russia today the authorities demonstrate no dislikes, likes or preferences in the sphere of large art exhibition projects.

The phenomenon of media in culture associated with the construction of a new media reality, becoming no less real than actual events, is reflected in Russian exhibition practice in the form of numerous projects dedicated to media myths, artificial intelligence and creative potential of computer technology. The success of exhibition projects is also symbolically linked to their commercial value. All over the world – no matter how hard functionaries of culture try to stress the basic meaning of ideological, patriotic, political and social aspects of culture – theory and ideology occupy a position inferior to that of art mass media, the internet and the art market in determination of the value of given art projects.

## HOLY FOOLS IN RUSSIAN CONTEMPORARY ART

Similar to an aspect of “shamanism” in Western art practice, for example, in the art of Joseph Beuys, an aspect of “holy foolery” as a specific form of traditional Russian self-representation plays a significant role in the context of contemporary Russian culture. Relevant projects include, for example, performances and actions of artists Oleg Kulik and Petr Pavlensky. In the 1990s, O. Kulik appeared in the role of a hypothetical dog in his performances *Mad Dog*, *Reservoir Dog*, *I Bite America* and *America Bites Me*, parodying the beastly nature of a modern man with his social and political ambitions. Petr Pavlensky staged his first action in 2012 during the trial of the Pussy Riot punk rock group: with his mouth sewn up, Pavlensky stood with a poster in support of the accused near the Kazan Cathedral in St. Petersburg until he was arrested by the police. Among his other actions, the arson of the doors of the FSB building in Moscow, the “Commit” action on the Red Square on a military holiday, during which the artist nailed his scrotum to the pavement. In 2017, after receiving political asylum in France, Pavlensky committed a similar action in Paris: he carried out a demonstrative arson of the Bank of France building.

The performances of the art group Voina (“War”), where Pussy Riot started some of their activities, refer to the area of protest art, but they, too, can be characterized as belonging to the national tradition of holy foolery, since they demonstrate an equivalent of “deviant”

behavior. For example, there was the action staged in Moscow's Timiryazev State Museum of Biology in 2008, during which the members of Voina group had sex under a banner reading, "Fuck for the Teddy Bear Heir!" The action took place before the election of the President of the Russian Federation in 2008, in which the main candidate was Dmitry Medvedev, and the group "supported the candidate" in a grotesque, mocking form (The Russian word for "bear" is "Medved"). The video of this event was posted on the internet by a Russian philologist, A. Plutser-Sarno, and attracted thousands of viewers.

Also in 2008, a member of Voina, Oleg Vorotnikov, dressed in a priest's robe and a police uniform underneath, went into a supermarket and took out different food and drink items without paying for them. The security staff of the store did not try to stop him. The performance was an obvious attempt to reduce the sacred essence of the priest image and the authority of the power structures. It took place in the spirit of Mikhail Bakhtin in the context that an established cult suddenly appeared in inappropriate forms of ribald buffoonery, completely in the tradition of the medieval "feast of fools." According to M. Bakhtin, "almost all the ceremonies of the feast of fools are a grotesque reduction of various Church rituals and symbols by putting them into the material-bodily sphere" (Bakhtin 1990, 20). In Russian culture, there are remarkable examples of such "lowering" of pathos as a reaction to a feeling of lack of freedom and social hypocrisy and bigotry; for example, in S. Dovlatov's *The Reserve*. The dialectic of being (or a text) requires a sharp reaction to the common hypocrisy of the "stagnation" era. This reaction is expressed in a truly brutish and boorish attitude to A. S. Pushkin's memory from the side of drunken museum guides. The description of one of the key attractions of the Museum-Reserve complex, the Alley of Anna Kern, suddenly becomes an occasion for obscene jokes about one of the main muses of the poet (Dovlatov 1991, 321).

The Voina group was founded in 2007 and became nationally and internationally recognized for their performances against "oppressive structures" of the State. One of its members, Nadezhda Tolokonnikova, later became a leader of the feminist punk band Pussy Riot. In 2012 she, along with two other members of the group, was sentenced by Khamovnichesky District Court in Moscow to two years in a penal colony for their "punk prayer" in the Cathedral of Christ the Saviour in Moscow. The young women were charged with "hooliganism motivated by religious hatred." The penalty was considered unjustified in the West, but the majority of Russian mass media, on the contrary, conducted large-scale campaigns of condemnation of the action, not noticing its sacrificial character and holy foolery nature.

According to A. Bernstein, "Despite the calls of those who warned that the women should not be turned into martyrs, their punishment—although arguably following the letter of the law — ended up acquiring a distinctly sacrificial character. Some stressed ascetic denial and martyrdom, emphasizing Christian-like self-sacrifice, while others emphasized the ways in which Pussy Riot became an inadvertent medium for ritual action and communication between multiple actors" (Bernstein 2013). In the verdict, one can see an obvious deviation from tradition: after all, holy fools are not to be punished! In fact, the holy foolery of Pussy Riot serves its purpose: it further enhances and gives additional significance to the Church rituals and draws attention to axiology and religion. The process appeared to be significant in the context of growing ideological power of the Russian Orthodox Church (Sharafutdinova 2014; Richters 2012).

There are aspects of hard struggle between art and religion in the projects of the Pussy Riot group that are characteristic of the cultural situation in Russia in general, as well as an obvious feminist orientation and a statement of gender conflict in some of their performances (Epstein 2016; Bernstein 2014; Hecht and Ekstrom 2001).

Elena Volkova stated that the action of the group fit into domestic tradition of holy foolery as an element of national identity and even tradition in the context of contemporary Russian culture: “A holy fool could not only walk around naked all year round, showing nakedness as a sign of sinfulness of people. He could smash the icon, as did Basil the Blessed. He might defecate in the Church, if the clergy behaved unworthily, or to sit bare ass on coals in a monastery furnace to show what was expected of monks for their debauchery. The girls-punks in this sense represented a significant religious tradition in a relatively gentle version, and every educated believer had to assess the seriousness and depth of the event. This is the most exciting action in the recent years, the modern act of holy foolery” (Volkova 2012).

There are a number of research works considering the nature and history of holy foolery in traditional culture (Thompson 1987; Thompson 1978). But some aspects of holy foolery remain in the culture of postmodernism, as is shown by P. C. Phan, who argues that in postmodernity “storytelling and reason are no longer the way to wisdom” and “there remains another path to wisdom, namely, that of the holy fool.” According to Phan, “If behind issues of truth lurks, as postmodernists claim, nothing but will-to-power, manipulation, domination, and rhetoric, and therefore all truth-claims, especially as embodied in metanarratives, they must be unmasked for what they are by means of suspicion and distrust, then foolish wisdom, animated by selfless and non-manipulative love, is the way to counter the will-to-knowledge as the will-to-power with the will-to-knowledge as the will-to-love” (Phan 2001, 33). Analogously, “big narratives” of ideology and power might be unmasked in the form of ironic and parodying perception of contemporary “holy fools” in culture.

In contemporary art practice in Russia, manifestations of holy foolery are concentrated in the field of simulative practices of “blessed fools:” buffoonery, self-mutilation, and the profanation of sacred discourse. Exhibition practice belongs to a field of cultural, social and intellectual reality where the ludic aspect has one of the key positions. The ludic culture in the country’s history had often been manifested in the elements of the traditional Russian phenomenon of holy foolery in dialectics of the “serious” and the “clownish.” The intentions of A. Panchenko and D. S. Likhachev to apply the category of “carnival culture” of M. M. Bakhtin to this phenomena of ancient Russian life (Panchenko 1976) raised a number of polemical responses, namely in the works of B. A. Uspensky and Yuri M. Lotman (Lotman and Uspensky 1977). In relation to the concept of holy foolery in modern Russian culture, B. A. Uspensky suggested his own understanding of this phenomenon, not in the context of the “carnival culture,” but within characteristics of “anti-behavior” (Uspensky 1985), also applicable to the more recent research on the subject of holy foolery (Jurkov 2003; Jurkov 2003). In the contemporary art situation in Russia, the action of P. Pavlensky on Red Square in 2013, or earlier performances of O. Kulik, when the artist, undressed and pretending to be a dog, rushed at the visitors who came, for example, to the Interpol exhibition in Stockholm in 1996, and even bit one of them, can be placed in this category. Performances of A. Brener also have an obvious “obscene” component in the context of “anti-behavior.”

Eva Thompson determined the foundations of Russian holy foolery not in the Byzantine tradition, but in the practices of shamanism, which obviously brings together similar practices

in contemporary art events in Russia and the West. The features of holy foolery can be observed in the actions of the Viennese actionists, Valie Export and Marina Abramovic, although performative actions of holy foolery are ontologically closer to native Russian traditions.

S. A. Ivanov gives a vivid picture of the spread of this phenomenon in domestic religious and cultural life. He notes the ambivalence of behavior of a holy fool who “translates spiritual instruction in a humorous and paradoxical form” (Ivanov 2005, 5). Ivanov argues that the tradition of holy foolery, since the appearance of “foolish” characters in Russian literature of the 19th century, clearly goes beyond the Orthodox paradigm, and he rightly poses the question, “What motivates the culture to create an image of the Holy fool and how does this construct characterize the culture?” (Ivanov 2005, 6). P. Pavlensky, standing near the Kazan Cathedral with his mouth sewn up, is a modern figure of a holy fool, but such a situation is possible today only in the sphere of art actions and exhibition events. Special features of such artistic figures, in addition to exhibiting qualities of foolishness and “anti-behavior,” are in social seclusion even in the context of exhibition practice. Mass media responses to performances of the new quasi-holy-fools always add a shade of scandal. In this regard, we can accentuate an aspect of catharsis, undoubtedly present in the experience and perception of such actions, by both the author and the audience. Of course, this is not a classic kind of catharsis that is closely associated with aesthetics and the feeling of unity and a kind of purification in such collective activities as ancient theater or a medieval carnival. In our time, catharsis, having features of event, scandal, sensation, shock, etc., manifests itself in the field of contemporary art and gives the viewer a rare opportunity to turn away from his or her subjective essence and to share some common emotions with an author of the project or with a part of the public. Contemporary Russian practice of performance is based, of course, not on theoretical studies of the holy foolery tradition, but rather on the extensive experience of holy foolery described in Russian literature, where images of holy fools are revealed as extremely versatile. They range from real, Orthodox holy fools such as Nikolka in the tragedy *Boris Godunov* by Alexander Pushkin, Grisha in the novel *Childhood* by Leo Tolstoy, and the hero of the story of G. I. Uspensky’s *Paramon the Holy Fool*. Fyodor Dostoevsky’s expressive literary characters often have behavioral and psychological features of foolishness: a complete lack of hypocrisy and pretense, an intention of unpleasant or shameless performances “in the world,” a complacency verging on dementia, self-torture, self-effacement, selflessness reaching the point of absurdity, and hysteria. Among them are real and innate, although unknown as such, holy fools: a village idiot Stinking Lizaveta in *The Brothers Karamazov*, Lizaveta the Blessed, Maria Timofeevna, and Lydia Akhmakova in *Demons*, Lizaveta in *Crime and Punishment*, and Marie in *The Idiot*. There are also characters described as “blessed,” “holy fools” or having some characteristics of the foolishness, such as Prince Myshkin in *The Idiot*, Sonya Marmeladova in *Crime and Punishment*, and Alyosha Karamazov in *The Brothers Karamazov*. According to I. A. Esaulov, “Some works of Dostoevsky (for example, *The Idiot*, *Demons*) are battlefields of fools and jesters, and as a rule, the foolishness has more positive connotations, and the buffoonery always negative ones. For example, in *Demons*, the demonic essence turns into buffoonery, and in the very first chapter of *The Idiot* a central character is defined as a holy fool” (Esaulov 1998, 108). It is no coincidence that masters of Russian conceptualism such as Dmitry Prigov were mastering the practice of performance with clownish features. The intellectual baggage of



Russian literature connoisseurs was extremely applicable to the contemporary artistic activities and provoked the use of such practices.

Performance practices with elements of buffoonery have been quite common in curatorial activities in recent years. For example, at the 56<sup>th</sup> Venice Biennale in 2015, writer Vladimir Sorokin, as an artist and author of the *Pavilion Telluria* project representing a fictional state, staged a clownish fight before the exhibition's opening. Clad in armor, he fought with a savage man dressed in an animal skin and armed with a stick with a computer keyboard attached to one end. The savage wins the fight but falls to the ground exhausted as well. The project, based on Sorokin's utopian novel *Telluria*, corresponded to the theme of the Biennale: "All the World's Futures." The performance complements the exhibition, demonstrating a negative scenario of life in the not-too-distant future.

The basic definitions of J. Huizinga in the *Playful and the Serious* interact strangely and are transformed in the specific phenomena of buffoonery and holy foolery. It is not so far, apparently, from Dostoevsky's Prince Myshkin, a secular holy fool, to the clownish aesthetics of the futurists. Then, quite organically, the characters of Russian contemporary art appear with their metaphysical doubts and earnest intention to shock the public. The relevant artistic and curatorial projects demonstrate ecstatic, decadent pathos and are actively seeking a media response. Some phenomena in politics, such as E. Limonov's "National Bolsheviks Party," can additionally be considered as artistic projects having the features of buffoonery.

## FROM NEO-ACADEMISM TO NEO-IMPERIALISM AND NEO-CONSERVATISM

Principles of media myth-making are applicable to projects of contemporary Russian art displayed in museums; for example, the exhibition *Brushstroke - "New artists" and "Necro-realists,"* which took place at the Marble Palace of the State Russian Museum in 2010. At the exhibition, works of artists of the Association "New artists" and "Necro-realism" looked like mockeries and parodies. The exhibition presented more than 200 works from the Russian Museum collection and private collections. The works of Timur Novikov, Oleg Kotelnikov, Ivan Sotnikov, Vadim Ovchinnikov, Georgy Guryanov, Oleg Maslov, Andrei Khlobystin, Evgeny Yufit, Victor Tsoi and other creative figures of the second half of the 20th century were shown working at the aesthetic and social margins of art.

One of the most prominent art figures of this period – Timur Novikov – founded the New Academy of Fine Arts and was an advocate of Neo-classicism. Visually, his own works had not the slightest relationship to classical art, though he used key symbols of Ancient Greece and Rome, such as mythology, images of Olympic Gods, famous antique artwork, etc., presenting them in an unexpected context.

I. Stodolsky puts the art of Novikov in the context of the dual mythology of Moscow as the Third Rome and Saint-Petersburg as the Third Greece, referring to the opinion of Novikov about the meaning and ideas of his work (Stodolsky 2009).

Timur Novikov's Russian Neo-Classicism does not create an ideal pseudo-antique world; it is rather ironic and simulating for such a purpose. The academic innovation of Timur Novikov becomes significant today in the spirit of conservative and imperial ideology.

Having emerged during the period of the collapse of the Soviet Union, it gained prominence in the West in the 1990s on the wave of interest in all the new art that had appeared in Russia. But today, the legacy of Novikov looks like a kind of symbiosis of imperial and democratic cultural ideology, of simulative “collegiality” and “Eurocentrism.” Therefore, despite the deliberately “profane” essence of Novikov’s art, it organically entered into the context of the collection of the traditional Russian Museum and its exhibitions. The imperial and quasi-traditional essence of the artist’s work greatly enhances the possibilities of its reception by the public. Stodolsky argues that, for Novikov, Europe was “the colonized home of classical civilization while the modernist/postmodernist West is stigmatized by the colonizing, corrupting, commercial evil. Novikov’s vision of a New Russian Classicism, with St. Petersburg as its capital, takes the role of ‘the true European culture.’ As in the ‘Third Rome’ model, the representatives of the ‘Third Greece’ are charged with purifying Europe” (Stodolsky 2009).

With regard to projects dedicated to Timur Novikov as one of the most famous figures in contemporary Russian art, not only the Russian Museum, but also the Hermitage became interested in the artist’s work. Although the neo-classical intentions of Novikov were predominantly simulative in nature, their appearance in the post-Soviet era was a unique artistic phenomenon. It was a sort of apparent paradox demonstrating the attraction to the classics and the academic art at the time when totalitarian ways of expression, for which forms of classicism had been more natural, ended. In 2008, for the anniversary of the artist, the Hermitage opened the exhibition *The Space of Timur: St. Petersburg — New-York. For the 50<sup>th</sup> Anniversary of Timur Novikov* curated by Arcady Ippolitov. The demonstration of the art objects that were only nominally related to the classics and tradition (a typical “neo-classical painting” of Timur Novikov is a piece of a colored drapery, on which a postcard with an image of Apollo or some other ancient god or personage is pasted), seemed provocative at the Hermitage. However, the lack of clear artistic form in the works of Novikov emphasized its excessive presence in the Museum’s collection. It is noteworthy that the late Timur Novikov was against museumification. In his view, it removes the difference in the status of objects in museum collections, equalizing “a Rembrandt picture, a Byzantine icon and a fragment of a comb,” as he wrote in the Manifesto of 1991 entitled *Some Thoughts about That Strange Phenomenon Known as Neo-academism* (Andreeva et. al. 2008, 64). This statement speaks about the artistic integrity of Novikov, alien to his hypocrisy in respect to the actual status of his work. Despite this belief, the works of the late artist were illuminated by the glare of the Museum’s charisma. “Undoubtedly, the transition of Timur to Neo-academism at the turn of the 1980s-1990s happened due to his understanding of museum experience, from the Hermitage to the Western museums of contemporary art. In the halls of an imperial mega-museum, a viewer observes a display of all cultures and traditions. The distance from a primitive funerary chariot to the latest abstract painting is extremely reduced, erasing or equalizing the meanings of historical development” (Andreeva et. al. 2008, 64), as E. Andreeva writes in the Chapter “The Genius of Timur” in the exhibition catalogue. In the introduction to the catalogue, the director of the Hermitage, Mikhail Piotrovsky, notes that “There is a can of Campbell soup, donated by Andy Warhol to Timur Novikov, in the Hermitage. The Warhol exhibition at the Hermitage and this can, having been twice donated, are links between today’s Museum and Timur” (Andreeva et. al. 2008, 12). Thus, the succession of tradition in the Museum’s space was made visible at the exhibition already in the context of the later, post-modernist tradition in art.

Speaking about exhibition projects of Russian Neo-academic art abroad, M. Engström notes that “There also exists some interest abroad for Russian Neo-academic art. It seems that there is an ideological and commercial interest in a Neo-Conservative future both in Russia and Western Europe” (Engström 2016, 350). It is quite spectacular that M. Engström links the interest in the neo-academic movement of Novikov with the development of conservative ideas in Russia and the world when he says, “New Russian conservatism, or radical neo-conservatism, signifies not a political but rather a meta-political, intellectual concept, which acts at the junction of art, literature, philosophy and politics. Russian Neo-Conservatives, like their European and American counterparts, act primarily through informal groups, think tanks, public debates, fanzines and Little Magazines, art galleries and publishing houses” (Engström 2016, 329). Engström proposes to interpret the post-Soviet radical conservatism “as part of a European non-conformist tradition, as an ambitious Neo-Futuristic project of an alternative globalization, as a project of a cultural revolution and a return to the period between the two world wars when, according to the movements’ followers, “everything went wrong” (Engström 2016, 340). She refers to Antonio Gramsci’s concept of “cultural hegemony,” speaking about “meta-political activity of the Russian Neo-Conservatives.” According to Gramsci, “Success in the political sphere depends on the ability to change collective consciousness” (Gramsci 1995). The concept of the “Conservative Revolution” of A. Dugin (Dugin 1997) is often used in this regard to describe intentions of consolidation associated with conservative ideas in society (Laruelle 2008). The Russian neo-academics and their art present, in this context, a spectacular example of mimicry of free art movement under quasi-demonstration of the official ideology’s intentions.

## IMAGES AND ICONS: RUSSIA ON EXHIBITION DISPLAY ABROAD

The belief that it is necessary to promote and to emphasize for the West the importance of the main achievements of Russian art – icon painting and the Russian avant-garde – still has not lost its role in the museum sphere of Russia. This is, of course, an echo of the concept of Russian messianism. Cultural officials are sure that native cultural achievements are still being insufficiently appreciated and would be a kind of spiritual enlightening for a greater part of the Western public. The Director of the State Tretyakov Gallery, Zelfira Tregulova, says that “Abroad our literature is well known: Dostoevsky, Chekhov, Tolstoy. And the art is known only in the sphere of avant-garde. Only a few people know old Russian icon painting. Art of the 18th, 19th and the beginning of the 20th century is known very poorly. In the permanent collections of museums abroad there are only a tiny number of Russian artworks. The Pompidou Center, where Russian avant-garde is well represented, and in the recent time also modern art, is rather an exception than a rule. If Russian art is not in the largest foreign collections, then how can one have good knowledge of it and how can its high reputation appear?” (Tregulova 2017).

This belief is confirmed by the success of several Russian art exhibitions abroad; for example, the exhibition *Russia!*, in 2005 at the Solomon Guggenheim Museum in New-York, presenting the ancient Russian icon painting work of the Peredvizhniki Group, Russian avant-garde and contemporary art. Also, the exhibition at the Royal Academy of Arts in London *From Russia: Masterpieces of French and Russian Painting, 1870-1925* in 2008. The

exhibition presented works by Repin, Kramskoy, Serov, Levitan, Nesterov, Kandinsky, Tatlin, and Malevich in comparison with the French impressionists and modernists – Monet, Renoir, Cezanne, van Gogh, Gauguin, Matisse and Picasso. The artworks were taken from the Hermitage, the Pushkin Museum of Fine Arts, the Russian Museum and the Tretyakov Gallery.

Russian-European relations in culture and political life were also impressively reflected in exhibition projects abroad. Among such projects, the exhibition *Catherine the Great*, which presented 606 exhibits from the Hermitage at the National Museums of Scotland in Edinburgh in 2012, the exhibition *Power and Friendship - Berlin-Saint Petersburg 1800-1860* in Martin Gropius Bau in Berlin in 2008, and *Russians and Germans: 1000 Years of History, Culture and Art* at the State Museum of Berlin and the Prussian Cultural Heritage Foundation in 2012-2013.

In 2017, the centennial of the Russian Revolution, the State Russian Museum participated in a major exhibition at the Royal Academy of Arts in London entitled *Revolution: Russian Art 1917-1932*, which exhibited artwork by Kuzma Petrov-Vodkin, Boris Kustodiev, Kazimir Malevich, Wassily Kandinsky, Marc Chagall, Isaak Brodsky and others.

For the Russian State today, it is extremely important to promote a positive image of contemporary Russian culture in projects of major foreign exhibition institutions, in particular the Venice Biennale. The basic idea of a “big project” of the Venice Biennale is its internationality. The USSR resumed its participation at the Venice Biennale in 1956, but the forms of participation were not always officially approved. For example, in 1977, the 37th Venice Biennale was dedicated to the informal art of Eastern Europe and the Soviet Union. It was unofficially called the Biennale of Dissidents. In the Russian pavilion, artworks of Erik Bulatov, Oscar Rabin, Ilya Kabakov, Anatoly Zverev, Oleg Vasiliev, Andrey Monastirsky and other nonconformists were shown without the approval of the Soviet authorities. A completely different situation developed from the beginning of the 1990s. Presented at the Biennale, Russian projects received a considerable media response and public reception. Contemporary Russian art is subject to the same laws as Western art in the media world, the art market and art community. The authorities try to use successful projects in image-making policy. Not coincidentally, Semyon Mikhailovsky – the rector of the St. Petersburg State Institute of Painting, Sculpture and Architecture, named after I. E. Repin of the Russian Academy of Arts – was appointed the Commissioner of the Russian Pavilion at the 57th Venice Biennale in 2017. The rector presents a figure of a contemporary Russian cultural functionary. The general theme of the 57th Venice Biennale was “Viva arte viva,” with emphasis, according to the intention of curator Christine Macel, not on theorizing about art, but on the art itself. Russia was represented by artists with established reputations, including the generation of non-conformists.

According to Mikhailovsky’s plan, the exposition at the Russian Pavilion consisted of artworks of Grisha Bruskin, the group Recycle, and Sasha Pirogova. The initial idea to present little-known artists did not work. Grisha Bruskin (b. 1945), whose exhibitions in the Soviet era had been banned, showed the installation *The Change of Scenery*. In his installation, Bruskin addressed the topics of terrorism, refugees, migration, struggle of power and society. On white sculptures in the installation were written slogans repeating titles of significant philosophical books of the 20th century. There were also symbolic allusions to the Kremlin, such as a two-headed eagle, weapons, and soldiers. The art group Recycle (Andrei Blokhin and Georgy Kuznetsov) presented in Venice a project called *Blocked Content*, based

on the problematics of virtual reality. The project was interactive and viewers could communicate with heroes of the installation with the help of laptops. Suddenly the digital personages appeared to be alive and their virtual bodies produced warmth. The project shows complicated relations of reality and real life, which is quite spectacular as analogues to the modern Russian media world. Sasha Pirogova presented a video-installation, *The Garden*, showing dancing people in a very positive mood. The Russian Pavilion exposition under the title *Theatrum Orbis* (analogous to the title of an atlas of Flemish 16th century cartographer Abraham Ortelius, *Theatrum Orbis Terrarum* - Theater of the World) symbolically ends on a hopeful note of unity and harmony.

## CONCLUSION

The latest trends in Russian art, which has a lot in common with contemporary Western art, are demonstrated also in the official cultural paradigm. It is illustrated with the experience of curating the Russian Pavilion at the 57<sup>th</sup> Venice Biennale in 2017. Many projects of contemporary art are sponsored by the State. State officials are not trying to create “their own” style, a kind of *Gesamtkunstwerk Putin*. Rather, they are trying to associate themselves with what is most successful and advanced in culture by balancing between an attractive role in the world and a response to the cultural needs of their own population. If, for example, there are signs that the religious-moralistic attitude of society is fizzling, official representatives of culture and mass media no longer focus on the subject and often demonstrate quite opposite intentions that have the potential to inspire both the West and the Russian public. Another example is shown in the experience of public discussion on the movie *Matilda* by A. Uchitel, the script of which is based on the story of the premarital relations of Nicholas II, who was canonized as a Saint Martyr by the Russian Orthodox Church, and ballerina Mathilde Kschessinska. The film caused outrage among those prone to religious conservatism, but it appeared in cinemas in the end. Moreover, State money was spent on the film.

Quite often, the mass media starts to discredit past or recent bugaboos. For instance, the rumor that a religious activist named Enteo, who had formerly vandalized “obscene” art exhibitions, is in a relationship with a member of the Pussy Riot group. It is remarkable how the mass media can raise or lower the status of any images, ideas and brands. A simple blogger can suddenly become more famous than a politician or a prominent scientist. The structure of media and the internet community gives one the opportunity to select art figures in a hitherto marginal environment. In the West, for example, this was done by the Saatchi gallery, which created a website where any unknown artist could upload his or her work. The fame of the Russian group Voina or P. Pavlensky’s performances shows that the dictates of the institutional art community and cultural officials in Russia is gradually giving way to the dictates of the mass media and the internet.

Radical artistic phenomena often cause protests, and in Russia the religious-moralistic tendency is strong, but to consider them as ideology-making is fundamentally wrong, though such tendencies are perceived by part of the population as an impetus for retaliatory action, already not artistic in nature. Today, we can witness similar tendencies of public repugnance

in the West, in particular in media cases on well-known persons' accusations of sexual harassment, which had been recently reviled.

Protests against *Manifesta 10*, exhibitions of the brothers Chapman and Jan Fabre at the Hermitage, and performances of the Voina group have a different nature than protests against the film *Matilda*. The antagonism to the abovementioned projects is mainly the result of wide coverage of these projects in the mass media, so they met with the audience that had not initially been a target group of these events. The availability of new media technologies and the internet leads to the fact that, being intended for certain groups of the public, the projects become a subject of public debate and rejection.

This problem is applicable to exhibitions of the major museums, and to a lesser extent, to cinema and to events of independent cultural institutions, art groups and individual artists when they wish to achieve the widest possible public outcry and media reception. But this strategy has a downside: the artists, while gaining fame, experience the effects of a negative attitude from the side of the conservative part of society.

The practice of protest performances is perceived by a large part of the population as alien, and in the Western mass media a harsh reaction to such actions is regarded as the statement of the antagonistic attitude of the Russian government and Russian citizens towards liberal values and free culture. But protest performances might be perceived in the framework of a national tradition of holy foolery that is analyzed in the relevant section of this chapter.

Characteristics of the general state of art in Russia will not be *Gesamtkunstwerk Putin*, but rather the relativistic ability of the Putin era to use different trends in culture, from conservative to innovative, in order to achieve a positive effect in the mass media and public consciousness. This sometimes leads to misunderstandings, because a particular phenomenon may be condemned and, at the same time, enthusiastically accepted in the field of contemporary art.

The variety of artistic means and mythologies, as well as forms of their evaluation, shows that we cannot consider the art situation in Russia as "total artwork," as there is no coherent cultural policy indicating particular forms or styles of art for implementation. We can rather speak about *Putin's triad*, as analogous to the Hegelian triad "thesis – anti-thesis – synthesis," where "thesis" would be conservative, "highly moral" art, approved by the Church and authorities, "anti-thesis" the art of contemporary Russian holy fools, experimenters and anarchists, and "synthesis" an intention to create, using instruments of *soft power*, a certain symbiosis of the first two provisions, resulting in a positive picture of modern Russian democratic society in the mass media.

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*Chapter 10*

## **THE RISE OF A STRATEGIC SPOILER: RUSSIA'S EUROPEAN SECURITY STRATEGY**

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### **ABSTRACT**

Russia's annexation of Crimea in March 2014 was the latest step in Moscow's steadfast rejection of the post-Cold War security order in Europe. Nevertheless, analysts and scholars remain puzzled as to what exactly constitutes Russia's long-term game plan vis-à-vis Europe. This chapter suggests that, far from following a concrete, well-planned blueprint at the operational and tactical levels, Russia's grand strategic objectives enable Moscow to adopt a fluid, adaptive posture aiming at achieving two interconnected goals: to maintain, or even improve, the continental military balance of power through the deployment of strategic weapons and at the same time acquire the capabilities to disrupt NATO's air and naval superiority in critical flashpoints, an aspiration that had been elusive even at the peak of the Cold War rivalry. The implications of Russia's grand strategic doctrine are thus crucial for Europe's security outlook; Moscow's approach implies that Russian deterrence at the highest levels will be robust, while low-level, disruptive tactics in areas where Russia maintains an operational advantage could challenge the European security status quo. Contemporary developments, therefore, may enable Russia to undermine NATO's supremacy in the Euro-Atlantic geopolitical space, altering the post-Cold War order.

### **INTRODUCTION**

Understanding post-Cold War Russia constitutes, without a doubt, a major challenge for analysts and scholars alike. During the Kosovo crisis in the 1990s, Russian and NATO troops operated in the same area, raising concerns at one point that the two sides would actually confront each other (Gobarev 1999). Nevertheless, it was not until the end of the 2000s that a

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series of failures to anticipate Russian behaviour forced NATO allies to commit substantial resources in an effort to better capture Russian strategic thinking (Osborne 2015). In recent years, the comprehensive reform of the alliance's doctrine and organizational structure, more specifically, was primarily aimed at monitoring and anticipating threats to Central and Eastern European countries (NATO 2014; 2015; CSIS 2015). Following the escalation of the Ukrainian conflict in 2014, the American political establishment appeared willing to decelerate the country's so-called "pivot to Asia," assigning an unprecedented –for post-Cold War standards– number of "eyes and ears" to the close scrutiny of Moscow's motivations and capabilities (Gardner 2014).

Even now, however, several years after the initiation of Russia's revisionist posture in Europe, the West appears uncertain about Moscow's future conduct. To a certain extent, this is natural, as the re-emergence of Russia in European affairs remains a relatively new development. Until recently, numerous analysts in the West regarded Russian military capabilities with disdain (Gady 2015). Russia's first military foray in a foreign country after 1979 would soon function as a wake-up call to European and American military planners. The conflict over South Ossetia in 2008 escalated to open warfare between Moscow and Tbilisi, as the Kremlin reinstated Russia's sphere of influence, halting NATO's expansion, which had proceeded uninterrupted until that point.

More recently, the Crimean crisis culminated in Russia's first territorial expansion after WWII, at the expense of EU-backed and NATO-candidate Ukraine. Events in Ukraine rekindled threat perceptions at the highest echelons of power within the trans-Atlantic Community, eliciting the expectation that Russia would imminently target the Baltic States and possibly Poland (ECFR 2015; *The Guardian* 2015, 19 February). Moscow, however, chose to promote a "frozen conflict" scenario in 2015, under which Eastern Ukrainian provinces would avoid severing ties with Kiev. Odessa, a Black Sea port of great strategic value, did not, quite surprisingly for many, become a flashpoint for separatist forces. A further strategic surprise was on the way. A few months later, analysts were shocked to witness Russia's direct involvement in the quagmire of the Syrian war, which entailed a substantial commitment of political, economic and military capital, all during a year of financial stress and diplomatic isolation for Moscow (Dekel and Magen 2015).

The aforementioned examples indicate that the West is capable of both over-estimating and under-estimating Russian assertiveness. It is, therefore, not a matter of simply downplaying or upgrading evaluations of Moscow's determination to challenge the geopolitical status quo. A refined narrative is necessary: one that captures Russia's capacity to adapt effectively to changing circumstances and present its competitors with "faits accomplis" in a nuanced manner. In order to achieve this goal, an evolutionary approach to Russian security policy should turn the spotlight on the country's grand strategic military objectives, as opposed to analysing Russia's short and mid-term operational conduct. A "bird's eye" view of Russian post-Cold War behaviour, therefore, reveals a fluid, adaptive Russian posture which aims to achieve two distinct, yet interconnected goals: to maintain, or even improve to its favour, the continental military balance of power through the deployment of strategic weapons and at the same time acquire the capabilities to disrupt NATO's air and naval superiority in critical flashpoints.

## **RUSSIA'S RETRENCHMENT IN THE 1990s: ADAPTING TO A UNIPOLAR SYSTEM**

The collapse of the Soviet Union unleashed NATO's geopolitical dynamic across the previously inaccessible Eurasian heartland. The resulting power vacuum in Russia's former periphery generated a window of opportunity, with the alliance swiftly responding to the call of Central and Eastern European capitals. Far from seeking revenge, Central and Eastern Europe sought to put its Communist past behind and become integrated into the West. In geopolitical terms, however, there was no denying that NATO's enlargement would take place at the expense of Russian interests. At best, the alliance's expansion into Eastern Europe would finally integrate Russia into the Euro-Atlantic sphere of influence. Alternatively, the inclusion of countries such as Poland and the Baltic states in the "West" would create a "cushion" against a Russian resurgence, should East–West tensions re-emerge at some point. It is also true that Moscow's financial and political predicament in the 1990s undermined any serious prospect of a proper response to what would otherwise be treated as an encroachment of the country's "near abroad." Nevertheless, Moscow tried to counterbalance its unavoidable retrenchment by developing, or bolstering, its existing security ties with countries on the fringes or the periphery of NATO, including Armenia, Syria, Iran, Greece and Cyprus (Ergün Olgun 1999).

To this end, the supply of advanced weaponry became a prominent policy tool. At the time, Russia had already deployed Scud-B missiles in Armenia (Howard 1997) and reportedly assisted Iran in developing 2,000 km range missiles, while the S-300 SAM missile system was exported to Syria in 1998 (Criss and Güner 1999, 368). Developed in the 1980s, the S-300 SAMs have the capacity to engage six targets simultaneously – flying as low as ten meters above the ground or as high as maximum aircraft ceilings. Moreover, it boasts an operational range of 150 km for fighter jets and 40 km for ballistic missiles (AFP 1997, 15 January). These characteristics imply that the S-300 can be classified as a strategic, as opposed to a tactical, weapon. Thus, beyond the obvious need to seek new markets for the financially struggling Russian armaments industry, Russian weaponry entailed a grand strategic logic that was hard to ignore. NATO members took notice. In late 1997, the Turkish General Staff prepared a report which accorded the S-300 system a central role in what was viewed in Ankara as an "offensive ring" engulfing the country's coastline, which hosted (national and NATO) military bases as well as sensitive infrastructure assets such as major ports and oil pipelines (IISS 1998).

Nevertheless, Russia's attempt to adjust its military posture to the sudden loss of its Soviet-era strategic depth was largely unsuccessful. Syria, probably the most committed Russian ally at the time, engaged in discussions with Israel over the future status of the Golan Heights (under Israeli control since the Six-Day War of 1967), while its influence in Lebanon gradually eroded, leading to the eventual withdrawal of stationed Syrian troops (Rabinowich 2009). Greece and Cyprus, meanwhile, undertook a major foreign and security policy adjustment vis-à-vis Turkey in the late 1990s, following a series of tense crises in the Aegean Sea (1996) and Cyprus (1998), with the latter directly related to the procurement of S-300 SAMs by the Cypriot government (Blavoukos and Bourantonis 2012). The subsequent "Europeanization" of Greek-Turkish relations meant that Russian influence in Greece and Cyprus would erode. Despite the fact that Russian armaments were included in Greece's

defence procurement programs until the late 1990s, Athens would become increasingly cautious in its dealings with Moscow, in an effort to diffuse tensions in the Aegean Sea and accelerate the EU accession negotiations of the Republic of Cyprus.

Concurrently, Russia had a series of urgent issues to attend to, closer to home. The economic crisis of 1998 dealt a blow to the Russian economy, which was at the time recovering from the shock of the Communist collapse. Moscow defaulted on its debt and the Ruble was devalued, while the upheaval generated by Chechen separatists threatened the territorial integrity of the federation (Gilman 2010). Should there be any doubt left about Russia's incapacity to restore its pre-1990 geopolitical reach, the bombing of Serbia clarified the nature of the post-Cold War order by showcasing the conventional capability gap between the two former rivals. While Moscow had maintained a substantial nuclear deterrent (as emphasized repeatedly by the Russian leadership), the state of the country's air and naval fleets indicated that the country's capacity to project power in Europe was severely curtailed. In the following years, Moscow prioritized internal stability and then focused on deflecting NATO's attempts to expand into the Russian "near abroad." The Georgian and Ukrainian cases took precedence for Vladimir Putin, who began to perceive NATO expansion as detrimental, not just to Russian power projection, but to the security of the Russian Federation as well (Mydans 2004).

## **THE 2000s: RUSSIA RE-EMERGES AND SECURES ITS BACKYARD**

In the 2000s, the Russian economy showed signs of recovery, bolstered by rising hydrocarbon prices, a major export commodity for Russia. Vladimir Putin had achieved to reassert effective control over the country, showcasing that internal stability was within reach, even at the cost of an iron, military and political, fist. The gradual economic recovery enabled the Russian armed forces to reinstate investments in equipment and training, bolstering the Kremlin's confidence. Yet, the first half of the decade is characterised by a robust political momentum favouring the further expansion of the EU and NATO. The 2003 Rose Revolution in Georgia, the 2004 Orange Revolution in Ukraine and the 2005 Tulip Revolution in Kyrgyzstan agitated Russian policy-makers. These events, which caught Moscow by surprise, were deemed to be little more than Western-backed "coups d'état" with the goal of creating a political and security web around Russia. A few years later, Georgia would become a battleground through which Moscow would signal its staunch opposition to the further expansion of the EU and, crucially, NATO in the region.

In 2003, the "Rose Revolution" brought Mikhail Saakashvili to power in Georgia. Saakashvili, a US-trained lawyer, was the lead figure of the peaceful demonstrations in Tbilisi against Shevardnadze's "Citizens Union of Georgia (CUG)" party efforts to force a fraudulent election result (Cooley and Mitchell 2009, 28). Protestors managed to secure Shevardnadze's resignation, and in January 2004, the newly elected Saakashvili promised to reassert Georgian control over the secessionist provinces of Abkhazia and South Ossetia within his first term (Hewitt 2009, 19). For Georgia, reintegrating its separatist provinces was not simply a matter of national pride. The porous borders of these regions facilitated illicit trade and exacerbated asymmetrical threats, compromising the nation's security. The "frozen" conflicts of Abkhazia

and South Ossetia, finally, undermined the Georgians' desire and effort to secure candidate status with both NATO and the European Union.

On 7 August 2008, after a series of militarized incidents that had taken place during the preceding days, the Georgian army launched a military operation aimed at reasserting control over South Ossetia. The following day, the Georgian government announced the capture of Tskhinvali, the South Ossetian capital, which was devastated by artillery fire (The Telegraph, 2008). In the meantime, however, Russia, South Ossetia's long-standing ally, had launched a full-scale counter-offensive against Georgian forces located in both the secessionist territory and other parts of Georgia. In the ensuing days, Russian forces succeeded not only in driving the Georgian military out of the breakaway province, but also in opening a second front in Georgia's other separatist province of Abkhazia.

Before their eventual withdrawal in late August, the approximately 20,000 Russian troops who had taken part in the operation had advanced deep into Georgian territory, inflicting heavy damage and casualties in the cities of Gori, Poti and Senaki. Assets of the Georgian military and civilian infrastructure were destroyed, including the railway connection between the eastern and western parts of the country. While figures remain unconfirmed, some 238 Georgians were killed, almost 1,500 were wounded and over 100,000 Georgians were displaced due to the conflict (Antonenko 2008, 24). In South Ossetia, Human Rights Watch puts the death toll in the lower hundreds, but the exact number of casualties has yet to be verified. European leaders were alarmed to see the American government stand idle as Russia undertook its first post-Cold War military offensive operation. It is indicative that the war ended with French mediation on 13 August 2008, with the mutually agreed "six point plan" establishing a ceasefire between Russia and Georgia.

Moscow's signalling of its growing discontent with NATO's expansion in the region was becoming stronger. While in 2008 NATO avoided providing Tbilisi with a "Membership Action Plan," the Council of the alliance affirmed that both Georgia and Ukraine would eventually become NATO members and that the parties would "now begin a period of intensive engagement with both at a high political level" (NATO 2008). Days before the escalation of 2008, moreover, the Georgian army, along with 1,000 U.S. troops and forces from Azerbaijan, Ukraine and Armenia, conducted an exercise ("Immediate Response 2008") in Georgia which aimed at increasing interoperability for NATO operations (U.S. Congress 2009, 3). Around the same time, some 8,000 Russian troops took part in the "Kavkaz 2008" exercise across the North Caucasus, including North Ossetia (IISS 2008). For at least the two years preceding 2008, the Russian North Caucasus military command and the Black Sea Fleet conducted exercises in the area under the scenario of repelling a Georgian attack on Russian peacekeepers based in Georgia (U.S. Congress 2009, 3).

Relations between Russia and Ukraine had, meanwhile, deteriorated following the "Orange Revolution" of 2004, which brought to power the pro-Western government of Victor Yushchenko. Russia's response to what it considered to be a Western encroachment was decisive. Moscow temporarily cut off gas supplies in 2006 and increased its pressure through the Russian-leaning constituencies of Eastern Ukraine, in an effort to delay, if not derail, Ukraine's progress towards EU and NATO membership. Kiev responded by submitting a request for a NATO "Membership Action Plan" in January 2008 (IISS 2011). At the NATO 2008 summit in Bucharest, a number of allies, led by the United Kingdom and Poland, supported the provision of MAPs for both Georgia and Ukraine, though strong opposition spearheaded by Berlin blocked the motion, as the deepening of relations with Moscow was

high on Germany's political agenda at the time (Asmus 2010, 119). The "loss," moreover, of Ukraine was detrimental to Russia's energy interests, as Ukraine had traditionally been part of the route of Russian gas supplies to Europe. Moscow's position was further compromised by the May 2005 inauguration of the Baku-Tbilisi-Ceyhan oil pipeline, which transports Caspian Sea oil to the Turkish port of Ceyhan, bypassing Russia.

Finally, U.S.-Russian relations had also taken an irreversible turn for the worse. The Missile Defence plan sought to place missile assets near Russian borders, while the declaration of Kosovo's independence in 2008 exacerbated Russian fears of American indifference to "legitimate" Russian concerns. Putin's 2007 verbal attack in Munich against what was perceived to be a concerted Western effort to encroach on Russia was a first indication of a more assertive Russian stance henceforth (The Washington Post 2007, 12 February). Starting in early 2008, Russian statements regarding the status of the Crimean peninsula indicated that Moscow regarded the prospect of border change in the region under an increasingly positive prism (RFERL 2008, 24 August; Kommersant 2008, 4 July). The Ukrainian "front" would see a series of crises until the Crimean annexation and the outbreak of the civil war in the country a few years later, but Moscow's message had been made clear: NATO's expansion in the Russian "near abroad" was no longer acceptable. To this end, Moscow would initiate an extensive military upgrade and reorganization program, with the intention, according to James Stavrides, former Supreme Allied Commander in Europe, to apply pressure on the non-NATO states around Russia (South 2017).

## **THE 2010S: SAILING FROM CRIMEA TO EUROPE**

The Arab Spring movement, a revolutionary wave of protests and civil wars that swept the Arab world, captured Moscow's attention because a regime change could compromise well-established Russian interests. The Libyan leader, Muammar Gadhafi, visited Moscow in 2008, resuming close Russo-Libyan cooperation after a long hiatus. The Russian government appeared willing to erase an outstanding Libyan debt of more than four billion USD accrued during Soviet times in exchange for an extensive agreement on trade, armaments and infrastructure projects (Fasanotti 2016). Russian diplomatic support of Libya's secular, though oppressive, regime did not prevent the ouster of Gadhafi, following the NATO-backed military strikes of 2011 against his regime. The civil war in Syria transferred the "battlefield" to an area of prime concern to Moscow, threatening Russia's closest ally in the region: the Assad regime. In the run-up to, and during, the Syrian civil war, Russian diplomats supported Assad in the United Nations and other fora, deflecting decisions and policies deemed harmful to Damascus (Tilghman and Pawlyk 2015).

The West paid little attention to Russian concerns over the Arab Spring, partly because of a rather anaemic Russian military presence in the area. The chronic underinvestment in Russia's decaying Black Sea fleet, based in Crimea, had taken its toll on the country's power-projection capabilities (Korolkov 2015). In February 2013, Russian Defence Minister Sergei Shoigu emphasised that "the Mediterranean is at the core of all essential dangers to Russian national interests" (Inbar 2014). That year was a turning point for Russia's strategic thinking, with the decision to create a permanent Mediterranean Squadron comprised of ships from the Black Sea fleet (Felgenhauer 2013). The country's mid-term planning envisaged that by 2020,



132 billion US Dollars (almost a quarter of total projected outlays for the period) would be devoted to upgrading Russian maritime capabilities. By 2014, the 11,000 strong Black Sea fleet already featured 6 Kilo class submarines and a surface contingent of 42 ships (Bodner 2014). A Mediterranean armada, integrated into the Black Sea fleet, quickly became visible through its activities in the Aegean Sea and adjacent areas. In addition to hosting Russia's sole aircraft carrier at times, the task force grew to include more than a dozen warships at the height of the Syrian conflagration (Haaretz 2018, 28 August).

In 2014, the assertion of Russian control over the Crimean peninsula consolidated a balance of capabilities in the Black Sea that seems particularly favourable for Moscow, taking into consideration that Sevastopol remains the "only naval base in the Black Sea capable of outfitting and dispatching new vessels and military hardware at a strategically significant level" (Gramer 2016). In force projection terms, however, the annexation of the Crimean peninsula would mean little if Russian access to the Mediterranean could be "filtered" by NATO through the Turkish-administered Bosphorus Straits. The Straits "bottleneck" remains strategically relevant, as disagreements between Russia and Turkey over the Montreux Treaty, which regulates passage through the Straits, have resurfaced. Control of the Straits has been a Russian concern for quite some time and for good reason. During the Crimean War (1853-1856), Sir James Graham, First Lord of the Admiralty, considered the Straits to be crucial towards thwarting Russian influence, as they could restrain the Russian navy from accessing the Mediterranean waters (Badem 2010, 46-98).

The aforementioned stark geopolitical reality could solely be addressed to the extent that Russia maintained a robust naval force at all times in Mediterranean waters. But logistical and operational support of a Russian fleet would necessitate berthing agreements with littoral states. This has proven to be a challenging task during the post-Cold War period. The Montenegrin government appears to have quietly deflected Moscow's overtures in 2013 aimed at either establishing a naval base at the Adriatic port of Bar or increasing the scope of support provided to Russian fleet units at the country's ports (IBNA 2013, 20 December). Rumours that Cyprus could host a Russian naval base surface regularly, only to be denied by the Cypriot government (Al-Monitor 2015, 3 March). After relevant bilateral agreements – and without special privileges – Russian ships make use of the strategically located port of Limassol on a frequent basis, while Russian aircraft can use Cypriot airports in emergencies and during missions of humanitarian nature (Cyprus Mail 2015, 21 January). For both Montenegro and Cyprus, alignment with Euro-Atlantic institutions has increasingly constituted a core policy pillar, with Montenegro acceding to NATO in 2016, despite deep domestic divisions on the issue (Balkan Insight 2016).

The procurement of large, power-projecting ships could partly compensate for Russia's inability to secure bases and long-term logistical support arrangements. The only Russian aircraft carrier, the Soviet-era *Admiral Kuznetsov*, has frequented Mediterranean waters, but its high operating costs and obsolete technology (The Moscow Times 2014, 29 September) render its presence more symbolic than substantial. The Russian navy tried to rectify this shortcoming by acquiring two new helicopter carriers from France. The attempted procurement of the Mistral-class carriers, amphibious assault ships that can accommodate a load of 16 attack helicopters and up to 900 combat soldiers (Jerusalem Post 2014, 19 April), became a polarizing issue among NATO members. The French sale was met with strong resistance from allies, culminating in the capitulation of Paris and a bitter diplomatic standoff

between France and Russia. France finally cancelled the order and the ships were eventually acquired by Egypt (Defence Industry Daily 2016, 21 September).

Vladimir Putin's sudden decision to engage the Russian armed forces in the Syrian civil war should therefore be understood under this prism. Russia's geographic, economic and technological limitations, exacerbated by a well-established NATO presence in the Mediterranean, compelled Moscow to seek a permanent presence on NATO's south-eastern flank. Between the initial stages of the Syrian conflagration and Russia's involvement in the Syrian quagmire, Moscow had decided to bolster its naval presence in and around Europe, initially securing the Crimean peninsula. In the absence of a proper aircraft carrier fleet and extensive berthing rights, Moscow realised it urgently needed a permanent base in order to stabilise its presence in a crucial maritime area: the axis connecting the Black Sea and the Suez Canal. The Russian naval base in the Syrian port city of Tartus, hitherto of minor importance for Russian naval operations, was to become a strategic asset under the novel Russian doctrine. The ongoing Syrian turmoil provided the requisite pretext, with the Russian army swiftly deploying and Vladimir Putin asserting that "The collapse of Syria's official authorities will only mobilize terrorists" (Stent 2016).

If naval power projection was problematic for Russia, air power projection was almost non-existent before the 2010s. The Latakia electronic listening (SIGINT) station was set up during the Cold War but was not designed to host a force of Russian aircraft. Russia's air-power projection across the Mediterranean had thus remained a complicated issue, as Russian fighter jets would have to either cross Southern European (and thus NATO) countries, or fly through the Caspian Sea, Iran and Iraq, over states whose geopolitical orientation has been far from consistent. Moreover, some of the Russian fighter jets, such as the Su-25s, do not possess an air-refuelling capability (Mercouris 2015).

Moscow's Syrian foray, a move that surprised Western analysts (Stent 2016), was aimed at resolving the challenges of projecting naval and air power in the Mediterranean. The Russian intervention in Syria was accompanied, in 2015, by a commitment of military resources without precedent for post-Cold War Russia. Moscow's military surge included ground attack aircraft and helicopters, naval vessels and marine infantry, with Moscow deploying long-range S-300 missiles and advanced fighter jets to its Syrian bases. Russia's conduct in Syria, overall, indicated that Moscow aimed at establishing a permanent presence that would engender an adverse effect on NATO's freedom of manoeuvre in the area. Perhaps more importantly, the Russian strategy could seek to gradually assert air superiority over critical parts of the Mediterranean, thereby creating "pockets of disruption" within, or in proximity to, NATO allies.

The West is gradually realizing the importance of these developments. In 2015, *The Financial Times* admitted that "Russia has not had any sizeable presence in the Mediterranean since the end of the cold war. And a lack of investment until recently in its decaying Black Sea fleet, had led strategic military planners to overlook the entire theatre as a possible source of concern when it came to Moscow" (21 October). Alexander Vershbow, NATO's Deputy Secretary General, articulates the alliance's adjusted perception of Russia in a clear manner when he characterizes Russia's presence south of the Bosphorus as "disruptive," adding that NATO needs to "think about the broader consequences of this build up in the Eastern Mediterranean and the capacity of these airbases (Financial Times 2015, 21 October)."

The Mediterranean, however, is not the only relevant case study. The gradual militarization of Kaliningrad is similarly creating a "pocket of disruption" in a critical area for

the defence of Central and Eastern Europe. The Kaliningrad oblast, situated between Lithuania and Poland was annexed by Russia at the end of WWII and functions, in essence, as a forward operating base behind NATO's front lines. In recent years, the Russian military has bolstered the capabilities of Russian forces in the enclave through, most notably, the deployment of the nuclear-capable Iskander ballistic missiles. The corresponding threat levels to the Baltic countries and Poland are elevated, as a Russian missile strike from Kaliningrad would leave a brief reaction window to NATO (Stavridis 2018). In both cases discussed, the combination of robust offensive (SAMs/fighter jets) and defensive (S-300/400) capabilities could create an anti-access, area-denial problem, with the prospect of establishing a no-fly zone over a critical location (particularly in the event of a crisis).

Anti-access and area denial refer to war fighting strategies aimed at "preventing an opponent from operating military forces near, into or within a contested region" (Tangredi 2013). Usually combined as Anti-Access/Area Denial or abbreviated as A2/AD, similar tactics have been employed in historical case studies such as the Falklands, after they were briefly captured by Argentina (Shunk 2018). While denying access to enemy forces may be a common goal among combatants, A2/AD strategies are particularly tailored to asymmetrical power relationships. In other words, a weaker party could adopt an A2/AD strategy in order to avoid a confrontation with a more powerful opponent, who may be the defender or the attacker. In this manner, the more powerful actor will theoretically be unable to bring its full force to bear in the operational theatre or maximise its control of the contested area. A2/AD strategies have come to the spotlight in recent years due to their potential applicability in East Asia, and specifically in a hypothetical crisis situation during which China decides to annex Taiwan by force. In such a scenario, China would conceivably be able to keep American forces outside the operational theatre through attrition tactics, instead of actually confronting American air and naval assets.

## **BOLSTERING RUSSIAN DETERRENCE**

Technological advancements achieved in recent years by the Russian defence industry could not only offset some of the geographical and logistical challenges aforementioned, but also ensure that conventional deterrence is maintained in Europe, irrespective of NATO's ballistic missile defence status. Russia's naval doctrine can now ensure that targets are acquired from the safety of the Black Sea or even Russia's extensive riverine system. The use of, for the first time, Sea Launched Cruise Missiles (SLCM) in the Syrian conflict, launched from the Caspian Sea, was aimed at sending a clear signal regarding the capacity of the Russian navy to target hostile ships and land targets at great distance, thus projecting power without running the risk of engagement with hostile forces (Fielding 2015). The value of conventional precision-guided, long-range weapons has been demonstrated in numerous conflicts since 1990, as their use is not limited to the extreme escalation levels associated with nuclear warfare. Their development is also indicative of possible Russian countermeasures against the anti-ballistic missile system NATO is gradually establishing and deploying in Eastern Europe and the Mediterranean.

Moreover, the upgraded Buyan corvettes, which have a displacement of less than 1,000 tons at full load, could sail and launch their cruise missiles from Russian rivers such as the

Volga or the Don. The supersonic sea-launched Kalibr missiles, therefore, with a range of approximately 1,500 km, pose a substantial challenge to NATO, threatening assets such as the NATO base in Incirlik, Turkey. This development indicates that Moscow is in a position to challenge the alliance's primacy in long-range, precision-guided strike capabilities. Admiral Aleksandr Vitko, the commander of the Russian Black Sea Fleet, has stated that cruise missile-equipped ships will be permanently sailing in the Mediterranean (Blank 2016). Russian surveillance and electronic warfare assets, meanwhile, can now be regularly deployed close to listening stations in Turkey and the British RAF base in Cyprus (Akrotiri), further compromising NATO's advantage in intelligence collection and electronic warfare. Moscow has, finally, announced that its Kirov class battle cruisers will be equipped with a naval variant of the S-400 by 2022 (Majumdar 2016), placing Russia in a position to protect its forces in Europe with its own air defence umbrella. These developments imply that Moscow's deterrence is bolstered, as NATO allies in Europe find themselves within striking distance of Russian cruise and ballistic missiles.

Russia continues, at the same time, to pursue anti-satellite (ASAT) weapons as a means to reduce NATO's military effectiveness (Coates 2018), while concurrently upgrading its nuclear arsenal (including long-range delivery systems). In recent years, the Russian armaments industry has reclaimed its capacity to develop cutting-edge products such as the Su-57 fighter jet and the T-14 Armata battle tank. It was reported that during the testing of the new S-500 system, the missile struck a target at a distance of 481 kilometres, rendering it the most advanced surface-to-air missile ever produced, with significant implications for European security when the system becomes operational in 2020 (Macias 2018). Overall, Russia aims at maintaining a credible deterrent at the conventional and nuclear levels while at the same time rendering itself capable of disrupting critical parts of NATO in Europe.

## CONCLUSION

There is little doubt that a degree of uncertainty with regards to Russian intentions will always be present. Surprise, after all, is usually a privilege accorded to the challenger, not the defender of the status quo. This chapter suggested that, far from following a concrete plan with clearly delineated goals, Russia's grand strategy allows for a substantial degree of flexibility. Maintaining credible conventional and nuclear deterrents while attaining the capacity to disrupt NATO operations in various flashpoints across (or in proximity to) Europe enables Moscow to gradually erode NATO's red lines without risking an all-out war with the United States and its allies. The most important implication of Russia's grand strategic doctrine is that low-level, hybrid tactics could trigger a security crisis in such a flashpoint, enabling Russia to capitalize on its local advantage and change the status quo.

The excessive emphasis placed, in this regard, on non-military hybrid tactics may prove to be misleading. It has to be noted that the seizure of Crimea was catalytic in bringing the hybrid warfare concept to the spotlight, as the Russian endeavour constituted a highly successful, and for this reason alarming, showcase of the Russian ability to surprise and confuse. The artful use, in particular, of mainstream and social media for propaganda and disinformation purposes, as well as the level of integration of irregular forces (mercenaries and local militias) with regular elements of the Russian army, caught policy planners by

surprise. Nevertheless, the Crimean operation would have probably failed, had Russia chosen to rely purely on low level tactics. Indeed, the Crimean annexation begun with a disinformation campaign but the situation swiftly escalated, with masked gunmen storming government buildings and a full invasion of the peninsula taking place thereafter, making use of Russia's airborne, naval infantry, and motor rifle brigades (RAND 2017).

One could say, though, that Europe and NATO have been somewhat eclectic when deciding on what should be the "lessons learned" from the Crimean case study. In the months and years following the forced annexation of the peninsula, the domain of communication became a central pillar of NATO and EU strategic thinking. Initiatives such as the NATO Strategic Communications Centre of Excellence in Riga and the EU anti-propaganda unit were conceived as potential countermeasures to Russian narratives rendering Western nations vulnerable to political manipulation by the Kremlin. Such initiatives are, without a doubt, useful. A number of European analysts, however, proceeded to downplay the importance of conventional armaments and training in the novel environment of hybrid warfare. This line of thinking is anything but constructive and could in fact prove to be dangerous for European security. Warfare is a continuum, ranging from information and disinformation campaigns to nuclear warfare. Preparing to face a fragment of this continuum is, in essence, an invitation to escalate in the eyes of the opposing force.

Furthermore, there is a danger of misreading Russian strategic thinking on the basis of a single case study characterized by a unique set of circumstances. The population of Crimea is predominantly Russian and therefore amenable to Russian media influence. Meanwhile, the geographic proximity of the peninsula to Russia and the presence of Russian military personnel in Crimea rendered the blending of regular and irregular tactics not only feasible, but also highly appropriate for the particular operational environment. There was simply no need for a direct confrontation with the Ukrainian army through the mobilization of conventional forces. It is unlikely, however, that this scenario can be repeated elsewhere. Russian operations in Syria, for instance, were of a more "traditional" nature, indicating that Russian strategic culture has not transformed but rather evolved, with conventional operations remaining at the centre of Russian strategic culture. Meanwhile, the conventional capability gap between Russia and Europe is widening, as most NATO members are reluctant to commit resources to defence. An excessive reliance placed by Europe on niche fields like strategic communications could, in this regard, undermine European capabilities further by diverting scant resources from crucial conventional areas.

A few countries such as Estonia and Sweden (the latter despite not being a NATO member) appeared to understand the need to prepare and train their forces across the spectrum of conventional and irregular warfare, while the alliance bolstered its rapid reaction capabilities through the forward deployment of NATO assets in Europe. Signalling its intention to retain control of the Mediterranean, the alliance carried out in October 2015 an ambitious exercise, with approximately 36,000 troops, 140 aircraft and 60 ships pooled from over 30 countries, some of which, like Australia, are not NATO members (Villarejo 2015). The *TRIDENT JUNCTURE 2015* exercise, hosted by Italy, Spain and Portugal, officially tested the alliance's response mechanisms under a hypothetical scenario of instability in the Horn of Africa. The message, however, was intended to reach Moscow.

In the absence of a strong and reliable EU security and defence apparatus, NATO has retained its role as the cornerstone of European security. On 20 October 2015, the American Navy announced that a NATO vessel stationed at the Spanish naval base of Rota had

successfully intercepted a ballistic missile (for the first time in a European operational theatre) as part of a missile defence demonstration. The announcement came two weeks after the surprise launch of 26 cruise missiles from the Caspian Sea by Russian warships against Syrian targets. In 2016, Jens Stoltenberg, the secretary general of NATO, announced that the alliance is planning to expand its presence in the Mediterranean by transforming the *ACTIVE ENDEAVOUR* operation “into a broader security operation (NATO 2016).” NATO’s biggest exercise since the end of the Cold War, *TRIDENT JUNCTURE 2018*, was hosted by Norway in October 2018, involving 50 thousand troops from all NATO allies, plus partners Finland and Sweden. The manoeuvres stretched from the North Atlantic to the Baltic Sea and lasted for two weeks, showcasing NATO’s capacity to mobilise substantial assets and plan for different contingencies in Europe (NATO 2018).

The viability of a U.S. long-term commitment in Europe should be questioned, however. On multiple occasions after the end of the Cold War, American policymakers have emphasized Europe’s capacity and responsibility to guarantee its own security and safeguard the stability of its neighbourhood. The U.S. “pivot to Asia,” initiated by the Obama administration, sent a strong signal regarding the future of American grand strategy and Europe, presaging Washington’s gradual disengagement from the continent, accelerated by the Isolationist Trump administration. The waning of American dependence on Middle Eastern energy resources could strengthen the momentum of the U.S. decoupling, taking into account the increasing importance of the Asia Pacific as the focal point of American interests. The 6<sup>th</sup> Fleet features, for instance, a single command ship and four destroyers permanently assigned to the force, all based in Spain, with only rotational presence in the Mediterranean from ships passing through on the way to, or when coming back from, the Middle East (Altman 2016, 73). Nevertheless, there is always at least one *Arleigh Burke*-class destroyer in the area as part of NATO’s anti-ballistic defence umbrella.

Finally, the EU’s recent financial crisis has rendered European leaderships reluctant to increase defence spending and assume additional security-related tasks. Britain’s role, moreover, in the provision of security for Europe after Brexit remains an enigma. Overall, the acute resourcing problem of European security undermines the long-term prospects for an effective response to status quo challenges posed by Russia. The drastic reduction of European defence spending after the end of the Cold War and the commitment of NATO assets away from Europe (NATO ships take part in the *OCEAN SHIELD* operation in the Indian Ocean, for example) are creating an increasingly perceptible capability vacuum. In the short term, the United States could transfer combat ships and perhaps aircraft from other operational theatres, though this strategic “band aid” would only partially alleviate the alliance’s credibility problem. In the long term, Europe will have to increase its defence outlays and bolster its capabilities in order to maintain a continental balance of power.

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*Chapter 11*

## **RUSSIAN INFORMATION OPERATIONS: A PILLAR OF STATE POWER**

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### **ABSTRACT**

The purpose of this chapter is to review Russian Information Operations as exercised in recent years and analyze their significance as part of a broader grand strategy scheme. In order to do that, we will first analyze the way information war/operations are conceptualized by the Russian political and military elite. There is a distinction between the Russian approach to information warfare, which is employed during both peacetime and wartime, and the Western approach, which is limited to tactical information operations carried out during a military campaign. The Russian approach is broader, and the recent evidence from Ukraine demonstrates that the Russian state and Russian non-state actors have exploited the Internet, social media and cyber tools in order to conduct a type of warfare that largely avoids using traditional military force. Instead, it is focused on influencing the populations and decision-making processes of targeted countries. Though the direct results of such operations are hard to measure, there is speculation that they have had some effect in both operational terms (e.g., the case of the Ukraine-Crimea crisis) and strategic terms (e.g., eroding liberal democracy in Europe and weakening NATO's cohesion). Having conceptualized a theoretical framework for how Russia perceives and utilizes information operations, we will make some suggestions on how to counter this new challenge.

**Keywords:** information warfare, Russian information operations, RuNet 2020, Russian information security doctrine

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## **INTRODUCTION**

Information is considered an element of power and has been used as a weapon since the beginning of human history. Information and communication technologies have turned the world into a global and highly interconnected information network. Information warfare uses emotions and beliefs as weapons and takes place in the minds of human beings. States use information operations in an attempt to shape perceptions, manage opinions and control behavior (Leigh 2004). Russia is no exception to this. There is actually an extensive record of Russian/Soviet efforts to use information, not only in a domestic context, but also in international relations, in order to exercise propaganda (Glantz 1988; Cull 2017). In the recent past, Moscow has deployed agents of influence, funded Western political parties and attempted to manipulate foreign media in order to influence policy and divide the West. Nowadays though, the extent and scope of Russia's information operations seem to be more ambitious than Cold War information operations. After all, the world is much more "connected" now than it was in previous decades, and it is therefore easier for Russia to penetrate Western societies (Chivvis 2017, 316).

This chapter analyzes the contemporary Russian approach to information warfare; it sheds light on information warfare mechanisms and provides examples of recent Russian information operations. It begins with a theoretical discussion of the importance of information as an element of power and reviews the ways in which information has been perceived in Russian doctrines and policy papers. Having identified the conceptual origins of Russian information warfare, it proceeds with an analysis of RuNet 2020 and the latest Information Security Doctrine, two recent developments that highlight the centrality of information in Russia's strategy. The chapter continues with the analysis of information campaigns that have been attributed to Russia and ends with some recommendations on how to confront Russia's information operations.

## **INFORMATION AS AN ELEMENT OF STATE POWER: THE CASE OF RUSSIA**

During the past two decades, information warfare and related concepts like propaganda, strategic communication, disinformation, influence operations, subversion, reflexive control theory and, lately, hybrid warfare have been intensively debated in the Russian political discourse (Thomas 2014; Thomas 2015; Fridman 2017). The conventional wisdom is that information warfare refers, broadly speaking, to methods and techniques that are used to shape a certain political behavior. It is a tool that is used to achieve political goals. The Russian Ministry of Defence defined information warfare as the ability to undermine political, economic and social systems; carry out mass psychological campaigns against the population of a state in order to destabilize society and the government, and force a state to make decisions in the interest of their opponents. Whereas the West mainly views information operations as one of many tools when conducting a military campaign, for Russian military analysts, information has a central role (Thornton 2015, 42). For the Kremlin, the focus in contemporary conflicts has shifted from destruction to influence; from a confrontation with weapons to a battle for people's minds. The center of gravity is the mind, and the aim is to

dominate in this new battlespace, in order to reduce the necessity for conventional military power (Berzins 2014).

Although an old phenomenon, information warfare is gaining importance due to the processes of globalization and the spread of information technologies. In the Russian case, however, there are two additional factors that explain the centrality of this concept in shaping national policies. To begin with, Russia has a long tradition of using information operations. In the military domain, both czarist and Soviet forces were successful in the art of military deception, known as *maskirovka* (Glantz 1988). Likewise, Soviet intelligence and security services were very keen on conducting subversion – otherwise known as political warfare or active measures (Andrew and Mitrokhin 1999; Allen and Moore 2018, 61-62). Aleksandr Dugin's writings on net-centric war, Igor Panarin's on information warfare, and military thinkers' input that has appeared in Russia's journal *Military Thought*<sup>1</sup> are indicative of the perceptions that dominate the debate within Russia (Thomas 2017). The manipulation of the information domain aims to undermine a government and influence political elites in order to trigger sociopolitical upheavals within the target state. Russian theorists argue that information warfare is used openly by the West, and in particular by the USA, to undermine Moscow's exercise of sovereignty. In their eyes, the West used information operations to destroy the Soviet Union, and similar non-military methods are used now in order to destabilize Russia (Fridman 2017, 70-76). Russia is a victim of information warfare. The "first information war" took place during the Cold War and resulted in the demise of the Soviet Union; the "second information war" has been taking place over the last decade and aims to weaken Russia (Jaitner 2015, 89). In this context, the so-called Colored Revolutions in Kyrgyzstan, Georgia and Ukraine – as well as the Arab Spring, the 2011-12 protests in Moscow and Euromaidan – are all examples of planned Western interventions.

Another aspect that should be taken into consideration when examining the way Russia approaches information warfare is the level of politicization that relates to this concept. The belief that the West is waging a war that aims to disorganize governance, organize anti-government protests and influence public opinion is very common among scholars, the political elite and the general public (Fridman 2017, 70-76). The narrative of an information war conducted by the West against Russia is supported by the Russian leadership. In recent years, President Vladimir Putin and Minister of Foreign Affairs Sergey Lavrov have frequently claimed that Russia has been targeted by information operations. Public opinion surveys prove that the Russian people have embraced this narrative and are largely convinced that a western offensive against Russia has already taken place (Fridman 2017, 76-79).

Apart from the conceptual roots of information warfare and the politicization of information, one can identify three major strategies in the conduct of such operations: mimesis, rollback and invention (Van Herpen 2016). The first step involves copying public diplomacy initiatives that have been developed by the West for some decades. Following the example of the USA and Europe, Russia is creating non-governmental organizations (NGOs) that are in practice organized and controlled by the state. Such cases include the *Russkiy Mir Foundation* and the *Russian International Affairs Council (RIAC)*. These are soft tools that are used to influence foreign governments and manipulate public opinion. The second

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<sup>1</sup> *Military Thought: A Russian Journal of Military Theory and Strategy* is a press organ of the Ministry of Defense of the Russian Federation. The original Russian version is published since 1918 and the English version is published since 1992.

strategy, rollback, is a more aggressive one and is an attack on Western public diplomacy initiatives. This is achieved by restricting the activities of both Western and Russian NGOs that are based in Russia and are funded from abroad. The last strategy, invention, involves the hiring of Western lobbying firms and the establishment of think tanks and discussion fora like the *Valdai Discussion Club*, which aim to improve Russia's, image abroad (Van Herpen 2016).

Information warfare is conducted via old and new media, and Russia has been very active in controlling the media sphere. Russia managed to take control of domestic social media, and in particular *V Kontakte*, and create new media like *Russia Today* and *Sputnik News*. Media organizations like *NTV*, *Channel One Russia* and *Russia 24* spread the Kremlin's narrative not only to domestic audiences, but also to Russian-speaking viewers in other regions (Walker 2016, 59-60). The Kremlin's media strategy also aims to influence foreign public opinion. As a result, in recent years Russian oligarchs have bought foreign newspapers, like the British *The Independent*, which was acquired by Alexander Lebedev, a former KGB agent, and the French *France Soir*, which was bought by Sergey Pugachev, banker and former member of President Putin's inner circle (Van Herpen 2016). A closer look at Russian media that are operating abroad demonstrates their ability to influence Russian-speaking communities in Estonia, Latvia, Lithuania, Ukraine, Georgia, Moldova and even the former Soviet republics of Central Asia (Thornton 2015, 42).

Russia is waging a sophisticated information war in order to promote its national interest. This war is based on the familiar principles of political warfare and propaganda that the Kremlin conducted during the Cold War, but nowadays these operations are facilitated by the internet, fake news and social media. The Russian concept of information warfare offers a synthesis of old and contemporary methods, combining military and non-military means and fully exploiting the advantages and asymmetries of information technology (Darczewska 2015, 38). Planting and disseminating a lie via social media is cheap and easy. On the other hand, identifying the lie, tracking its origins, and communicating "your" truth to the same audiences is labor intensive and costly (Giles 2016, 7).

## **RU.NET 2020 AND THE INFORMATION SECURITY DOCTRINE**

Any information that can be found on the World Wide Web is a potential weapon for, but also a potential threat to, Russia. As a result, Moscow has decided to secure its borders in cyberspace and protect its information space. After NATO recognized cyberspace as a military domain in 2016, Russia declared that RuNet, – the Russian section of the internet – would be disconnected from the global internet by 2020. According to the Information Security Doctrine, signed by President Vladimir Putin on December 5, 2016, Russia aims to deploy a control system that will manage the Russian section of the internet (Ristolainen 2017, 370-378). Russia considers the internet an American product and sees the free flow of information, and therefore disinformation, as a direct threat to Russian cultural integrity and political independence. The Russian government views the privacy policies adopted by transnational companies like Google, Facebook and Twitter as a threat to digital sovereignty and national security (Nocetti 2015, 114). As a result, Russia aims to create a fully state-controlled and independent network, which will ensure stronger defense against external

attacks. RuNet 2020 differs from similar approaches developed by states like India, Pakistan, Cuba and North-Korea, because it aims to exercise full digital sovereignty in its national information sphere (Kukkola and Ristolainen 2018, 253-261).<sup>2</sup>

The rationale behind RuNet 2020 is to make the Russian section of the internet independent from external networks; a more autonomous and better regulated entity where internet traffic will be transferred within the country's borders by 2020. As a result, the state will be able to control internet traffic and censor or suppress any information within the national information sphere. On the other hand, RuNet 2020 could serve as a model for other states seeking to exercise digital sovereignty (Nikkarila and Ristolainen 2017). There are basically two reasons behind this endeavor. The first, and more obvious one, relates to a future military confrontation in which Russia's internet connections might be disconnected for a certain time. An isolated network is a more secure network. The second reason relates to Russian culture and values (Nikkarila and Ristolainen 2017). The fear is that, via the internet, foreign actors are able to exercise increased information influence on Russian youth and thereby target traditional Russian values. RuNet 2020 can be perceived as an attempt to galvanize a safe national web and is based on the "clean internet" project that was initiated in 2012 and is a self-censorship system that aspires to contain Russian internet users in a secure web (Soldatov and Borganov 2015, 298-299).

The Information Security Doctrine is only the latest development in Russia's attempt to secure and nationalize its information sphere (Jaitner 2015, 88).<sup>3</sup> Since 2012, the Russian government has passed numerous laws that aim to control not only internet infrastructure, but also freedom of expression. In general, these laws aim to censor information, block websites that are considered a threat to the political establishment, oblige bloggers to register with the government, and require internet companies to locate servers handling Russian internet traffic inside the country and to store their users' data on these locally based servers (Vargas-Leon 2016, 175-177; Fridman 2017, 78-79).<sup>4</sup> The Information Security Doctrine aims to minimize the dependence of domestic industries on foreign information technologies and to promote the development of Russian technologies. Indicative of the above is the effort over recent years to develop an operating system that would reduce dependency on Microsoft Windows and instead rely on domestic products and software.

It is interesting to note, however, that the Information Security Doctrine also refers to strategic partnerships aimed at securing the Russian information sphere. With the goal of establishing a secure BRICS operating system, the BRICS countries decided in 2013 to gradually construct their own internet infrastructure, improve cybersecurity, and create a separate cyber universe. This involves the interconnection of the BRICS countries via a new underwater cable that goes from Brazil, around the Cape of Good Hope, northeast up to India, then along the Chinese coast, and finally up to Vladivostok, in eastern Russia (Nikkarila and

2 This involves the control of national domains as well as traffic exchange points and autonomous systems that belong to the private sector. This necessitates that all .ru domains be hosted in Russia.

3 There are a number of official documents that highlight the need to protect Russia's information space, like *National Security Strategy 2020*, *Information Security Doctrine of the Russian Federation*, *Conceptual Views Regarding the Activities of the Armed Forces of the Russian Federation in the Information Space* and *Basic Principles for State Policy of the Russian Federation on the Field of International Information Security*.

4 Such laws are the 2012 Federal Law No. 121-FZ that restricted the activity of NGOs that receive foreign funding, the 2013 Federal Law No. 398-FZ that simplified the procedures required to block extremist websites, the 2014 Federal Law No. 97-FZ that enforced governmental supervision of successful websites and blogs, the 2016 Federal Law No. 374-FZ that forced websites to store data concerning their Russian clients within the territory of Russia, the 2014 Federal Law No. 305-FZ that limits foreign investment in Russian media outlets.

Ristolainen 2017). This ambitious project aspires to bypass any internet infrastructure that is located outside these states. The narrative developed by the Kremlin is that most of the internet's infrastructure is unequally owned or controlled by the West. This inequality is making the internet less stable and safe. Thus, Russia and like-minded states, like Brazil, South Africa, India and China, should strengthen their cooperation in order to safeguard their information resources (Nikkarila and Ristolainen 2017).

As analyzed above, the reason for developing RuNet 2020 is to disconnect technically from the global internet by controlling the internet routing system inside Russia. In tactical terms, this will make the Russian information space resilient and offer maneuverability when conducting information operations in cyberspace. In strategic terms, however, the implications of RuNet 2020 are far greater. Instead of pursuing a costly cyber arms race in an open and insecure internet, Russia is creating an asymmetry by exercising digital sovereignty and constructing a closed national information space. Bearing in mind the ongoing discussions about cyberspace governance, RuNet 2020 might serve as a model for many states out there. The argument that RuNet 2020 will protect citizens from harmful information and fake news is a narrative that many states may be tempted to adopt in order to disconnect from the Internet. If states that belong in the Collective Security Treaty Organization or the Commonwealth of Independent States gradually follow Russia's example and develop an alternative cyber universe, it will be a huge ideological victory for the Kremlin. In that case, RuNet 2020 will challenge the way democracies function and will lead to the fragmentation of the global internet architecture (Nikkarila and Ristolainen 2017).

The West will inevitably face the dilemma of either ignoring this development or introducing certain countermeasures in order to reduce its vulnerability. Sticking to the present open internet model might be in line with the values of liberal democracy, but Western societies will be exposed to foreign influence. Adjusting to a closed national model would mean that the West is questioning the value of a global and open internet and thereby admitting that its model has failed. On the other hand, if western states follow Russia's example and transform their national cyberspaces into more autonomous and resilient ones, Moscow will not be able to exploit their weaknesses and, as a result, will lose its current comparative advantage (Nikkarila and Ristolainen 2017).

## **WEAPONIZING INFORMATION: THE CASE OF UKRAINE**

In Ukraine, the Russian military campaign on the ground was accompanied by an active media campaign that undermined Ukrainian authorities and their efforts to protect the country. Russian information operations covered every layer of communication, targeting information assets in the physical, logical and societal domains. Information operations were applied from the strategic level – against the state institutions of Ukraine – to the tactical level in order to enable military actions by pro-Russian forces. From the early phase of the conflict until the annexation of Crimea, Russia controlled the flow of information (Jaitner 2015, 91). During the operations in Crimea in March 2014, Russia managed to achieve information dominance. Russia controlled broadcast and print media, shaped the narrative in the social media and isolated Crimea from independent news from abroad (Giles 2016, 6-12). The media-isolation of Crimea was achieved by taking physical control of the internet and



telecommunications infrastructure and by disrupting cable connections. Russia used all available means: fake news, troll campaigns, official government statements, YouTube videos, SMS messages, denial and deception, sabotage, cyber-attacks and narratives. Due to the information blackout, the target audience in Crimea shaped its perception mainly through Russian or pro-Russian media sources.

From the first day of the conflict, Russia denied direct involvement. When armed fighters – the so-called “little green men” from Russia – appeared, both President Vladimir Putin and Defence Minister Sergei Shoigu denied the participation of Russian troops (Jaitner 2015, 90–91). In early March 2016, Ukraine reported damaged fiber-optic cables, jamming of naval communications and defacement of government portals. The mobile communications of government officials were compromised, and news portals suffered distributed denial of service attacks. Adding to that, a pro-Russian hacktivist group, *Cyberberkut*, managed to access phone recordings and electronic correspondence between Ukrainian, EU and US officials (Jaitner 2015, 91).

Russia used various media channels to distribute its disinformation and construct its narrative. These included both governmental and private TV channels (e.g., *Rossiya 1*, *NTV*, *Russia Today*, *LifeNews*), radio stations (e.g., *Radio Mayak*), mobile phone operators (e.g., *KyivStar*), Internet sources (including online publications (e.g., *Itar Tass*, *RIA Novosti*) and social media networks (e.g., *YouTube*, *Facebook*, *Vk.com*, *odnoklassniki.ru*). The separatist People’s Republics of Donetsk and Luhansk have their own channels producing anti-Ukrainian propaganda (e.g., *dnr-news.com*, *novorus.info*). Russia managed to control the media and thereby manipulate the flow and content of news (Sazonov 2016).

Indicative of the preparations that Russia has made in order to prepare the battlespace is the fact that the official websites of the People’s Republics of Donetsk and Lugansk were registered well before these entities declared their independence from Ukraine. Likewise, although President Vladimir Putin referred on 17 April 2014 to the south-eastern part of Ukraine as *Novorossiya*, an analysis of web data shows that preparations were made prior to this announcement: *Novorossiya* websites such as *novorus.info* and *novorossia.su* were registered with who.is in March 2014 (Jaitner 2015, 92).

The narrative that Russia constructed framed Russia as a Eurasian power that must control Ukraine and the Black Sea. According to this narrative, Ukraine has been an integral part of the Russian World since the birth of the Russian Empire, and control over Crimea serves Russia’s national interest. In its narratives, Russia exploited the deficiencies of the West and Ukraine, the political and economic crisis in Ukraine, and urged the empowerment of nationalist and xenophobic trends that often occur in a crisis-prone Ukraine that is divided between its pro-Russian population (Russophones), living mostly in the Eastern and Southern parts of Ukraine (depicted as *Novorossiya*), and pro-Ukrainians (Ukrainophones), who have their stronghold in Western Ukraine (Sazonov 2016).

The ubiquity and anonymity that characterizes communications via the internet offered Russia new opportunities to exploit. Russia combined traditional methods of propaganda and subversion with the benefits of information technologies and conducted an information campaign in Ukraine that was massive, multifaceted and successful.

## CONFRONTING RUSSIA'S INFORMATION OPERATIONS

Russia's information operations – whether they are labeled as political warfare or influence operations or exercised as an element of a broader hybrid campaign – have exploited the vulnerabilities of open liberal democracies and targeted both the elites and societies of the western states in order to influence political behavior and public opinion. The toolkit involves the dissemination of false, misleading and manipulative information in the media – especially the social media. The question that inevitably arises is, what can be done to successfully counter such operations (Hellman and Wagnsson 2017)? Any effort to counter Russia's information operations requires a comprehensive government approach that involves state agencies, collective actions within NATO and the EU, cooperation with the private sector and the active involvement of the media in investigative journalism projects and the construction of counter-narratives.

States can respond to information campaigns with defensive or offensive measures that involve preventive, reactive or pro-active actions. In particular, defensive measures are overt and aim to safeguard a state's information domain, whereas offensive ones are covert and aim to target the enemy's information domain (De Jong 2017). Striking a balance between defensive and offensive measures is not an easy task, for reasons that mainly have to do with the way a liberal democracy functions. Paradoxically enough, democracies have to tolerate some propaganda in order to stand up for democratic values (Taylor 2002). Democracies aspire to protect their citizens while at the same time safeguarding the constitutional order. On the one hand they wish to protect political and civil rights, while on the other hand they must also preserve social order. Governments have to draw a line between legitimate expressions of freedom of speech, on the one hand, and foreign interference that triggers political upheavals. But the dividing lines between ordinary people expressing their views and state sponsored trolls can sometime be unclear. To what extent should democracies value freedom of speech and allow individuals and media to spread disinformation and fake news?

One defensive measure, for example, is censorship of the Russian media. This option is very unpopular in the EU and the U.S. Any form of censorship would create a boomerang effect, since it would legitimize the Russian narrative. Likewise, an offensive measure is the employment of counter information warfare campaigns in order to infiltrate and manipulate the Russian information domain. Again, such an option is not desirable in liberal democracies, which are expected to protect the truth. After all, the media are expected to act as the fourth estate and ensure the promotion of the truth (Thornton 2015, 44). Despite the above setbacks, governments cannot be apathetic when they spot deliberate cases of fake news and disinformation. To begin with, governments should engage in a public debate, clearly state the false/fake arguments that have been used, and raise public awareness. Adding to that, instead of censoring, governments should activate independent regulatory agencies that could take proper actions against media organizations that act as agents of influence. This way the media can still function as an independent watchdog (De Jong 2017).

In order to counter Russian information operations, governments in the West need to engage all relevant agencies in the areas of defense, foreign policy, internal security, public diplomacy and strategic communication. No state, no matter how strong, can counter this challenge on its own. The exchange of information and best practices among states, and also between NATO and the EU, will only benefit Western societies (De Jong 2017, 3-6). The

establishment of StratCom, NATO's Strategic Communications Centre of Excellence, the creation of the East StratCom Task Force as part of the European External Action Service,<sup>5</sup> the establishment of an EU Hybrid Fusion Cell within the EU Intelligence and Situation Centre, and, finally, the launch of the European Centre of Excellence for Countering Hybrid Threats are developments that will offer a coherent response to Russia's disinformation campaign (De Jong 2017, 56-62).

Since the public audience is the main target of such campaigns, educating the public in identifying propaganda is imperative. Likewise, in an era when social media dominate the discourse – when the medium is, more than ever, the message – governments need to invest in internet literacy in order to confront unwanted narratives. Tailor-made courses should be offered to government officials and journalists to educate them in how to identify disinformation and trace the origins of fake reports (De Jong 2017, 60).

Information warfare is a battle of narratives. Therefore, the combatant with the most convincing narrative will win. In contrast to Russia, which enjoys an integrated approach, collective entities like NATO and the EU will always lack a common narrative (Thornton 2015, 45). Taking for granted that the construction of a synchronized narrative is rather unlikely, Western states should build their narratives on their national identities. Western states should construct counter-narratives that emphasize the domestic culture and values that make them unique. National narratives must embrace diversity and reflect an idealized national self image (Hellman and Wagnsson 2017, 165). The battle for hearts and minds is conducted both at home and abroad. In states that have Russian minorities, governments should engage with this target audience in the Russian language through news programs, talk shows, and culture and entertainment programs. In the past, *BBC World*, *Voice of America* and *Radio Free Europe* have served as instruments of soft power, but the media environment is now more complicated than it was during the Cold War. The West needs to fund tailored Russian language programs that deconstruct the hostile narratives that have been put forward by Russia.

Technology, too, can assist in identifying and countering the spread of disinformation. The *Atlantic Council's Digital Forensics Lab*, civil society initiatives like the *StopFake.org* and the *Authoritarian Interference Tracker*, and a project developed by the *German Marshall Fund of the United States* are organizations that rely on open-source intelligence analysis and social media algorithms to detect malicious behavior and spot the methods that are used to disseminate fake news (De Jong 2017, 56-62).

The most suitable way to face Russia's information warfare is to identify the disinformation and debunk it by presenting rational arguments supported by real evidence. In order to achieve this, the West needs not only to apply all the above measures, but also to gain a better knowledge of Russia. The development of expertise on Russian culture and history will enable scholars, government officials and decision makers to gain a better understanding of Russian policy.

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<sup>5</sup> The East StratCom Task Force publishes two weekly newsletters, the *Disinformation Review* and the *Disinformation Digest*, that offer a systematic overview of cases of disinformation. Such publications and their social media accounts collect and report cases of disinformation and inform journalists.

## CONCLUSION

In an era that is characterized by the rapid development of information communication technologies, it is only natural that information plays a central role in any type of sociopolitical confrontation. Apart from the traditional battlefield, states have also to take into consideration the battlespace of the mind and the war of narratives. Information warfare is not new, but its potential in an information-intensive environment poses a great challenge for liberal democracies. As demonstrated in recent years, information warfare is challenging not only the way we understand and conduct warfare, but also the values of democratic societies. Information exploits one of the most challenging characteristics of our era: ambiguity. The lines between virtual and real, domestic and international, public and private have eroded, and the end result is far more ambiguity. The purpose of Russia's information war is not to project Russia as an ideal model, but to undermine the truth and the very idea of objective reporting (Giles 2016, 6). By successfully exploiting this ambiguity and distrust, Russia has weakened social cohesion and made Western societies question the values of their institutions.

Confronting Russia's information operations is not an easy task. In the battle of narratives, liberal democracies should respect the pillars of democracy and rule of law while simultaneously protecting the democratic order from foreign influence. An effective counter-strategy requires an integrated approach: an empowered civil society, synergies between NATO, the EU and national governments, and tailored communications products that identify disinformation and project the truth. Such an all encompassing approach will ensure the necessary balance between the functioning of liberal democracy and the protection of societal cohesion. Fighting propaganda with propaganda is simply not an option. Echoing the *Washington Post's* motto that "Democracy dies in Darkness," it is only the truth that will shed some light on the darkness.

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*Chapter 12*

## **A CLOSER LOOK AT THE RUSSIAN PETROLEUM INDUSTRY**

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### **ABSTRACT**

Russia historically is one of the major actors in the global energy supply, accounting for over 16% and 12% of global natural gas and liquid hydrocarbons production, respectively, since the 1970s. In turn, Russian oil and gas companies are the primary suppliers of hydrocarbons to Europe, providing over 30% of the region's imports. Moreover, Russia has strong presence in the solid fuels markets and is one of the world leaders in nuclear energy. Russian energy companies maintain a presence all over the world, from the Americas to Europe and Asia.

Yet, despite the growing global energy demand and increasing domestic production, the country's role in the world markets has been continuously shrinking; its share in global hydrocarbons production has been diminishing while competition for end-consumers is on the rise. The geopolitical strife between Russia and the Western countries has further affected the country's position and prospects in the energy markets. European policies of energy supply diversification, along with support for alternative energy sources, have forced Russian companies to pursue new markets; they have turned to East and are engaging in harsh competition for Asian consumers, all the while combating the negative effects of sanctions, falling hydrocarbon prices, and import dependence across most of the production chain.

We project that, for the foreseeable future, Russia will preserve its place among the world's top hydrocarbon suppliers, yet will lose a measure of its influence in regional markets. Net volumes of crude oil and petroleum products exports are expected to decline. At the same time, there will be a major shift in the export destination, as more and more liquid hydrocarbons will be bound eastwards, to the Asian markets. This process will be aided by rapidly expanding transport infrastructure and new upstream and

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downstream projects in Eastern Siberia and Russia's Far Eastern regions. It is worth noting, however, that, due to the enormous size of the Asian market and fierce competition, Russian influence in Asia will never match its extent in the traditional European markets.

As for the gas market, falling demand and the emergence of alternative suppliers will undermine the positions of Russian companies in Europe, while a "turn to the east" similar to that of oil exports will be hindered by high capital intensiveness of prospective upstream projects and a lack of gas infrastructure beyond the Unified gas supply system.

**Keywords:** Russia, petroleum industry, energy sector, long-term outlook

## INTRODUCTION

Over the course of history, Russia has maintained global influence in many fields: diplomacy, military, science, economy. Yet, in recent decades it is the energy sector that it came to the forefront. A combination of vast natural resources, experience, scientific achievements and technological acumen allowed Russia to become a true energy superpower involved in energy trade and investment projects all around the globe: Europe, Asia, Africa and the Americas. With energy production of 1310 million toe, Russia exports 640 million toe, accounting for 16% of global cross-regional energy trade and making it the undisputed global leader in the export of energy resources.

Russia maintains a presence in the solid fuel market and is among the leaders in nuclear energetics and hydropower, but it is undoubtedly in the oil and gas sectors that has the most prominence. Consistently among the world's top crude oil and natural gas producers and exporters, Russia has reaped both economic and political benefits. However, the plunge of energy prices, rising political tension, sanctions and economic slowdown – all in 2014-2016 – have cast doubt on the country's capability to sustain its status.

In this chapter the authors will provide a brief overview of the Russian petroleum industry and the current position of Russia in the global hydrocarbon markets. Using our expertise in the field of analyzing and forecasting global and Russian hydrocarbon markets, we will provide a scenario-based outlook for Russia's position in global energy trade up to 2040.

## OVERVIEW OF THE HISTORY OF THE PETROLEUM INDUSTRY IN RUSSIA AND ITS GLOBAL SIGNIFICANCE

The history of the Russian oil and gas industry stretches back 150 years, to when the first wells were drilled in the Absheron peninsula by Ardalion Novosiltsev's company in the late 1860s. In a twist of fate, much like that of its American counterpart, the Russian oil industry's inception is closely tied to a colonel; however, in contrast to the self-titled "colonel" Edwin Drake, Novosiltsev was a true noble-born army officer (Baybakov 2011). Yet, in an ironically similar fashion, both of these men, despite having single-handedly jump-started the industry in their respective countries, they couldn't truly realize their pioneer status. In 1878, after



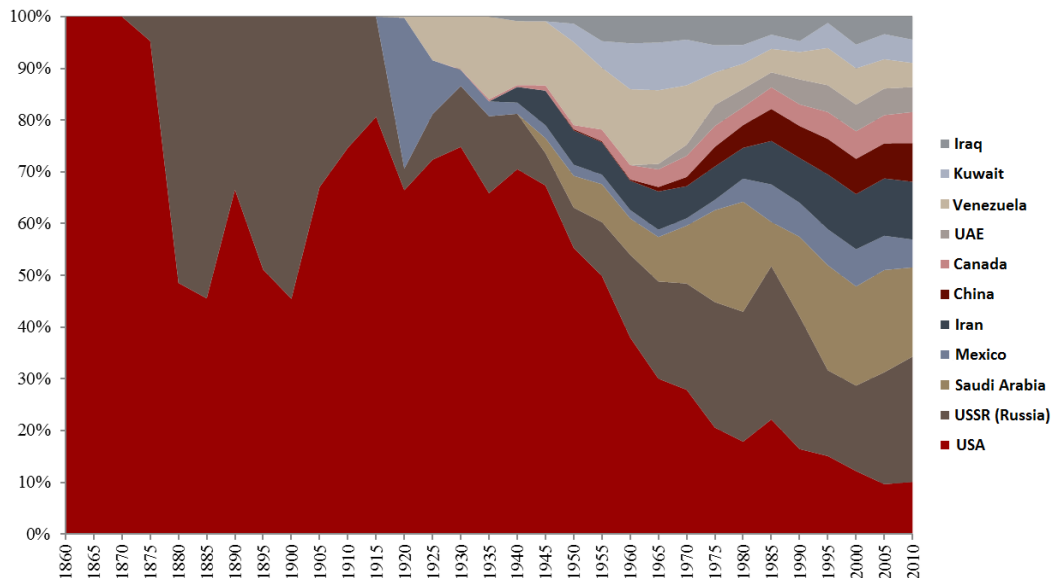
over a decade of work in oil production, Novosiltsev died, never to see the fruits of his labours (Slavkina 2017).

For the next 40 years the industry was dominated by foreign investors, including such well-known families as the Nobels, Rothschilds and Rockefellers. Unlike the Russian enthusiasts who mounted early attempts, the foreigners were more thorough in their approach. The most prominent enterprises of the time – the “Nobel Brothers Petroleum Production Company, Limited” or “Branobel” and the “Batumi oil industry and trade society” (Yergin 1990) – were full-fledged vertically integrated companies covering the entire production chain: oil extraction, refining, transportation, storage and even marketing.

By the end of 19th century, foreign companies and small Russian trusts provided up to a half of global oil production (Figure 1). Crude oil and kerosene, produced in the Caucasus region, were exported through the black sea ports, mainly by the British, who controlled up to 40% of the Russian oil industry (Shulatnikov 2016).

During the First World War, Russian oil became increasingly valuable as an energy source, as war efforts were faced with supply shortages of British and Donbass coal. The private companies responded to the abrupt increase in demand by raising prices, which forced Russian government to directly intervene in the industry’s operations, controlling both the destination and prices of shipments (Kalinov 2006).

With the Bolsheviks assuming control of the country in 1918, the new government began a full-scale nationalization of the industry. Yet, despite the industry’s coming under full control of the communist state, oil and petroleum products continued to flow westwards, becoming an important source of income for financing the country’s industrialization.



Source: compiled by the authors.

Figure 1. The shares of Russia and other major oil producers in global petroleum output.

The 1930s marked a new phase for the Russian oil industry, as oil production expanded beyond the Caucasus with the discovery of the Volga-Ural oil and gas basin, initially called a “second Baku.” This proved to be a misnomer, however, as in time the new basin greatly eclipsed the original Baku oil fields in terms of reserves and production.

This discovery proved crucial to the country’s efforts in the Second World War. At the beginning of the war, the USSR received most of its oil from Baku and was dependent on high-octane gasoline shipments through the lend-lease program. As the German forces drew closer, Russia was forced to abandon Caucasian oil fields, destroying much of the infrastructure to prevent them from being used by the enemy. The tactic proved successful, yet Russia was now faced with even greater difficulty in supplying its own army with oil products.

The Bashkirian oilfields, located far away from the war fronts, proved invaluable. The region underwent rapid development during the war, with over thirty new oil fields discovered and four new refineries built to accommodate growing crude production. As a result of these efforts, by the end of the war the USSR was capable of satisfying all of its own needs and even providing fuels for allied forces and Comecon countries.

The foundation laid in the 1940s became a stepping stone for the industry. Development of new regions and fields in the Volga-Ural basin, including the giant Romashkino field in the 1950s, helped the country to regain its place among global leaders in oil production and re-establish oil exports to western countries.

The leading role of the oil and gas sector, both domestically and internationally, was further consolidated in the 1960s and 1970s with the discovery of an even richer Western Siberian basin, with such giants as Samotlor oilfield and Urengoy gas field. Development of these unique fields in the harsh Siberian conditions was one of the greatest achievements of the soviet petroleum industry. Transport infrastructure was greatly expanded to accommodate the growing production. The major “Druzhba” pipeline network was built and expanded to supply Eastern bloc countries and, by extension, Western Europe, while shipments to Asia were transported by rail. Natural gas exports started to take off rapidly, reaching 59 billion cubic meters by the end of the 1970s and becoming the backbone of energy sectors in many European countries. Oil refining and petrochemistry were also progressing, albeit at a significantly slower pace.

These developments, however, had some unforeseen negative long-term side effects, as the Soviet economy became increasingly dependent on the oil and gas sector; specifically, crude oil exports. The turning point of this process came during the 1973 oil crisis (Donev 2016). The surge in oil prices and the self-imposed withdrawal of key competitors created the perfect opportunity for the USSR to ramp up exports to capitalist European countries. The influx of petrodollars put pressure on the economy and formed many of the imbalances seen to this day.

By the beginning of the 1980s the industry was starting to stagnate. Lagging domestic demand provided little incentive for the development of deep hydrocarbon refining, while the need to export required more and more crude production. As a result of extensive usage of oil well production intensification techniques, many of the major oilfields were becoming increasingly flooded, causing a rise in production costs and reduced recovery rates. The quality of produced crude had also begun to deteriorate. Coupled with a plunge in hydrocarbon prices during the decade (World Heritage Encyclopedia 2019), these factors created a toxic environment in the industry.

By the end of the 1980s, the Soviet planned economy was failing and in dire need of reforms. Yet the Gorbachev government's attempts to stabilize the situation and introduce some market elements to the system proved to be insufficient, resulting in the dissolution of the USSR in 1991.

The collapse of the Soviet Union came as a massive blow to all sectors of the Russian economy, the petroleum industry being no exception and, in fact, being among the most affected. The government of the newly established Russian Federation, led by President Boris Yeltsin, pushed for even more liberal reforms, deconstructing the soviet system in record time. The idea for solving the country's problems was to establish a market-based economy akin to those in developed Western Countries, with private owners running the industries with more efficiency than the government, increasing overall welfare. To this end, most industrial assets, including oil producing and refining, were put up for privatization. In 1992, such major companies as LUKOIL, YUKOS and Surgutneftegas were created, along with many others. Initially, some state control over the production sector of the industry was maintained through the national company Rosneft's owning the assets previously held by Rosneftegaz, the successor to the Soviet Union's Ministry of Oil and Gas, as well as shares in the newly-created private companies. However, from 1994 to 1997, Rosneft lost most of its assets, which were either reformed into several independent private companies – Sidanko, TNK, Sibneft, Slavneft, Eastern oil company, ONAKO, KomiTEK – or given over to LUKOIL and YUKOS. By the end of the decade, national Rosneft was left with but two obsolete refineries and several low-production and poorly managed oil-producing assets, and the sector could be considered fairly competitive, with a mix of major private vertically integrated companies and small oil producers.

Yet, the results were far from those expected. In addition to severe issues left over from the previous period, the oil and gas industry was seen as a cash cow by both the new government and private owners. Exorbitant taxes, corruption and predatory management left the sector with little of the much-needed funds to stabilize falling production, much less increase it. As a result, annual oil production plummeted from 570 million tons in the late 1980s to 300 million tons by 1995, and there were grim predictions of an even deeper fall.

One of the few exceptions was the semi-national Tatneft, which was under control of the Republic of Tatarstan. As Kazan was granted the privilege of conducting a relatively independent tax policy for the oil industry and provided many incentives for their company, Tatneft managed to maintain fairly high levels of production through the 1990s, despite operating mostly declining fields.

The Government attempted to counter investment deficit by attracting foreign companies. High hopes were pinned on product-sharing agreements (PSAs). The first PSAs were signed in 1994 and mid-1995, as direct agreements between the Russian government and oil companies. Those included Sakhalin-1 (Exxon) and Sakhalin-2 (Shell, Mitsui and Mitsubishi) and Kharyaga (Total and Statoil). These test projects were met with much enthusiasm and thus Federal law №225 "On production sharing agreements" was passed on 30 December 1995. Under this law, the investors pay royalty and income tax and the extracted crude is divided between the state and the investor in a ratio determined for each project individually. The investors have the right to export their share of crude without restrictions, but are obliged to purchase at least 70% of their equipment, materials and services from Russian companies. The law also contains a "grandfather clause" for the initial PSA projects, to prevent discrimination. Hundreds of oilfields were expected to fall under PSAs, with domestic and

foreign oil companies actively lobbying for these agreements. But they were faced with resistance from State Duma, which was backed by many Russian experts and scientists concerned about yielding control of the industry and becoming dependent on foreigners. In the end, no new PSAs have been put into effect since 1996, with only the initial three agreements still in operation, and the overall involvement of international oil companies in Russia was very limited as they were put off by political instability and questionable business practices.

Curiously enough, despite massive deregulation of production assets, the Government attempted to keep a hold on hydrocarbon distribution. The oil companies were often forced to supply unprofitable domestic consumers, and exports were rigidly controlled, at first through a system of quotas for oil producers and, since 1992, through the institute of “special exporters” – state-appointed private traders that had exclusive rights to export some of the strategic commodities, including oil, petroleum products and natural gas. Thus, in theory, the government kept the tools to determine the quantities and destinations of hydrocarbon exports, effectively controlling the entire industry. However, this system turned out to be a breeding ground for corruption, as the special exporters had oil companies on a short leash, claiming a lion’s share of export margins, without the need to worry where the actual oil came from, and using their financial resources to influence government decisions. It should come as no surprise that the status of special exporter was highly sought after and, despite repeated efforts by the state to regain control, their influence only grew. In 1995 the special exporter system was shut down under pressure from the IMF, but the established traders did not cease operations, instead switching to servicing federal target programs: limited volumes of crude sold to cover some specific government expenses. Needless to say, money laundering schemes flourished and only fractions of the total revenue reached the intended destinations.

Corrupt and torn apart by contradictions, the post-soviet system was hardly sustainable. Its implosion is known as the Russian financial crisis that hit on 17 August 1998. It resulted in the Russian government and the Russian Central Bank devaluing the ruble and defaulting on its debt. The crisis, however – in spite of its initial disastrous impact, had a long-term positive effect on the economy, clearing out cheap imports that hindered the development of domestic producers and forcing the Government to radically alter its course.

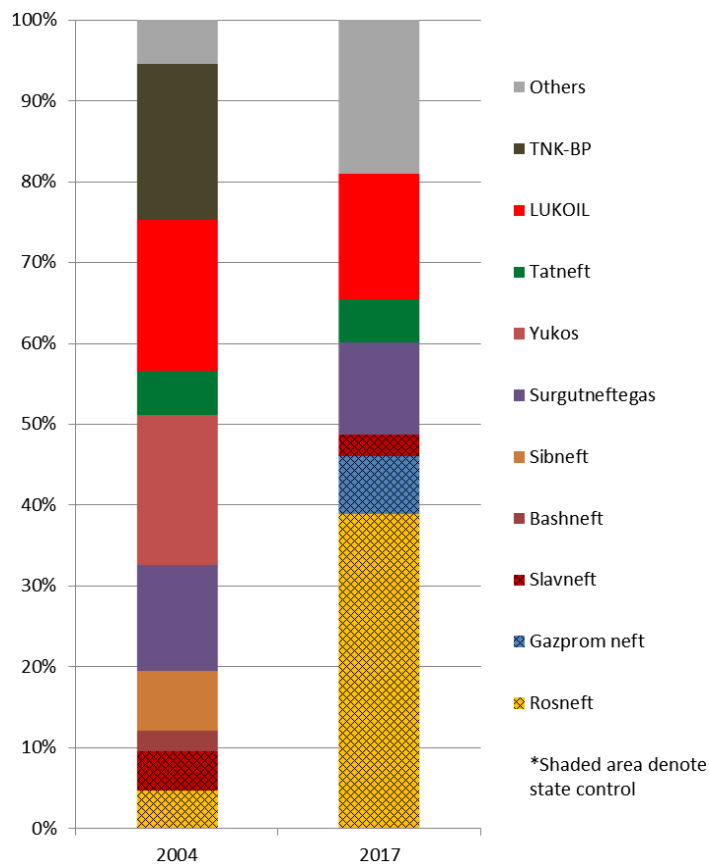
The Government under the new President, Vladimir Putin, abandoned most non-monetary management tools in the hydrocarbon industry, instead focusing on the development of a unified coherent taxing system. In place of the erratic, overblown taxation structure of the previous decade, which included numerous federal taxes and local fees issued by regional governments, a common system was established, consisting of MET (Mineral Resources Extraction Tax, a version of royalty tax) and Export Duty, both tied to global oil prices. Most revenues under the new system were fed directly into the federal budget, strengthening the Central Government. This improved state budget revenues and provided the country with funds for economic recovery.

The next phase, ongoing to this day, is the process of transition to the “monopolization” of the oil industry under state-controlled companies. It began with the notorious YUKOS trials in 2003-2007. Corruption allegations against top management forced the company into bankruptcy, making its assets easy pickings for Rosneft, which was chosen as the instrument for re-establishing government control over the industry. In 2013 Rosneft obtained TNK-BP assets through acquisition of a majority stake in the company, catapulting itself to a status of

unquestionable leader of the industry. Furthermore, in 2016-2017, as the privatization of Bashneft in the early 2000s was declared illicit, Rosneft was the first in line for the re-privatization. As the result, by 2017 48% of crude production and 61% of oil refining capacities were concentrated in the hands of state-controlled companies (Figure 2; Figure 3).

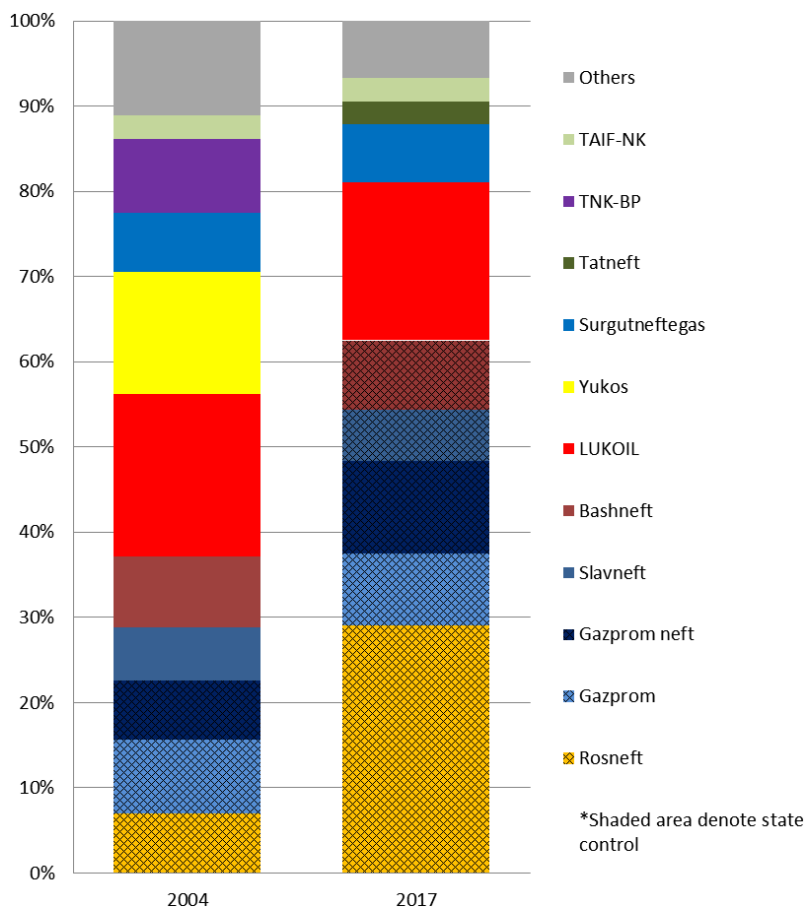
It is worth noting, that, unlike the petroleum sector, the gas industry has never undergone extensive reformation and privatization. Historically, most upstream, midstream and downstream facilities have been under control of national Gazprom, which – with the exception of several state-approved LPG projects – holds exclusive rights on natural gas exports.

The overview of the industry's history proves that, ever since its inception, the petroleum sector has been vital for Russia in all incarnations: as an absolute monarchy, as part of the Soviet state, and as a democratic country. Given the industry's importance, the emphasis placed on it by the Russian government should come as no surprise.



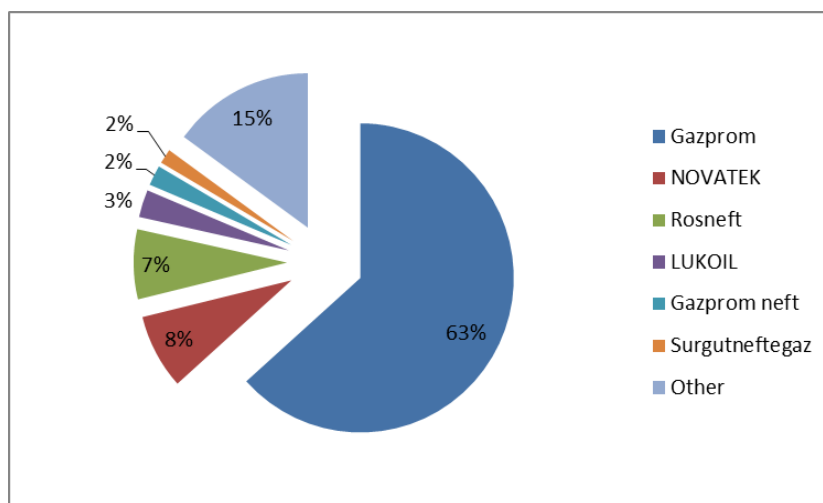
Source: compiled by the authors.

Figure 2. Oil production structure in Russia.



Source: compiled by the authors.

Figure 3. Oil refining capacities structure change in Russia.



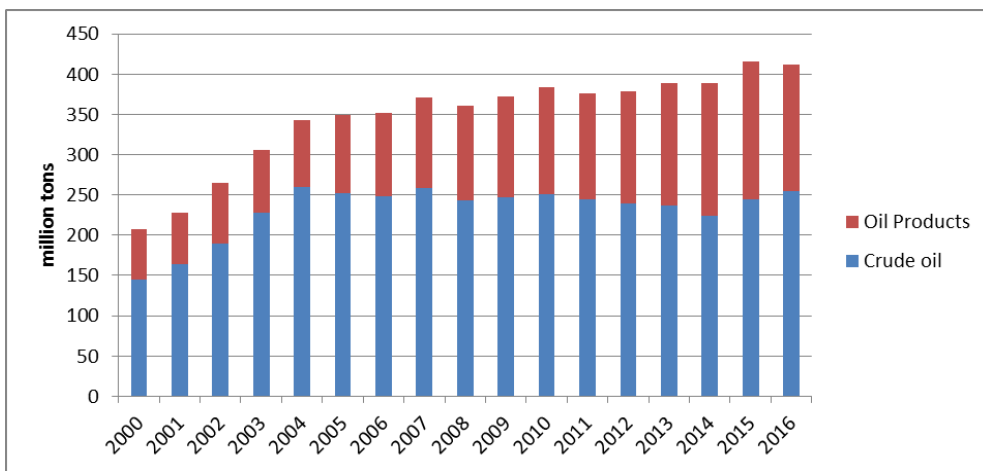
Source: compiled by the authors.

Figure 4. Structure of natural gas production in Russia.

## OVERVIEW OF RUSSIA'S POSITION IN THE GLOBAL HYDROCARBON MARKETS

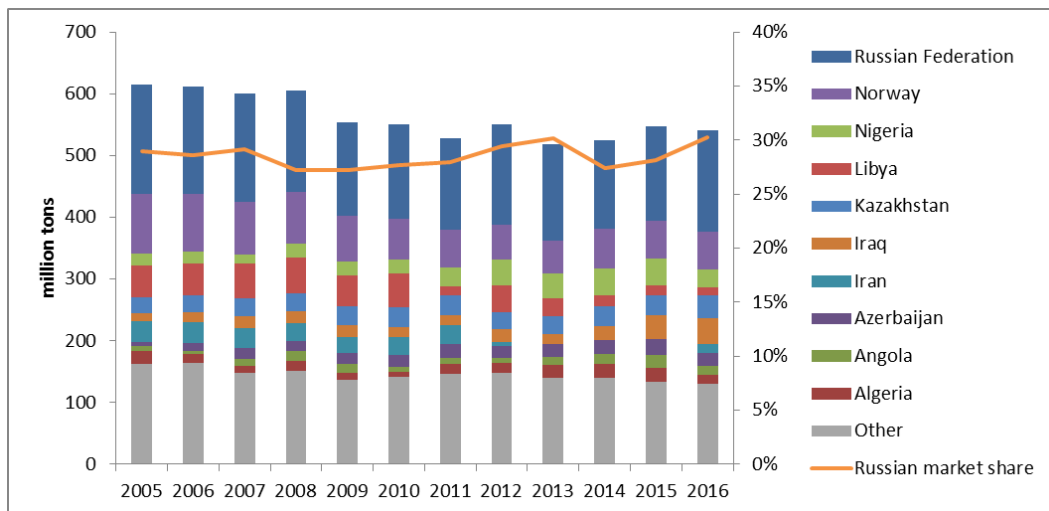
Since the early 2000s, the oil industry in Russia has been undergoing a major recovery and development phase driven by a combination of favorable global market conditions – with steadily increasing energy prices and stable market niches – and robust government policies.

Oil production increased from 305 million tons in 1999 to 548 million tons in 2016 – by 80% in 17 years – almost reaching the highest soviet era levels. Expansion of oil refining was equally impressive, with an increase of 65% in the same period: from 170 million tons in 1999 to over 280 million tons in 2016. Exports of liquid hydrocarbons have doubled, exceeding 400 million tons in 2016 (Central bank of Russia 2018) (Figure 5).



Source: Central bank of Russia statistics.

Figure 5. Liquid hydrocarbon exports from Russia.



Source: European Commission statistics

Figure 6. EU oil imports by country (left axis) and market share of Russia (right axis).

The European Union remains the chief export destination, accounting for 65% of total oil and 60% of petroleum-product exports. At the same time, Russia is by far the key supplier of liquid hydrocarbons to the EU, providing over 30% of crude and 45% of petroleum products imports by the Union (European Commission 2019a).

Such interdependence has been cited as a source of concern on both sides of the fence (Karpukhin 2016; Vedomosti 2017), becoming especially acute amidst the political tensions that have been rising since 2014. Ensuring energy security is one of the top priorities of European energy policies (European Commission 2019b). The route to this goal is twofold: reducing reliance on fossil fuels and diversifying imports.

So far, the EU has been fairly successful in the first objective, reducing imports by over 12% in the period from 2005 to 2016. But curiously enough, the Russian market share has been fairly stable in these 11 years, fluctuating between 27 and 30 percent (Figure 6). Nevertheless, the net volumes of Russian exports to Europe fell, and this presented a challenge for the growing domestic production.

Given its unique geographical position, stretching across 8 time zones from the Baltic Sea to the Pacific Ocean, Russia has direct access to both European and Asian markets. But until recently, the Far Eastern regions have seen limited development of petroleum industry assets – especially transport infrastructure. The rise of China as an economic superpower hungry for energy forced the Russian government to seek access to the PRC's market, both as a means of securing a long-term niche and to replace dropping exports to the traditional European region.

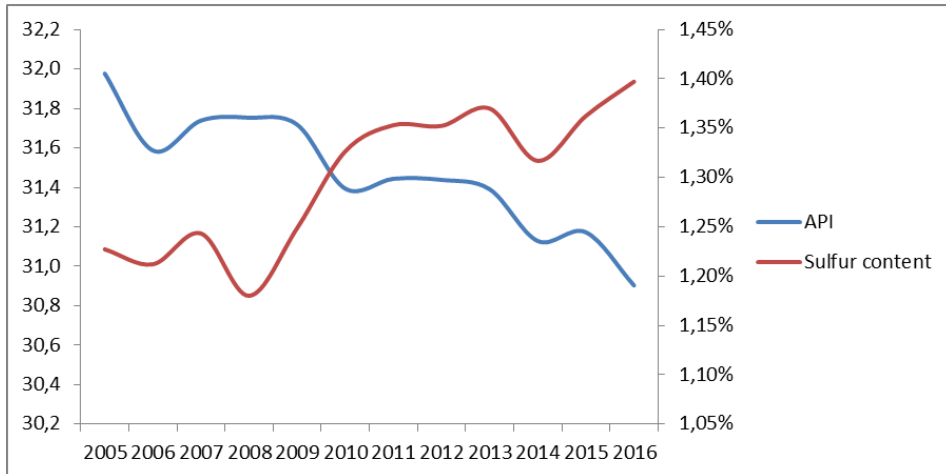
In 2009 the Eastern Siberia-Pacific Ocean (ESPO) oil pipeline was put into service, with an annual capacity of 30 million tons. It was further expanded to 58 million tons in 2012. Prior to this, most exports to the Asian region were transported by rail, severely limiting profitability and throughput. With the introduction of the pipeline, Russia increased exports to China from 22 to over 50 million tons in 2008 and 2016, respectively, overtaking Saudi Arabia as China's leading supplier and securing a market share of 14%.

This came at a price, however. To succeed in the highly competitive PRC market, Russia created a new export brand, ESPO (name derived from the aforementioned pipeline), composed of light sweet West Siberian oils rich in diesel fractions. This move has partially accomplished its goal, as the new brand became sought-after in the Asian market, yet, at the same time, the quality of the main Russian brand, Urals, flowing westward, began to deteriorate, bereft of the very same light oils it once contained (Figure 7). While not all that significant now, this drop in quality may negatively impact positions of Russian oil in the EU market as the competition intensifies.

Moreover, as China possesses enormous downstream capacities – second only to the USA – its interest in Russian refined petroleum products is marginal at best. Indeed, according to a 2017 BP statistical review of world energy, in 2016 Russia exported only 2.5 million tons of oil products to PRC, a meager 1.6% of Russia's overall petroleum products exports.

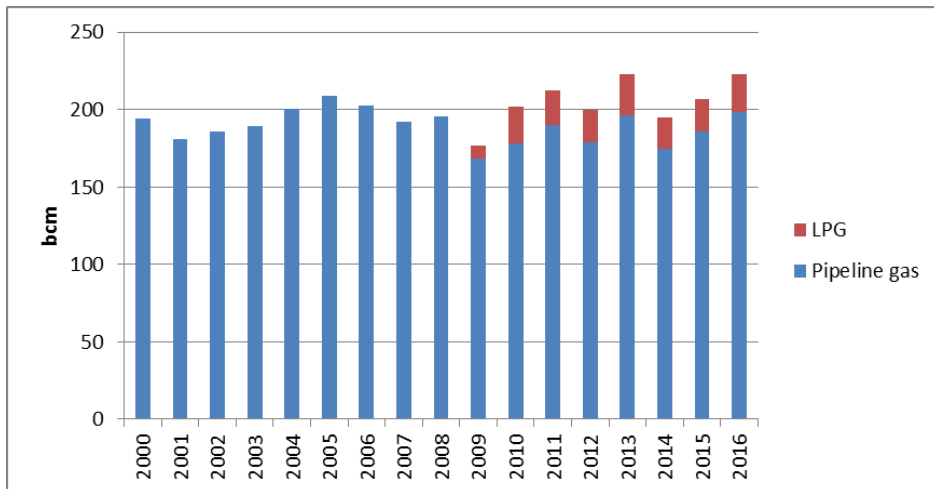
In contrast, the Russian gas industry was significantly less dynamic. In 2016 gas production amounted to 640 bcm, only 10% higher, than in 2000. In the last two decades, gas production has been bound to a rather narrow window, never rising above 670 bcm or falling below 580 bcm. Exports have also been mostly stable, as shown in the figure below (Figure 8).





Source: European Commission statistics.

Figure 7. Primary quality indicators of Urals oil shipped to Europe.



Source: Central bank of Russia statistics.

Figure 8. Gas exports from Russia.

At the same time, on numerous occasions, government officials (Oilru 2011), gas companies (Salova 2017) and independent researchers (IEA 2017) have all predicted production growth, citing figures as high as 950 bcm (Astapkovich 2012). Indeed, possessing almost a quarter of global proven gas reserves, Russia wields an enormous and still partially untapped production potential. Yet the industry is highly dependent on just two markets: domestic consumption, which consumes two thirds of production, and Europe, which is the destination of roughly 80% of the exports. Thus, production is naturally limited by the demand generated by these markets, with, until recently, no possibility of diversification. At the same time, the EU, despite receiving 30% of its imported gas from Russia, has the potential, albeit theoretical, to replace Russian gas. Consequently, on multiple occasions Europe has used Russian dependence as leverage during gas disputes, prompting Russia to explore alternatives.

After the relative success of the ESPO, the Russian government began seeking to repeat this success in the gas industry. Hence, in 2014 construction began on the Power of Siberia gas pipeline (Gazprom 2019a), with a declared 38 bcm export capacity. The pipeline is to fulfill three main functions:

- Gasification of the Far Eastern regions, thus expanding the domestic market;
- Providing infrastructure for the development of new Eastern Siberian gas fields;
- Establishment of an export corridor to PRC.

Processing the wet, helium rich natural gas from the Yakutia and Irkutsk gas production centers is up to the Amur Gas Processing Plant project, which is expected to become “The largest gas processing facility in Russia and one of the biggest in the world” (Gazprom 2019b).

Moreover, the Government has supported several LNG projects, granting operators rights – usually reserved only for the state-controlled Gazprom – to export natural gas. The cumulative capacity of these projects exceeds 70 million tons (Kudiyarov 2017). While it is highly unlikely that all of them will come to fruition, the first line of the prominent Yamal LNG project began operations on 14 December 2017, proving the feasibility of Russian LNG development.

Regardless of the initial achievements, Russia should restrain optimism and expect tight competition in its new priority market. The sheer market size and competition in Asia are so extensive that securing even a stable niche – much less a swath of the market, as Russia has done in Europe – is nigh impossible for a relatively new player. Moreover, despite political rapprochement between two countries, the PRC is not keen to become too dependent on its northern neighbor’s resources, preferring Russia to be an important but non-vital, and ultimately replaceable, partner.

A discussion of the Russian petroleum industry would not be complete without a mention of the sanctions. In July 2014, the USA and the European Union first introduced sectoral sanctions against Russian energy companies. These sanctions were further expanded in September 2014 and August 2017.

The sanctions are either technological or financial, targeting companies perceived as bearing close ties to Russian government: Rosneft, Novatek, Transneft, Gazprom neft, LUKOIL, Gazprom, Surgutneftegaz and their subsidiaries. The financial sanctions boil down to restrictions on long-term loans for the aforementioned companies, severely limiting their access to capital and creating possible complications for trading operations.

Technological sanctions, on the other hand, are much more specific, including bans on western companies’ supplying Russia with technologies for deepwater and shale oil and gas fields exploration and development, or even taking part in such projects that include Russian companies.

In hindsight, up until 2017, sanctions have had little to no short-term negative effects, as they were imposed on the least relevant technologies at the moment, and Russian companies proved not to be significantly dependent on international loans. But if Russia should fail to adapt and replace imports, the sanctions have the potential to become truly crippling.

## PROSPECTS FOR THE RUSSIAN PETROLEUM INDUSTRY UP TO 2040

Over the past 15 years, the Russian petroleum industry has shown a remarkable ability to grow and develop, to maintain traditional market niches and find new ones, even under serious pressure of sanctions and unstable energy prices. Yet the Russian position is far from unchallenged. With North America becoming a net exporter of hydrocarbons, unconventional oil and gas being developed all over the globe – along with the growth in alternative energy sources – the competition in the global energy markets is rising to an all-time high, especially in the premium Asian market, on which Russia puts a great deal of emphasis.

**Table 1. Scenario matrix**

Indicator	Period	Unit	Favorable Scenario	Probable Scenario	Critical Scenario
DEMOGRAPHY AND ECONOMY					
Global population	2015	Billion people	7.40	7.40	7.40
	2020		7.80	7.80	7.80
	2030		8.50	8.50	8.50
	2040		9.20	9.20	9.20
Global GDP growth	2015	%	3.40	2.80	2.10
	2020		3.60	3.30	3.00
	2030		3.70	3.00	2.10
	2040		3.00	2.50	1.70
Average global per capita GDP growth	2015	US	15.30	15.30	15.30
	2040	\$1,000 2014 / person	28.20	24.70	20.60
GEOPOLITICS, STATE ENERGY POLICIES, CLIMATE					
Geopolitical risks	-	-	No conflicts	Local conflicts	Conflicts have a decidedly negative influence on global energy development
State energy policy	-	-	Plans are fully implemented and expanded	Incomplete implementation of plans	Plans are not carried out
CO <sub>2</sub> prices	2015, Europe	US \$	8	8	8
	2015, Asia	2014	0	0	0
	2040, Europe	/tonne	45	35	15
	2040, Asia		45	25	5
Global ETS state	-	-	Developed	Undeveloped, but regional carbon markets emerge	Undeveloped
TECHNOLOGY					
Technological development	-	-	No technological breakthroughs are expected. It is assumed that only those technologies that are currently being tested will be introduced. Existing technologies will undergo a gradual increase in their cost effectiveness, along with a continuation of the existing trend of declining GDP energy intensity in each country.		
Transfer of technologies	-	-	Unlimited	Limited	No transfer; new technologies are exclusive for OECD countries

Source: EIRIAS, Global and Russian Energy Outlook 2016.

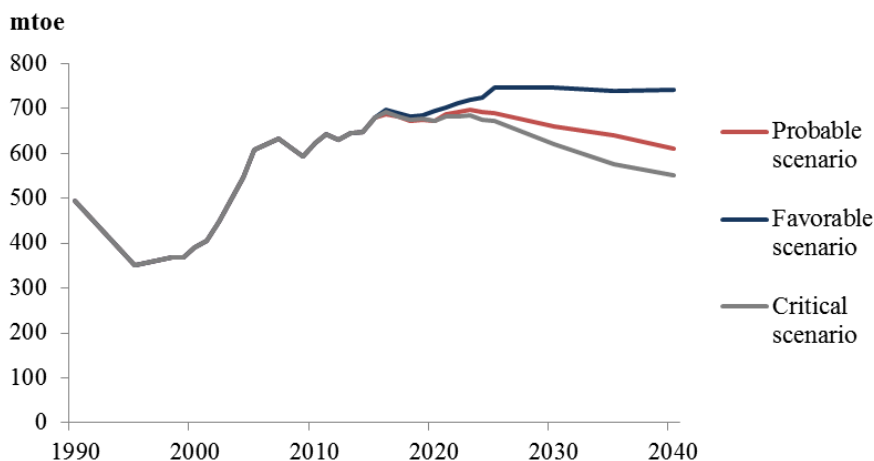
To take into account all these factors, we base our forecast on the Global and Russian Energy Outlook 2016 (Makarov et al. 2016) – an extensive analytical piece on global energy, co-written by the authors of this study. The Outlook contains forecast along three varying scenarios: the Probable Scenario; the Favorable Scenario and the Critical Scenario. The critical parameters of the scenarios are presented in the Error: Reference source not found below (For a more detailed description of scenarios, please refer to Global and Russian Energy Outlook 2016, pp. 8-36).

The forecast of world energy in Global and Russian Energy Outlook 2016 shows that the global energy system is fairly robust and stable in different market conditions. At the same time, we see shifts in Russia's primary export markets; shifts that can become a major influence on the country, given Russia's deep involvement in the international energy trade.

First and foremost, we predict a decline in energy export growth in all scenarios, and the Probable and Critical scenarios even sees a decline after 2023. Only in the Optimistic scenario do exports continue to increase, but at rates far from the boom seen at the beginning of the century.

Most of the export loss will be due to declining liquid hydrocarbon trade. These negative dynamics can be attributed to both internal and external factors. Domestic consumption is expected to grow, taking away a significant share of oil product exports, while maintaining high crude production will become increasingly costly due to depletion of conventional oil reserves. At the same time, Europe is demonstrating a strong downward trend in liquid fuels consumption, while other export destinations are hardly viable. Thus, the share of crude oil and petroleum products will decrease in all scenarios (Figure 10). The reduction of overall exports will be somewhat offset by growing natural gas trade in net volumes, but not in revenues.

We expect Russia to continue its conquest into the Asian-Pacific market, which will be a relative success, but at the same time Europe will keep its spot as a main export destination in all scenarios (Figure 11).



Source: EIRIRAS, Global and Russian Energy Outlook 2016.

Figure 9. Total energy exports from Russia up to 2040.

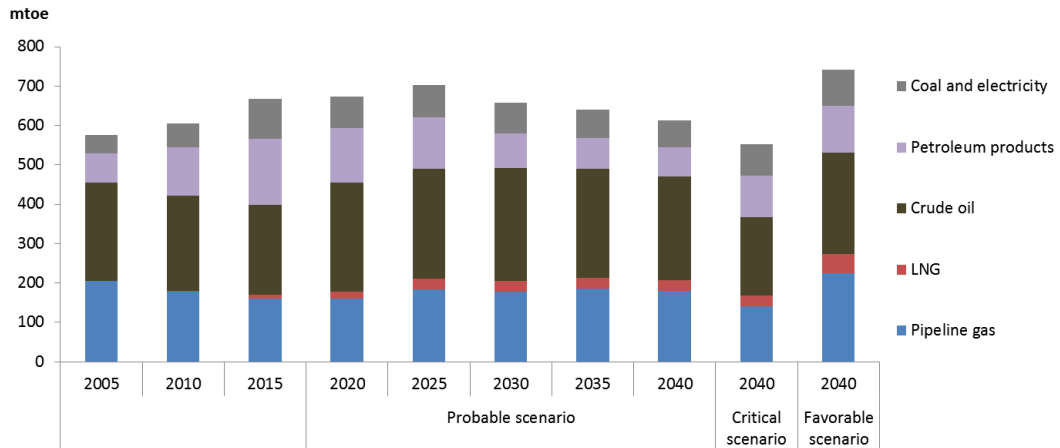


Figure 10. Structure of Russian Energy exports.

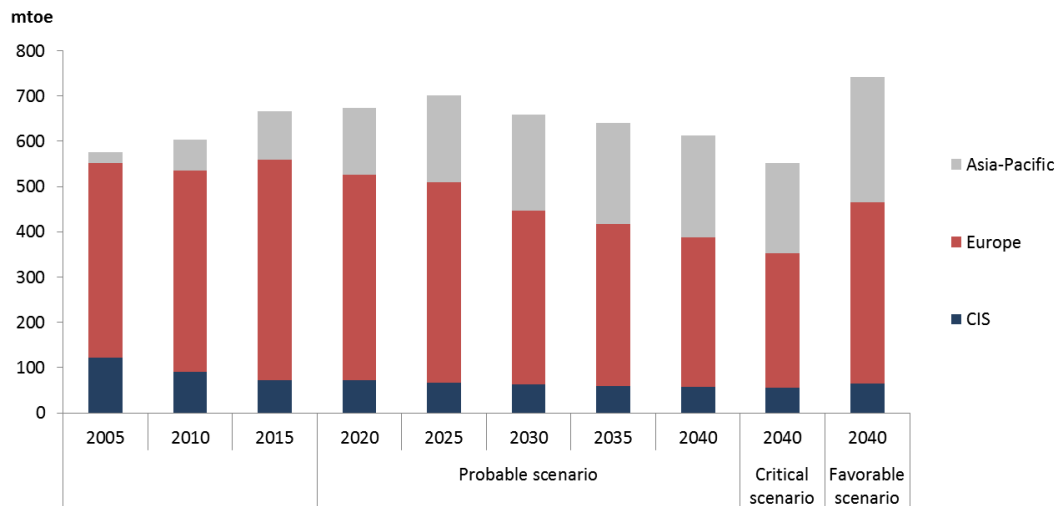


Figure 11. Destinations of Russian energy exports.

## CONCLUSION

The Russian petroleum industry has had a major influence both domestically and internationally ever since its inception. In recent years, the industry enjoyed a period of prosperity and growth, benefitting from high energy prices and market stability. Even the combined blows of sanctions and falling prices were not enough to stop its momentum. But our outlook predicts turbulent times, with shrinking export niches, mounting competition and proliferating domestic issues. Should the industry fail to adapt, it may very well fall into a state of decline in both production and influence. Yet, as history has shown time and again, Russia has the ability to overcome seemingly insurmountable odds, so there is still room for optimism.

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*Chapter 13*

## **THE EVOLUTION (OR DEVOLUTION) OF EU-RUSSIA ENERGY RELATIONS: A NEW PARADIGM FOLLOWING CRIMEA?**

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### **ABSTRACT**

The Ukraine crisis had a profound impact on the EU's foreign policy and approach towards Russia in the post-Soviet space. It highlighted the fundamentally different external policies and values that have subjected the partnership to the dichotomy between conflict and cooperation. With the suspension of all bilateral talks following Russia's annexation of Crimea, the likelihood of a revised bilateral legal framework remains wanting. The call for energy governance therefore appears to have fallen on deaf ears, with the basis of legal ties called into question following Russia's withdrawal from the Energy Charter Treaty (ECT). Consequently EU-Russia relations appear to have entered a period of stalemate that has eroded the integrity of the so-called "strategic partnership" and raised the question of whether meaningful cooperation between the EU and Russia is still possible. This chapter aims to explore the way geopolitics have influenced the EU's approach towards Russia and how this approach has developed over the last two decades. In this context, this chapter will focus on how the EU has sought to project its presence in the post-Soviet space by promoting universal values and norms (which it considers to some degree its own) in its external relations with Russia. This chapter argues that while the EU has not always viewed its relations with Russia through a traditional geopolitical lens, its manoeuvres in the energy sphere have become increasingly influenced by geopolitics on account of the trade disputes and supply disruptions that have threatened the Union's energy security.

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**Keywords:** EU-Russia Energy Relations, Strategic Partnership, EU Foreign Policy, EU Energy Policy, energy security, normative power, geopolitics, economic interdependence

## INTRODUCTION

Recent events have resulted in the future of EU-Russia relations being called into question. The Partnership suffered a drastic blow in March 2014, with the Russian annexation of Crimea and subsequent destabilisation of Ukraine, which brought about a massive fracture in EU-Russia bilateral relations. The EU imposed sanctions; Russia reacted with its own series of restrictive measures; and cooperation between these two players has as a result been adversely affected. The Ukraine crisis has therefore had a profound impact on the EU's foreign policy and its approach towards Russia. The crisis has also revealed the abstract nature of the Strategic Partnership, which is constantly pivoting between conflict and cooperation (Nitoiu 2016). The partnership has consequently fallen hostage to the future of Crimea, with the EU's suspended bilateral negotiations and subsequent sanctions regime linked to the Minsk II Agreements (Zubok 2014).

As a result, EU-Russia relations appear to have entered a new period of Cold War, given the present impasse that leaves the prospect of constructive cooperation questionable (Nitoiu 2016). The fact that Russia has gone from being described as a "strategic partner" to being seen as a "strategic challenge," as observed by Federica Mogherini in the new EU Global Strategy on Foreign and Security Policy, gives credence to this assertion (European Commission 2016). However, some scholars argue that EU-Russia relations reached a deadlock long before the conflict in Ukraine, with the frequent summits producing no material results and the out-dated PCA unlikely to be replaced due to an inability to agree on a revised framework. It would therefore appear that, to a certain extent, EU-Russia relations were plagued with stagnation in the decade preceding the Ukraine crisis (Forsberg and Haukkala 2016), which questions to what extent energy relations have been successful and whether the partnership will indeed prevail, as the interdependence theorists suggest.

Starting from a brief chronological analysis of EU-Russia relations, the chapter will explore the way geopolitics have influenced the EU's approach towards Russia and how this approach has developed in recent years. The chapter will endeavour to explain the evolution of the EU's external energy policy vis-à-vis Russia in the context of the Strategic Partnership that has been pivoting between cooperation and conflict. The question remains whether future cooperation (and a potential resurrection of the Strategic Partnership) is possible or whether the annexation of Crimea has ruled this out. For this purpose, the chapter will consider the main theoretical frameworks prevalent in the academic literature – in particular, economic interdependence theory – to facilitate a clearer perspective of the relationship that has evolved against a backdrop of misperceptions and misunderstandings.

According to the interdependence theorists, the predominant theoretical frameworks in EU-Russia relations – namely, social constructivism and neorealism – have oversimplified the image of these two powers by reducing the EU to an idealistic actor imposing its multilateral identity in the pursuit of values, and at the same time branding Russia as a realist threat to multilateral cooperation. Both the social constructivist and neorealist theories ultimately lead to the conclusion that the EU and Russia are inherently asymmetrical and therefore that



cooperation is likely to fail. By highlighting the shortcomings of both these perspectives through the interdependence narrative, this chapter will use the more nuanced approach of the interdependence theorists as a reflective device to reveal the true state of play in EU-Russia energy relations.

## **THE MAIN THEORETICAL FRAMEWORKS IN EU-RUSSIA ENERGY RELATIONS AND THEIR PRACTICAL RELEVANCE**

As stated above, most of the academic literature considers EU-Russian relations from the perspective of one of two predominant theoretical frameworks; namely, from an EU perspective, the social constructivist theory, or from a Russian perspective, the neorealist theory. Those who view EU-Russia energy relations through a constructivist lens argue that the EU is a normative foreign policy actor by nature and projects its identity onto Russia by promoting a rules-based international order, while it remains internally divided (Haukkala 2007; Hughes 2007; Westphal 2006; Smith 2004). Those who view EU-Russia energy relations from a neorealist perspective, on the other hand, argue that Russia is using energy exports as a tool of the state to further its political agenda (Barysch 2007; Emerson 2006; Light 2008; Lucas 2014).

However, criticism that both these theoretical frameworks are fundamentally flawed – failing to reveal the true essence of EU-Russia relations – has resulted in the emergence of a third strand of literature which argues that the EU and Russia are mutually dependent, and as a result of this persistent interdependence, EU-Russia relations are likely to stand the test of time and are thereby unassailable. This more nuanced approach argues that, despite the prevailing theoretical frameworks explaining the approaches taken to this strategic partnership, both underlying theoretical frameworks oversimplify this relationship, which is multifaceted by nature. These perspectives can be reductionist, in that they neglect to take into account that the EU-Russia Energy Partnership is dynamic and riddled with issues. The intertwined dynamics that form the fabric of this relationship therefore cannot be ignored in any analysis. As such, both theoretical frameworks have their shortcomings, as they appear to oversimplify the EU-Russia relationship to the point of distortion.

By depicting the EU and Russia as diametrically opposed to each other within the energy sphere, these scholarly analyses inevitably come to the conclusion that the EU-Russia energy relationship is inherently asymmetric and therefore likely to fail. However the third strand of literature – namely, economic interdependence theory – argues that, despite the manifestly disparate approaches that the EU and Russia take in their energy relations, which are conflictive and asymmetric by nature, the EU-Russia energy partnership will prevail for the short to medium term, as both partners are strongly interdependent (Aalto 2009; Belyi 2011; Goldthau 2008; Youngs 2009).

While there are strands of truth in all three theoretical perspectives, it is only through combined analysis – using all three theories – that the true essence of this strategic partnership and the Union's approach can be understood. By deconstructing the Union's approach to its energy cooperation with Russia, specifically through a social

constructivist lens, the chapter will analyse the EU's manoeuvres in the energy sector and its endeavours to export internal structures of multilateral governance to its energy relations with Russia. Furthermore, a neorealist assessment of Russia's perspective in its energy relations with the EU will highlight the reasons for the Union's manoeuvres in the energy sphere.

While this chapter will scrutinise the EU's legal relations with Russia through the theoretical lenses most relevant to the EU – namely, those of the social constructivist and interdependence theories – the Russian approach as depicted through the neorealist theoretical framework is relevant and will be considered. This is vital to understanding the rationale behind the EU's actions and its desire to institutionalise its legal relations with Russia in the energy sphere through binding legal frameworks imbued with its own values. It is only by scrutinizing Russia's conduct through a neorealist lens that the EU's gradual development into a normative foreign policy actor becomes evident.

## DISCUSSION

### Background to EU-Russia Energy Relations

The EU-Russia relationship evolved quite rapidly over ten years, from what started off as a donor-recipient relationship. Because this relationship developed through areas of mutual interest, it was imperative that it continue its course of progressive cooperation. The EU wanted to integrate Russia's economy to enhance security and stability in the region (European Commission 2009).<sup>1</sup> The EU's "Wider Europe" (Prodi 2002) policy<sup>2</sup> (Prodi & Patten 2003) promoted integration and regional economic harmonization without absorption of its neighbours into its institutional framework (European Commission 2003). By fostering the economic development of its neighbours, the EU was inevitably creating common interests in the region through economic ties that would hopefully spill over into social and political ties (Matta 2014).<sup>3</sup> With neither side pushing for more than cooperative integration in the economic realm, cooperation between the EU and Russia fitted neatly into the two sides' respective policies.

The 1990s saw Russia open its economy to international trade, with the EU becoming its most important trading partner. Given its wealth in natural resources, Russia became the largest provider of natural gas to the EU. In 1994, the Partnership and Cooperation Agreement (PCA) set the platform for cooperative endeavours between Russia and the EU, with the PCA reaching fruition in 1997, following its delayed implementation. The PCA and

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1 According to the European Security Strategy, the EU's strategic objectives are in pursuit of an overarching aim; namely, defending its security and promoting its values.

2 Recognition that the EU's neighbouring countries constitute the EU's essential partners, the EU initiated the concept of a "Wider Europe," which promotes mutual production, economic growth and external trade with neighbouring countries to create an enlarged area of political stability and the rule of law. As an extension of its foreign policy, the Union's Wider Europe policy promotes security, stability and mutual gain through the sharing of a set of values and joint initiatives in pursuit of common political goals.

3 By way of example, under the ENP, the Union agreed to open certain sectors of the internal market to its neighbours, in exchange for substantive political, economic and legal reform.

its Common Strategy (its partner document from 1999) committed the EU to fostering close ties with Russia by strengthening their strategic trade relationship.

For the EU, a long-term partnership with Russia was a strategic step towards energy supply, and, in turn, it was a source of revenue for Russia, which would facilitate much needed modernization of the economy (Leal-Arcas 2009). The EU also hoped to promote cooperation between Russia and its neighbouring states over access to Russia's pipelines system through Russian ratification of the ECT and a potential Multilateral Transit Framework (European Council 1999). A significant development in the EU's endeavours to promote Russian ratification of the ECT was the formation of the EU-Russia Energy Dialogue (EU-Russia Summit 2000). Pursuant to the May 2001 EU-Russia Summit, the concept of a common European economic space was established within the framework of the PCA, the main aim being the completion of the EU internal market and establishment of a real energy partnership (EU-Russia Summit 2001). The EU's concerns regarding Russia's procrastination with ECT ratification became evident, with Moscow maintaining there were still issues to be resolved (EU-Russia Energy Dialogue 2001).

EU-Russia energy relations came under strain with the relevant parties inconsistent views on energy security. This prompted the EU to take a more assertive stance in defending its interests and addressing Russian practices, which it considered contrary to fundamental European values, such as democracy, human rights, media freedom and environmental concerns (European Commission 2004). Furthermore, divergence on a revised PCA emerged as a pressing matter (European Commission 2004). Relations deteriorated further when it became clear to Russia, by October 2006, that the Commission was attempting to reintegrate ECT provisions into a revised PCA (Youngs 2009). The Commission's 2007 Strategic Energy Review maintained that energy relations between the EU and Russia should be based on market principles such as those of the ECT and Transit Protocol (European Council 2007). In an attempt to bring the internal market to fruition and expedite liberalization, the Commission in September 2007 unveiled a package of proposals to reform the internal gas market (European Commission 2007). At this point, European market access was firmly entrenched as a conditional political tool, with the principle of "reciprocity" (Belyi 2009) formally included in the legislative market package, which restricted third-country access to the EU market where EU investment was not equally reciprocated (European Commission 2007).

Following the change of Presidency in Russia, the EU discussed re-opening the PCA negotiation in March 2008 (Youngs 2009). Despite concerns that the nexus between the Kremlin and Gazprom was cause for concern, given that former CEO of Gazprom, Dmitry Medvedev, became President and Vladimir Putin became Prime Minister (BBC News 2008). By May 2008 a negotiating mandate had been agreed, with negotiations subsequently launched at the June 2008 EU-Russia Summit. It was agreed that an energy section would be included in the new agreement, based on the G8 Summit principle (EU-Russia Energy Dialogue 2008). However, negotiations were interrupted after war broke out between Russia and Georgia over South Ossetia (Alcaro and Alessandri 2010). Russia's military actions, which went far beyond an act of defence, left Europe divided on how strongly to react to Russia (EUObserver 2010). The EU subsequently started prioritising diversification of energy sources and routes, oil and gas reserve stocks and additional infrastructure interconnections, which were revealed in its Second Strategic Energy Review (European Commission 2008).

Increasing anxiety about Russia and Ukraine heading towards a new crisis following energy interruptions in 2006 and 2008 (BBC News 2008) was vindicated when Russia cut off

Ukraine's gas on 1 January 2009 (BBC News 2009). What ensued was a two-week crisis during which EU member states were left to endure one of the coldest winters in decades (De Jong et al. 2010). The 2009 gas dispute inevitably brought Russia's reliability as a trade partner into question, proving to be a watershed moment in EU-Russia energy relations and the Union's energy security (Pirani et al. 2009). Critics of Russia viewed the manoeuvre as a tactic of energy brinkmanship. It was posited that Russia was abusing its energy resource power by switching off its gas supplies and thereby leveraging its position in a political dispute (Marshall 2008). As a country increasingly characterised by growing state control, the crises pointed to a trend of greater state interference, with Gazprom as a lever of the state (Cameron 2010). On assuming the presidency in 2000, Russian leader Vladimir Putin was quick to acknowledge the strategic importance of Russia's natural resources in furthering its economic and geopolitical ambitions (Cameron 2010) so that Russia could reclaim its superpower status in the political arena (Marshall 2008).

Given Gazprom's expanding presence, the Kremlin's apparent strategy of collecting key energy assets and pipelines in Central and Eastern Europe has since then politicised Russia's share in the European gas market, (Cottier et al. 2010). Russia's acquisition of strategic energy infrastructure is therefore perceived by some member states as an attempt to influence domestic markets, which is considered an obstacle to European energy security (Woehrel 2009). However, speculation aside, this view fails to take into account any economic argument and reasoning behind of Russia's actions; namely, that Russia's activities within the energy sphere are commercially driven (as the world's largest natural gas exporter) rather than politically motivated against the EU (as the world's largest energy market and Russia's lucrative trade partner). Arguably, the gas disputes with Ukraine could therefore be said to be driven as much by politics as they were by commerce, given Russia's weariness of Ukraine's affiliations ever since the Orange Revolution (Marshall 2008). Recent events in Ukraine, with ever-deteriorating relations between Moscow and Kiev, have reinforced this point, with Crimea as a salient example.

## **Economic Interdependence Theory as a Reflective Device for EU-Russia Energy Relations**

In view of recent events and the subsequent fracture in EU-Russia relations, in the analysis to follow, the chapter will endeavour to undertake a broader view and less siloed approach to EU-Russia energy relations and the manner in which they are often explained in the academic literature. The chapter will examine the Union's external legal relations with Russia in the energy sphere by using all three theoretical frameworks as a reflective device to analyse the EU's manoeuvres vis-à-vis Russia. While the three frameworks suggest a broader approach to the analysis, the focus will predominantly be from an EU perspective. By scrutinising (i) the EU's approach towards Russia in its energy relations through the social constructivist lense and (ii) Russia's approach towards the EU in its energy relations through a neorealist lense, the interplay between these two perspectives will be benchmarked against the third strand of literature – namely, economic interdependence theory. Thus, the notion of the EU as a normative power driven by values and the perception of Russia as a political animal driven by geopolitics will be gauged against the interdependence theoretical narrative,

which argues that the EU and Russia are driven by mutual reliance and dependence rather than Russia's quest for state control over its energy sector and the EU's rule-based multilateral approach imbedded in values.

### *Economic Interdependence Theory v. Social Constructivism*

The perception of the EU as a normative power entails an endogenous belief<sup>4</sup> (Cameron 2010) in cooperation based on rules and shared norms (European Council 2001). It suggests a commitment to export internal structures of multilateral governance to relations with external partners while striving for convergence of third parties to EU norms. The normative power<sup>5</sup> (European Council 2001) framework also offers an explanation as to why the EU attempts to frame energy relations with Russia within EU principles. In so doing, the EU is seen to have an impact internationally through the values it embodies, thereby shaping what it perceives as "normal" in the international sphere, which ultimately qualifies it as a normative power (Cremona 2011). It also alludes to the Union's self-perception and self-projection as a different hybrid of international actor that shuns traditional models of power politics and seeks to promote a rule-based international order (Manners 2002).

Nevertheless, the interdependency theory argues that the social constructivist view of the EU as imposing its market based approach and rule-based agenda on Russia through agreements such as the PCA, Energy Dialogue and ECT can be misleading because it reduces the EU to an actor which imposes its rules on third states (like Russia) in the pursuit of its own values alone. This perspective neglects the view that the EU could potentially be adapting and facilitating where necessary, in the absence of a binding legal framework, in an attempt to change the rules of energy cooperation to its benefit (Cremona 2011). The EU's conduct may therefore be more than that of a normative foreign policy actor that projects its rule-based agenda onto Russia, not as end in itself, but rather as a means to an end. In so doing the EU can be said to be acting in a quasi-realist manner (Hyde-Price 2006).

The normative argument, like the constructivist perspective on which it is based, can therefore be deceiving, as it focuses exclusively on values. If one considers the Commission's conduct through the social constructivist lens, then the EU's role as an actor that pursues a goal alone is negated, when in reality the EU's endeavours to change the rules of the game to its benefit may be the true state of play. It is indeed the case that, in contrast to the social constructivist view, the Commission engages in *realpolitik* which is facilitated by the fact that Russia needs cooperation with its strategic partner as much as the EU does. As the biggest gas importer in the world, the EU's demand for gas imports will continue to grow, with the potential to reach the level of 450bcm by 2035 (Piebalgs 2016). Russia, therefore, does not appear to have any credible alternative to the European market for its gas in the short term. This is evident in the fact that in 2015, Gazprom's exports to Europe reached almost 160 bcm, which was an increase of 8% from exports in 2014 (Piebalgs 2016). As such, Russia is heavily dependent on European markets for its exports, which gives the Commission some leverage in its negotiations. This suggests that the Commission, and in turn the EU, are both

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4 The notion of the EU as a union of values, found its inception in the Laeken Declaration, which launched the Convention on the Future of Europe (officially the European Convention), specifically in relation to the EU's external policy.

5 The normative power theoretical framework portrays the EU as a value-driven foreign policy actor based on the core norms that form its underlying identity.

rational actors in their respective power play with Russia and goal-driven in the pursuit of energy security rather than European values.

While the EU provides a level playing field with Moscow, with EU laws and norms perceived as a suitable medium for such cooperation, interdependence theorists will argue that this is by no means an attempt to reform Russia with European principles, which Russia constantly refutes. The development of a fully liberalised gas market and diversification of EU energy supply strengthen the EU's power position and are therefore beneficial to the EU. This would therefore negate the view that EU-Russia energy relations are inherently asymmetric and susceptible to a crises and failure. Instead, interdependence theorists believe that energy relations between these two powers are inevitable and likely to prevail, as Russia needs the EU as much as the EU needs Russia. The relationship can therefore be said to be symbiotic rather than asymmetrical.

### *Economic Interdependence Theory v. Neorealism*

The economic interdependence theory highlights flaws in the neorealist perspective, such as the focus on national interest in Russia's geopolitical use of energy resources, which makes energy cooperation between the EU and Russia seem unlikely. As a country often characterised by alleged state control, widespread corruption and a disregard for the rule of law, Russia is frequently depicted as an actor leaning towards greater state interference (Cameron 2010). Furthermore, some experts have argued that Russia is using the energy dependence and vulnerability of neighbouring states to limit their sovereignty and challenge any pro-Western affiliation (Woehrel 2009). As a result, Russia is often perceived as an aggressive power pursuing a successful strategy of divide and rule, using energy to further its political agenda to exert control over its neighbourhood (Cameron 2010). As such, growing concerns continue to escalate within the EU about Russia's renationalisation trends (Tagarinski and Avizius 2009). Russia's conduct in the gas conflicts with Ukraine and other neighbouring states has been viewed by many as a tactic of coercion and energy brinkmanship to strengthen its position in a political dispute (Marshall 2008).

However, while it is true that Russia's rejection of the EU's multilateral approach and rule-based system would suggest that Moscow advocates a geopolitical approach to its energy resources, this geopolitical focus does not adequately address the complexity of this relationship. Despite Russia's increased state control over what is perceived to be a strategic sector of society, with energy allegedly used as a tool of the state and Gazprom as an apparent lever of the Kremlin, there are several complex factors in Russia's energy policy towards the EU that need to be accounted for (Leonard and Popescu 2007). The neorealist theoretical framework therefore does not adequately reflect the complexity of this relationship, which is multi-faceted by nature. This perspective fails to take the domestic dimension of Russia's external energy policy into account; a dimension that suggests that, despite Moscow's neorealist rhetoric, Russia is heavily dependent on the EU for energy exports and revenues from EU markets.

When Russia's external energy policies are scrutinised in a domestic context, the shortcomings of the realist theory are brought to the fore. Russia is a heavily subsidised gas market, with Gazprom bound by federal law to ensure sufficient supplies for domestic consumption, which accounts for more than two-thirds of Russia's annually produced gas (Goldthau 2008). Domestic consumption is therefore a costly obligation for Gazprom – an obligation exacerbated by an energy-intensive economy in which energy matters are highly

politicized (Belyi 2011). There is therefore a tremendous amount of pressure on Gazprom to compensate for this domestic burden. Russia is subsequently heavily reliant on revenues from European markets, which balance its losses in its domestic market. Despite its realist stance, Russia therefore has a vested interest in approaching energy relations with the EU in a cooperative manner. Furthermore, Russia's diminished revenues have limited the scope of investment in production capacities. This has ultimately led to an investment gap, which has in turn been worsened by an unfavourable investment environment caused by Moscow's increased state control and the lack of a legal framework to protect investors from arbitrary intervention and expropriation (Pleines 2009). The lack of a legal framework and recurring discrimination against private investors, given Gazprom's monopoly, has created a somewhat hostile investment climate, with foreign companies reluctant to undertake projects in the foreign gas sector (Morozov 2008; Perovic 2009). Russia is therefore unable to develop new gas fields, which will impose a substantial financial burden on Gazprom (Pleines 2009), increasing concern as to whether Gazprom will be able to meet its contractual commitments with an imminent gas deficit on the horizon (Barysch 2007; Perovic 2009; Riley 2006).

The above suggests that Russia is heavily dependent on its energy exports to the EU and the revenues it gains from EU markets for the purpose of maintaining and increasing production of its energy sector (Barysch 2007; Perovic 2009). This is affirmed by the fact that approximately 70% of Russian gas exports go to European markets, with the EU on average providing to two thirds of Gazprom's annual earnings (Belyi 2011). It is clear that Russia relies as much on the EU for its revenue as the EU depends on Russia for its energy supply. Moscow therefore has a strong economic incentive to avoid conflict in its energy relations with the EU. Contrary to the neo-realist view, Moscow has impetus to uphold its energy diplomacy with the EU rather than use energy exports as a political tool to further its agenda, which could potentially jeopardise a lifeline of funds that it receives from Gazprom, the most important contributor to annual federal revenues (Tkachenko 2016). Russia's external energy policies are therefore subject to more than just international power politics, as the realist argument would suggest, given that Russia's reliance on the EU gas market is arguably much stronger than the EU's energy dependence on Russian gas (Piebalgs 2016).

Therefore, despite Moscow's neorealist threats to export its gas to Asian markets, the likelihood of this materialising in the immediate term is slim, given that Russia's attempts to diversify its energy markets have thus far produced limited results. The current gas price levels are not conducive to the level of investment required for pipeline infrastructure (Piebalgs 2016).<sup>6</sup> Investment aside, despite Russia's ambitious diversification efforts, it is important to note that Russia's pipeline infrastructure currently binds it to Europe (Closson 2009; Perovic 2009). However, with Gazprom heavily burdened with domestic consumption and a potential gas deficit, pipeline grids going eastwards are an unlikely priority given the current investment challenge that Gazprom is trying to overcome (Poussenkova 2009; Light 2008; Goldthau 2008). Furthermore, Asian markets are not willing to pay higher, European prices (Aalto 2009; Barysch 2007), which raises the question of whether Russia can indeed replace Europe as the main destination of its gas exports in the near future. Perhaps the on-going pipeline projects carrying Russian gas to the EU lend credence to this assertion. South

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<sup>6</sup> By way of example, the agreement between Russia and China in 2015 to export gas through the "Sia Sibiri" pipeline, which that is yet to be completed, will require approximately \$70 billion. The investment is necessary for the construction of the pipeline and the development of the gas fields in Eastern Siberia, as attempts to agree on supply through the developed gas fields of Western Siberia have thus far not been successful.

Stream,<sup>7</sup> Turkish Stream,<sup>8</sup> Poseidon<sup>9</sup> and Nord Stream 2<sup>10</sup> are stark reminders that gas exports to Europe are of utmost importance to both Russia and Gazprom (Piebalgs 2016). This once again sheds light on the deficiencies in the realist argument. In line with the interdependence theoretical framework, it is therefore clear that, despite their conflicting approaches to their energy relations, the EU and Russia are condemned to be partners, as they are mutually dependent.

### *Economic Interdependence Theory as a Nuanced Approach to the Partnership*

Energy security is an issue of bilateral tension and remains the ultimate test of the EU-Russia relationship. Despite this political tension in the energy field, the EU and Russia are condemned to be partners, as mutual reliance is at the core of this relationship (Behn and Pogoretsky 2011). This is bolstered by the fact that there is no realistic alternative to Russia (as the holder of the world's largest gas reserves) as supplier in the short-term or the EU (as the most lucrative market) as buyer. The interdependence theory therefore asserts that it is imperative that the relationship be viewed from a wider scope if the dynamics of this complex relationship are to be understood. Strong interdependence and mutual interest means that energy remains a strategic sector within which relations can be further developed for an EU-Russia energy partnership (Leal-Arcas 2009).

In this respect, interdependence theorists argue that EU-Russia relations will always prevail, as neither power can abandon this strategic co-dependent relationship. For this reason, interdependence theorists also advocate prioritising a new bilateral agreement which will facilitate a solid legal platform on which energy relations can be undertaken. Energy governance and institutional reform are desperately needed, as Russia's withdrawal from the ECT has effectively rendered energy cooperation based on non-legally binding dialogues and commitments, which calls into question the legal basis of these relations (Van Elsuwege 2012). Furthermore, there are doubts as to whether the WTO rules can adequately address the void in the legal infrastructure, considering it is a broad trade framework that does not specifically address issues pertinent to the energy domain (Selivanova 2010).

A revised legal framework is therefore of utmost importance given the significance of this strategic partnership in the political sphere (Van Elsuwege 2012). However, a revised legal framework is only possible where there is cooperation and mutual impetus to resolve contentious issues and compromise on conflicting interests in the energy realm (Forsberg and Haukkala 2016). Russia has for many years been very critical of the EU's diversification strategy, which it considers detrimental to Russian interests. However, the EU has argued that its diversification efforts were triggered by Russia's use of energy as a geopolitical tool that left small European and neighborhood states vulnerable. In order to overcome these two

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7 South Stream is an abandoned pipeline project for transporting natural gas of the Russian Federation through the Black Sea to Bulgaria and, through Serbia, Hungary and Slovenia, to Austria.

8 Turkish Stream aims to transport gas from Azerbaijan's Shah Deniz II field in the Caspian Sea, one of the world's largest gas fields, by the end of the decade.

9 The Poseidon pipeline is a multi-source import project that will contribute to the European diversification and security of supply in the framework of the so called "Southern Gas Corridor". The pipeline is designed to transport up to 14 billion cubic metres of natural gas a year from the Eastern Mediterranean, Middle East and/or Caspian areas to Italy and Europe through Turkey and Greece.

10 Nord Stream, an existing 55 bcm/y pipeline that connects Russia to Germany via the Baltic Sea, which is to be extended to double its capacity following an agreement between Gazprom, Royal Dutch Shell, E.ON and OMV.



incompatible positions, the EU and Russia need to initiate dialogue on a revised legal framework and revamp the Strategic Partnership. The Partnership should be based on cooperation in areas where both the EU and Russia are willing to make a binding commitment that goes beyond pure symbolism (Nitoiu 2016). While an economic interdependence perspective may argue that EU-Russia relations will prevail with cooperation at the core of their respective energy diplomacy, there is no automatic guarantee the parties will return to cooperation.

Fundamental to any analysis of EU-Russia relations is the acknowledgment that, despite the EU and Russia's interdependence, gas relations between the two powers cannot be considered independent of the hostile political context. Political relations have deteriorated over the last ten years and are unlikely to improve for the next decade in light of Ukraine and the Minsk agreements,<sup>11</sup> which are yet to be implemented. In this respect, despite the fact that the EU will continue to need Russian gas for the foreseeable future and the fact that Russia has no credible alternative to the EU gas market in the immediate term, improvement to EU-Russia relations is only possible where there is the will to negotiate and provide viable solutions to the wider political issues hindering this partnership (Piebalgs 2016). The EU and Russia can therefore no longer avoid discussing issues that are likely to cause conflict, as they have done in the past. Meaningful cooperation is only possible where both powers agree to undertake constructive dialogue on thorny issues such as security, energy and their conflicting ideologies in the political arena and shared neighborhood (Koroteleva 2016).

The Ukraine crisis highlighted the intense geopolitical competition with Russia in the EU's eastern neighborhood. In order to revitalize EU-Russia relations, both parties need to avoid competing with each other in their respective economic integration projects, and they also need to find a way to conduct their foreign affairs in a mutually acceptable manner (Kalinchenko 2018). The Ukraine crisis was largely caused by a clash of two political systems that are incompatible. Moscow's political system is based on maintaining stability and conservative values, whereas the EU's political system is based on political values and democracy (Titov 2016). Instead of portraying themselves as ideological alternatives in the shared neighborhood, the EU should refrain from imposing its norms unilaterally on neighborhood states, and Russia should be more amenable to liberal values, in addition to upholding its conservative values. Cooperation should be sought by both sides to make respective integration projects complementary, as mutually exclusive integration projects have led to a zero-sum game in which neighborhood states are torn between two economic giants (Koroteleva 2016). A sustainable improvement in gas relations can be achieved only when these issues have been acknowledged and addressed.

## **Crimea – A New Paradigm for EU-Russia Energy Cooperation?**

With the Crimea crisis marking a schism in EU-Russia relations, the various theoretical approaches to the relationship require further consideration to assess how the partnership should be addressed moving forward. Different narratives and contrasting explanations have resulted in diverging interpretations of EU-Russia relations that have resulted in explanatory

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11 The Minsk Agreements were signed in 5<sup>th</sup> September 2014 at the peak of the armed conflict between Ukraine and the unrecognized rebel republics in its Donbass region, calling on the sides to stop the clashes.

discourses related to the prevalent theoretical frameworks (Forsberg and Haukkala 2016). Unfortunately, this strategic relationship does not constitute an explanatory puzzle that can be solved, but an analysis of their respective policies towards each other and the energy sector does facilitate a better understanding of the political decisions made and their stances toward each other. In this respect, the chapter has endeavoured to explain the evolution of the EU's external energy policy towards Russia in the context of the Strategic Partnership which has been rife with issues.

It is inevitably the case that EU-Russia energy relations have taken place in a global environment conditioned by market forces and the international economy, which needs to be taken on board in examining their respective conduct in the energy domain, which is arguably a leading sector for both players. For this reason, Russia's policy towards the EU has largely been focused on its economic benefit, favouring partnership and cooperation while safeguarding its interests (Forsberg and Haukkala 2016). In similar respects, one could argue that the EU's policy towards Russia and its ongoing endeavours to institutionalise EU-Russia trade relations in legally binding frameworks are largely aimed at bolstering its own economic interests and energy security, rather than at fulfilling moral obligations to promote values. Here, economic interdependence contributes to the explanation of EU-Russia energy relations from the perspective of their economic dynamics, which promote cooperation rather than conflict, thereby bringing both powers closer together as opposed to further apart. However the partnership teeters between cooperation and conflict, thereby making relations difficult to explain.

Notwithstanding their interdependence, both powers have tried to curb their mutual economic reliance, particularly in the energy sphere, to gain further political leverage and economic freedom to manoeuvre. Both powers have had their reservations that their interdependence could potentially become asymmetrical, thus making them vulnerable to a potential tilt in their power relations (Krickovic 2015). While economic interdependence may provide a material explanation for prevailing cooperation, there is also an ideational rationale that needs to be taken into account, such as the focus on values and the EU and Russia's respective positions in the global arena. While some academics argue that different worldviews provide some explanation for the complicated relations (Haukkala 2010), others argue that the value-gap rationale is overrated and oversimplified (Casier 2013). It goes without saying that the EU and Russia are two distinct political animals with very different views of international relations. The EU advocates liberal integration and multilateralism, while Russia emphasizes sovereignty, stability and pluralism in international relations (Sakwa 2016). In this respect, the constructivist vein of worldviews argues that the EU is committed to post-modern values while Russia upholds more traditional ones (Tocci 2008). Further to this perspective is the perception of normativity, which varies for both the EU and Russia and their respective conflicting notions of freedom, human rights and sovereignty, which has affected cooperation (Makarychev 2014). For this reason, Russia has always been reluctant to adopt a common set of norms and values in international relations akin to a European model and Westphalian system. Notions aside, the EU and Russia are notorious for providing different interpretations of fundamental concepts in their relations, such as security, democracy, modernisation and reciprocity, with both powers often described as "speaking in different languages" (Romanova 2010). It follows that the EU and Russia are, not surprisingly, described as representing different civilisations (Huntington 1997).

## CONCLUSION

While the different theoretical frameworks provide some explanatory account of EU-Russia relations, it is important not to undertake a siloed approach in the use of these theories in an analysis of the EU's foreign policy towards Russia and the driving forces behind this policy's evolution. There are potentially many plausible explanations for the Union's stance towards Russia; nonetheless, energy security remains an issue of bilateral tension and the ultimate test of the EU-Russia relationship. Despite this political tension in the energy field, the EU and Russia are locked into partnership as mutual reliance is at the core of this relationship (Behn and Pogoretsky 2011). This mutual reliance is exacerbated by the fact that there is no realistic alternative to Russia (as the holder of the world's largest gas reserves) as supplier in the short-term or the EU (as the most lucrative market) as buyer. The interdependence theory therefore asserts that it is imperative that the relationship be viewed from a wider scope if the dynamics of this complex relationship are to be understood. It is no secret that energy relations between the EU and Russia are driven by the pursuit of energy security, but different perspectives of what their respective energy security constitute form the basis of their conflicting interests in their energy cooperation. For the EU, security of supply forms the foundations of its gas relations with Russia; and for Russia, security of demand is the cornerstone of its relations with the EU.

Despite mutual suspicions and reservations, bilateral relations require close cooperation for the purpose of pursuing a symbiotic energy partnership and greater certainty in the region's stability. The EU and Russia need to engage in dialogue and confidence-building measures that contribute to developing mutual trust in their energy relations. Simultaneously, EU Member States should avoid striking bilateral deals with Russia that undermine EU solidarity and a common approach to ensuring security of supply. Energy security therefore serves as a litmus test for the EU-Russia relationship, with strong interdependence and mutual interest at the core of the EU-Russia partnership. Energy therefore remains a significant sector within which relations can be further developed for a Strategic Partnership driven by cooperation.

In this respect, both powers should focus on compromise rather than the unilateral pursuit of their respective interests in the energy sphere. By engaging on issues such as energy, the EU and Russia can then lay the groundwork for confronting risks and common threats to stability in the post-Soviet space. This could initiate dialogue on a security framework that takes into account current challenges of world politics beyond the energy domain, such as the conflict in Syria, terrorism and the refugee crisis. The EU and Russia's close geographical proximity inevitably means that the future of EU-Russia relations largely depends on their ability to adapt to the changing political landscape and whether they are able to foster cooperation to deal with common threats in these challenging times of uncertainty. EU-Russian energy interdependence therefore sets the stage for meaningful cooperation in other areas of global politics, despite the fragility of the Partnership following the annexation of Crimea. Although the Ukraine crisis seems to have damaged EU-Russia relations beyond repair, interdependence theorists argue that there is still cause for hope in areas of mutual interest, such as energy and security.

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*Chapter 14*

## **US-RUSSIAN RELATIONS SINCE 2011: AN ESCALATING CONFRONTATION**

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### **ABSTRACT**

The purpose of this chapter is to examine the causes and the nature of the US-Russian confrontation since 2011, which climaxed with the Russian intervention in the 2016 US elections. US-Russian relations had been good during the first post-Cold War decade. They began to deteriorate with NATO's eastward expansion and especially the 2004 enlargement that, for the first time, included former Soviet republics, the Baltics. But it is only with the massive Russian anti-regime demonstrations of December 2011 to March 2012, which Russia's president Vladimir Putin blamed on the United States, that the relationship turned into a real confrontation. Ukraine was the focus of the confrontation in 2014, when Russia annexed Crimea and invaded eastern Ukraine in a masterful display of hybrid warfare. In 2015 the confrontation extended to the Syrian civil war, in which Russia's pro-Assad regime policy prevailed. Russia's political influence campaign in the 2016 American elections seems to have been tactically very successful but is likely strategically to harm Russia's long-term interests.

### **INTRODUCTION**

The purpose of this chapter is to examine the causes and the nature of the US-Russian confrontation since 2011, which climaxed with the Russian intervention in the 2016 US elections. US-Russian relations had been good during the first post-Cold War decade. They began to deteriorate with NATO's eastward expansion and especially the 2004 enlargement that, for the first time, included former Soviet republics, the Baltics. But it is only with the massive Russian anti-regime demonstrations of December 2011 to March 2012, which Russia's president Vladimir Putin blamed on the United States, that the relationship turned into a real confrontation.

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Regarding the causes of this confrontation, it will be argued that the United States threatened long-standing Russian geopolitical interests and concerns by supporting NATO's enlargement in former Soviet Republics, including Georgia and Ukraine unsuccessfully in 2008. Russia reacted by intervening militarily in Georgia later in 2008. But during the first two years and ten months of the Obama presidency, US-Russian relations improved markedly. It is the Russian anti-regime demonstrations of December 2011 to March 2012 that turned Putin firmly against the United States and the West, gradually transforming his regime into a quasi-totalitarian system with fascist-style anti-liberal ideological elements that appealed to the European far-right. The next step in this escalating confrontation was Russia's military intervention in Ukraine in 2014, once it became clear that Ukraine was moving towards the West. The United States reacted by applying the rules of the liberal international order against Russia, even at the expense of American geopolitical interests; the Western sanctions imposed on Russia pushed her closer to China, which by the 2010s was globally the leading geopolitical rival of the United States. In 2015 the confrontation spread to Syria. It climaxed with Russia's interference in Western domestic politics to the detriment of democratic processes, culminating in the intervention in the 2016 American elections. In spite of Trump's affinity to Putin, his presidency did not alter the trajectory of this confrontation.

In order to understand the nature of this confrontation, one needs to focus on the central development in post-Cold War strategy, which is the overwhelming American superiority in conventional military capabilities. As a result, state and non-state rivals of the United States have resorted to unconventional means, either above the conventional level, as with North Korea's and Iran's nuclear programmes, or below, with terrorism, guerrilla warfare, hybrid warfare, cyberwarfare and political influence campaigns. Putin's Russia was no exception.

## **ORIGINS OF THE US-RUSSIAN CONFRONTATION**

Undoubtedly, NATO's enlargement, first in former Warsaw Pact satellites in 1999 (Poland, the Czech Republic and Hungary) and then even in some former Soviet republics in 2004 (the three Baltic republics along with Romania, Bulgaria, Slovakia and Slovenia), was perceived in Russia as an anti-Russian policy.

The West argued that the peoples of Central and Eastern Europe had the right to determine their international orientation. Their falling under the control of the Red Army in 1944-5 – the Baltics in 1940 – should not permanently exclude them from NATO and the EU, the main pillars of European integration. And it is true that Poland, the Czech Republic and Hungary formed the Visegrad group as early as February 1991 in order to promote their accession to NATO and the EU, some years before NATO enlargement became an issue in the United States and other Western states. In other words, NATO's enlargement process was initiated by the former Warsaw Pact countries rather than the West.

Almost all Russians considered such liberal arguments as no more than a mask barely concealing naked Western expansionism at Russia's expense. The prevailing Russian view is that the West in the 1990s and the early 2000s took advantage of Russian weakness to grab as much of the former Russian external and even internal empire as it could. Moreover, Russians are convinced that when the Soviet Union acquiesced in German unification within NATO in

1990, the West had pledged not to expand the Alliance eastward beyond what used to be East Germany.

Before dismissing such Russian arguments out of hand, it should be noted that George Kennan, the father of US containment policy in the Cold War, opposed the first round of NATO's enlargement in the later 1990s. "I think it is the beginning of a new Cold War," he told the *New York Times*, adding that it was a "tragic mistake" (*New York Times*, May 2, 1998). Jack Matlock, another old Soviet hand in the US diplomatic service, also opposed NATO's enlargement and stated in 1996 that "Gorbachev did get an informal, but clear, commitment that if Germany united and stayed in NATO, the borders of NATO would not move eastward" (McFaul 2018, 48).

Particularly threatening for Russia was Bush's proposal at NATO's Bucharest summit in April 2008 to include Ukraine and Georgia in the Alliance's next enlargement. The opposition of several European allies blocked this move. Even Bush's secretary of defence was sceptical. "Trying to bring Ukraine and Georgia into NATO was truly overreaching," Robert Gates wrote in his memoirs, adding that it amounted to "recklessly ignoring what the Russians considered their own vital interests" (Gates 2014, 157-158). The inclusion of Ukraine and Georgia in NATO would bring the Western military alliance close to some of Russia's major demographic and economic centres. Moreover, Kiev had been the centre of the medieval Russian state when it converted to Christianity at the end of the first millennium of the Common Era.

**Table 1. US-Russian relations since 2011: An escalating confrontation**

1. GDP, current USD, trillions (World Bank, 2018)

	United States	China	Russia
2004	12.274	1.995	0.591
2010	14.964	6.100	1.524
2015	18.120	11.064	1.368

2. Military expenditures, constant 2016 USD, billions (SIPRI, 2018)

	United States	China	Russia
2004	590.447	69.221	26.779
2010	768.446	138.028	43.121
2015	603.625	204.505	64.593

3. Presidential election results (FEC, 2013, FEC, 2017)

State	Electors	Obama's margin in 2012, votes	Obama's margin in 2012, percentage	Trump's margin in 2016, votes	Trump's margin in 2016, percentage
Michigan	16	449,313	9.5%	10,704	0.22%
Pennsylvania	20	309,840	5.39%	44,292	0.72%
Wisconsin	10	210,019	6.94%	22,748	0.76%

Russian frustration increased when the Bush and Obama administrations decided to deploy missile defence systems in former Warsaw Pact countries. The Americans argued that these systems deployed in Poland and Romania were too slow to intercept Russian ICBMs and were useful only against Iranian missiles. But Russia was understandably wary of any American missile defence deployments in regions near its missile bases, which could weaken its nuclear deterrence (McFaul 2018, 179).

In spite of these developments, US-Russian relations improved during the first two years and ten months of the Obama presidency, which overlapped Dmitry Medvedev's presidency in Russia (during which Putin was prime minister; they switched posts because, constitutionally, a president could serve no more than two consecutive terms). This was the period of the Obama administration's "reset" policy, an attempt to improve US-Russian relations in as many issue-areas as possible, even while agreeing to disagree on other issue-areas such as missile defence. According to Michael McFaul, responsible for Russia at the NSC during 2009-2011, the "reset" achieved a new START (mutual American and Russian reductions in their nuclear arsenals), an agreement to move supplies through Russia for American forces in Afghanistan, sanctions on Iran against its nuclear programme and Russian membership in the World Trade Organization (McFaul 2018, 361-362).

## **THE TURNING POINT, DECEMBER 2011-MARCH 2012**

From December 2011 to March 2012 Russia experienced the most massive anti-regime demonstrations since the fall of the Soviet Union. Two were the leading causes:

First, on 24 September 2011 Putin and Medvedev announced jointly that, with the coming presidential election in March 2012, they would switch posts again; Putin would return to the presidency and Medvedev to the premiership. The Russian people seemed not to have a say in this matter (Gessen 2017, 325).

Second, the parliamentary elections of 4 December 2011 were widely perceived in Russia to have been rigged in favor of Putin's United Russia party (Gessen 2017, 334-336).

Putin provided a different explanation. A month before the parliamentary elections, he warned of American interference: "We know that representatives of some countries meet with those whom they pay money – so-called grants – and give them instructions and guidance for the 'work' they need to do to influence the election campaign in our country" (McFall 244). On 15 December 2011, after the demonstrations had begun, Putin declared on Russian television: "As for the 'color' revolutions, I think everything is clear. They are the established practice of destabilizing societies, and I think this practice did not come out of nowhere. We know what happened during the Orange Revolution in Ukraine." He then implied that demonstrators had been paid to take to the streets. He also compared the demonstrators to monkeys (Gessen 2017, 350; Snyder 2018, 51).

Having denied his own people's agency in massive and risky acts of political participation, Putin was elected president on 4 March 2012, in the first round in a rigged election. Thereafter his regime acquired right-wing totalitarian features. The Kremlin gained control of virtually all the media and used them to promote very anti-liberal and anti-Western narratives. Dissent was portrayed as treasonous and stifled, often by violent means. The religious and political philosopher Ivan Ilyin (1884-1954), whose works combined anti-

Bolshevism with a mixture of Russian fascism and Orthodox Christianity, was rehabilitated and often quoted by Putin; in 2014 works of his were distributed to Russia's civil servants and the members of Putin's United Russia party. Other parties remained and elections continued to take place. Such democratic forms could not hide the increasingly totalitarian substance of Putin's Russia (Gessen 2017, 373-475; Snyder, 2018, 17-18 and 60-83).

Putin's foreign policy after 2011 moved in two directions:

The first was a sustained effort to consolidate Russian control over as much of the former Soviet Union as possible through the process of Eurasian integration, which has attempted essentially to replicate the process of European integration, though in a much shorter time. While its origins go back to the 1990s, the process of Eurasian integration deepened with the formation, at the beginning of 2015, of the Eurasian Economic Union (EAEU), which was institutionally modelled on the EU and included Russia, Kazakhstan, Belarus, Armenia and Kyrgyzstan. In parallel Russia strengthened the Collective Security Treaty Organization (CSTO), a security alliance somewhat like NATO and including the same members as the EAEU plus Tajikistan. Note that in Central Asia Russia has accepted a degree of condominium with China, its priority being to keep the West out of imperial Russia and the Soviet Union's old territory, even at the price of allowing China in. Thus, both states participate in the Shanghai Cooperation Organization (SCO), a regional security group focusing on low-intensity threats (such as terrorism), which includes all former Soviet Central Asian states except Turkmenistan, as well as India and Pakistan. Russia also tolerates China's One Belt One Road initiative, which deepens Beijing's influence in Central Asia (Margaritou 2018, 23-42).

The second direction of Putin's foreign policy was an effort by Russia to undermine the West before the West – and more specifically the United States – had another go, in Putin's mind, at undermining the Putin regime. But before examining the resulting confrontation, a brief examination of the nature of strategy in the 21<sup>st</sup> century needs to be offered.

## **STRATEGY IN THE 21<sup>ST</sup> CENTURY**

The central factor in 21<sup>st</sup> century strategy is the overwhelming superiority of the American armed forces in conventional warfare. This has resulted from three technological developments.

The first is vastly improved tactical intelligence. The American armed forces can locate targets through radars, satellites, thermal detection, surveillance drones, electronic spying or even by friendly forces pointing at them with lasers (Biddle 278).

The second is electronic networking by which intelligence gathered by each unit is shared by all units. For example, the intelligence gathered by each vessel in a fleet is seen on the screens of all vessels.

The third is highly accurate targeting. Contemporary guided missiles and "smart" bombs can hit targets with an accuracy measured in a few meters (Ferris 2007, 260-262).

Combined, these aspects of integrated warfare systems act as very powerful force multipliers. Relatively small American forces equipped with integrated warfare systems can defeat much larger but technologically and tactically less advanced enemies in a conventional fight. This does not mean that these systems are a panacea in all contexts. They work best in

the air and open seas, where enemy units cannot hide from contemporary American intelligence capabilities. Woods and rugged mountains offer greater opportunities for hiding. Integrated warfare systems are least effective in urban battlegrounds, in which it is easiest for enemies to hide and in which it is most difficult for intelligence systems to distinguish between warriors and civilians (Biddle 2007, 287-292).

While not always a guarantee of success, the American integrated warfare systems give the American armed forces a major and often decisive advantage in conventional battle, as was seen in the conventional phases of the wars in Afghanistan and Iraq. This was reaffirmed in Syria in February 2018, when some thirty US Army Rangers and Delta Force troops, reinforced during the fight by 16 US Marines and Green Berets, were attacked by some 700 Syrian regime forces and allies, including Russian contractors from the Russian Wagner mercenary group. During a night-time battle that lasted at least four hours, the Syrian regime forces and their allies were attacked by American drones, Apache helicopters and warplanes equipped with night vision and precision weapons. The Syrian regime's side suffered hundreds of casualties, including "a couple hundred Russians," according to Secretary of State Mike Pompeo. The American side had no casualties (Gibbons-Neff 2018; Robin 2018).

Given American conventional warfare superiority, it is not surprising that the enemies of the United States have avoided or minimized the use of conventional means against it. Putin's Russia revived old KGB-era political influence methods, with which Putin himself and his more recent cronies – as old KGB and later FSB hands – would be familiar. The Russians also proved skillful in putting to effective use modern cyber and social media technologies in the service of the very old arts of propaganda and disinformation. They also gave hybrid warfare a new twist. One reason why Putin felt unconstrained to attack the West by such means was that he felt he himself had been a target of a political influence operation with the demonstrations of late 2011 and early 2012.

What follows next is an examination of the Ukrainian crisis of 2014. But before focusing on Putin's unconventional methods in Ukraine, it is useful to examine the Ukraine dilemma facing the United States.

## UKRAINE

The most significant 21<sup>st</sup>-century development in the international distribution of power is the rise of China. As the World Bank figures show, China's GDP rose from roughly one sixth of US GDP in 2004 to almost two thirds by 2015. Russia in contrast has remained far behind.

**Table 2. GDP, current USD, trillions (World Bank, 2018)**

	United States	China	Russia
2004	12.274	1.995	0.591
2010	14.964	6.100	1.524
2015	18.120	11.064	1.368



**Table 3. Military expenditures, constant 2016 USD, billions (SIPRI, 2018)**

	United States	China	Russia
2004	590.447	69.221	26.779
2010	768.446	138.028	43.121
2015	603.625	204.505	64.593

A similar picture emerges when one examines SIPRI's estimates of military expenditures, though the rise of China in this respect seems somewhat less spectacular (in part because the high US military expenditures reflect much higher pay for American personnel than for Chinese). Note that comparing recent military expenditures leads to an underestimation of Russian military power, since Russia inherited impressive nuclear and conventional weapons from the Soviet Union, the procurement costs of which figured in Soviet-era expenditures.

In terms of power factors, China has clearly emerged as the leading rival of the United States. This was very clear in 2013, when the Ukrainian crisis began. Hence the United States had to decide between two opposite positions regarding Ukraine.

The first option followed from the dictates of Realism. The top external priority of any state is to defend itself against the largest external threat. For the United States in 2013 that would be China. From an American perspective, Ukraine was insignificant for coping with the Chinese threat, or for any other significant national interest. Coming to an arrangement with Moscow, whereby Ukraine would remain in Russia's geopolitical sphere, might have kept Russia away from China's orbit.

The second option followed from the imperative of upholding the rules-based liberal international order that the United States has promoted in the post-war era. Ukraine had a right to determine its external orientation and join the West. Any serious Russian retaliatory violations of international law at the expense of Ukraine should be punished in order to send the message that the West takes the rules of the liberal international order very seriously. In this approach it would be hoped that China will be socialized into the rules-based liberal international order, so that even if it overtakes the United States in power factors, it will not be a strategic threat.

Note that Great Britain faced the same dilemma regarding the Soviet Union in 1939-1940. Germany was Britain's main threat. But it was both Germany and the Soviet Union that conquered neighboring states. Punishing the Soviet Union would have pushed it into Germany's arms. In that case Realism prevailed over the imperatives of the liberal international order, because the German threat was very menacing and imminent.

Evidently the same was not the case for the United States in 2013-2014 regarding the potential Chinese threat. Pushing Putin's Russia into China's arms was an acceptable cost for Obama's United States, for the sake of upholding the liberal international order. And yet the Western measures against Russia for attacking Ukraine seem to have been ineffective. It is not unreasonable to conclude that American policy resulted in the worst of all possible outcomes. There was no geopolitical deal on Ukraine to satisfy Russia's major national interests and keep it away from China. But the rules of the liberal international order were not really enforced in an effective way either.

The Ukrainian crisis began on 21 November 2013, when the Ukrainian president, Viktor Yanukovich, announced that Ukraine would not sign an association agreement with the EU. Putin saw Yanukovich as a client and had pressured him to follow a course of closer ties with

Russia rather than the West. Large demonstrations against Yanukovich followed, centering on Maidan square at the center of Kyiv (Kiev). The United States and the EU supported the aspirations of the demonstrators for a more Western, more democratic and less corrupt Ukraine. Putin offered a generous aid package to Ukraine, on the condition that Yanukovich would suppress the demonstrations. But several attempts to suppress the demonstrations failed, despite lethal bloodshed that culminated in the massacre of 20 February 2014, in which about one hundred persons, including some security forces, were killed. Yanukovich then resigned and fled to Russia, having been abandoned even by his own allies in Ukraine's parliament (Snyder 2018, 123-138).

Putin reacted by launching hybrid warfare against Ukraine. By the end of February Crimea was under the control of Russian troops wearing unmarked uniforms – the “little green men.” Russian reporters in Crimea were not allowed to publish stories about the Russian take-over, even if they portrayed the troops as being welcomed by the local population, since the Putin regime denied that these were Russian troops. Yale professor Timothy Snyder dubbed this stance “implausible deniability.” The take-over of Crimea was a very skillful, professional operation, not some spontaneous uprising by the local population. But deniability, however implausible, made this act of aggression appear less naked and overt, especially since Western reporters tended to present both sides of the story (Gessen 2017, 427; Snyder 2018, 162-166).

On 16 March 2014 the Russians organized a referendum in Crimea on whether its people wanted to remain in Ukraine or join Russia. In all the Crimean media, as well as on billboards, the choice was portrayed as either Russia or the neo-Nazis in Maidan (portraying the Maidan demonstrators as mainly neo-Nazis and fascists has been a persistent Russian propaganda line that has resulted in significant misperceptions by some people in the West). It should be noted that Crimea was part of the Russian Soviet Republic until 1954, when Khrushchev handed it over to Ukraine to atone for Stalin's massive assaults against the Ukrainian people in the 1930s and after WWII. A pro-Russia vote was therefore not to be unexpected. Still, according to the website of the President of Russia's Council on Civil Society and Human Rights, turnout in the Crimean referendum was well below 50% and only about half the voters supported “unification” with Russia. Within hours this was “corrected.” The official Russian version is that turnout was at 83.1% and the pro-Russia vote 96.77% (Gessen 2017, 428; McFaul 2018, 401-402).

In the next few months, Russian operatives attempted to launch pro-Russian coups throughout Ukraine's southern provinces, in the so-called “Novorossia” (New Russia), the territories along Ukraine's Black Sea coast that were wrested from the Ottoman Empire in 1774. When this ambitious plan to annex almost half of Ukraine failed, Russia focused on the easternmost Ukrainian provinces of Luhansk and Donetsk. But since Russian operatives had little success in raising local pro-Russian rebellions even there, the Russian army launched major attacks there in July 2014. Significant conventional battles took place between the Russian and the Ukrainian armies, with thousands killed. But as in Crimea, the Putin regime denied that the Russian army was involved at all; hybrid warfare and “implausible deniability” again (Snyder 2018, 166-194).

A seminal moment in the development of Russian disinformation methods came with the downing on 17 July 2014 of Malaysian Airlines flight 17 in southeastern Ukraine by a Russian anti-aircraft missile system. The Russian media put forth several contradictory stories to deflect blame: that MH17 was shot down by a Ukrainian ground-to-air missile; that it was

shot down by a Ukrainian aircraft; that the Ukrainians shot it down mistaking it for an airplane with Putin aboard; that it was a CIA airplane and therefore justifiably shot down; that a Ukrainian Jewish oligarch had made the Ukrainian air traffic controllers order the plane to fly at a dangerously low altitude. As the Oxford researcher on computational propaganda Samantha Bradshaw put it: "You saw a whole series of different conspiracies and competing narratives emerge, attached to various hashtags and social campaigns. The goal was to confuse people, to polarize them, to push them further and further away from reality." The disinformation certainly worked within Russia; an overwhelming majority of Russians blamed Ukraine in opinion polls, even after an international investigation established that Russian or pro-Russian forces shot down MH17 (Gunter and Robinson 2018; Snyder 2018, 178-182).

The West responded to the Russian annexation of Crimea by imposing economic sanctions on Russian individuals and companies related to the Crimea operation. Russian *de facto* control of parts of eastern Ukraine has not brought forth a more vigorous Western response.

When American critics accused president Obama of being too timid, he defended his policy in terms that would please Realists. In effect, he argued that Ukraine was unimportant for the United States and highly important for Russia, hence the West would not do anything more drastic than limited economic sanctions to restore Ukrainian sovereignty in Crimea and eastern Ukraine. "The fact is that Ukraine, which is a non-NATO country, is going to be vulnerable to military domination by Russia no matter what we do," he told Jeffrey Goldberg in early 2016. "People respond based on what their imperatives are, and if it's really important to somebody, and it's not that important to us, they know that, and we know that," he added. "There are ways to deter, but it requires you to be very clear ahead of time about what is worth going to war for and what is not. Now, if there is somebody in this town that would claim that we would consider going to war with Russia over Crimea and eastern Ukraine, they should speak up and be very clear about it" (Goldberg 2016).

Had Obama reached this conclusion before the Ukrainian crisis, he might have come to an arrangement with Russia to keep Ukraine geopolitically outside the West to satisfy Russia's geopolitical concerns, instead of supporting Ukrainian accession to the EU and NATO, which brought about the Ukrainian crisis in the first place. His Ukrainian policy in 2013 brought about what he seems in retrospect to recognize as an unnecessary deterioration in relations between Russia and the West. Russia has been pushed into the arms of China, while the West's feeble response to Russian aggression against Ukraine has hardly enhanced the rules of the liberal international order.

Russia's annexation of the Crimea and its aggression in eastern Ukraine produced euphoria at home. The Russian people felt that their country had become a great power again. But it is questionable whether the Ukrainian developments have served Russia's long-term national interests. Western economic sanctions may have been too weak to force Russia out of Ukraine, but they have damaged the Russian economy. Moreover, Russia's estrangement from the West has benefited China geopolitically. Having to rely increasingly on Beijing politically and economically, Moscow had no choice but to acquiesce in growing Chinese economic and political penetration in Central Asia, in areas that once belonged to the tsarist empire and the Soviet Union.

## SYRIA

In 2011 civil war broke out in Syria, where the Assad regime faced a heterogeneous assortment of rebels ranging from pro-Western groups to radical jihadists (the latter assisted by the freeing of jailed jihadists by the Assad regime, which thereby wanted them to overshadow the pro-Western rebels). Soon other regional states and non-state actors were involved, transforming the Syrian civil war into a wider regional confrontation. On the one side was the Assad regime, supported by Iran, some Shite groups of Iraq, and Hezbollah (the Shite party and militia controlling southern Lebanon). On the other side was a much more heterogeneous array. Saudi Arabia and Israel tried to block what they perceived as an Iranian bid for hegemony in the Middle East. Turkey at first supported them against the Assad regime, but later turned against the Kurds when Damascus granted them autonomy in northern Syria. The former al Qaida of Iraq, soon to be known as ISIS (or ISIL or Daesh), created its own subsidiary jihadist group in Syria, Jabhad al-Nusra, which joined the fight against the Assad regime in eastern Syria. The United States was against the Assad regime, but also against the Sunni jihadists fighting against it. Russia supported the Assad regime (Harris 2018, 13-33).

It was the United States that first came close to intervening militarily in Syria. In the face of the Assad regime's growing brutality against the rebels and rebel-controlled areas, Obama in 2012 drew a red line against the use of chemical weapons. In August 2013 the Assad regime appeared to have used significant amounts of poison gas in rebel-held parts of Damascus, killing as many as 1,400 people. The Obama administration began to prepare the American people for a military intervention to be carried out jointly with Britain and France. Then, unexpectedly, the House of Commons voted against British participation. Obama decided to seek congressional support before using military force. In the face of congressional resistance, he then abandoned the project and used as a fig leaf a Russian offer to bring about the destruction by the Assad regime of its chemical weapons. This *volte face* dismayed America's anti-Iranian allies in the region and fostered an image of American weakness and disarray. *Foreign Affairs* editor Gideon Rose described it as "a case study in embarrassingly amateurish improvisation" (Goldberg 2016).

Subsequently Obama felt justified in keeping the United States out of a third war in the greater Middle East area. In early 2016 he argued that the US experience in Iraq and Afghanistan had shown how prolonged and costly a military intervention can become. Moreover, the West's earlier military intervention in Libya left that country in chaos and anarchy. Pragmatically, Obama also argued that America's energy revolution – both in sustainable energy sources and in new methods (fracking) of extracting oil and natural gas – had made the relevance of the Middle East to the American economy negligible. Still, the United States was widely perceived as losing control of the situation (Goldberg 2016).

The spectacular rise of ISIS as a territorial state-like entity in the months after Obama's *volte face* in Syria intensified the image of a region spinning out of control under the passive gaze of the world's only superpower. ISIS started conquering large pieces of territory, first in eastern Syria in late 2013 and early 2014. It then expanded across the Iraqi border into the Sunni areas of northwestern Iraq. By June 2014 it had captured Mosul, one of Iraq's largest cities. Only a major mobilization of Iranian-backed Shite militias, not Iraq's regular army, blocked ISIS's way towards Baghdad. Then ISIS turned northward against the Kurds in both

Syria and Iraq, but was beaten back by the Kurdish peshmerga, who were strongly supported by American air power.

While the Assad regime lost most of eastern Syria to ISIS, by the summer of 2015 it was also losing ground in the more densely populated western Syria to the heterogeneous groups of pro-Western and jihadist rebels. Since the United States confined its military actions in Syria to supporting the Kurds against ISIS, Russia saw an opening to intervene in support of the Assad regime. A significant Russian military presence was built up in Syria during the summer of 2015.

From the end of September 2015 until the end of February 2016, the Russians used air power to attack the rebels and reverse the course of the war in western Syria. Russian bombing resumed later in 2016 in the Assad regime's operations against the rebels in eastern Aleppo. In January 2017 the remnants of the rebels and most of the local population fled eastern Aleppo, leaving all of Syria's former leading economic center, by now a largely depopulated set of ruins, in the hands of the Assad regime (Harris 2018, 42-90).

By 2018 the United States and its allies had attained the collapse of ISIS as a territorial entity. But Russia had secured a larger prize: the victory of the Assad regime in the Syrian civil war. Obama in early 2016 had dismissed Putin's intervention in Syria as a bid to prevent a client state from slipping out of his grasp "at enormous cost to the well-being of his own country" (Goldberg 2016). Russia's intervention in Syria probably did contribute to its fiscal problems in 2018. Still, Russia seems to have been more successful in Syria than the United States was in Iraq and Afghanistan. By 2018 the United States had no better option in Syria than to work with Russia in order to limit the influence of Iran.

## **RUSSIAN INTERFERENCE IN THE 2016 AMERICAN PRESIDENTIAL ELECTION**

In 2015-2016 Russia conducted the most ambitious political influence operation of the 21<sup>st</sup> century. While one cannot ascertain whether the operation determined the actual result of the 2016 American presidential election, the mere suspicion that it might have – in and of itself – damaged the functioning of American democracy. It also resulted in a further deterioration in US-Russian relations, which may well prove to be detrimental to Russia's long-term national interests.

The operation was launched for three reasons. First, Putin was convinced that the Russian ant-regime demonstrations of 2011-2012 were the product of an American political influence operation aimed at overthrowing his regime. He blamed then Secretary of State Hillary Clinton, as well as the main Russia official at the NSC, Michael McFaul, for launching that alleged operation. Intervening in the 2016 American presidential election meant punishing Hillary Clinton. It also aimed at keeping such a supposedly very anti-Putin politician out of the White House.

Second, Putin had reason to believe that Donald Trump would be more pro-Russian than Clinton. Trump seemed to admire authoritarian strongmen on the world stage. He also took a dim view of the European NATO allies; as far back as 1987, in a full-page ad in the *New York Times*, the *Washington Post* and the *Boston Globe*, he accused them of being free riders taking advantage of the gullibility of American political leaders, who covered European

defense needs through very high American defense spending (Clinton 2017, 334-335). Most importantly, Trump had extensive commercial interactions with Russian economic oligarchs, some of whom had close ties to the Putin regime. In 2008 his son Don Jr claimed that “Russians make up a pretty disproportionate cross section of a lot of our assets. We see a lot of money pouring in from Russia.” It has been alleged that some of these interactions may have involved money laundering (Snyder 2018, 219-221).

Third, the Russian influence operation also aimed at augmenting American political polarization in order to degrade the functioning of American democracy. The worse American democracy looked, the less appealing it would be as a model to the rest of the world, including the Russian people. This objective is implied in the comment by the chair of the Duma’s foreign relations committee, Alexei Pushkov, that “Trump can lead the Western locomotive right off the rails.” (Snyder 2018, 218; Shane and Mazzetti 2018)

The task of intensifying American political polarization was undertaken by the Internet Research Agency, a St. Petersburg firm owned by a Russian oligarch with ties to the Putin regime and its intelligence agencies. The Internet Research Agency fraudulently created 2,700 fake Facebook accounts, which issued some 80,000 posts that reached 126 million Americans. On Instagram it created 170 fake accounts, which issued 120,000 reaching 20 million Americans. It was similarly active on Twitter. A specific example of an encouragement of polarization was the account of the fake Heart of Texas group with a quarter million followers on Facebook, which encouraged anti-Muslim racists to demonstrate on 16 May 2018 in front of a Muslim center in Houston against the “Islamization of Texas”; at the same time another account of the fake United Muslims of America group mobilized many more demonstrators against the Heart of Texas demonstration on that day in Houston (Shane and Mazzetti 2018).

More momentous for the 2016 American presidential election was the hacking by Russian military intelligence (the former GRU) of the email accounts of the Democratic National Committee (DNC) and the Clinton campaign manager John Podesta. The Russians were able to put these hackings to devastating effect, given that Clinton was already on the defense for her use of a private email account when she was secretary of state. At key junctures the Russians leaked thousands of hacked emails via Wikileaks, ensuring that the American public would continuously associate Clinton with email scandals.

The first Russian leak took place on 22 July 2016, when 20,000 DNC emails revealed that the DNC, under the chairmanship of US Representative Debbie Wasserman Schultz (23<sup>rd</sup> Florida district), had supported the Clinton campaign to limit the damage caused to it by Senator Bernie Sanders’s insurgent campaign on Clinton’s left. The DNC evidently deemed Sanders unelectable in the general election in November. Still, it is supposed to be impartial in the primaries for the Democratic presidential nomination. The leaked e-mails forced the resignation of Schultz from the DNC chairmanship one day before the opening of the Democratic National Convention in late July 2016 (Snyder 2018, 230-231; Shane and Mazzetti 2018).

Wikileaks published the hacked Podesta emails on 7 October 2016, one hour after the publication of the *Access Hollywood* tape revealed Trump boasting that he got away with sexually assaulting women. While the Podesta emails did not produce as much damage to the Democrats as the DNC emails in July, they did distract the Clinton campaign by turning the media’s attention away from its messages. Moreover, in Clinton own words, “the steady stream of stories guaranteed that ‘Clinton’ and ‘emails’ remained in the headlines up until

Election Day. None of this had anything at all to do with my use of personal email at the State Department – nothing at all – but for many voters, it would all blend together” (Clinton 2017, 347-348).

In the 2016 presidential election Clinton won the popular vote by almost 3 million ballots. But in the Electoral College she got 227 electors against Trump’s 304. Trump’s victory was determined by narrow leads in three battleground states that Obama had won in 2012.

It cannot be proven whether the Russian political influence campaign brought about enough vote switches in these three states – from Obama in 2012 to Trump in 2016 – to have determined the results. But if Michigan, Pennsylvania and Wisconsin, in which Trump’s combined margin was less than 80,000 votes, had gone the other way, Clinton would have won the election. This means that the Russians would have needed to have switched rather few votes in these states to have made the difference.

**Table 4. Presidential election results (FEC, 2013, FEC, 2017)**

State	Electors	Obama’s margin in 2012, votes	Obama’s margin in 2012, percentage	Trump’s margin in 2016, votes	Trump’s margin in 2016, percentage
Michigan	16	449,313	9.5%	10,704	0.22%
Pennsylvania	20	309,840	5.39%	44,292	0.72%
Wisconsin	10	210,019	6.94%	22,748	0.76%

Even if the Russians did not determine the actual result of the election, the perception that they might have has had serious consequences for American domestic politics. The FBI started investigating Russian interference even before the election. The FBI probe focused on the possibility of cooperation between the Russians and the Trump campaign; it is illegal for American political campaigns to cooperate with foreign states.

Since his election, Trump has persistently denied that there was any “collusion” between his campaign and Russian agents or officials. Moreover, he has persistently doubted that it was the Russians who hacked the Democratic email accounts. Since all relevant American intelligence agencies have concluded that there is no doubt that it was the Russians who did the hacking, Trump’s public doubts have put him on a collision course with his own intelligence and security agencies. Persons within these agencies retaliated by leaking information to the media that damaged the image of the Trump administration.

In February 2017 Trump’s first National Security Advisor, Michael Flynn, was forced to resign and was indicted for falsely denying to the FBI that he had contacts with Russian officials during his time as a Trump campaign member. When the FBI persisted with its probe, Trump, in May 2017, fired FBI Director James Comey. The resulting public outcry was so strong that Trump’s own Justice Department appointed former FBI director Robert Mueller as a special investigator to probe the Russian interference in the 2016 election. Trump reacted by repeatedly attacking his own Attorney General, Jeff Sessions, and Deputy Attorney General Rod Rosenstein. He has also persistently characterized the Mueller investigation as a “witch hunt” and a “hoax.” Between February 2018, when Mueller indicted the St Petersburg Internet Research Agency, and July 2018, when Mueller indicted two dozen Russian intelligence agents, Trump tweeted almost one hundred messages containing the

terms “no collusion,” “hoax” and/or “witch hunt.” As a result, Trump has brought about among his followers a delegitimization of American intelligence agencies and the Justice Department (Shane and Mazzetti 2018).

The Russian issue has also strained Trump’s relations with Congress. Since the Republicans in 2017-2018 controlled both the Senate and the House of Representatives, they did not probe into the possibility of cooperation between the Trump campaign and the Russians. On the issue of Russian intervention, on the other hand, Congress agreed with the American intelligence agencies; in July 2017 it almost unanimously passed tough new sanctions against the Putin regime and related Russian oligarchs. Yet when Trump met Putin in Helsinki in July 2018, at their joint press conference he seemed to place more trust in Putin’s denial of Russian interference in the 2016 American election than in the opposite conclusion of his own intelligence agencies. Even prominent Republicans joined in the outcry against Trump’s apparent subservience to the former KGB officer ruling Russia.

How can one account for Trump’s behaviour? First, his domestic legitimacy, already weak since he lost the popular vote by a margin of 2%, would be further weakened if the American people concluded that Russian interference secured his election. Second, Trump can realistically be removed from office only by congressional impeachment. Therefore, he needs to delegitimize the Mueller investigation and the intelligence agencies as much as possible, so that a major part of the American public would perceive an impeachment as unfair (as with Clinton in 1998) (Shane and Mazzetti 2018). Third, some people allege that the Russians have compromising material on Trump, perhaps related to money laundering through his real estate business (Snyder 2018, 219-221).

The damage to the functioning of American democracy has not ended yet. The Mueller investigation concluded that there is convincing proof that Russia did in fact meddle in the 2016 US elections through a coordinated disinformation campaign and hacking of Hillary Clinton-campaign emails. It found that there were “multiple offers” from Russians to help the Trump campaign. But the report did not “establish that” members of the Trump campaign “conspired or coordinated with the Russian government in its election interference activities.” Moreover, the indictment of Michael Flynn and Trump’s former campaign manager Paul Manafort, as well as the conviction of Trump’s former lawyer Michael Cohen – the last two on charges unrelated to the Russian interference – suggest unlawful behaviour by either Trump himself or close associates and relatives of his.

Presumably Vladimir Putin is very pleased. Yet his political influence operation has brought US-Russian relations to their post-Cold War nadir. The Russian economy is suffering from American sanctions. The West is now on alert against further Russian influence operations. NATO has adopted an increasingly anti-Russian stance. These unfavourable developments have forced Putin to rely ever more on his partnership with China, opening the door for a growing Chinese presence in Central Asia, ultimately at Russia’s expense. While it may be too early to draw up a definitive cost-benefit balance sheet, it seems likely that Putin’s interference in the American elections of 2016 will end up harming Russia’s long-term national interests.



## CONCLUSION

Prior to the December 2011 to March 2012 anti-regime demonstrations in Russia, US-Russian relations were not primarily antagonistic. It is true that NATO's eastward enlargement was perceived by the Russians as a geopolitical threat. But Russia cooperated with the United States in managing Iran and Libya, improving economic relations, and reducing the two sides' nuclear weapons.

Because Putin blamed the United States for the December 2011 to March 2012 anti-regime demonstrations, he has since then been much more antagonistic to the liberal West than he was before. Domestically he moved towards right-wing totalitarianism, which brought him closer to the EU's anti-liberal far-right populists. Internationally he clashed with the West on Ukraine and, to a lesser extent, Syria. In the Eurasian heartland he has promoted Eurasian integration under Russian hegemony, though his bad relations with the West forced him to acquiesce in a growing Chinese presence in Central Asia, which may prove inimical to Russia's national interests in the long run.

The Russian interference in the 2016 American elections was the climax of the confrontation between Russia and the West. It did succeed in causing damage to the functioning of American democracy, though the resilience of American political institutions makes it likely that the damage will be only temporary. By exacerbating the antagonism between the West and Russia, it will probably further damage Russia's long-term national interests.

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*Chapter 15*

## RUSSIA AND THE EU: FROM “STRATEGIC PARTNER” TO “STRATEGIC PROBLEM”

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### ABSTRACT

The article examines the development of the relationship between the EU and Russia from the end of the Cold War until today. It tries to analyze how, starting from a positive note, the relationship degraded to a situation of veiled hostility. Still, the two sides are interdependent in many ways, and they are obliged to find a *modus vivendi* for the period to come.

**Keywords:** Russia, European Union, Neighbourhood Policy, Eastern Partnership, Yeltsin, Putin, Economic Eurasian Union

“Russia’s structural problem is that it has become too small to stand separately but continues to be too big and too difficult to be absorbed by international, i.e., Western institutions.”

(D. Trenin)

### 1. INTRODUCTION

After the fall of Communism, Russian elites actively worked for a rapprochement with the EU, at a time when the EU considered Russia a strategic partner. During that period of transition, both sides fought to enhance their status in the international arena. But, without a treaty regulating security relations in the post-Cold War era, the clash was unavoidable, due mainly to the expanding influence of the EU in the former Soviet Space. And if EU

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enlargement to Central and Eastern Europe did not provoke any major reactions in Moscow, this was definitely not the case for the European Neighbourhood Policy and especially the Eastern Partnership. The EU never understood the threat that Russia felt because of the eastward expansion. Ignorance, naivety, eurocentrism, or just the arrogance of the winners of the Cold War resulted in a series of misunderstandings that transformed economic competition to a geopolitical zero-sum game (Taras 2014).

Today, relations are strained, and the sanctions, because of the Ukrainian crisis, are here to stay. What were the causes of the current tension? How did the European enlargement and neighbourhood policies contribute to the multifaceted reactions from Russia, regarded as auxiliary to NATO's enlargement? And, finally, what are the perspectives?

Relations between the EU and Russia have more often than not been overshadowed by relations between Russia and the USA. Still, as an important economic partner and neighbour, but also as a global player in the making, the EU seems to have great relevance in Russia's ideas on its future and its role in the wider region. The EU was never perceived as being as threatening as the USA, and nor were there memories of past conflicts. But this was and still is a difficult relationship, as both parties focus on the intermediate geographical space between them as a zone of vital interest for Russia or object of EU's Neighbourhood policy. As these two visions for the future of the region do not seem compatible, but rather divergent, the clash seems inevitable, also given the recent developments in Ukraine and Syria. The EU has tried to use its economic superiority as a means to pursue its vision for regional integration. Meanwhile, Russia is subordinating economic ties to geopolitical considerations and a vision of itself as a major power. Neither side has a clear view of how the new security architecture should or will function (Racz and Raik 2018).

### 1.1. The “Flirting” Period with the West: “Love at First Sight”

The first years following the end of the Soviet Union were characterized by a liberal ideology of the dominant Russian elite. In the EC as well as in Moscow, it was stressed that closer ties were needed to deal with the new reality. Still, the basic problem of Russia's post-Cold War foreign policy was that Moscow entered this new era without a clear conceptual framework. When Gorbachev came to power, one of the important elements of his policy was the de-ideologization of international relations (Petro and Rubinstein 1997, 301). “Peaceful coexistence” became the motto which was described not only as the absence of armed confrontation but also as active cooperation with all states, including capitalist countries. All through the Soviet years, Marxist ideology was the driving force of the Kremlin's foreign policy. Now the new ideology was going to be nationalism.

After the end of the Cold War, Russia was obliged to redefine its identity and its relations with the rest of the world. As the country had inherited a Great Power mentality, the ultimate objective – even during the most difficult periods under Yeltsin – was to regain its lost status. Russian elites continued to analyze the world in terms of power politics, through a realist perspective. On the other hand, EU was and still is a *sui generis* union of sovereign states, a post-Westphalian supra-state organization based on principles and values – democracy, rule of law, individual rights etc. – which are also used as the basis for its relations with all third parties. This incompatibility became obvious very soon.

It is certain that the fall of communism caused both the EU and Russia to reposition themselves (Timmins 2003, 78) within the European political environment. But developments were neither linear nor predictable. The personality of the leaders, developments in the European Union, Russia's relationship with NATO and the emergence of new global powers determined the new framework of Russian foreign policy.

#### *1.1.1. The Yeltsin Period: Redefining the National Interest*

National interests are linked to perceptions of identity (Shearman 1997, 2). As post-Soviet Russia was seeking to reposition itself in the global system, the redefinition of who "we are" was central in defining the country's national interest.

The main element of this period is a continuous effort to balance between the positions of the liberal westernizers and those of the nationalists. The result was an inconsistent foreign policy: all parties understood the need to integrate Russia into the new European security order, but this was not an easy task.

During this first period, Moscow wanted to gain a place at the European Security Table and maintain its status as a regional power. When Yeltsin came to power, together with his young foreign Minister, Andrei Kozyrev, he tried to refocus the Russian foreign policy agenda towards the West and especially the USA. As a result, at first their policy had a very strong pro-western orientation. Kozyrev was a convinced westernizer and his first priority was to establish a "strategic partnership" with the USA that would play a dominant role in guaranteeing a democratic and peaceful international system (Petro and Rubinstein 1997, 303). However, plans for NATO expansion, nuclear technology exports to Iran, and arms control created tensions between the two parties. As Americans believed that they had won the Cold War, they envisioned a subordinate role for Russia in the Western alliance. On the other hand, Russia adopted a policy that emphasized good relations with its neighbours.

In this first period, we can identify three clear foreign policy orientations: liberal internationalists, pragmatic nationalists, and patriots or fundamentalist nationalists (Pravda 1994). President Yeltsin and Foreign Minister Kozyrev belonged to the first group, which believed that Russian national interest could be assured through international norms and institutions. For them, Russia had to find ways to integrate into the global economy. They identified Russian national interest in terms of forming a partnership with the west, as a continuation of the "new political thinking" of the Gorbachev era (Shearman 1997, 4-5). Fundamentalist Nationalists combined an extreme nationalism with a utopian desire to reestablish the Soviet Union (Light 2004). The pragmatists, on the other hand, criticized Yeltsin for not giving priority to the former Republics of the Soviet Union and focusing exclusively on the West. This view, which would gradually become dominant, did not reject Liberal Westernizers' view, but adopted some nationalist ideas as well. This camp believed that Russia should diversify its relations and maintained that Russia was responsible for peace and stability in the wider area of former Soviet Union (Light 2004). All groups that opposed Yeltsin and Kozyrev, be they Nationalists, Liberals or Pragmatists, shared the view that Russian national interests lay primordially in the former Soviet space. If this was abandoned, they argued, Russia would be weakened and marginalized.

During this first period, from 1992 to 1993/94, Russia aligned itself with the West in general and with the US in particular (Thorun 2009, 1). However, as of the beginning of 1993, a general consensus was formed that national interest lay in the near abroad, where Russia had a special responsibility for maintaining peace and order (Marantz 1977, 86-8). At

the same time, a new concept of foreign policy was developed – a “*Russian Monroe doctrine*” – that recognized Russia’s vital interests and special role in the former Soviet republics and legitimized an eventual Russian intervention to protect them (Shearman 1997, 10).

As a result, after 1993 there is a general understanding that, for Russia, national security interests placed the CIS states, or “near abroad,” at the center. These were followed, in descending order of importance, by relations with the USA, the EU, China and Japan, and then Eastern European and Middle Eastern countries, and mid-level Asian countries. CIS States are considered by Moscow as Russia’s *vital space*, for security as well as economic reasons, and as the main foreign policy priority. Concerning the EU, Russia tried to establish an arrangement that would make the country part of the new security architecture of Europe.

Russian opposition to NATO expansion to eastern Europe was an overarching element of that period. The suspicion that, after the end of the Cold War, NATO was redundant and could be used only as an organization against Russia was preponderant. However, Russia decided to join the Partnership for Peace in 1994 and an Individual Partnership Program was signed on 31 May 1995. It was true that NATO’s expansion risked creating a new dividing line in Europe, with NATO members on the one side “*and a humiliated and threatened Russia on the other and insecure borderlands in between*” (Goldgeier and McFaul 2003, 186, 195). The PfP was signed precisely to avoid this division. But it was not enough.

With Evgenii Primakov replacing Kozyrev as Foreign Minister in 1996, the consensus was enhanced: the notion of “multipolarity” became dominant and the core issue of “near abroad” and the Russian Monroe Doctrine defined a coherent and consistent concept of national interests.<sup>1</sup> Primakov’s policy can be defined as a “policy of alternatives.” The concept of an “alternative foreign policy” used the theory of Eurasia as a background. Instead of animosity towards the west, alternative steps were offered. Still, NATO’s bombing of Serbia increased anti-western feelings in the country (Selezneva 2003, 15).

In general, from 1993/94 to 2000, Russia’s foreign policy became increasingly assertive and ambiguous. On the one hand, it continued to cooperate with western powers, joining the PfP, but on the other it carefully tried to counterbalance against the West (Thorun 2009, 1). By the late 1990s, the process of common security was beginning to weaken in the face of what Moscow saw as a growing American unilateralism (Booth and Wheeler 2008, 160).

For the EU, the main policy tool in its relations with Russia would be the *Partnership and Cooperation Agreement* (PCA), signed in 1994,<sup>2</sup> and the *Common Strategy on Russia* (the first ever Common Strategy of the EU), launched in 1999. The objective was to engender constructive engagement with the new regime and a sense of shared norms and values (Timmins 2003, 78). The country was considered a strategic partner, and an elaborate, open and ambitious structure of cooperation and integration was set up. There were also to be two summits every year between the EU and Russia, whereas with every other partner there was just one summit per year. For Russia, the PCA established a basis for EU-Russian trade and it was regarded as a means to gain access to global markets, given that the economic asymmetries between Russia and the EU were more than obvious.<sup>3</sup> In any case, it entered

<sup>1</sup> He was the one to drop the hint of a triangle Moscow, Beijing, New Delhi (Trenin 2003, 5).

<sup>2</sup> EU-Russia Partnership and Cooperation Agreement, [http://Eur-lex.Europa.EU/legal-content/EN/TXT/?uri=LEGISSUM:28010102\\_2](http://Eur-lex.Europa.EU/legal-content/EN/TXT/?uri=LEGISSUM:28010102_2) accessed on the 10/10/2018.

<sup>3</sup> This was not dissimilar to the Europe Agreements signed with the countries of Central and Eastern Europe. However, in this case the objective was not accession, weakening the effort to take on the normative obligations. The PCA was built on the assumption of shared values which was not the case.

into force in 1997, after the withdrawal of Russian troops from Chechnya. For the EU it was a way to integrated Russia to a wider area of cooperation in Europe. It was a time of optimism and belief in the normative power of the EU project.

Meanwhile, the Common Strategy welcomed Russia's return to the European family "*in a spirit of friendship, cooperation, fair accommodation of interests and on the foundation of shared values.*" The European Council therefore "*adopts this common strategy to strengthen the strategic partnership between the EU and Russia,*" and adds that "*the future of Russia is an essential element in the future of the Continent and constitutes a strategic interest for the EU.*"<sup>4</sup> It is beyond doubt that at that time, the EU regarded Russia as a strategic partner equal to the US; a partner that could and should play a crucial role in the new security architecture of Europe.

On the Russian side, as stated in the October 1999 *Russian Medium-term Strategy for Development of Relations with the EU*, the will to develop a pan-European security identity, but without any will of accession to or association with the EU, is clear.<sup>5</sup> In this Strategy, for the first time, the objective of the relationship with the EU is clearly delineated: the partnership between Russia and the EU will be based on treaty relations, while "*Russia should retain its freedom to determine and implement its domestic and foreign policies.*"<sup>6</sup> We should add that Russia pursued the idea of Strategic Partnership as long as it viewed it as a prerequisite for being recognized as a Great Power (Nitoiu 2016). It is true that EU enlargement was not as threatening as NATO's expansion to the East. However, it would undeniably have severe economic consequences for Russia. As EU candidate countries of Central and Eastern Europe reoriented their trade towards the EU, their trade relations with Russia would be affected in one way or another, as they invested in a relationship with the EU at all levels. This happened when Russia was at its weakest at the political and economic levels, and EU was at its strongest and most dynamic. The extension of the internal market through enlargement to the East stimulated the emergence of a geopolitical dimension, due to the relation of the new Member States to Russia. But one should note that, with the Neighbourhood policy, the internal market will be extended even further, outside the borders of the Union (Franco 2017, 27-8).

As Light, Lowenhardt and White (2003, 69) wrote "*[the Ministry of Foreign Affairs officials] were deceiving themselves in thinking that the western system was a kind of balance, in which increasing the European weight would automatically weaken the American side of the balance.*" However, this zero-sum thinking was far from the reality: Common Foreign and Defence Policy (CFDP) was not against NATO but, on the contrary, complemented it. This exacerbated Russia's perception of exclusion (idem, 71).

## 1.2. The Period of Realism: Vladimir Putin

Putin's period will mark a deep change in Russia's foreign policy: more confident, with greater assertiveness, but with a pronounced continuity to the Soviet perception of a country -

4 The Common Strategy on Russia, p. 7, Cologne Presidency Conclusions, 3 and 4 June 1999, [www.aei.pitt.edu/36374/1/A2485.pdf](http://www.aei.pitt.edu/36374/1/A2485.pdf) accessed on the 10/10/2018.

5 The Russian Medium-Term Strategy for Development of Relations with the EU, [http://www.eur.ru/eng/neweur/user\\_eng.php?func=apage&id=53](http://www.eur.ru/eng/neweur/user_eng.php?func=apage&id=53) accessed on the 10/10/2018.

6 The Russian Medium Term Strategy. op.cit.

great power and global player. The new President tried also to bridge the period before 1990 with the period after. It is not by coincidence that the end of communism was, according to Putin (2005), “*the greatest geopolitical catastrophe of the 20<sup>th</sup> Century.*”

Putin’s presidential campaign was under the title of “Greater Russia” and “Strong Russian Statehood.” However, in the *Foreign Policy Concept of the Russian Federation* (2000), relations with the EU are recognized as of “*key importance.*”<sup>7</sup> Apart from relations with individual EU states, which are considered a “*traditional foreign policy priority,*” it is mentioned that “*The ongoing processes within the EU are having a growing impact on the dynamic of the situation in Europe. These are the EU expansion, transition to a common currency, the institutional reform and emergence of a joint foreign policy and a policy in the area of security as well as defence identity. The Russian Federation views the EU as one of its main political and economic partners.*”

The year 2000 was a historic time for Europe. Important decisions were taken concerning the enlargement process (the “Big Bang” approach was adopted) and the first discussions were held on the “wider Europe” project and what the EU’s position should be. Russia seemed very interested after St Malo (1998) in the perspectives of a European Security and Defence Policy (ESDP). For Moscow this would contribute to the EU’s emancipation from NATO’s control. At the same time, all through this period the European Union tried to forge links with Moscow and respond to Russian fears of marginalization.

But even if the EU’s enlargement was not perceived as a threat to Russia, Moscow gradually became aware of the economic and trade repercussions and the general impact of the accession of Central and Eastern European countries on its own economy.

In 2001, Putin put forward his plan for “*a clear definition of national interest, economic effectiveness and pragmatism*” (Selezneva 2003, 17). His foreign policy was Europe-oriented, very different from the American-oriented policy of Yeltsin. Europe was considered a natural partner in the new security environment. The opposite approach was adopted by nationalists who considered Russia the leader of the anti-western world (Selezneva 2003, 18). However, the main question was what Russia could offer to Europeans at the security level. As Russia believed that the only way for Europeans to turn their back on NATO was the development of an autonomous European defence, Moscow’s attitude towards ESDP was not negative. In fact, Moscow noted its positive interest in developments at that level (Danilov 2007, 135).

Events on 9/11 offered Putin the opportunity to join the western anti-terror coalition and forge good relations with the EU and NATO, as he immediately showed solidarity with concrete actions that offered Russia a chance to return to the world stage. It was an opportunity for Russia to gain tolerance for the situation in Chechnya, while, one year later, in 2002, the EU formally supported Russia for membership in the WTO. This was a period of higher-level cooperation with the West, increased coherence and a Russian effort to present itself as a respectable partner (Thorun 2009, 2).

In 2003, the European Commission launched the *European Neighbourhood Policy*. It offered the countries participating “*everything but institutions,*” in order to create a “ring of friends” around the EU (Bildt 2014, 3). Russia was also invited but declined: for a country considering itself to be a great power, it was unacceptable to be treated at the same level as the other former Soviet republics. Moscow wished to develop one-to-one relations with the

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<sup>7</sup> The Foreign Policy Concept of the Russian Federation, (2000), <https://fas.org/nuke/guide/russia/cotrine/econcept.htm> accessed on the 11/10/2018



EU on a more equal footing. The asymmetrical nature of the ENP and strict conditionality may explain Russia's refusal to join the Partnership. However, Russia, in its neo-realist analysis, felt that it was losing its sphere of influence in the shared neighbourhood.

The ENP had serious flaws (Howorth 2017; Keukeleire 2015). First, it followed the principle "one size fits all," refusing to see the differences between the countries.<sup>8</sup> Second, the policy was stripped of any geopolitical consideration, without any collective strategic approach. And third, the "everything but institutions" principle could not balance out the strict conditionality, which was, in addition, applied selectively (for example, Belarus was accused of authoritarianism, but wealthy Azerbaijan was not). But most of all, the ENP managed to frustrate the major geopolitical actor of the region, Russia.

In an effort to balance the consequences of the ENP by offering something to Russia, in May 2003, at an EU-Russia Summit in St Petersburg, the two sides confirmed their will to further strengthen their cooperation and their strategic partnership. They decided on the creation of "*Four Common Spaces*"<sup>9</sup> – Common Economic Space, Common Space of Freedom, Security and Justice, Common Space for External Security and the Common Space on Research and Education. Two years later, in Moscow, the two parties reached an agreement on the respective road maps.<sup>10</sup> However, the years 2004–2008 were marked by mounting suspicion of the West and a growing disagreement between the two parties, as well as an assertive Russian foreign policy.

In 2007 the PCA of 1994 expired, but after events in Georgia in summer 2008, negotiations for a new agreement were suspended.

In May 2008, some months before the Russian invasion in Georgia, the *Eastern Partnership* was launched, at the initiative of Poland and Sweden,<sup>11</sup> governing the EU's relations with the former Soviet republics of Armenia, Azerbaijan, Belarus, Moldova, Georgia and Ukraine. Meanwhile, the gas crises in 2006 and 2009 deepened the gap between Russia and the Union, as the EU saw Moscow as using energy as an instrument of foreign policy. The crisis in Georgia had two important repercussions: first, the US withdrew from the area, leaving relations between the west and the former Soviet space to the EU, and second, the focus was now exclusively on security.

In 2010, during the 25<sup>th</sup> EU-Russia Summit in Rostov, Russia and the EU officially launched the *Partnership for Modernization* as a shared modernization agenda to advance the two economies and bring European and Russian citizens closer together.<sup>12</sup> It was a positive initiative but it came too late: it could not really mitigate the estrangement between the two parties and was doomed to fail (Franco 2017, 32).

During the same period, in 2010 and 2011, not long after the launch of the Eastern Partnership, Russia launched its own integration process – the *Eurasian Customs Union* (ECU) – together with Belarus and Kazakhstan (Marocchi 2017, 4). This was the first step for

<sup>8</sup> As Howorth says, "*Belief that neighbours would transform into clients*".

<sup>9</sup> EU/Russia: The four "Common Spaces", European Commission, [http://europa.eu/rapid/press-release\\_MEMO-05-103\\_en.htm](http://europa.eu/rapid/press-release_MEMO-05-103_en.htm) accessed 5/11/2018.

<sup>10</sup> 15<sup>th</sup> Summit EU-Russia: Road maps for Four Common Spaces", European Commission, [http://ec.europa.eu/research/iscp/pdf/policy/russia\\_EU\\_four\\_common\\_spaces-%20roadmap\\_en.pdf](http://ec.europa.eu/research/iscp/pdf/policy/russia_EU_four_common_spaces-%20roadmap_en.pdf) accessed 5/11/2018

<sup>11</sup> The EU would offer a new generation of Agreements, the Deep and Comprehensive Free Trade Agreements. 'Deep' refers to the level of legislative approximation, while 'comprehensive' defines the broad range of the trade-related aspects of the EU economic relationship with the relevant countries. The objective is the gradual and partial integration of the associated countries in the EU Single Market. (Van Elsuwege, 2017, 63–81).

<sup>12</sup> European Commission-Press Release) EU and Russia launch new partnership of modernization, [http://europa.eu/rapid/press-release\\_IP-10-649\\_en.htm](http://europa.eu/rapid/press-release_IP-10-649_en.htm) accessed 8/11/2-18.

the *Eurasian Economic Union*, which was enlarged to include Armenia and Kyrgyzstan in 2015.

From that time on, relations evolved in an open geopolitical competition. Independent of the EU's intentions, which were not always clear, it was obvious that this policy had overt power implications that could not be ignored. The EU's insistence on its normative approach could not convince Russia of what was at stake. The EU's integration process was asymmetrical and without clear objectives: it imposed rules and regulations on the neighbourhood without a clear goal, while at the same time preventing the association of these countries with the EEU, which was perceived as a competing integration project (Nitoiu 2016).

But it is interesting to see how relations with the EU gradually fell in Moscow's agenda. The *Foreign Policy Concept* of 2008 does not consider relations with the EU to be “of key importance” but views the Union “as one of the main trade economic and foreign policy partners.”<sup>13</sup> This had to do with the new perception that the EU was a weak security player. The text also stresses the “geopolitical position of Russia as the largest Eurasian state” and underlines that the “main objective is to create a system of regional collective security, ensuring the unity of the Euro-Atlantic region, from Vancouver to Vladivostok.”

The fact is, the EU and Russia seemed incapable of agreeing on the future of their common neighbourhood and, as a result, on the future of their relationship. After Georgia and the gas crisis, suspicion on both sides mounted. These actions were considered as signs of a renewed geopolitical rivalry that opened up the space for tensions and covered hostility (Moshes 2009).

### 1.3. The “Cold Peace”<sup>14</sup>

In 2012, Putin was elected President of Russia for the third time. His political agenda was focused on the creation of a fully-fledged Eurasian Union (Putin 2011). According to Putin, the 2009 Customs Union with Belarus and Kazakhstan would be the first step to the Union, which would eventually integrate all republics of the former USSR, leading to single currency, common institutions and a passport-free zone. As already mentioned, Russia, Belarus and Kazakhstan signed the EEU Treaty on 1 January 2015. Armenia and Kyrgyzstan also joined. The objective, according to Putin, was not the revival of the Soviet Union but the creation of a new supranational association capable of becoming one of the poles of the modern world. This resulted in a pause of the new Agreement talks with Brussels. On the other hand, the DCFTAs were designed to tackle non-tariff barriers. It is obvious that a country could not be part of both, as they are both instruments of trade integration. It was beyond any doubt that the Eastern Partnership and the EEU were two competing geopolitical projects, and the countries in between had to make a difficult choice between the two. The only solution would be an EU-EEU agreement but given the circumstances this was not

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<sup>13</sup> Russia's Foreign Policy Concept 2008, <https://rusiaEU.ru/userfiles/file/foreign-policy-concept-english.pdf> accessed 8/11/2018.

<sup>14</sup> Term used by Sawka, 2013, and by Bugajski, 2004

realistic (Van Elsuwege 2017, 68). Let us note that it was a question not only of legal incompatibility, but, above all, of mutual distrust.

In summer 2013, Moscow launched an effort to stop Ukraine, Armenia and Georgia from signing the Deep and Comprehensive Free Trade Agreements (DCFTA) with the EU. Armenia decided to join the Customs Union and then the Eurasian Union. But this was not the case with Ukraine. Russia pressured the two countries not to sign the Association Agreement with the EU, but to join its own economic integration project. Ukraine signed the AA while Armenia became the fourth country to join the EEU (after Russia, Belarus and Kazakhstan).

Relations with the EU started to take a negative turn after the signing by Ukraine of an Association Agreement with the Union in 2013.<sup>15</sup> The next move was, in 2014, Russia's annexation of Crimea and its military intervention in Eastern Ukraine. Still, the intervention caught the EU by surprise: it proved the difficulty the EU had in following and understanding Russian foreign policy. It was not the first time: the 2006 Russia-Ukraine energy crisis and Russia's 2008 war in Georgia are two more examples.

In July 2014, the EU responded by adopting a series of sanctions, while Russia reacted with counter-sanctions.

## 1.4. Two Competing Integration Projects

The violation of international rules and norms and the more assertive policy in different regions and the hybrid warfare conducted by Moscow point to a multidirectional and multidimensional foreign policy that has to be deciphered by the West. For Russia, the former Soviet region is its sphere of influence; its "vital space." Still, the Moscow considers the Ukrainian crisis a systemic clash of interests, while it maintains that the conflict was instigated by the Euro-Atlantic expansion to the East and the West's "*disregarding Russia's interests in the post-Soviet space*" (Danilov 2017, 17). It is obvious that good relations with the EU is not a priority any more for Russia. On the contrary, together with the US, they are seen by Moscow as a major challenge. On the other hand, Russia's disillusionment with the EU's capacity to act autonomously from NATO resulted in its perceiving the two institutions as a single threat.

In fact, what we see is also a clash of values and worldviews: multilateralism, solidarity, norms-based behavior versus national sovereignty and stability in the "near abroad".

In March 2016, EU Foreign Ministers agreed on a set of five guiding principles for EU-Russia relations:<sup>16</sup> full implementation of the Minsk agreements, closer ties with Russia's former Soviet neighbours, strengthening EU resilience to Russian threats, selective engagement with Russia on certain issues (such as counter-terrorism) and support for people-to-people contacts. It is interesting to note that selective engagement does not cover

<sup>15</sup> The signing came after the Euromaidan protests, fueled by the decision of pro -Russian President Yanukovich to suspend preparations for the Association Agreement with the EU. Euromaidan led to his fall in February 2014. The signing of the Agreement took place in 2014, later in two stages, first for its political content in March 2014 and then for its economic content in June 2014, when Russian annexation of Crimea and intervention in Donbas were in full swing. The provisional application of the Agreement started in November 2014, except for the DCFTA, which entered into force 'provisionally' in January 2016, after a one-year delay at the request of Russia.

<sup>16</sup> Foreign Affairs Council, 14/3/2016, <http://www.consilium.europa.eu/en/meetings/fac/2016/03/14/> accessed on the 10/11/2018.

cooperation in the post-Soviet space, which was the most crucial issue between the two parties.

The EU Global Strategy of June 2016, presented by High representative Federica Mogherini, mentions that “*the relationship with Russia represents a key strategic challenge... Russia has challenged the European security at its core.*”<sup>17</sup> Russia was no longer regarded as a strategic partner, although it was still recognized as a strategic player. It is insinuated that Russia is a country with which it is impossible to build enhanced cooperation on the basis of mutual interest (Danilov 2017, 16). The Russian side understood this policy as a robust attempt to promote EU interests, first of all in the security sphere.<sup>18</sup>

It is beyond any doubt that the EU seems incapable of forging a clear strategy towards Russia. Even if the new pragmatism in EU-Russia relations is a significant development, we should not expect any major breakthrough in the foreseeable future. Russia has sent the message that it no longer depends on the EU and is investing heavily in its Eurasian profile.

In reality, what we are witnessing are two different paradigms of the shared neighbourhood: on the one hand an extension of the EU zone of influence, based on the values and norms of the Union and on bilateral agreements, and, on the other hand, the reconstruction of Russian influence in its near abroad through the Eurasian Economic Union. In any case, both paradigms seem to depend more and more – but not exclusively – on hard power.

There are certain conclusions to be drawn from the new *Military Doctrine* (2014) and the new *Security Strategy* (2015) (Facon 2017, 6-19). According to the texts:

- the country is a Great Power and must be respected as such;
- the new international scene is polycentric, chaotic, threatening and unstable;
- the post-Soviet space is instrumental in guaranteeing security to Russia. Special attention has to be given to all procedures that reinforce Eurasian integration process;
- the West is at the focus of Russia’s threat and risk assessment;
- the western world is the main challenger;
- all means may be used to defend the country’s strategic interests;
- the EU features quite low among Russia’s strategic priorities;

The Security Strategy mentions that NATO and the EU have expanded their zones of influence through enlargement and other cooperative ties, including in the neighbourhood they share with Russia. It also condemns attempts to inspire “color revolutions” that destabilize the region (Facon 2017, 9).

More concretely, we read in the Russian *National Security Strategy*<sup>19</sup> that the strengthening of Russia is taking place against a “*backdrop of new threats to national security*” (art 12), while the “*Russian Federation’s implementation of an independent foreign and domestic policy is giving rise to opposition from the US and its allies who are seeking to retain their dominance in world affairs.*” The Strategy notes that the role of force as a factor

17 *Shared Vision, Common action: A stronger Europe. A Global Strategy for the EU’s Foreign and Security Policy*, June 2016, p. 33.

18 Gromyko A., “The EU Global Strategy: is it Global and Strategic?”, in *The EU Global Strategy*...p. 43-51.

19 [www.ieee.es/Galerias/fichero/OtrasPublicaciones/Internacional/2016/Russian-National-Security-Strategy-31Dec2015.pdf](http://www.ieee.es/Galerias/fichero/OtrasPublicaciones/Internacional/2016/Russian-National-Security-Strategy-31Dec2015.pdf) accessed on the 11/11/2018.

in international relations is not declining, while it concludes on the non-viability of the regional security system.

In the *Foreign Policy concept* of the Russian federation of 2016,<sup>20</sup> we read that Russia expects CIS member states to fully implement their obligations within the integration structures that include Russia (par.54). It adds, however, that “*Russia’s strategic priority in its relations with the EU is to establish a common economic and humanitarian space from the Atlantic to the Pacific by harmonizing and aligning interests of European and Eurasian integration processes*” (par.63). In other words, priority to the “near abroad” and relations with the EU at a level of equality.

Concerning the EU, it is without doubt that its importance for Russia is mainly in the economic sphere. Still, there has been a gradual “*securitization*” (Lo 2003, 14) of all aspects of foreign policy, with parallel reinforcement of the security apparatus. Everything becomes an issue of security, so exceptional measures are needed. This has been obvious since the beginning of Putin’s era. Security, military and political concerns overshadow and influence economic priorities. It is to be noted that Putin has focused on security developments in his relation to the EU. In fact, even the pursuit of external economic priorities has been about power projection (Lo 2003, 20). Russian gas exports make a good case of the above.

Another important factor, discernible throughout the Putin era, is the image of Russia as a military power. The tarnished image of the Yeltsin period, with a decadent military establishment, is a thing of the past. The country’s prestige depends again on the situation of the military establishment. However, the focus has shifted from massive military power to new concepts that integrate conventional, unconventional, cyber and hybrid elements that form a complex toolkit (Palmer 2015, 2). But it is much more than that. It is a complex mix of tactics and tools – not only military, but also economic, political, etc. There is “*A resulting blurring of the line between war and peace (non-war)*” that triggers fears that, after Ukraine, Russia may try it again with a NATO country (Facon, 16).

Although both sides agree that – despite the mutual suspicion – relations between the EU and Russia have to develop further, a strategic partnership with the EU is not a priority for Moscow. In fact, what we have seen is a pause in the existing partnership (Zolotov 2016). A much-needed reconciliation does not seem possible at this stage, as Russia views the EU as a geopolitical rival in the post-Soviet space; a simple extension of the USA and NATO (Facon, 21).<sup>21</sup>

Suspicion is widespread in Moscow that Brussels, together with the USA, staged the “anti-constitutional coup” (as Russia sees to present the situation) in Ukraine (Facon, 20). But the EU is also considered responsible for projecting European normative power in its near abroad and thus influencing, through the Eastern Partnership and the Association Agreements, the balance of power in the region. It was precisely as a reaction to this perceived threat that the Eurasian Economic Union was created, in a way to contain the rapprochement of the region with the EU.

<sup>20</sup> Foreign Policy Concept of the Russian Federation, Ministry of Foreign Affairs of the Russian Federation, 12 November 2016, [http://www.mid.ru/en/foreign\\_policy/official\\_documents/asse\\_publisher/CptICKBZ29/content/id/2542248](http://www.mid.ru/en/foreign_policy/official_documents/asse_publisher/CptICKBZ29/content/id/2542248) accessed on the 11/11/2018.

<sup>21</sup> It was not always like this. In 1999, Russia supported the Common Defense and Security policy, as a means for Europe to acquire a serious and autonomous defence and security role.

It is beyond doubt that Russian opposition to the Eastern activity of the EU will increase. Russia seems to be turning to Eurasian partners and projects, and it is not likely to view the post-Soviet space as a space of EU-Russia cooperation.

### 1.5. A Value-Based Approach against a Great Power Image?

Certain observers have speculated about a new Cold War or hybrid Cold War – or even Cold War 2.0. It is true that Russia has refused to enter the family of Democratic western nations. But at the same time the situation in certain member states such as Poland or Hungary or even Italy proves that the western democratic liberal model is under severe attack.

Russia under Putin feels itself to be a “Continent apart.” Since the end of the Cold War, Russia has been on a continuous quest to define its national identity: integral part of Europe or Eurasian leader? Still, it is undeniable that the future of the EU and Russia are interlinked.

Since the end of the Cold War, EU-Russian relations have traditionally been characterized by the “cooperation-conflict” dichotomy (Averre 2009). Periods of cooperation are followed by periods of conflict and vice versa. What we have witnessed is the EU’s lack of coherence when dealing with Russia and its inability to speak with one voice (Nitoiu 2016). But the problem is also the various member states’ discordant policies towards Russia. During the first decade after the end of the Cold War, Russia lacked a strategic vision as well as coherent national and state identities acceptable to the population (Legvold 2001). The political class was deeply divided over policy priorities, and as a result the foreign policy of that period had little consistency or unifying logic (Lo 2002, 5-6) Things changed radically with Putin, especially after 2004, when a new coherent and assertive foreign policy emerged.

Today, Russia ranks as the EU’s fourth trading partner, while the EU is Russia’s largest trading partner and most important foreign investor, accounting for 38.1% of its imports and 44.1% of its exports (European Commission 2018). The interdependence is more than obvious. It is interesting to witness the visible gap between Russian foreign policy discourse and its economic intentions vis a vis the EU, as Russia will certainly try to restore its economic ties with the West (Racz and Raik 2018)

On the other hand, despite its efforts with the Third Energy Package, the EU has been unable to neutralize the Gazprom monopoly. Russia is still the EU’s leading supplier of fossil fuels, providing one third of its gas and oil imports.<sup>22</sup> Russia’s long-term export strategy has two goals: to maintain a minimum 30% share in the European market and to increase supplies to the East (Kaveshnikov 2017, 55). In 2018, the share of Russian natural gas in Europe’s supply has reached a record level, with 193 billion cubic meters of gas exported by GAZPROM to the EU; nearly 40% of Europe’s market.<sup>23</sup> For the EU, as mentioned in the Global Strategy of 2016, there is a crucial issue of energy security, which means avoiding dependence. This issue is elaborated in greater detail than in any previous Strategy paper. The goal is security of energy supply, even if the threat of interruption of supply from Russia is not as acute as before. According to the EUGS, the main area of EU activity is the

22 The EU’s Russian policy: *Five guiding Principles*, Briefing, European Parliamentary Research Service, October 2016, p.4.

23 “Russia’s gas exports to Europe rise to record high,” Financial Times, 3/1/2018, <https://www.ft.com/content/7b86f4be-f08e-11e7-b220-857e26d1aca4> The reason is the decreasing production in the Netherlands and Norway. Accessed on the 11/11/2018.

diversification of supplies. It is interesting to note that the Strategy deliberately omits any points on cooperation with Russia in the energy field, in contrast to previous EU documents (Kaveshnikov, 61). In any case, the EU continues to rely on energy imports from Russia, while Russia needs European investments and technology (Racz and Raik 2018).

Sanctions have hit the Russian economy hard, leading to a 20% drop in the ruble value, a stock market crash and the decline of foreign exchange reserves (Howorth 2017, Picardo 2015). From July 2014 to July 2015, the Russian economy shrank by 3.7%, and this affected the EU, which saw its exports to Russia decline by 3%. On the other hand, the Russian ban on EU agricultural products had serious repercussions for European agriculture. Russian sanctions have cost the EU 100bn euros and up to 2.5 million jobs, or 0.25% of GDP for the EU and 2% of Russia's GDP (Russell 2016).

We are currently in a period of mutual mistrust. For EU it is an important test to maintain a common position – an endeavor that is neither easy nor simple. There is no common strategy concerning Russia, and behind the *façade* of unity we hear a cacophony that can be detrimental to European interests. There are divergent views concerning Russia: from the totally hostile view in Eastern European countries to the declarations of the former President of France, François Hollande, who declared that “*Russia is an adversary, not a threat.*”<sup>24</sup> Big member States – France, Germany, Italy – prefer to deal bilaterally with Moscow on shared economic interests (Nitoiu 2016). Of course, Russia tries to profit from this lack of unity and to exacerbate differences between member states. In any case, we are now far from a strategic partnership, and political will alone is not enough.

The EUGS mentions the possibility of pursuing “*selective engagement*” with Russia if and when our interests overlap.<sup>25</sup> This could take place over matters of European interest, including climate, the Arctic, maritime security, education, research and cross border cooperation. Engagement should include deeper societal ties, as the “*EU and Russia are interdependent.*” So, “*managing the relationship with Russia represents a key strategic challenge.*” “*A consistent and united approach must remain the cornerstone of EU policy towards Russia.*”<sup>26</sup>

The area of direct confrontation is the region of the former Soviet Republics. We are faced with two paradigms: the EU plans to expand an area of democracy and trade relations to the East through the DCFTAs, on the one hand, and the Russian model, which demands respect for the existing integration initiatives inspired by Moscow in the “near abroad,” with the ultimate objective of harmonizing the two integration processes. The Russian strategy is specifically to confront European integration with its own integration project and, at the end of the day, to take the EU away from US command and cooperation (Mizin 2017).

Today, the Russian and the EU perspective on the international and European security order seem incompatible: power politics vs a normative approach. Still, both sides want the European security architecture to be repaired, but each side believes that the other has contributed to the weakening of this architecture. What the EU urgently needs is a long-term strategy on Russia that incorporates the things they have in common and the things that bring them apart. In this framework, dialogue is the only way to address the multitude of common problems and challenges, from conventional and nuclear arms to terrorism, migration, etc.

<sup>24</sup> <http://www.elysee.fr/videos/declaration-a-l-arrivee-au-sommet-de-l-otan/> accessed on the 13/11/2018.

<sup>25</sup> Shared....p. 33.

<sup>26</sup> idem.

## CONCLUSION

On the 7 May 2018, Vladimir Putin began his fourth term as President of the Russian Federation. During his first speech he expressed the need to give priority to economic development and modernization. However, geostrategic considerations are still dominant. The official narrative is that the unipolar world with the western global domination of the 1990s is a thing of the past. The world has become polycentric or multipolar, with big powers competing at all levels. In this environment, the EU is less important on the security level as long as it is perceived as a US accessory. Moscow does not consider the EU to be a valid interlocutor, and the idea of a “common security space” seems now irrelevant. From the western side, this presidency started with an extremely high level of mistrust due to the Skripal affair and the chemical attacks in Syria.

For the European Union, Russia is becoming an ever-greater strategic challenge due to the Kremlin’s support of extremist political parties, attempts to influence election campaigns, disinformation, cyberattacks. The view in Western Europe is that Russia is currently attacking norms-based security (Racz and Raik 2018). What we are witnessing is the clash between the EU’s liberal universalism and Russia’s authoritarian statism. At the same time, many EU member states have “experienced” Russian operations aimed at sowing instability and disunity.

The problem originates from the mutually exclusive way in which EU and Russian security interests have developed in the post-Soviet Space. The clash of values and world views is so violent that the conflict seems unavoidable (Howorth 2017). At the same time, it is beyond doubt that Russia would like to institutionalize relations between the EU and the EEU. So far, this dialogue has been limited to low-level technical talks.

It is beyond doubt that Russia is and will remain a key player at the level of European Security. On the other hand, however, Moscow is increasingly questioning the EU’s role on the security architecture of Europe. What is needed is a de-escalation package that will gradually lead to the development of a road map for dialogue between the EU and the Eurasian Economic Union. Unfortunately, we are not there yet.

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*Chapter 16*

**FROM ROMANCE TO DISILLUSIONMENT:  
THE RUSSIAN FEDERATION AND GERMANY –  
PARTNERS IN GROWING  
RECIPROCAL MISUNDERSTANDING**

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**ABSTRACT**

A long and winding road binds Russia and Germany together. Time and again, both fell into artificial overestimation of the other's abilities and real underestimation of the other's capabilities. With the dissolution of the Soviet Union, a new beginning seemed to gain ground. Political leaders, both in the East and in the West, ended an era full of dangers. Romance followed, but for a short while only. And fear is coming back. What went wrong between Germany and Russia? What can be done to frame the relations anew?

**INTRODUCTION: HISTORY MATTERS**

In 1917 and in 1988 actors of the Russian political elite tried to open up a path to modernizing their country. Revolutionary Socialism was the vehicle a hundred years ago, and Evolutionary Reformism was the vehicle thirty years ago. Both attempts were related to German experiences. Lenin and Gorbachev learned from German examples how they could shape Russia in order to lift the country into modernity. The paradoxical outcome of Lenin's efforts led in 1917 to the Soviet Union, a cruel form of dictatorship, functionalized by Stalin into a system of organized terror. Michail Gorbachev's reform agenda led to the implosion of the Soviet Union and the rebirth of Russia in 1991. Putin rules the Russian Federation as an autocrat. At first he impressed Germany, engendering hope of establishing a productive partnership for modernization. Over time, his autocratic course has alienated the attitudes in

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mainstream Germany from offering possibilities of closer ties with Russia. The time has come to reflect on what new 'Realpolitik' can be wrought from disenchantment to create new approaches. Russia can be a partner in cooperation and must not be a foe in conflict.

Lenin and Gorbachev, the former starting the October Revolution and paving the way to the Soviet Union, and the latter finally and unintentionally closing out the 'Soviet Century,' observed Germany's development closely (Schlögel 2017). In analyzing Germany's ups and downs before and after World War I, and through the late 20<sup>th</sup> century with critical sympathy and sometimes with a mixture of awe, surprise and shock, both recognized Germany as a potential factor inside Europe that could foster a new order. A hundred years ago, German social-democracy might have been a solid pillar in Western Europe for stabilizing the socialist revolution. Gorbachev's reform agenda seventy years later might have opened up the way to the Soviet Union's entering the 'Common European House.' Again, Germany could have been a mediator and an assistant in forging the bonds between Eastern and Western Europe in the last decade of the 20<sup>th</sup> century. In fact, Gorbachev and the last leaders of the USSR were confident in the western political elite, hoping that the descent of the Soviet Union could be stopped. The West, supported by the strength of Germany's economy, was regarded as an asset and expected to help create a bridge to a different modernity, based on human values. Floods of hope swept from the East to the West and multiplied on each side. Velvet revolutions took place, freedom and democracy were the winners. These were the days of Romance. The main feeling at that time was: a new page of an exciting era has been turned. Half a century ago, mankind saw its darkest times. Nazi Germany created the most inhumane dictatorship, based on racist ideologies, declared Slavs as "Untermenschen," and tried to murder all Jews and conquer the whole world. The people living in the Soviet Union suffered most. More than 26,000,000 rivers of blood, created by the obscene atrocities of German soldiers are etched into the memories of all Europeans and will be haunt cultural memory until the end of time.

It was therefore an egregious event that the leaders of the CPSU decided that the German Democratic Republic and the Federal Republic of Germany would be allowed to unite. This could happen even though deep processes of reconciliation had not yet been fundamentally initiated between the Soviet Union and Germany. The Soviet Union made an unexpected gesture of trust towards Germany. Huge mountains of guilt rested on the German perpetrators individually and on the German consciousness collectively for the generations involved in the Nazi regime in as far as they supported Hitler's dictatorship. In public debates, introduced by indisputable findings of critical historians and accompanied by painful intrafamilial controversies, it took nearly twenty years after the end of World War II for Germans in the West to begin to come to terms with their historical guilt. Processes of acknowledging horrifying atrocities, of complaining about the crimes and bemoaning what was done to the victims were steps to a deeper self-knowledge through confronting the collective mind with what really happened in the dark years between 1933 and 1945 and marked the turning point in a new German self-understanding. Decisive numbers of Germans, especially within the spectrum of the political elite's centre – from the moderate right to the moderate left – have since then anchored the country steadily in modern liberalism. The success of Germany after the Nazis is due to the necessary efforts towards Europeanization that were intertwined with hard looks into the mirror of a terrible past. This 'Aufarbeitung der Vergangenheit'<sup>1</sup> filtered

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1 Scrutinizing the past.

down from politicians to the level of ordinary citizens, at the same time growing in intensity. In dialogues with the western neighbors of Germany, actors started an era of mutual understanding aimed at constructing an in-depth, reciprocal sense of belonging based on the bonds of human universalities. Partnerships between cities strengthened these ties from citizen to citizen and between nations until today. Gradually, the countries in Eastern Europe found ways to join in these processes of undergoing the painful experiences of coming to terms with the past. German unification opened up new potential for formalizing concepts of the ‘Aufarbeitung der Vergangenheit,’ offered historians of any country involved and a wide range of representatives of the different civil societies a chance to take part on equal footing in inventing new views of historical facts and to enrich their autonomous interpretations. The institutionalization of bilateral forums was ground-breaking. These forums drew up individual agendas, guided by their foreign ministries, and had free spaces to study any subject they chose. Based on scientific findings, these works could contribute to a new European consensus. And this laid the groundwork for a new consciousness based on common European experiences.

## **THE REBIRTH OF RUSSIA**

The rebirth of Russia could have been a pivotal turn to a new beginning. After the dissolution of the USSR in the last days of December 1991, Boris Yeltsin shaped the Russian Federation as a power in transformation, incorporating the unresolved ambiguities of former transitions from the end of the Monarchy, when timid attempts to establish democracy in 1917 were brutally halted by Stalin’s terrorist regime. At the very moment when bureaucrats presumed that the fundamental reforms of Gorbachev would end the dictatorial power of the Communist Party, the latter attempted a coup d’état. This gave Yeltsin an opportunity to override both options: the realignment to a European modernity based on democratic values and the regressive way back to soviet-style communism. His iconic staggering was a metaphor for the uncertainties that the newly founded Russian Federation experienced. The companions of the ten years to come were the downfall of the economy, the sharp rise of polarization within society, separatist conflicts, and the erosion of a wide range of structures that provided orientation, even if that orientation was mostly rejected.

In the fog of the end of the last century, Russians’ authoritarian instincts turned their back on the path that could lead to a liberal order; a different path has been opened since then. The key, snapped up by capitalists and born of the dissolution of the huge communist conglomerates, unlocked the door to a different system of capitalism, coercively divided, continuously observed and corruptively secured by state authorities.

How did this turn-around come about? Why did the overflow of expectations come to this end? When did the tipping point of the crossroads leading in a distinct direction occur? When the Soviet Union collapsed, the old, artificially constructed social contracts were abandoned and no democratically imposed new framework for inventing a historically adequate social contract – emerging from an organized debate in which all citizens would be included – came to the fore. Instead, unbelievably large spaces of many kinds of opportunities suddenly became abandoned wilderness; in this manner, a race of predators came into being: the winner took all – if necessary, violently. The model of the new Russian ‘biznismeny’

emerged, replacing the ‘homo sovieticus’ and thus leaving behind ethical commitments. Along with the plundering of resources by crude and brutal privatization processes began Russian society’s alienation from the West (Llyod 1999).

The rules of these strange auctions were imposed by agents of the West and triggered feelings of alienation from within, combined with feelings of inferiority to the outside world. These ruptures of the layers of culture rendered growing segments of the Russian people confused about their future. Fragilities in their personal lives and in the fate of their country emerged. These were the years when the West lost Russia, and Germany made no substantial effort to challenge this decline.

We Germans could have developed an alternative scenario. An in-depth analysis, in the context of an open debate, of where the Russian Federation cultural potentials were to be discovered would have been a good starting point. The body language of the West, on the contrary, showed triumphalism, disregarding the strong sources of creativity enshrined in the great products of Russian art, science, literature and music. Recognition of Russia as an indispensable partner that could add to the strength of European culture would have fostered bonds of cultural belonging. Germany could have played a role as a mediator, crossing the dangerous lines of reverting into the attitudes of self-referential modesty. The unsettled questions of how to work on reconciliatory processes necessitated by the traumas caused by German cruelties in the years of the Great Patriotic War could have been tackled. The first attempts at a common commission of historians bore new insights and laid the groundwork for sharing interpretations of historical facts. What were missing were enduring efforts from this decisive moment on, using the founding act of the Russian Federation as a chance to write a new page of a reciprocal perception in a common understanding. These were some of the factors that, in the wake of the birth of the Russian Federation, drove large swaths of the Russian population – overcome by uncertainties – to rediscover regressive lines of their cultural heritage.

At the end of the Tsarist monarchy, Russians were reacting in disparate ways to capitalist modernization. St. Petersburg showed its cultural strength as an advanced ‘Laboratory of the Modern’, as Karl Schlögel explained sympathetically (Schlögel 1988). Concepts of modernity and concepts of culture are intertwined; that is what we have learned from Max Weber in Europe’s East and West. The Russian discourse after the creation of the Russian Federation tried to find codes of its national identity in the past. Today’s capitalism is structurally a kind of *déjà vu* of the historical experience that Russians had in the first years of the last century. The neo-liberal version of capitalism gave rise to greed when the moment arrived and the exit from communism was in sight. Freedom was then a restricted potentiality, in so far as it was linked only to the prerogatives of state authorities. When Vladimir Putin came to power, a small group of entrepreneurs monopolized a large share of the country’s wealth. With Putin’s advent, Russia’s dual economy began to develop. While one sector mostly stems from the soviet-style industries, the other stems from the newly created private companies. The latter sector operates according to advanced criteria: efficiency, productivity and innovation (Miller 2018). If this sector could become the cradle of Russia’s future economy, it would constitute the starting point of a modernizing, competitive industry.

What conditions had to be met in order to reach this? To what extent could the experiences of the different programs of the partnership for modernization provide ideas to concretize these efforts? Initial expectations were running high when these programs were

initiated. Starting from the phase of capitalist industrialization onwards, from around the turn of the twentieth century until today, Russia tried to adopt different concepts of modernization.

Through all of these attempts, one decisive aspect of European modernization has been underestimated in the Russian context. Liberal values had been the driving ideas of modernity. Individuals must be free. And their freedom is bound to reflect in what way the sources of liberty can resonate with the aspirations of other free individuals. The role of statecraft is at first to lay out fair rules that encourage individuals to solve their economic conflicts on their own. After Isaiah Berlin distinguished two concepts of liberty – the ‘positive’, “...valid universal goal” constituting the autonomy of a self-determining individual, realizing his/her own purposes, and the ‘negative’, claiming for the removal of barriers, constraints or obstacles external to the agent (Berlin 2002) – the debate clarified our understanding of how the dialectical relations between the self, a given group or collective formation and the state can be modelled. Only then, if individuals are enabled to act freely, entitled by an assured democratic self-government as a fundamental human need, and society is embedded in a multi-plural order, the contradictions stemming from various interpretations of freedom can be used as references to stabilize the liberal modern from within. In this liberal tradition, John Rawls accentuated the second revolutionary value ‘equality’ (Rawls 1971), while both Berlin and Rawls agreed in essence on the first ‘liberty.’ These discourses on how a good society could emerge to intertwine individual unity, ethical plurality and political morality generated an enduring discourse on both sides of the Atlantic. Although Berlin’s writing on the influences of Russian authors such as Herzen, Plekhanov and Turgenev, his arguments about the failure of monistic thinking had barely found entry into the Russian intellectual debate. The catch-phrase of modernization did not open up a thorough-going analysis of the complexities from different perspectives; rather it has been a rhetorical reference and has generated misunderstandings. The findings of Berlin could have been a bridge to an adequate understanding of modern liberalism; unfortunately, his work has been marginalized.

## **YEARS OF UNCERTAINTIES**

The last decade of the 20<sup>th</sup> century was a turbulent time for the Russians. With the end of the Soviet Union, a radical transformation from communism to capitalism began. Yeltsin bullied through this in a growingly aggressive, authoritarian style. His presidential decrees aimed at moving a decaying command economy into a free market system. Politically, the president clashed with an opposing majority represented in the Duma. The outcome of parliamentary elections, in parallel with a referendum in December 1993 on a draft constitution, brought about a prolongation of institutional disputes. These inner conflicts multiplied when the southern flank of the Russian Federation began to rebel unilaterally against the central political power. Secessionist Islamists from Chechnya invaded Dagestan in August 1999. The year before, Russia had faced a serious economic crisis. The supposition at the start of Yeltsin’s presidency – that the sudden unfettered rupture from communism into crude capitalism would bring unprecedented prosperity – failed. In August 1998, inflation rose sharply, to above 84%, GDP fell roughly 30% below 1990 levels, and output had fallen to around 50%. Joseph Stiglitz’s notion, published in *The Guardian* of April 2003, analyzed

“the ruin of Russia” and underlined “the fact, that neo-liberal reform produced undiluted economic decline” (Stiglitz 2003). The collapse of the Russian economy, inflamed by radical liberalization, polarized the Russians. On top of this, a small group of owners survived the tumultuous years of transition. At the bottom of Russian society a huge number of poor people remained stagnant. In the nineties, when Yeltsin’s decline gradually picked up speed, the romantic relations between Russia and the West turned into disillusionment. The traditional feeling of many Russians, engraved in their cultural perceptions, came back. Inferiority versus respect, isolation versus openness, closing versus exchange – the experiences with a triumphant West generated attitudes that Russia should seek an alternative path. Sympathies went on the wane. The early years after the establishment of the Russian Federation offered an exciting possibility for a fundamental reciprocal start between East and West. This moment was missed. Many in the East felt that their presence was an instrument to foster the self-esteem of the West. And some in the West bore out this expectation with their behavior. Superiority as arrogance highlighted the need to find a common way to a human modernization. Inferiority as a call for change lowered the chance of overcoming the conflicts of purely economic modernization. This ambiguity remains. It could have led to a strong division between East and West, stronger than before, if the two nuclear superpowers had faced off against each other in assured mutual destruction.

This time, the dividing lines are running through both East and West, from the inside. And they are driven by a dynamic of a different kind. The framework today is based mainly on cultural differentiations, influenced by loose cooperation between actors in national, regional and international societies, sometimes following imperatives stemming from economies, and in addition to these, governmental incentives are in place, aimed at nationally, regionally and internationally shaping these complexities. During Gorbachev’s years in power, Germany had created friendly feelings toward the then Soviet Union, and this did not change when the Russian Federation was first founded. Some Germans, even in the political elite, suggested that the new Russia, if it were so inclined, could find a way to associate status in the European Community. The Paris Charter of the OSCE (1990), NATO’s Partnership for Peace Program, which Russia joined (1994), and, later, the agreement between the EU and the Russian Federation establishing the ‘four common spaces’ (2003) and the Partnership for Modernization (2010) were all aimed at fostering networks of cooperative ties and creating practical tools to promote and enhance reform processes for all participating actors in the fields of politics, military, economics, sciences and societies. A symmetric development of a vision of gradual steps to be taken for reaching commonly accepted goals for a peaceful future to come. That momentum gave hope. Unfortunately, these days of ‘romance’ did not last very long.

## **WHAT MODERNIZATION?**

After Yeltsin’s weak performance, Putin appeared cool and strong: an anti-erratic personality. The speech of the new and refreshing Russian president at the German Bundestag on 25 September 2001, fourteen days after the terrorist attacks of 9/11, seemed to accentuate the romantic phase again. He saw the supplanting of Stalinist totalitarianism by the ideas of freedom and democracy as being in line with the fall of the Berlin wall. He spoke positively



of European integration, asking, at the same time, that countries not only look to America but also be open to Russia. Putin asked for common answers to prevent new threats, and at the same time he complained that Russia was still not recognized as an equal partner. Instead of working towards a common European House, certain dividing lines had been kept. Turning to developments inside Russia, he claimed that “the main goal of the politics of the interior of Russia was at first to guarantee democratic rights and freedom, the improvement of living standards and the security of the people.” Speaking fluent German, the Russian president highlighted the closeness of German-Russian relations, between authors in literature and culture and actors in the economy – ties as tense in history as they were at present. At the end of his address he confessed that Russians made mistakes and had problems, but they were open to “working together fully and in partnership.”

Roughly five years later, Putin gave a speech to the Munich Security Conference. The sound had changed dramatically. He attacked the enlargement of NATO to the east, criticized the US for striving towards a uni-polar world-power, with itself as the one and only hegemony. What a difference five years made! Mighty Russia was back on stage. This early warning showed that President Putin was pursuing a new order in which Russia would never again be disregarded as a world power. This was definitely to be understood as a sign that the romance was over. From here to disillusionment was a short a distance.

How did the rupture come about? How can we identify the rift that, in just over twelve years took on a dynamic that drove Russia and the West apart? Could the downturn have been avoided? And if so, what could Germany have done to prevent it?

The turning point was the outcome of the ‘Orange Revolution.’ Putin came to the conclusion that it was in Russia’s national interest that an independent Ukraine not be allowed to join NATO or the EU. The election of Viktor Yushchenko in December 2004 – in defiance of Putin’s express political will – was interpreted as a personal loss. Losing Kiev, perceived by Moscow as Kievan Rus, the cradle of Russian culture, to the West could be seen as an existential threat to Russian identity. Viktor Yanukovich, strongly supported by Putin six years later, did win the presidential election in 2010, trying to reverse the move for freedom. Nevertheless, the ongoing struggles inside the reformist camp improved the conditions for a comeback of backward-oriented political forces that were using their influential resources, especially in the east of the country. In the heat of the ‘Orange Revolution,’ supporters of Yanukovich from the East threatened the electorate that they would eventually secede from Ukraine if the results of the vote were annulled. After Ukraine had declared its independence, in a December 1991 referendum that was endorsed by a majority of 90%, the politicians tried to balance the ongoing problem of the country: to retain positive relations with Russia and at the same time gain a closer relationship with the EU. From then until now, a bitter struggle has been underway within Ukraine. Even if this question is addressed inadequately, the political debates are mostly focussed on what scenario is more productive for the future of Ukraine: modernizing the country by following the Russian model or by following the European model?

As misleading as this is, much of Ukraine’s potential is not being used constructively. Instead of enhancing reform and working on better practices for fighting corruption, intellectual energy was squandered on posing the wrong questions at the wrong time. Meanwhile, the legacy of the ‘Orange Revolution’ suffered from political fragmentation and its substance eroded. The earlier landscape, showing dividing lines between Eastern-bound and Western-bound territories re-emerged. The regional cleavages were not transcended and

the heartland of neo-patrimonialism in the East was reaffirmed. In short, the public became disenchanted and momentum was lost. Bohdan Harasymiw ended his paper on 'Ukraine's Orange Revolution and Why It Fizzled', presented to the meeting of the Canadian Political Science Association in June 2007, with these words: "[The Orange Revolution] achieved only a partial political transformation because of flawed leadership, and we may have to wait for the next generation of leaders as well as a maturing of the political culture for the process to unfold further" (Harasymiw 2007). Russia's attitude towards the revolutionary developments in its near-abroad is anti-revolutionary. The hard core of Russian political technologists regards Ukraine as Russia's backyard and not as an independent sovereign country.

An additional lesson has been learned. The European Union was careful not to lose its strategic access to Russia when asked to deliver more assistance to Ukraine. Democratic revolutions in Russia's environs are hardly in the interest of Moscow's leadership. On the other hand, inside the EU and in Germany critical voices were heard at that time, warning against alienating Russia. After the flight of Viktor Yanukovich to Russia, enforced by the Euro-Maidan experience, the Kremlin developed a strategy for how to stop Ukraine from leaving the camp dominated by Russian geopolitical interests. In line with neo-imperial concepts, religiously founded ideas and the recovery of the Eurasian space, the debate on what future Russia could expect foreshadowed that a consensus was in the making: never should Russia lose any control in the near abroad, and Ukraine's fate should forever be linked to mighty Russia.

The first attempt after 1991 tried to adopt capitalism. Its implementation in an unregulated form polarized the country. The second attempt started when Putin and Medvedev tried to modernize the economy in cooperation with the tools negotiated between Russia and the EU. The result has been uneven. Some of the actors resisted and adhered to autocratic behavior, slowing the pace at which other actors could work. The Partnership for Modernisation (PFM) set in place tools inspired by processes of learning. Contrary to a logic of appropriateness, the 'soft tools' of the PFM laid out incentives to engage Russia formally through the political institutions and informally through the non-institutional actors in a special way, so that Russia's authorities would not fear external interference in their sovereignty. The expectation had been that the result might be an unintended Europeanization rather than a modernization directed by organized influence. Improving the capabilities of a modern form of governance via direct exchanges of competent multinational experts on equal footing gave opportunities to learn by coordination. The proceedings of 'learning by doing' – beyond formalized structures, but based on commonly agreed guidelines, joint evaluation reports and recommendations – was aimed at building trust between the actors. All the participants had the freedom to choose the tools they would like to use. The underlying logic of the PFM had been to do practical things together rather than to modulate a holistic approach of modernization. Over time, as more projects were realized, the different views of the ultimate purpose of the PFM came to light. The Russian officials had a limited vision in mind, concentrated on the spheres of economy. However, the EU understood modernization in a more comprehensive sense and thought of enlarging factors which should have a spill-over effect on politics and society too. An indispensable precondition for achieving success in processes of modernization is to develop a sustainable strategy in a long view. Stakeholders from the political level, the level of economy, to local actors are necessary to create such a strategy and to confirm the steps to be taken in practical terms. All of them are to be connected not only nationally, but with the symmetric stakeholders participating from the side

of the European Union. Reports showed that modernization ‘from above’ produced limited results. If modernization is mainly restricted to technological aspects, this effort alone cannot solve Russia’s real problems. The state apparatus is acting in the mood of bureaucratic stagnant immobility, and oligarchs are also afraid of being destabilized. Nobody is interested in changing the fundamentals. The Siloviki-system is a stumbling stone, blocking the path to modernization. Vladislav Inozemtsev, an expert on modernization, made telling remarks explaining inherent problems on Russia’s path to modernization: “There is only one path Russia can take if it is serious about modernization. That is the path of industrial revival based on Western technologies, the rapid liberalization of the economy in combination with gradual political reforms, and a fundamental rapprochement with Europe and the United States. Those are tasks requiring political will and competency, not demagoguery, populism and pie-in-the-sky dreams. Unfortunately, neither the authorities nor the opposition is ready to implement these reforms and changes in policy. This is why modernization in Russia remains nothing more than an empty slogan” (Inozemtsev 2010). Dmitry Medvedev’s term as president gave the impression that Russia could be a substantial partner to the EU in the process of modernization. He summarized his assessment in his article “Go Russia!,” arguing that the country should leave behind its economy’s backwardness and its society’s archaic paternalism, while overcoming its dependency on natural resources, especially on oil and gas. Diversification was the key word, based on innovative technologies. Modernization should come through encouraging creative potentials (Medvedev 2009). Five areas were defined later: Energy efficiency and new fuels; medical technologies and pharmaceuticals; nuclear power engineering; information technologies; space and telecommunications. In these areas the segments of the economy should be modernized thoroughly to achieve breakthroughs to make Russia more competitive. The “Skolkovo Project” should have delivered the proof, opening the window to realizing an ambitious innovation scenario and fostering high-tech advanced approaches in the Russian economy. The reality was very different. The political economy system resisted in large parts. Hopefully, the time will come when the modernization of the country will bring about the opposite of what Viktor Chernomyrdin once said: “We wanted better, but it turned out like always” (Johnson 2012).

## **THE AUTOCRATIC TURN**

In his third term as president, Putin cleared the way. The drama of the flight of Viktor Yanukovich to Russia was understood in Moscow as handwriting on the wall. Weeks later, Russian troops and paramilitary forces took control of the Crimean peninsula. Residents of the Ukrainian Autonomous Republic voted in a referendum on 16 March 2014 to join Russia. Since then, Moscow has worked to destabilize Ukraine and stop its European orientation by using tools including military means and soft power, be it diplomacy, information warfare or painting Ukrainian politicians in gloomy, dangerous colors. On 18 March 2014, in his address as the President of the Russian Federation, Putin aimed at reuniting “the Russian lands,” even those that were divided during the times of the Soviet Union. Months later, at the Valdai Club, he described his revisionist view, describing “new rules or a game without rules:” “This historic turning point we have reached today and the choice we all face” and “changes in the world order – and what we are seeing today are events on this scale – have usually been

accompanied by – if not global war and conflict – then by chains of intensive local-level conflicts” (Official Website of the President of Russia 2014 A). With all this, Putin not only pushed aside binding commitments, but also cracked the foundation of trust upon which reciprocal understandings had found solid ground in historical experiences that had been built up over more than half a century, from the Helsinki process onwards. Can we put it simply: the future of Ukraine is the future of Russia is the future of Europe? Are we going in a direction of authoritarian autocrats or can we basically refresh the European norms and values and offer an attractive vision of Europe in the course of unifying ourselves again? In January 2015 the Russian Military Historical Society declared what is now at stake: “Against us – and that means: against the truth – a new Blitzkrieg had begun. We have to support the course of the president and to start an ideological counter-attack on the whole front – in this war on souls.” Dmitri Rogosin, Deputy Prime Minister, Wladimir Medinski, Minister of Culture and Nikita Michalkow, filmmaker, signed this declaration (Schmid 2015, 11). In December 2014 the Russian President – signing the document on the basic guidelines of the state’s cultural policy (Official Website of the President of Russia 2014 B) – endorsed that this policy should aim at helping the young generation to mediate “characteristic values, norms and attitudes” of Russian civilization and, in doing so, answer to the main threats lashed out against Russian society, atomizing society and “deforming historic memory,” fighting against “negative assessment of important eras of the patriotic history,” which could wrongly lead to biased perceptions of “Russia’s historical backwardness.” Consequently, Putin underlined in his speech to the Russian Federal Assembly, confirming the Eurasian Economic Union as a new geopolitical formation, “either we are sovereign – or we dissolve ourselves in the world and we get lost in there” (Official Website of the President of Russia 2014 C). In contrast to the European West, sovereignty is a fundamental construct built on statehood and it is an absolutely necessary condition for the existence of Russia. In his address, Putin picked up phrases written by Alexandr Dugin, commenting on the foundation of the Eurasian Economic Union. All of the founding members have an advantage, but Russia wins strategically and fundamentally vis à vis American hegemony, producing a pole in a multi-polar world. On 22 February 2006, Vladislav Surkov defined the essence of Russian democracy as “sovereign,” in delivering a speech to ‘United Russia’, the political party supporting Putin. Barry Yourgrau described Surkov’s role as that of Putin’s ‘Puppet Master’ (Yourgrau 2018).

The influence of this gray eminence on Putin’s actions with regard to Chechnya or Ukraine and conceptualizing elements of ideologies is far-reaching. It should be mentioned here that Dmitry Medvedev made critical remarks on the notion of sovereign democracy, sidelining Michail Gorbachev’s comment. A lover of political inventions, Medvedev idealized Putin’s image as a smart leader of greater Russia, a post-modern icon of congenial qualities surmounting the heritage of Russian monarchs or leaders of the Soviet Union, acting as a bulldozer to circumnavigate governmental problems. Over time, the first eight years of Putin’s presidency, and after the change of the ‘tandem’-management with Dmitry Medvedev and the re-enforced presidency of Putin from 2012 – re-elected 2018 – we have witnessed a dualistic power structure: gradually more and more authoritarian, holding up institutions once democratically established, but also constantly eroding their values. A set of non-transparent networks is acting behind the public scenes, bound together as servants of autocracy and oligarchy. The intertwined sectors are differentiated in formations and act reciprocally, aiming to stabilize the hierarchical system through top-to-bottom power vectors. Serious alternatives that could emerge politically are being pushed to the margins. Dissenters – be

they journalists or politicians – are faced with humiliation or even murder: censorship by killing, for instance, in the cases of Anna Politkovskaya and Boris Nemzov. The first sign that a tipping point would be reached, and that a revisionist perception of history was on its way, was Putin's state-of-the-nation speech on 25 April 2005: "The collapse of the Soviet Union was the biggest catastrophe of the century. For the Russian people, it became a real drama. Tens of millions of our citizens and countrymen found themselves outside Russian territory. The epidemic of disintegration also spread to Russia itself." "In protecting Russia's interest," Putin continued on the subject of foreign affairs: "we are interested in developing the economy and strengthening the international prestige of our neighboring countries. We are interested in synchronization of the pace and parameters of reform processes in Russia and CIS States (comprised of Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine)." The president made clear that the Russian nation has to pursue a "civilizing mission ... on the Eurasian continent" and this "means that democratic values multiplied by national interests should enrich and strengthen our historical unity." Addressing democracy, he declared that "democratic procedures should not develop at the expense of law and order or stability, which has been so hard to achieve, or the steady pursuit of the economic course we have chosen. Therefore we will move forward taking into account our own internal circumstances, but of course observing the law and constitutional guarantees" (Radio Free Europe 2005). Herein lies the blueprint for how Russia acted in 2014, when the Kremlin deemed that it was in the interest of its nationally, culturally and geopolitically founded sovereignty to annex the Crimean Peninsula. For Putin, the developments in Ukraine – the 'Orange Revolution' and later the Euro-Maidan – evidently were interpreted as the proof that the West intended to undermine the legitimate interests of Russia. The European Union has been marked as one of the driving forces supporting regime change in Kiev as a decisive step towards Ukraine's integration into the EU. Russia views Ukraine as "a natural part of the country's historical and cultural core" (Lukyanov 2010, 19). Karaganov sees the annexation of Crimea a success (Karaganov 2016). The approval of Putin's image within Russia, as a national strongman responsible for the 'return of Crimea,' has been tremendously high since then. Conflicts with the West turned out to improve his standing in public affairs. Pushing aside doubts in his national constituency through strengthening his position in Russia against the liberal West constitutes the legitimacy of the current presidency, inasmuch as the annexation of Crimea could be presented as a success driven by a growing desire to avoid the necessity to enforce a substantial reform agenda in Russia. The irony is obvious: Since then, Putin has been a prisoner of the dangerous image that he himself inaugurated. Using tools of hybrid warfare in this case – and swiftly pushing into the regions of East Ukraine – is reason enough for the neighboring states to strengthen their relations with the West, the EU and NATO. The notion of Novo Rossija emerging in the context of the violence taking place in the eastern borderlands of Ukraine is now a massive threat to peoples who are living inside the former Soviet Union and are now citizens of independent countries, fearing that a concept of 'Greater Russia' could return as an imperial power.

The 'return of Crimea' and the nationalistic ideology behind this move hints at the probability that Putin himself, at least during his term as Russian, blocked a possible option to reverse this *fait accompli* and elaborate a different solution in agreement with Ukraine and in accordance with the international law. Anton Barbashin made the argument that the Crimean case could be judged "a successful failure." A rational analysis would apparently lead to the

assessment “that Crimea was a major policy mistake” and the side effects would “clearly create a number of concerns for the years to come” (Barbashin 2017, 243-244). When asked at the annual press conference, on 18 December 2014, what the economic fallout of the annexation of Crimea could mean, Putin answered: “This is actually the price we have to pay for our natural aspiration to preserve ourselves as a nation, as a civilization, as a state” (Official Website of the President of Russia 2014 D).

Can the ‘return of Crimea’ be seen as the ‘return to the Soviet paradigm,’ as Lev Gudkov has suggested (Gudkov 2015). Reflecting on the question of whether the Crimean case has been a “critical juncture in domestic politics,” Fabian Burkhardt concluded in his article in the aforementioned book, published by ‘The Centre for Polish-Russian Dialogue and Understanding,’ that one can observe this as “both a trigger and an accelerator for domestic politics and presidential power in particular” (Burkhardt 2017, 141). One aspect of the former Soviet regime was the fear inspired in the ‘near abroad’: that the inhabitants of these countries should be kept in constant awareness of what dangerous tension they could expect from the Kremlin. That perpetual uncertainty is creeping back slowly and steadily.

## PUTIN’S STATE

Designating the excellent KGB officer as his successor, Yeltsin characterized Putin as steadfast in a military way. Putinism is the political formation of a generational experience: basically opposing Western values and underlining patriotic obedience, confronting the concept of the universality of human rights with orthodox particularity. Striving for distinct recognition of an alternative set of norms is not only a search for reciprocal respect aimed at symmetry. The ‘liberal modern’ is at stake. Producing continuing conflicts from within, in contrast to the liberal west, and suffering from his endemic problems, Putin over time has tried to lay out Russia as the model for the Atlantic Western world. As an attractive center of forthcoming Eurasia, a pivot to China and the southeastern regions, Moscow would be seen as the alternative for a new world vision ‘*ex oriente lux*.’ To strengthen this view, the West is styled as besieging a Russian fortress. In the new post-western era, Russia is seeking to play a strong role: a reset is going on – confrontation vs. cooperation, mistrust vs. trust. At the Valdai Discussion Club [at Sochi], Vladimir Putin responded to a question raised by a German participant as follows: “Our most serious mistake in relation with the West is that we trust you too much. And your mistake is that you took that trust as weakness and abused it. It is therefore necessary to put this behind us, turn the page and move on to building our relations on the basis of mutual respect and treating each other as equal partners of equal value. ... I really regard the Ukrainian people as a brotherly nation, if not just one nation, part of the Russian nation” and “sooner or later, it will happen – reunification ... we will do our utmost towards this end” (Official Website of the President of Russia 2017).

Overwhelmingly re-elected on March 18 2018 – although his victory could be interpreted as a foregone conclusion, given that all serious competitors had been forced out of the political arena – what legacy would he like to see framing the years of his presidency? What mark in history would he wish to leave in the years to come? Could it be that the political actors representing Russia after Putin can re-arrange a closer relation to the West? No doubt Putin is the constant, and he sees his legacy developing, destined to be prolonged. Ivan

Krastev and Gleb Pavlovsky, in their preview “The Arrival of Post-Putin Russia,” worked out a group of factors that will shape Putin’s vision of Russia’s future (Kastrev and Pavlovsky 2018).

(1) Russia “will face a hostile international environment” working “to weaken and fragment it.” In turn, Putin sees “post-Putin Russia as Fortress Russia,” maintaining “control of the country’s strategic industries.” (2) Russia should imitate the West only in adopting the tool of “interfering in domestic politics” and in doing so using “hybrid war,” as an “aggressive rejection of Western-style foreign policy.” On the other hand, “Russia has nothing to gain from imitating Western-style institutions.” (3) ‘Modernization’ is now re-discovered in Putin’s speech on 12 September 2017: “artificial intelligence is the future, not only for Russia, but for all mankind. Whoever becomes the leader in this sphere will become the ruler of the world.” Both options within this concept are to be seen. For liberals, new technologies are the motors driving innovation and efficiency, whereas for *siloviki* (security types) these are “new opportunities to exercise control over society.” (4) The country does not need “a single successor – as it did under Yeltsin – but a successor generation ... a transfer from his (Putin’s) generation to the “Putin generation.” From the year 2000 onwards, persons loyal to Putin – “a circle of friends” – has governed Russia. A restricted opening of this circle aims “to increase its chances of survival” at a later stage. The ‘Putin generation’ is now comprised of the sons and daughters of the ‘circle of friends.’ Recruiting cadres of political technologists and economist technocrats requires a new form of meritocracy. At the base of Putin’s strategic view lies the presumption of meeting “the expectations of political change among the Russian middle class by empowering a new generation of leaders.” At the level of regional governors, the Kremlin is trying to implement these trajectories of future leaders. To enhance the impression that in his time the Russians were enjoying their life under stable conditions, Putin needed certain successes in foreign affairs. On the other hand, being perceived as an equally respected actor internationally would be a stabilizing factor with regard to Putin’s standing at home. Therefore, Russia will take any chance to exploit tensions stemming from different views inside the EU to divide the coherence of this institution.

One can observe a nationalization of the game to sow mistrust between the US and the EU and between members of the EU, and, in addition, to meddle in the countries supporting political groups friendly to Putin; this trend was to be accelerated. In a longer view, Russia and China could emerge to create a Eurasia with Moscow as one pillar and Beijing as another, organizing an authoritarian model of modernization that would be based on an illiberal concept and antagonizing the Western approach of universality: “Russia aspires to be the main security and diplomatic broker in Eurasia,” as Artyom Lukin put it, “while leaving China with the role of the economic leader” (Kastrev and Pavlovsky 2018, 12). Krastev and Pavlovsky summarize their reflections in these words: “It is Putin rather than the Russian state that has regained the status of a great power” (Ibds.) If Russian political culture is incorporated into a structurally persistent performance of a steadfast inversion that is driving an “aggressively obedient majority” (Kishovsky 2015), then “the Future is History,” as the title of Masha Gessen’s book suggests (Gessen 2017). But if one may understand that an alternative future could be envisaged and possibly constructed, and if we, as Europeans, are ready to debate from the bottom up what we can do in a common effort to reshape our future, then this view would open up visions of different kinds. The pattern of the ‘Homo Sovieticus’, who is in favor of a powerful paternalistic state, conformist and suspicious of all and any individual initiative that threatened to destabilize existing group hierarchies, would

have to be tackled. Along with the pattern of Europe as a fortress on its way to re-nationalisms and attitudes of ignorance towards the Asian and African World, and by establishing neo-colonial perceptions based on ignorant prejudices that Europe is the eternal birthplace of global civilization, this triumphal attitude of self-estimation should be criticized in the West. In Western-style modernizing societies, a self-destructing trend can be observed: that individuals are embracing their egocentric selves, greedy for recognition and mirroring their eroding values in artificial singularities (Reckwitz 2017). Both assumptions, if confirmed, will lead to new antagonisms and to obstacles, blocking the way to common solutions. There is a real need to start a sound and comprehensive dialogue crossing dividing lines that are on their way to being re-established – the old frontier between the East and the West, this time in cultural terms. The West should therefore reshape the ‘liberal modern’ and the East its vision of a ‘just modernity.’ And actors on both sides should be capable of overcoming the danger of closing their mindsets.

## **WHERE DO WE GO FROM HERE?**

Two days after Putin’s inauguration, 2 May 2018, the German weekly magazine *Der Spiegel* published a staff article on Spiegelonline, under the title: “The Great Divide. Is Germany’s Special Relationship with Russia Ending?” (Amann et al. 2018). The authors analyzed the contradictions of the German political governmental and parliamentary actors across the spectrum represented. Crossing party lines from the right to the left, one found ‘Putin-Versteher,’ claiming that Germany’s role should first be oriented towards understanding Russia’s striving for recognition of the heart. Beyond questions of historical guilt – and those fading away generally unresolved – the border between being naive and being rational is sometimes fluid in German discourse when it comes to the point of how to engage Russia. There is no doubt that Russia has been, still is and will be a part of Europe. And the future of Europe depends on the future of the direction Russia chooses to take. Can we imagine that we Europeans could develop a set of new relations in which Russia might be acknowledged as a real European country? Is this an aim that Europeans should work for or is this only Utopian thinking? And then: What necessary preconditions must be fulfilled before a starting point of a process of ‘longue durée’ can be defined? After the breakup of the Soviet Union, Russia acted, initially, as a rule-taker, accepting what the West and the EU offered. Russia later changed into a rule-faker, simulating democracy. Turning its back on the values that Russia had agreed to. A striking example of this is the Paris Charter, the transformation of the CSCE into the OSCE, thereby fostering the universality of human rights, democracy and the rule of law. Russia is now trying to play the rule-maker. Putin, in what is presumably his last term as president, could turn the page again. Will he once again turn to the message that he convincingly, brilliantly addressed to the German Bundestag, proclaiming a few days after 9/11 that “Der kalte Krieg ist vorbei – the cold war is over”? Or will he continue saber-rattling, as he did, showing modernized advanced military technologies, in his annual state-of-the-nation address on 1 March 2018? In his speech, Putin stated that “all those who have fueled the arms race over the last 15 years sought to win unilateral advantages over Russia and introduced unlawful sanctions aimed at containing our country’s development: everything that you wanted to impede with your policies has already happened ... you have failed to



contain Russia.” He drew a line to 2004, when he warned that Russia would take measures, but “no one listened to us then. So listen to us now.” Coming to the attitude towards the international stage, Putin stressed: “We are not threatening anyone, not going to attack anyone with the threat of weapons.” He insisted Russia be allowed to “protect our interests and respect the interests of other countries” and “sit down at the negotiation table,” because Russia’s role then will “never be based on exceptionalism.” A closer look shows that, several days before the election, Putin reflected at length on home affairs and how the country should develop. He reasoned that the country has a “serious chronic disease” and “it is not a question of someone conquering or devastating our land. The main threat and our main enemy is the fact that we are falling behind.”

In a kind of a governmental program, Putin described what should be politically delivered by the incoming president by the year 2024: dramatic improvement of living standards, particularly of the poor, so that the number of these people would be reduced by half; to “guarantee prosperity” in the years to come, Russia must mobilize the development of the individual. Therefore, to strengthen “self-assertion and creativity” of any Russian citizen will be the guide-line for the next president. This mobilization must make a “breakthrough” possible, fostering “democratic institutions, local governments, civil society institutions and courts.” These efforts should “also open the country to the world and new ideas and initiatives” (Official Website of the President of Russia 2018 A).

In closing, Putin turned to the international sphere. He first mentioned the “comprehensive strategic partnership with the People’s Republic of China,” and later he remarked that “we are interested in cooperation with the US and the EU” on an equal footing. The OSCE was not named, but Russia would “continue to work on a greater Eurasian Partnership.” The next decade is to be “an age of outstanding triumphs for Russia ...” (Ibds.)

## LAST CHANCES?

In his inauguration speech on 7 May 2018, when he was sworn in as the President of the Russian Federation, Putin gave himself the mandate to “organize our breakthrough development agenda”: Nothing “can prevent us from determining our future on our own and only on our own.” Having proclaimed this self-assuredness, Putin declared that “at the same time, we are open to dialogue. Along with our partners we will actively promote our integration projects and build up commercial, humanitarian, cultural and scientific ties.” And a third time in this short speech, the president used the word “breakthrough” that has to be reached, “to achieve an economic and technological breakthrough ... I look forward to novel ideas and approaches, to the audacity of young people and their ability to lead the change” (Official Website of the President of Russia 2018 B).

Is it by chance that the Russian president took a central word from Barack Obama’s run for the US presidency: audacity? (Obama 2007). Some of the last sentences of Putin’s swearing-in speech sounded like this: “Russia faced a number of dark periods and challenges, and rose like a phoenix from the ashes every time ... I am confident that we will achieve a breakthrough this time as well, since we are a powerful team” (Official Website of the President of Russia 2018 B).

If Putin really wants to realize the aspirations to modernize Russia from the bottom up, a strategy sticking to the authoritarian approach to prolong a modernizing path from top down should be avoided. This means that the Chinese model is attractive to the Russian political establishment only if illiberal solutions would be preferred. If that is the case, Russia will continue to alienate itself from the European discourse, and its claim to be strengthening freedom and democratic institutions will be atomized in the longer run.

Do we in the West have time to observe with our own eyes what is going in the world's largest country? To only observe that European values – enshrined, for instance, in the constitution of the Russian Federation, which came into existence with the assistance of Western academics 25 years ago – are little more than empty shells? Moreover – that a split is to be seen inside the Russian discourse on the question of what direction Russia should take in modernizing the country. A radical wing made a dramatic turn to attack European values as devalued by either Western hypocrisy or deceitfulness, arguing that the West is in decline, at least morally, and the world will soon be post-Western. Andreas Umland portrayed the influence of the new fascist right at the start of Putin's third presidential term, especially on the renewed projection of the Eurasian idea, in several articles (Umland 2013).

In his post-election address to the Federal Assembly on 12 December 2012, Putin, in the first part of his speech, pointed out that “the coming years will be decisive” and made a reference to an author who, as a former ‘dissident’, bridged the historical debate on the Eurasian idea: “who will take the lead and who will remain on the periphery,” Putin said, “and inevitably lose their independence, will depend ... on the will of each nation ... which Lev Gumilev termed *passisionarnost*: the ability to move forward and to embrace change” (Official Website of the President of Russia 2012). *Passisionarnost* in this sense means, following the interpretation of Charles Glover's analysis, the readiness of an individual to sacrifice for the greater good. The Eurasian idea can be called a ‘metaphor for a national tragedy’, ‘ciphers for a lost Russia’ (Glover 2016).

Explaining these thoughts raises the difficult question: Is this sea change reversible? To what extent can this drift be stopped, moderated, reconciled or even reversed? If a collective perception increases that Russia is encircled by a war-mongering West simply waiting for the descent of this huge country, then our common future is at high risk. Subjugation is excluded for anyone who is interested in finding a way out of this secular dilemma. The task is tremendously difficult, but both Russians and Westerners are obliged to create a new European dialogue from the start. If we fail, the cultural drift will continue.

## **EAST AND WEST IN TROUBLED WATER**

The dangers looming inside the West and inside Russia will otherwise escalate and then mislead us into the trap of nationalism and the misconception that we, both of us, are melting down our options, in the end to one ultimate choice: Atlantic or Eurasia, friend or foe. In running towards this danger, we, the Easterners and the Westerners, should think about whether it is necessary to find out how we came to this point. Can we find common ground for an open debate on how we could perceive the latest forms of neo-liberal ideology-driven globalization? And is it not the case that this has led to massive inequalities? In turn, is this not one of the reasons why social unrest and polarized societies are emerging? Several

profoundly stirring books were published in 2018 alone to make us aware of the alarming signals that can be identified. In the introduction of “The people vs. Democracy,” Yasha Mounk writes: “If we want to preserve both peace and prosperity, both popular rule and individual rights” there is a need “to recognize that these are no ordinary times – and go to extraordinary lengths to defend our values” (Mounk 2018). Then, Steven Levitsky and Daniel Ziblatt describe lucidly the erosion of democratic norms. They find that this trend “is rooted in extreme partisan polarization – one that extends beyond political differences into an existential conflict over race and culture” (Levitsky and Ziblatt 2018).

So we should be worrying about what direction liberal democracy would take. As Madeleine Albright has said when she presented her book “Fascism. A Warning,” published in New York, 2018, “The things that are happening are genuinely, seriously bad” (Rawnsley 2018). But, contrary to all this darkness, we should also keep in mind that there are ways to avoid falling back into barbarian times. We can use these warnings as an appeal to change the course for the better. We should start with the insight that the frame of the ‘liberal modern’ ought to be renewed fundamentally. Disenchantment with the EU, especially in some of the Visegrad countries, is on the rise, if one takes into account why Victor Orban used the notion ‘illiberal democracy’ to distinguish Hungary from the concept of mainstream ‘liberal democracy’ as the genuine political formation of the EU’s member states. These feelings are rooted in the societal uncertainties deriving from the problems of the transition period, when the ruptures of the enlargement process came to the fore (see the article of Ivan Krastev in Foreign Affairs of May/June 2018, exploring how the authoritarian resurgence is playing out in Eastern Europe (Krastev 2018)). The European Union should therefore mobilize the given potentials of resilience that are incorporated into liberal democratic societies.

To shed attractive new light on the ‘liberal modern’ requires an analysis intrepidly finding the shortcomings of what went wrong after the victory of neo-liberalism and, hence, a globalization that made parts of populations all over the world anxious as they looked into a future full of fears, as the late Tony Judt impressively wrote (Judt 2010). The alternative could start with deep reflections on how to draft a new great transformation – in remembering Karl Polanyi’s groundbreaking book “The Great Transformation,” published in 1944. Embedding capitalism and transforming its potentials into justifiable demands, and in this way making capitalism human, after the historical experiences reflected from the beginning of the 19th century onwards. The era of a hundred years of peace from 1814 to 1914 in the end turned into total destruction through fascism and, particularly horrendously, through Nazi dictatorship. This catastrophic downfall gave rise to the establishing of a new liberal order – not without problems to be solved or conflicts to be settled. In the thirty years that followed, the West – both sides of the Atlantic – lived in the ‘*Trente Glorieuses*’, economically and socially. Now the West is racing against time. The USA is being led by a president, Donald Trump, who time and time again has triggered great uncertainties. The Russian Federation is still addicted to natural resources, and its abilities to bring about a modernization has been stalled by autocracy. The European Union is narrowly prepared to conceptualize a deep reform of its institutions and make them more open to the values of democracy. But to cite Friedrich Hölderlin, the German poet – “wo aber Gefahr ist/wächst das Rettende auch”: ‘where danger lurks/there comes also what saves’.

There is a huge treasure chamber to be discovered; one that can provide the tools inherited from tradition, so that we can put them to theoretical and practical use. In 1985 Robert N. Bellah, Richard Madsen, William Sullivan, Ann Swidler and Steven M. Tipton

published “Habits Of The Heart: Individualism and Commitment in American Life,” (Bellah et al. 1985) and in it laid new ground to foster common knowledge so that the transformative power to overcome fragmentation can be generated from collective action, and this could be initiated by restoring the legitimacy and dignity of the ‘democratic political’.

## **A WAY TO OVERCOME**

And that is what is at stake today. The EU and Russia are competing over the guiding norms of international conduct. “Winning the normative war with Russia,” as Kadri Liik’s recent paper states; the title goes a bit far, but indeed a “clash between liberal universalism and authoritarian statism” is obviously taking place (Liik 2018).

The time has come to stop the trend whereby the arc of history is going to be bent in a dark direction. There are opportunities to reverse the course: Take the promises that Putin put in the frontline of his addresses to the Russian people at face value.

+ The EU should be bold and make a public offer for an intense dialogue aiming at the renewal of the partnership for modernization (PFM). In 2020 the PFM will be ten years old. The EU and Russia should therefore invite high-ranking experts from both sides to reflect on how we can jointly make a fresh start in fostering relations for the sake of our peoples. No doubt the EU will be bound in this effort to hold on to the decisions that have been taken in the aftermath of the annexation of Crimea and the Minsk agreement (European Leadership Network 2016).

+ A special program should be set up in order to strengthen the already existing tools for youth exchanges. Erasmus +, SALTO Youth, Youth in Action, European Voluntary Service – all these good programs could be combined into a new valid framework, and, in addition, incentives for a greater participation of young Russians should be offered.

+ A European-Russian Parliament, on an informal basis, could be institutionalized if lessons from the experience of the German-Russian Youth Exchange, based on the structure of a foundation, can be drawn from this project positively.

+ To intensify the exchange of civil society groups between Russia and the European Union, all existing tools should be reviewed and summarized in a new format that can deliver an activating cooperation for independent individuals and groups, especially in fields of different spheres of culture.

+ The European Parliament could be asked to award a “Mikhail Gorbachev Prize” annually for an outstanding work of culture, highlighting the bonds between the European Union and the Russian Federation.

The months ahead, until the European institutions take new shape, should be used to test whether the two main interests of Putin’s programmatic speeches can be matched to the interests of the European Union. The Russian president proclaimed that delivering security and stability for Russia is at the core of the political ambitions of his presidency. These two interests – security and stability – coincide with the main interests of all members of the European Union. These interests can be met only if the processes of modernization are embedded in a framework guided by norms linked to a different meaning of a European modernity than we experienced through the capitalist neo-liberal exaggerations. In part, we saw the bubble of egotism in the West and the exuberance of statism in the East. An

overarching consciousness of being responsible for one another, commonly striving to respect the fulfillment of all the necessary conditions to save the planet in terms of avoiding ecological, military and humanitarian catastrophic developments should be broken down into pragmatic politics.

Of course, at this very moment, the Russian European Union views are not compatible. Nostalgia for playing in the old great power concert is totally misleading (Nikonov 2018). The gap between the expectations that Putin raises and the reality that the people in Russia and in the EU are faced with could be bridged via closer economic ties. Upholding the sanctions and exploring cooperative initiatives to improve concepts of economic modernization are not mutually exclusive. It behooves the EU to foster economic ties, not only due to the fact that the European Union is the heavy-weight in trade for the Russian Federation, providing 38.1% of its imports and buying 44.1% of its exports. More important is the need to emphasize concretely how the growth in the economy would be moved forward. Alexei Kudrin published a reform plan in April 2018 for making Russia one of the world's five largest economies. On the day of his inauguration, Putin signed an "Executive Order on National Goals and Strategic Objectives of the Russian Federation through to 2024" (Official Website of the President of Russia 2018 C). Goals I and G are to: "accelerate the introduction of digital technologies in the economy and the social sphere" and "support high-productivity export-oriented businesses in the basic sectors of the economy, primarily in manufacturing and the agro-industrial complex, based on modern technology and staffed with highly qualified employees" (Ibds.).

These and other ambitious goals mentioned programmatically in this order give the EU an opportunity to signal that the West could be ready to think about how to assist, if their overtures are accepted. It is not clear up to now how Russia can finance these efforts. The planned economic modernization will not bear fruit if the Russian authorities wish to continue the top-down model. Russia and the EU are now being called upon to find a way to shape their relations to more adequately meet the challenges.

Russia should therefore change its view of the EU. Security and stability must not confront each other because both are intertwined. There is a valid reference point available: the politically binding decisions of the OSCE. Its structures should be strengthened. To improve the relations again between the European Union and Russia requires specific mandatory steps from both sides. The EU could offer a prospect for restoring full economic ties, which would bring about a concrete perspective for stability. And Russia could offer a change in its fear-mongering behavior in its near-abroad, which would bring about a concrete perspective for security (See more sceptical: Andras Rácz and Kristi Raik, EU-Russia relations in the new Putin era (Rácz and Raik 2018)).

Over time, democracies have shown the strength and resilience, taking challenges as opportunities, to adjust themselves and to present convincing responses to emerging problems more efficiently than any other model of governance (see the articles of Walt Russel Mead and Ronald Inglehart in *Foreign Affairs Magazine*, May-June 2018 (Inglehart 2018)). In times of the uniquely globalized form of economic radicalization that we are facing, the capabilities of democracies are under extreme pressure to lay out pragmatic approaches to meet these challenges for the common good. Warning signals can be seen all over the globe. We should be ready to prevent a descent into barbarian chaos. Nationalism is not the answer: "Nationalism, c'est la Guerre," as François Mitterand put it. The European Union is the answer to the seas of blood and violence that Europeans saw century after century. And if all

Europeans combine their abilities into a broad stream of collective wisdom, they can do better. Even in a world far more polycentric than ever, a multilateral order meets the complexities of the multiplying modernities of today far more intelligently than any other form of international relations. Flexible interconnectedness needs a tremendous common effort to forge new chances for peace to survive. The European Union, with its commitment to keep its values – freedom and democracy, justice and solidarity – safe and to be aware, day-to-day, that the Europeans will act together to undertake the reforms to adjust its institutions, is a guarantor for keeping the liberal order. All members of the EU should share this mutual understanding. Some countries forget this from time to time. Germany mistakenly conveyed a purely restricted functionalized version of austerity when the EU began its struggle with the financial crisis in 2008. A coercive approach hurts solidarity and democracy. Germany can play a constructive role when it is at all times ready to respect the interests of all members. This understanding could be extended to Russia. Embedded in a newly developed strategy of the EU, Germany can assist in presenting new incentives aiming at engaging Russia again.

## CONCLUSION

All members of the EU have a whole range of practical and theoretical experience in their relations with Russia. Estonia, Latvia and Lithuania were historically exposed and are keepers of treasure, emotionally and analytically. All of us Europeans should join our capabilities and find the best way to establish a format that may give the European Union and the Russian Federation a new framework within which to cooperate as partners for peace, humanity and the common good.

On 8 August 2018, the Chancellor of Germany, Angela Merkel, and Putin had a working meeting. The density of their relationship is quite remarkable: via telephone, they exchanged views 54 times in five years and, in the same period, met 15 times. Both can speak both languages, Russian and German, so linguistic misunderstandings are not an issue between them. From the outset, this could be a unique chance to start a new phase of cooperation. If political rationality could reign, an intersection of main interests could be worked out. But both sides have to cross the dividing line – multilateralism versus unilateralism. Angela Merkel has no choice but to continue to act in the interest of the European Union. That is the crucial ‘longue durée’ of Germany’s political philosophy and its longstanding commitment.

And Putin? Is he ready to modify his unilateral approaches? What offer could the European Union make to build a new bridge to span the troubled waters of festering antagonisms? Russian historical experiences show that this country is an integral part of Europe in all aspects of dramatic ambiguities. The intellectual controversy over how to open the Russian cultural codes from within through conversion, thus avoiding the trap of sliding into an inverse, sealed future has yet to produce a consensus. We cannot escape the temptation of nationality through ritualized alarm cries. From day to day, we do have a new chance to discover Europe as a project of vigorous contradictions converging in ambivalent communalities – East and West are equal in their diversity. The West should therefore leave its ghetto, where it styles itself as victorious, and the East should therefore leave its ghetto of self-pity (Weisskirchen 1993).

Gert Weisskirchen  
August 18, 2018

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*Chapter 17*

**CHINA:  
AN IMPORTANT PARTNER OF RUSSIA  
IN INFLUENCING THE WORLD\***

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**ABSTRACT**

China is the biggest neighbour of Russia as well as its largest trading partner for nine years. Maintaining a good relationship with China is not only vital for border stability and internal development of Russia but also its need to tackle sanctions from Western countries and develop external strategies because China is an important partner of Russia with similar international demands. Therefore, the Sino-Russian relationship is a key point in analyzing the external strategy of Russia.

**Keywords:** Russia, China, partnership, Global Governance

After the dissolution of the Soviet Union, relations between China and Russia – each other's largest neighbors – achieved a smooth transition and have been warming up for more than 20 years. Much cooperation has been carried out in the political, military and economic and trade fields, constantly pushing bilateral relations to a higher level.

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# 1. INTRODUCTION: CHINA-RUSSIA COOPERATION'S STATUS AND PROBLEMS

## 1.1. Political Cooperation

### 1.1.1. Bilateral Fields

In December 1992, Russia's first president, Boris Yeltsin, paid a state visit to Beijing. During the First Sino-Russian summit, the two heads of State signed *the Joint Declaration on the basis of mutual relations between the People's Republic of China and Russia*, which established the basis for development of bilateral relations with good neighborliness, mutual respect, mutually beneficial cooperation, non-alignment, non-recourse to force, and non-participation in activities that undermine each other's interests (Dai 2008, 441). The Declaration set the general tone for Russia's relations with China after the dissolution of the Soviet Union: peace, respect, cooperation and mutual benefit.

Chinese President Jiang Zemin's visit to Moscow in September 1994 was the Second Sino-Russian summit, during which the heads of the two countries signed a joint statement establishing a "new constructive partnership" between the two sides. The two sides stated that they would not target nuclear weapons against each other and would not be the first to use nuclear weapons against each other. Yeltsin visited China again in April 1996 to hold talks with Jiang Zemin. During the talks, the Chinese and Russian leaders signed a third joint statement announcing their commitment to establishing a "Partnership for equality, mutual trust and cooperation in the 21st century."

In mid-July 2001, Jiang Zemin and Russian President Vladimir Putin signed a *Sino-Russian good-neighborly friendship Treaty* with a validity of 20 years. The Treaty defined the principles of cooperation between China and Russia. In mid-October 2004, China and Russia signed *The Supplementary Agreement on The Eastern Section of The Sino-Russian Border*, successfully demarcating 98% of the eastern and western borders. The next year, the demarcation of the remaining parts of the border and the relevant legislative procedures were also completed, ending the Sino-Russian territorial. On October 13, 2008, half of Heixiazhi Island was officially delivered to China. In early 2013, the General Secretary of the CPC Central Committee and Chinese President Xi Jinping delivered a speech in Moscow, describing Sino-Russian relations as "among the most important bilateral relations in the world" and "the best relations between great powers."

### 1.1.2. Multilateral Relations

At present, China's fundamental interest is in averting Western interference in China's internal development and western manipulation of international organizations to create obstacles to China's further progress to the world. Russia is also eager to prevent Western forces from subverting the state regime internally, gain more space for national development, and avoid sanctions from the West. China and Russia have similar perspective on external development as rising countries. Therefore, there is a great potential for cooperation between China and Russia in regional and international organizations.

Russia inherited the Soviet Union's seat on the United Nations Security Council. The United Nations became an important arena for multilateral cooperation between China and Russia. After Russia was expelled from the G8 in 2014, China and Russia used the G20 as a

platform to speak out on many issues related to global governance, including international finance and environmental protection. In the field of regional development, the Shanghai Cooperation Organization and the BRICS organization are important platforms for Sino-Russian cooperation. Currently the SCO is growing in strength and has become an important platform for China and Russia to maintain regional security. In the framework of the BRIC grouping, the two countries and other major new market economies have also carried out in-depth cooperation in the field of finance and are constantly promoting the reform of the international financial order. China welcomes Russia's accession to the WTO. The two countries resolutely safeguard WTO rules on multilateral trade and oppose trade protectionism and unilateralism. China also supports Russia's participation in the construction of the ASEAN Free Trade Area (Dai 2008, 25).

Additionally, in recent years, the integration of the Eurasian Economic Union and the Belt and Road initiative has also made remarkable progress, becoming an important platform for multilateral cooperation between the two countries in the Eurasian region. On May 8, 2015, the Chinese and Russian heads of state issued the *"People's Republic of China and the Russian Federation on the Silk Road Economic Belt construction and the Eurasian Economic Union construction docking cooperation joint statement"* in Moscow (Engineering Protection 2016). The signing of the agreement shows that China and Russia have reached a strategic consensus in the Eurasian region, which provided political guarantees for advancing the development of Eurasia. The "One Belt, One Alliance" docking cooperation has been lifted to the new height of flagship project of the comprehensive strategic cooperation between China and Russia. After a year of development, the docking of the "Belt and Road" initiative and the "Eurasian Economic Union" gradually entered the stage of implementation. On June 25, 2016, in Beijing, China and Russia issued *The Joint Declaration of the People's Republic of China and the Russian Federation*. The heads of the two States stressed that the specific departments of the two countries should study the exact implementation measures of the two major initiatives (Centre Lev Cumilyov 2016). The "Belt and Road" and "Eurasian Economic Union" docking was gradually put into practice starting from the strategic layer. On May 17, 2018, China signed *The Agreement on Trade Cooperation between China and the Eurasian Economic Union* with the Eurasian Economic Union and their representatives. The Agreement is a substantial institutional arrangement on the cooperation between China and the Eurasian Economic Union and its member states (The Eurasian Economic Commission 2018). To further promote the docking of the "One Belt, One Alliance," China and Russia regard the docking project as a priority development direction in bilateral relations. On November 7, 2018, during the 23rd regular meeting, the Chinese and Russian prime ministers stated again that the "Belt and Road" construction and the "Eurasian Economic Union" docking will be an important direction for Sino-Russian cooperation in the future (The Russian Government 2018).

## 1.2. Economic and Trade Fields

### 1.2.1. Energy

Russia is an important energy producer, with the largest natural gas reserves and the second largest oil reserves in the world. And China is currently the largest energy

consumption market. With China and Russia as neighboring countries, geographical cooperation on energy cooperation is clear. So for a long time to come, energy cooperation will be the cornerstone of Sino-Russian cooperation. In recent years, with the rapid development of China's economy and the gradual transformation of its energy consumption structure, its demand for natural gas has increased steadily. According to figures released by the National Bureau of Statistics on October 19, 2017, China's natural gas production from January to September in 2017 was 108.7 billion cubic meters, with an increase of 9.1% year-on-year. From January to September in 2017, China's absolute consumption of natural gas was 167.1 billion cubic meters, with an increase of 25.6 billion cubic meters, or 18.1%, year-on-year. In the same period, China's imported 60.47 billion cubic meters of natural gas, for an increase of 22.3% year-on-year, accounting for more than one-third of China's actual natural gas demand (Zhang 2017). Therefore, in terms of supply and demand structure, China's production of natural gas is far from meeting its demand. China needs to import a large amount of natural gas from overseas. When "Yamal" reaches full production in 2019, it will provide China with 6 billion cubic meters of natural gas each year, and it accounted for about 1/10 of China's natural gas imports from January to September in 2017. Moreover, Yamal's mining permit is valid at least until 2045, which can alleviate China's "gas shortage" situation. On December 8, 2017, the first production line of the Sino-Russian Arctic Energy cooperation Project—"Yamal LNG" project, which is also the first project for two countries in building the "Ice Silk Road," was officially put into operation after four years. In addition, On May 21, 2014, China and Russia reached a 30-year gas-cooperation deal worth more than 400 billion dollars. In addition, the Sino-Russian natural gas West line negotiations also made significant progress. Energy cooperation binds the interests of the two great powers tightly together and has become the ballast stone for Sino-Russian economic and trade relations.

### *1.2.2. Finance*

Before 2008, the U.S. dollar was the currency of settlement of bilateral trade between China and Russia, and after the financial crisis of 2008, China and Russia began to pilot RMB trade settlement in northeastern China (Jiang 2012, 37). In 2010, China and Russia launched direct currency trading. In 2013, the First Sino-Russian cross-border financial services Center was established in Harbin and provides for cross-border settlement. In May 2014, the heads of China and Russia signed documents on direct use of the Russian ruble and RMB settlement. In March 2017, the Industrial and Commercial Bank of China launched an RMB clearing bank service in Moscow (Guo 2017, 112-115). In addition to reducing holdings of U.S. Treasuries, in recent years Russia has also set out to build a settlement payment system independent from the dollar. In March 2014, the International Visa and Master Card payment systems stopped providing services to several major banks in Russia. Putin then said Russia should have its own independent settlement system. In April of the same year, Russian financial experts offered to study from China Union Pay (tool of payment In China). In March 2017, the governor of the Russian Central Bank, Eleanor Villa Nabiulina, said: "We have completed our work to establish our own payment system, and if unpredictable things happen in the future, all Russian financial operations within the SWIFT system will continue to be carried out at home. We have created alternative options." In October of the same year, the People's Bank of China announced the establishment of a PVP (payment to pay) system for the Russian ruble and China's RMB financial business. China and Russia have taken an important step in the settlement of their local currencies.

### 1.2.3. Agricultural Cooperation

The culmination of Sino-Russian agricultural cooperation began with the trade war between China and United States. China responded to the U.S by imposing tariffs on American soybeans, and Russia viewed the Sino-U.S. trade war as an opportunity to deepen Sino-Russian agricultural cooperation.

Russian territory covers an area of more than 17 million square kilometers, but most of this is located in the Arctic. As shown in the following image, the bulk of arable land is located in the Eastern European plain, western Siberia and the southern part of the Far East. In 2015, arable land area in Russia was about 1.23 hundred million hectares, ranking third in the world. Per capita arable land area was 0.878 hectares, well above the world average (Institute for the Analysis of Investment Policy 2015). In addition, the fertility of Russian agricultural land is relatively high. Russia has the world's largest black soil belt, which is rich in minerals beneficial to the growth of crops, especially wheat. Russia is the world's leading wheat exporter. Apart from wheat, the main crops grown in Russia include rye, buckwheat, barley, soybeans, beets, potatoes, and corn. In 2016, Russian imports of Chinese agricultural products, fish, edible vegetables, edible fruits, meat and fish products, vegetables and fruits products accounted for more than 10% of total imports (Sun 2017, 100; Global Times 2017).

Vegetable import products are mainly frozen vegetables, fresh vegetables and dried fungus, garlic, cabbage, tomatoes, edible tree fungus, tea mushrooms, shiitake and so on. Fruit imports are mainly apples, oranges, grapefruits and pears. For example, in 2017 China exported 102,700 tons of apples to Russia. Nuts import products are mainly walnuts and pine nuts.

Sino-Russian agricultural trade is more active in Far East Russia and northeastern China (Guo and Wu 2018, 90). Although agriculture in Europe is relatively developed, Europe is far away from China, which needs to import a large amounts of agricultural products each year. In 2017, wheat imports were at 4.42 million tons and corn imports were at 2.83 million tons. And in 2017, Russian wheat exports to China reached 24.5 million tons in the first 10 months. Corn exports were up to 503,000 tons in January 2017 alone. Sino-Russian agricultural cooperation is relatively low, but the development potential is large. On June 8, 2018, *The joint declaration* signed during the meeting between the heads of China and Russia also proposed the deepening cooperation between the two countries in the field of agriculture, with the aim of gradually opening up the market and actively cooperating on agricultural investment, agricultural product trade and processing, fisheries, agricultural science and technology and so on.

## 1.3. Military Field

Sino-Russian military cooperation is focused on four areas: arms trade, military technology, joint military exercises and exchange activities. In 2015, China and Russia reached an agreement for the former to buy 20 Sukhoi Su-35 fighter planes from Russia for \$2 billion. Apart from that, China became the first foreign buyer of Russia's S-400 anti-aircraft missile system. From 1992 to 2014, arms trade between China and Russia reached \$32.03 billion (Song 2017). In military technical cooperation, the CRJ929 airliner, jointly

developed by China and Russia, was exhibited at the International Aerospace Exposition in November 2018.

In the field of joint military exercises, China and Russia have held the “Peace Mission” exercises every year since 2005. Since 2013, China and Russia have held the “Joint Maritime” exercises every year. On September 11, 2018, the “Oriental-2018” strategic exercise was held in Eastern Siberia, Russia, and involved more than 300,000 people, including 3,000 Chinese soldiers, 80 warships, 36,000 military vehicles and 1,000 aircraft. The areas covered by this military exercise were Siberia, the Far East, the Arctic Ocean and the Pacific Ocean, making this military exercise the largest one in Russia in the past 40 years (Zhang 2018). Last year, China and Russia conducted joint military exercises in the sensitive sea areas of the two countries: the South China Sea and the Baltic Sea. And this year, Russia invited China to participate in the largest military exercise in history. These all fully demonstrate the deepening military relationship between the two countries. Although the military gap between China and Russia is narrowing, it still exists. Military cooperation between China and Russia will continue to deepen in the future.

## 1.4. Contradictions between the Two Countries

### 1.4.1. *Third-Party Cooperation Needs to Respect Core Interests*

In the future, the two countries are prone to have contradictions in third-party cooperation involving each other's interests. In 2014, an armed conflict broke out in Ukraine, and Russia was accused of intervening in this country's affairs, which brought criticism from Western countries. China neither criticized nor supported the role of Russia in the conflict in Ukraine. A dispute also broke out in the South China Sea after the outbreak of the conflict in Ukraine. In October 2016, the Russian Defense Ministry released a statement saying it was considering setting up a military base in Kinlan Bay. Additionally, in 2018, Rosneft reached an agreement with Vietnam to exploit oil in areas disputed by China and Vietnam. Although Russian officials subsequently Although the Russian government claimed that the official did not participate in this incident, it still caused China's resentment. While China and Russia have a high degree of political mutual trust and a relatively good foundation for cooperation, the current high level of cooperation between the two countries is carried out on the basis of the principle of equality and mutual respect for each other's core interests. The South China Sea is an inherent territory of China and concerns the core interest of China and should be respected by all countries, including Russia. Although Russian officials were not aware of Rosneft's mining activities in the South China Sea, the two countries' have the responsibility and obligation to manage and control emergencies affecting their cooperation. While consolidating high-level cooperation, the two countries need to communicate in advance on sensitive issues of concern to both sides. For Russia, as a “third-party” country, the most basic position is to remain neutral in the waters involved. However, Russian scholars have shown different views. Мoshakov (Д.в.мосяков), professor of Southeast Asia Studies at the Institute of Oriental Studies of the Russian Academy of Sciences, said China's dissatisfaction at the news conference put Russia in a dilemma, and if Russia stopped drilling, it would leave the impression that Russia had succumbed to Chinese pressure and acted in accordance with China's will (Zhang 2018).



#### *1.4.2. Differences in Perception*

On the level of perception, although China and Russia have been approaching each other in recent years, through the efforts of the two countries' leaders, as A. T. Kabyev, head of the Russian Asia-Pacific Project at the Carnegie Research Center in Moscow, said, "There are still human factors in Russia's proximity to China. There are many similarities between Xi Jinping and Putin in terms of state management. President Putin understands that, nowadays, there is no alternative to becoming closer to China. But many Russian elites are keen to suspend cooperation with China as soon as possible and to work with EU countries, as before. Among them, a businessman with close ties to the top of the country even said, after the APEC summit, that the Chinese were not true friends of the Russians. These people will drag down Putin's policy of approaching China and become a liability for Sino-Russian cooperation" (Ivannov 2015). There are also a number of Russian elites who are pessimistic about China. For example, Bogaturov, deputy director of the Institute for International Security at the Russian Academy of Sciences, said: "China is a sea of great potential and a sea of fear" (Ferdinand 2007, 841-867). In addition, racist sentiments exist in Russia, particularly in the Far East and Siberia. With the gradual disappearance of the "Yellow Woe," racism has become a peripheral problem, but such racism still exists and will continue to be reflected in interpersonal relationships (Dyatlov 2012). From the perspective of policy orientation, "Russian diplomacy continues the Soviet tradition, which has always taken great powers as the center and Europe and the United States as the center. The Russian elites also have the mind-set toward the west" (Li 2018, 18).

#### *1.4.3. The BRI Is Competitive with the Eurasian Economic Union*

Since the concept of "One Belt, One Alliance" was put forward by China and Russia, it has gained widespread attention in the international community. Meanwhile, it was also questioned and misinterpreted by some Western public opinions. For example, some take the Eurasian Economic Union as Russia's project of reconstructing the Soviet Union and reviving the empire, and take the Silk Road Economic Belt as the Chinese version of the Marshall Plan (Kazakhstan Today 2015). At the same time, within China and Russia, although the leaders have reached a high level of consensus on the connection of "One Belt, One Alliance," there are still some misunderstandings and obstacles on the level of implementation and domestic public opinions. Apart from that, there is a huge difference in the current economic volume and the speed of economic development between China and Russia. Russia is worried that China's political and economic influence may come into its traditional sphere of influence in Central Asia through the BRI, while it is interested in establishing an exclusive sphere of influence in the post-Soviet region to consolidate its status as a great power and ensure its regional dominance.

#### *1.4.4. Third-Party Factors*

After the crisis in Ukraine, the Western economic sanctions imposed on Russia increased the fragility of the Russian financial system and seriously dampened Chinese financial institutions' enthusiasm for cooperation. Although the banks of the two countries have exchanged their local currency business and encouraged the use of local currency settlement, the Russian financial system is relatively fragile and the exchange rate of the rouble fluctuates greatly. In order to avoid risks, companies in both countries prefer to use third-party financial institutions or currencies for settlement. Currently, the two sides mostly use dollars for

settlement, while the proportion of direct local currency settlement is relatively low (Alexandra 2016). From the perspective of external factors, China's commercial banks have been integrated into the international financial system. And the sanctions imposed by the United States and its strategic partners on Russia also had a negative impact on Sino-Russian cooperation (RDCY. 2017). China and Russia lack effective payment and settlement channels under the sanctions of Europe and the United States. Due to the pressure of U.S. sanctions, some Chinese banks refuse to meet relevant transaction needs for Russian individuals and legal entities. The Russian companies under sanctions cannot conduct transaction settlement with their Chinese partners in traditional ways, which greatly affects Sino-Russian financial and economic cooperation. But there are many Chinese scholars who doubt Russia's determination to "turn eastward" and believe that Russia's move to China is only a matter of interest in the context of Western sanctions.

In short, although the development of Sino-Russian relations is facing a series of disharmonious factors, China and Russia have greater strategic mutual needs and more consistent external interests in the context of the pressure exerted by the United States on both China and Russia. At least during Putin's tenure, governments of the two countries will continue to maintain a stable bilateral relationship. These small factors cannot change the overall situation of Sino-Russian cooperation. However, the direction of Sino-Russian relations after Putin's tenure remains to be seen. And although the Chinese people find it difficult to let go of historical issues, in any case China hopes to maintain good relations with its biggest neighbour. Future Sino-Russian relations will depend on the political direction of Russia after Putin's tenure.

## **2. ANALYSIS OF THE REASONS FOR THE COMPREHENSIVE DEEPENING OF SINO-RUSSIAN RELATIONS**

The deepening of Sino-Russian relations is not an accidental phenomenon. It is related to, the strategic opportunity period facilitated by the general trend of world development; the natural complementary factors between China and Russia; the failure of Russian pro-Western reform; and the dilemma faced by domestic development.

### **2.1. General Trends of World Development**

Since the beginning of the 21st century, the general pattern of world security has been undergoing great changes. In Iraq, South Ossetia, Libya, Syria and Ukraine, the traditional geopolitical structure of the world's marginal regions is being broken and a new geopolitical situation is gradually emerging (Guan and Zhang 2018). As for Northeast Asia, the situation on the Korean peninsula is also quietly changing. The alliance system of United States in Northeast Asia has been loosened. The uncertainty of the world has increased. Trade protectionism and unilateralism are being used in an attempt to undermine the traditional liberalized multilateral trade order. Financial hegemony is also trying to disrupt the development of emerging economies. Both China and Russia are victims of trade protectionism and financial hegemony. In order to safeguard the traditional free and fair trade

order and transform the unreasonable financial order shaped by the Western countries after World War II, China and Russia put forward the “One Belt, One Alliance” docking strategy to build a fair and free trade order for the developing countries on the basis of the Belt and Road Initiative and the Eurasian Economic Union. This also brings development opportunities for Eurasian countries. In this framework, China and Russia fully cooperate in various fields, including energy, finance, e-commerce, infrastructure construction, agriculture, military and aerospace. In particular, the Sino-U.S. Trade War provides an opportunity for Russia to open up China’s agricultural market.

## **2.2. The Failure of Russia’s Shift to the West**

After the end of the Cold War, Russia adopted a completely westernized model in politics. President Yeltsin publicly expressed his willingness to join the European Union (Ma 2001, 86). In 1994, Russia and the European Union signed a 10-year “partnership agreement,” which came into force on December 1, 1997 (Valdai Discussion Club 2016). Since then, the two sides have established a system of political dialogue and held two high-level meetings between the Russian President, the European Parliament and the head of the European Union, and established the two sides’ Parliamentary Cooperation Committee, composed of members of the European Parliament and representatives of the Parliament of the Russian Federation, which regularly organizes ministerial talks (Zhang and Yang 1996). Since 1991, Russia has actively participated in some meetings of the Western-led G7 group and became a member of the G7 in 1997. The political elite of the Yeltsin era showed indifference to, even contempt for, the east. Gedar proposes a bipolar world model, in which Russia is between the “democratic West” and the “poor, undemocratic countries” in the east (Xu 2015).

Russia took strengthening economic cooperation with the EU as the only shortcut to achieving economic stability and rapid growth and staying in line with the world economy (Ma 2001). In terms of trade development between the two sides, Russia and Europe planned to open their markets and establish free trade zones in accordance with the “Partnership Agreement” signed in 1994. In the field of investment, in order to attract European national capital, Russia has enacted laws to improve the domestic environment for investment and provide concessions for EU countries; for example, EU state enterprises can lease land in Russia for up to 49 years (Zhang and Yang 1996). In the financial sector, in 1997, Russia joined the two major international financial clubs in Paris and London and deepened its financial ties with Europe. In the ten years of Yeltsin’s administration, trade with European countries accounted for the vast majority of Russian foreign trade.

Moreover, many of Russia’s political elites are pro-Western. President Yeltsin was a typical “Europeanist,” with an eagerness to join Europe (Xing 2011, 2-3), yearning for the European values of democracy, freedom and equality. During the Yeltsin era, western-style dining, western music, western films and so on gradually became popular in Russia. From diet to entertainment, Russia has always taken Europe as a popular “reference.” English has also been included in the Russian national Unified Examination. In the early days of his administration, Putin also repeatedly stressed Russia’s European identity. He publicly stated in 2002: “Russian civilization is part of European civilization, and the Russians have always been Europeans” (Zhou 2014).

But Russia's long-term pro-Western policy was not as successful as Political elites expected. In 1999, Yeltsin's final year in power, there were serious development difficulties in Russia. Russia's GDP fell by half in 1999, with a foreign exchange reserve of only about \$12 billion – less than one-tenth of China's (In the same period, China had \$154.675 billion in foreign exchange reserves); Russia's defense budget was only \$4.703 billion (less actually) (U.S. military spending was \$852 billion over the same period). The average wage of a worker was \$64 per month and the average pension was 16 dollars per month (usually not paid by the Government on time) (Lu 2005, 95-97). In addition, in the same year, Russia faced a high unemployment rate of 12.6%, and the more severe situation was that 29.1% of the population was below the poverty line (Ibid.). In this year, the Second Chechen War also broke out in Russia and the internal security situation grew more serious.

In 1997, after learning from the Western model for five years, Georgia, Ukraine, Azerbaijan and Moldova – inspired by the United States – initiated and established the GUAM platform, which advocated “not being a victim of Russia” and “alienating Russia.” Two years later, Uzbekistan also joined the organization (Teng 2010, 63-66). The anti-Russian forces in the CIS grew further. In the same year, three CIS countries – Azerbaijan, Georgia and Uzbekistan – refused to postpone the CIS Treaty on collective security, attempting to escape from Russia's influence over the them. In 1999, three former members of Warsaw Treaty Organization – Poland, the Czech Republic and Hungary – officially became NATO members. These countries were almost subservient to the United States on major international issues. They parted ways with Russia and became the “New Europe” appreciated by the United States (Li 2005, 61). In the same year, NATO carried air attacks on the FR Yugoslavia. Russia's learning from the Western model neither improved its international status, nor gained Western goodwill. On the contrary, it made Russia the object of western repression and damaged Moscow's international prestige.

**Table 1. Bilateral trade situation in Russia and Europe**  
**Trade between Russian and European (billion European Currency Units /euro)**

Year	Russian and European Trade (billion European Currency Units/euro)
1993	308
1994	358
1995	380
1996	419
1997	479
1998	410
1999	351
2000	658
2001	758
2002	778
2003	742

Data source: Collation based on public information.

The two major European organizations – EU and NATO – have adopted an attitude of “contempt” and “repression” towards Russia's appeal to integrate into the West. After the collapse of the Soviet Union, Russia fell to the west with almost wishful thinking (Ma 2001,

86). President Yeltsin even publicly expressed his willingness to join the European Union, yet the EU had no intention of accepting Russia. The 2001 European Union summit in Brussels announced that 10 countries, including Estonia, Hungary, Poland, the Czech Republic and Slovenia, had largely met EU standards and could formally join the EU in 2004.

In short, from the eve of the end of the cold war till now, Russia has tried to follow the same path of development as the West and has repeatedly tried to approach the West. However, these efforts either ended in failure or in pullback (Ji 2010, 82). With the rise of the east, Putin's government, which has suffered from "Western repression," has begun to reconsider on the policy of "looking to the West" and gradually turn eastward.

## 2.3. Russia's Own Development in Trouble

### 2.3.1. *Russia's Structural Malaise Is Difficult to Solve*

Entering the 21st century, Russia has largely developed the "Dutch Syndrome," which means having no incentive to push forward structural reforms when oil prices are high and being "powerless" to make structural reforms in economic crisis (Feng 2017, 93). The Russian government has no intention of making reforms in good times, while unable to implement reforms in times of adversity. It has not seen the profound changes taking place in the world economy. It not only missed the opportunity for economic structural transformation brought by high oil prices but spent a lot of revenue from oil on social welfare rather than re-industrialization to enhance national capacity. It continues to use the economic development model of the late Soviet Union, which depends on exporting raw materials such as energy, putting itself at the bottom of the global industrial chain.

At present, Russia's structural illness is difficult to solve, and it is difficult for the country to resume growth. After the collapse of the Soviet Union, Russia's market economy reform took place at almost the same time as China's. But after more than 20 years' development, the gap of achievement between the two sides is huge. China follows the path of gradual reform and explores the new socialist market economy model with Chinese characteristics, which is actually a transcendence of the western neoliberal model.

### 2.3.2. *Growing Imbalances in Regional Development*

Russia's regional development is increasingly imbalanced. The imbalance between the vast territory of more than 17 million square kilometers and a population of only 140 million -- which is decreasing from year to year -- is one of the main constraints faced by Russia in long-term development. For example, between 1995 and 2008, the volume of cargo shipments from the Far East destined for other parts of Russia, as the share of total cargo shipments, fell from 34.6% to 10.96%, and passenger traffic volume also fell from 7.56% to 2.34% (Gao 2013, 9). The current situation of population loss in the Far East is also serious. Between 1990 and 2010, the population of the Russian Far East fell from 8.1 million to 6.3 million. The decline was as high as 22.2%, 4 times as much as the average decline of the entire Russian population. The population of the Russian Far East is currently only 4.5% of the total population of Russia, with a density of only 1.1 person per square kilometer, which is equivalent to only 1/63 of China's border cities.

An important way for Russia to crack this dilemma is to develop Siberia, build regional growth poles, speed up industrial restructuring and improve the environment for investment. Due to historical, economic and other factors, the Far East in Russia can not be compared with the western Russian cities in terms of economic aggregation, urban economic construction and residents' income and education level and so on. For Russia, which is currently in economic distress, it is necessary to gain external support in infrastructure construction and funding to develop its vast eastern region.

In this regard, China has become the best object of Russia's "turning to the east." On January 10, 2010, Putin, then the prime minister, approved *the Strategy for the Social-economic Development of the Far East and Baikal by 2025*. Since 2015, the Oriental Economic Forum has been held in Vladivostok every September, aiming at attracting investment in the Far East, and attended by Putin every year. *The Vladivostok Free-port Act*, signed by Putin in 2015, is dedicated to making Vladivostok, the largest city in the Far East, the first free trade port in Russian history. However, due to financial pressure, a lot of development plans have not been implemented.

### 2.3.3. Obstruction of the External Environment

Russia lacks strategic patience and unfolds a comprehensive struggle with the West. The Russian national character is strong but insufficient in flexibility. Although Russia is still superior in the geopolitical and military fields, its economy and other sectors have lagged far behind. The military diplomacy undertaken by Russia in recent years often exceeded its own strength. On one hand, its strategic ambitions lack economic support, and on the other hand, its actual potential cannot be fully tapped. Therefore, whether its considerations are based on China's energy consumption market or its abundant funds, "turning to the east" and even learning from China may become Russia's pragmatic strategic choice. After the Ukraine crisis, Russia suffered harsh long-term sanctions from the United States and was faced with a more serious situation. In March and December 2014, April 2015, July 2016, August, September, October and November 2017 and January, March, April and August 2018 (Feng 2018, 4-12), the United States imposed dozens of rounds of sanctions on Russia for 5 consecutive years. With the effect of U.S. sanctions, the Russian ruble depreciated seriously, to its lowest point, with capital outflows reaching \$151.5 billion in 2014. Russia's GDP shrank by 3.7% in 2015 and there was high inflation domestically (Dai 2018, 106). When Trump came to power, the sanctions against Russia did not diminish but became more and more harsh (Feng and Shang 2018, 20). The targets of the sanctions have extended from the State and enterprises to individuals. In 2018, the United States added 114 dignitaries and 96 businessmen, in total 210 people, including Russian Prime Minister Dmitry Medvedev and Foreign Minister Sergei Lavrov, to the sanctions list. The chairman of RUSAL, Oleg Deripaska, lost 1.2 billion dollars a day directly because of the sanctions. Sanctions have targeted energy, military industry, banks and other core economic industries. At the same time, the United States has arrested Russian spies and expelled Russian diplomats.

## **2.4. The High Strategic Mutual Demand and Matching between China and Russia**

The future development of Sino-Russian relations depends on the direction of domestic changes in both countries, and especially on the international environment they face (Wishnick 2001, 797-821). Although there are historical and cultural differences, as well as political and ideological differences, between China and Russia, as developing countries and members of the United Nations Security Council, both states have maintained domestic political stability in the face of similar domestic and international problems.

Both China and Russia have vast territory. The territory of Russia covers more than 17 million square kilometers and 11 time zones. China is also a large country covering multiple time zones. In addition, both countries used to have highly centralized planned economic systems, and now both governments are striving to advance the construction of market economy based on comparative interests, which led to the problem of the widening regional developing gap. The complex national conditions faced by the two countries determine that the development mode of adapting measures to local conditions suits the needs of the two countries. China proposed the regional development strategies of “Northeast Revitalization strategy,” “Eastern priority Strategy,” “Western Development Strategy” and “The Strategy of Rising Central China.” Russia also put forward the “Far East development strategy” and “Arctic development strategy” in recent years. On the issue of narrowing the gap in development between the east and the west, China’s experience of “one-on-one help” can provide reference for Russia to solve the problem of imbalance in regional development. In addition, China and Russia, which are both multiethnic and multi-religious countries, are facing the threat of “three forces.” There are similarities between the two countries in combating terrorism and separatism and maintaining social stability. The two sides can learn from each other’s experiences.

From the perspective of the external environment, China and Russia are both developing countries and members of the United Nations Security Council. China and Russia support globalization, the WTO, tackling climate change, reform of the international system, counter-terrorism and opposition to populism. The two countries are the forces advocating the maintenance of the international order since World War II. At the same time, as representatives of emerging economies, China and Russia are also committed to promoting the establishment of a new world economic order. The same international status and demands for changing international orders form the basis for mutual cooperation and mutual learning between China and Russia.

Some of the development commonalities between China and Russia create the potential for the two countries to learn from each other. But it is necessary to mention that many Russian elites are still pessimistic about China, as mentioned above. As a result, a variety of complex factors made it very difficult for Russia to fully correct its attitude towards learning from China.

### **3. ASSESSMENT OF SINO-RUSSIAN RELATION TRENDS**

China and Russian are the two “big” countries in the world. China, the world’s second largest economy, the world’s “processing plant” and largest consumer market, has a major impact on global economic development. Although Russia is a regional power, as an important energy base and military power in the world, it has a unique influence on the changes in the international situation. In recent years, China and Russia have joined forces, and the trend of mutual learning is also very clear. The development of the two countries will have a unique impact on regional development and global governance.

#### **3.1. Sino-Russian Relations**

For a long time, “hot politics and cold economy” and “hot at the top and cold at local level” were the basic characteristics of the development of Sino-Russian relations. But in recent years, with the continuous expansion of both countries’ strategic needs, bilateral relations have been continuously deepened and developed comprehensively. “Russia is faced with the choice of either surrendering to the United States or learning from China,” said Nagorne, vice president of the izborsk-club, a prominent Russian scholar, in an interview with Russia’s Economy and Development (Development and Economy 2018), adding that “We should decisively abandon liberal ideologies. Enough! We’ve been adopting liberal values for 30 years, and we’ve been aligning ourselves with the West” (Development and Economy 2018).

In the political sphere, both the Chinese and Russian heads of state have basically maintained domestic political stability. And the tone of close relations between Russia and China during Putin’s term in office is basically stable. Especially in the time of Western sanctions against Russia and the Sino-U.S. trade war, the needs of China and Russia will be more urgent and bilateral relations will be further deepened. Next year is the 70<sup>th</sup> anniversary of diplomatic relations between China and Russia, and the two countries will hold a series of activities to consolidate friendly political relations.

In the field of economy and trade, the potential for development between the two countries will grow further. Affected by the Ukraine crisis and the sanctions from western countries, the volume of trade between China and Russia fell significantly and began to recover gradually after 2016. In 2017, the volume of trade between the two countries reached 80 billion U.S. dollars and it is expected to exceed 100 billion U.S. dollars this year. E-commerce will be an important highlight of Sino-Russian economic and trade cooperation in the future. The number of Russian orders on ‘Double 11’ increased by 102% over the same period in 2017. Energy cooperation is still the pillar of the economic and trade sector. In 2019, multiple cooperation on energy between China and Russia will be carried out, and the East gas pipeline is expected to start delivering gas at the beginning of 2019.

With the gradual completion of the Arctic Energy Project, Sino-Russian energy cooperation will continue to make new progress. Cooperation between enterprises of the two countries has also made achievements. Chinese and Russian enterprises have begun to unite towards third-party markets in a number of areas. As early as during the Eastern Economic Forum, the Russian Direct Investment Fund (RDIF), Alibaba, Megafon and Mail.Ru



announced the establishment of a strategic partnership to establish a large joint venture to develop the CIS market.

In the fields of military and scientific and technological, the research on the CR929 by Sino-Russian joint venture is steadily progressing and the overall design has been completed. In the future, with the continuous improvement of the level of mutual political trust between China and Russia, military cooperation will be closer. In the field of satellite communications, during the first Shanghai Import and Export Fair, the Chinese and Russian prime ministers met to further promote the uniting of “Beidou satellite” and “GLONASS.”

### **3.2. Triangular Relations between China, Russia and America**

In the future, tension will continue to exist between the U.S. and Russia and/or the U.S. and China in their triangular relations. With the introduction and implementation of the “China 2025 Plan,” competition between China and the United States will be comprehensive. Maintaining the containment of China will be a long-term trend of Sino-U.S. relations and the trade war is the beginning of tension between the two countries. China will not miss any opportunity to ease tensions with the United States, but on the condition that China’s interests are respected. Like Sino-U.S. relations, Sino-Russian relations will not change significantly for a long time. Unlike China, Russia will continue to increase competition with the United States in regional geopolitics. In addition to Ukraine, Syria and the Korean peninsula, the Arctic region will become an important field for future U.S.-Russian competition due to its unique geographical location and abundant resources. Influenced by the “Russia Gate” incident, anti-Russian is the correct values of politics in the United States and have been further deepened. As a result, relations between the United States and Russia will not change radically in the short term. But, like China, Russia will not pass up any opportunity to ease tensions with the United States. Given their shared external strategic environment, China and Russia will cooperate more while the continuing improvement of Sino-Russian relations makes it more difficult for the United States to contain the two countries. For the first time in history, the world’s largest country suppressed the second and third powers simultaneously. Continued cooperation between China and Russia will further increase the cost of maintaining hegemonic status for the U.S.

### **3.3. On Global Governance**

Chinese and Russian influence on the world order is focused on two areas: safeguarding the existing multilateral and liberalized trade order and promoting the formation of a fair financial order. Influenced by economic and information globalization, the world is becoming more and more closely connected and the trend toward multi-polarization is becoming more and more visible. Both countries are the beneficiaries of the current multi-polarization and trade liberalization order and have ushered in their respective development opportunities. At the same time, both countries are faced with the situation of being disturbed by the external world. The economic crisis in 2008 ended 8 years of rapid growth in the Russian economy, and Western sanctions after the Ukraine crisis made the recovery of the Russian economy

more difficult. At the same time, China is facing pressure in the economy and the Sino-U.S. trade war added to external pressure on China to deepen internal reforms and promote structural transformation of the economy. How to eliminate the pressure from external environment and achieve domestic economic development became an urgent problem to be solved by both China and Russia in the context of rising of trade protectionism and unilateralism and the increasingly unstable factors in the world.

To reduce its reliance on the dollar and avoid the risk of US sanctions, Russia has been buying large amounts of gold and reducing its U.S. treasury holdings. Russia has reduced its U.S. treasury holdings by 84%, to \$14.9 billion, from March to May in 2018. Russia's central bank added nearly 29 tons of gold, reaching 2170 tons in July. As early as May of this year, its gold reserves surpassed those of China, making it the country with the fifth largest gold reserve. Russia, which has suffered from U.S. financial sanctions, fired its first shot at "de-dollarization." Of course, Russia has no choice but "de-dollarization" currently. But for China, if it wants to internationalize the RMB, gradual "de-dollarization" in trade with other countries will also be an issue to tackle sooner or later. Currently, U.S. foreign policy is becoming increasingly aggressive and unpredictable. As emerging market economies, China and Russia are vulnerable to the dollar. "De-dollarization" is the last resort under pressure from the United States sanctions.

## CONCLUSION

To conclude, China and Russia have widely cooperated in the aspects of politics, economy and security and made great achievement since the dissolution of the Soviet Union. The relationship between China and Russia is getting closer and closer because of historical and realistic reasons. The direct reason of the Sino-Russian cooperation is that they are both developing countries faced with Western sanctions with common external interest demands, which generates great strategic mutual demand. Considering domestic development, Russia suffered from the failure of the reform imitating Western countries and the dilemma of structural development after the dissolution of the Soviet Union while China has made great success since the reform and opening up, which drove Russia turning to China. Although Sino-Russian relation is getting closer, the two countries have cognitive difference and different interests. Therefore, between them there are competition and conflict, which, however, compared with the general trend of Sino-Russian cooperation, is manageable. And from the perspective of strategic mutual demand and long-term external strategy, the future Sino-Russian relationship, whether it is going better or worse, does not depend on China. China holds a general strategy of deepening domestic reform and hopes to have a stable and peaceful international environment. But the Chinese government is also ready for challenges and will not compromise to anything challenging its core interest.

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*Chapter 18*

## **THE PHARAOH AND THE TSAR: EGYPTIAN-RUSSIAN RELATIONS IN A NEW GLOBAL CONTEXT**

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### **ABSTRACT**

Egyptian-Russian relations present as a model of the dynamics that shape relations between a major power and a middle/regional power, although this case is coloured by its own particularities. The historical legacy of this seventy-five-year relationship has oscillated between alliance and enmity, with a variety of intermediary phases, leaving a sense of nostalgia and reticence. This has also developed a set of expectations, apprehensions and suspicions, as well as a “protocol” – rules of conduct – that guides the present transactional relationship. Over the past forty years, functional areas of cooperation ranged across the political, military and economic spheres, with a tendency towards gradual growth and diversification. These relations, however, remain influenced by internal factors and third parties – particularly the United States, Saudi Arabia and other regional actors – that impact Cairo’s foreign policy decision-making process. This regional dynamic goes a long way towards explaining Egypt’s foreign policy direction and choices, which place it in modes of either cooperation or confrontation with other powers, including Russia. This regional landscape is tempered with a tendency towards pragmatism and realism, rather than ideological constructs and nostalgia for empire on both sides of the Egyptian-Russian relationship. However, both Egypt and Russia have their own strategic reasons for pursuing cooperation: Egypt wants to achieve a more balanced foreign posture and a more balanced international presence in the Middle East, while Russia wants to gain access to the warm waters of the Mediterranean, protect Moscow’s national interests as a Eurasian power, defend Russia’s under belly from

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extremist Islamic movements, and influence the global energy market. But there is also the element of personal chemistry in the Sisi-Putin interactions; a chemistry that has provided a positive, nurturing environment for bilateral relations since 2013.

Future possibilities include (a) a scenario for continuity on the present track, as the internal, regional and global drivers of the bilateral relationship remain largely unchanged; (b) closer cooperation driven by problems between Cairo and the United States or a Russian desire to invest more heavily in Egypt's military and economic capacities; (c) a setback caused by the influence of third parties or a Russian failure to deliver in current areas of cooperation; or (d) a sudden change in the internal situation in either country or in the United States.

**Keywords:** Egypt, Russia, Soviet Union, United States, Middle East, Nasser, Sadat, Mubarak, Sisi, Putin, Russia

## INTRODUCTION

Russia's return to the Middle East, with its 2015 military intervention in Syria, rekindled interest in Moscow's wider regional approach. One of the key questions raised is how Egyptian-Russian relations might develop in light of Moscow's strategic understanding of Egypt's key role in regional dynamics, coupled with Cairo's tensions with the U.S. administration. However, the current interest in this intriguing aspect of Middle East politics misses deeper longer-term drivers that deserve to be investigated.

This chapter seeks to set Egyptian-Russian relations in a wider, macro spectrum that identifies their structural dimensions and dynamics and their future directions as a model of relations between a major power and a middle or regional power. A starting point is the 75-year historical legacy of relations between Cairo and Moscow, not merely as a narrative of events but, more importantly, as a generator of perceptions, lessons and rules that impact current policies and decisions. This is complimented with an overview of the current political, economic and military dimensions of the relationship. Three other factors follow from this analysis, one being the influence of key decision-makers in both countries, where the President dominates foreign policy making. The second is the influence of relations with third parties that bear on their bilateral relationship. Finally, there are the macro-strategic considerations that shape the policies of each of the two countries.

### 1. The Historical Legacy

Early Egyptian-Russian relations go back to the 16th century, when the Patriarch of Alexandria sent a letter to the Russian Czar Ivan IV asking for assistance in repairing St. Catherine's Monastery in Sinai. Later, in the nineteenth century, Egyptian troops sided with the Ottoman empire, against Russia, in the Crimean War (1853-1856) (Ozcan 2012; Tousek 1933). Modern formal diplomatic relations between Cairo and Moscow go back to 1943, with Egypt, then under British occupation, contributing to easing the isolation of the Soviet Union to meet the requirements of the anti-Axis alliance during the Second World War, at a critical moment when the Middle East was in range of being overrun by Rommel's Panzers, which were poised in the Western Desert, a few kilometres up the coast from Alexandria.



Thus, from their inception, Egyptian-Russian relations were triangulated with two connected factors: *first*, the international balance of power and the role of other foreign parties and, *second*, internal factors in both countries. Relations between both countries have gone through several key phases in the past 75 years:

*First* was a phase of limited interaction, up to the mid-1950s, characterised by maintaining formal relations between Cairo and Moscow, but also by two somewhat contradictory trends: one was a dynamic that would eventually bring Egypt closer to the Soviet Union: Egypt's emerging leadership of the Arab World, as the country fought to end British occupation, joined the United Nations, presided over the establishment of the League of Arab States, distanced itself from the old European powers, and took its first steps towards nonalignment: neutrality over the Korean war, refusal to back Western proposals for building a regional alliance to contain the Soviet Union and, eventually, Egypt's recognition of China in 1956 (Podeh 1996). The other trend was Cairo's anti-Communist stance, expressed in the banning of the Egyptian Communist Party ("Hadeu"), imprisonment of local Communists, and combating Communism regionally (specifically, in Syria and Iraq). These two dynamics of cooperation between Cairo and Moscow and, at the same time, a sense of suspicion and tension plagued the relationship from its very inception and possibly until this very day.

A *second phase* opened following the Israeli raid on Gaza in 1955, and the famous Lavon Affair (an Israeli false flag operation in 1954 to bomb U.S. institutions in Egypt). As the new revolutionary leaders in Egypt realised that the West would not supply them with arms to deter Israel, they turned to Moscow, which provided supplies through Czechoslovakia. Soviet support during the Suez crisis, together with the subsequent agreement to help build the High Dam and aid industrialisation plans, solidified the relationship between Cairo and Moscow as tension escalated with Washington and other Western capitals. The Arab Cold War (Kerr 1965), pitting the conservative monarchies of the region against the revolutionary socialist republics, raised the level of polarisation in the Middle East, as the United States sided with the traditional leaderships, particularly Saudi Arabia, while the USSR became closely aligned to Egypt and its "progressive" Arab group. The civil war in Yemen was the test ground for this confrontation, while its most explosive expression was the Arab-Israeli war of 1967. This was perceived by many Arabs as a setback for Soviet armaments and, in contrast to 1956, as indicating a lack of Russian political resolve to stand up to the USA. Again, the tension continued as before between the interests of both Egypt and the USSR on the one hand, and their underlying doubts on the other hand.

A *third phase* extended from the 1967 defeat to the 1973 crossing of the Canal. Here the relationship reached both its zenith and its nadir, with massive Russian support – in the form of military personnel and supplies – for the rebuilding of the Egyptian armed forces, and active engagement in air defence operations under a 15-year Treaty of Friendship and Cooperation signed in May 1971, contrasting with Sadat's dramatic decision to expel Soviet advisers in 1972. Subsequently, Sadat abrogated his treaty with the Soviets in March 1976 and, in the following year, stopped cotton exports and debt repayments to Russia. In the wake of Sadat's peace initiative – the Egyptian Israeli Peace Treaty – and Egypt's rapidly warming relations with the USA, Moscow sided with the Arab states opposing Sadat. Meanwhile, Egypt declared its active support for Afghanis fighting against Soviet occupation and, in 1980, reduced, and then ousted, Soviet diplomatic and technical staff from Cairo.

A *fourth phase* of normalisation was ushered in following the assassination of Sadat, during the long years of Mubarak's rule, with relations re-established in 1984 and the Soviet

Minister of Foreign Affairs visiting Cairo in 1989 (Salem 1983). Following the fall of the USSR, Putin visited Egypt in 2005 and Mubarak visited Moscow in 2008. Egypt purchased some military equipment to replenish the Russian equipment still in its inventory (Salem 1980). Also, following the 2011 uprising in Egypt, Morsi visited Russia in 2013, albeit with unclear results. Cooperation centered on resuming purchases of some Russian military supplies, together with spare parts for Russian-built factories, and discussions on establishing a nuclear power plant on Egypt's North Coast. A higher degree of warmth was introduced to the bilateral relationship with the 2+2 negotiations (Ministers of Foreign Affairs and Defence from both sides) that started in 2013, coinciding with a deterioration in Egypt's relations with the Obama administration (Egypt is one of six countries that Russia engages with 2+2 mechanisms. Between 2013 and 2018, four such meetings have taken place, alternating venue between Cairo and Moscow).

Finally, *the current phase*, 2013-18, started after the overthrow of the Morsi government in summer 2013, characterised by the recurrent dichotomy of (a) closer cooperation in military affairs (supplies, joint production, joint manoeuvres), agreement on the construction of nuclear plants, and high-level meetings, but, at the same time, (b) a Russian freeze on flights carrying Russian tourists to Egypt's Red Sea resorts, following the October 2015 crash of a Russian jet, which left all 224 passengers and crew dead. Extensive negotiations followed, but this lifeline to the vital Egyptian tourism business remained closed at the time of writing (January 2019). Frequent negative articles appeared in the Cairo press, expressing frustration at the Russian position and the numerous security conditionalities and requirements requested from Egyptian airports.

## **2. Reflections on a History of Alliance, Apprehensions, Suspicions and Emerging Rules**

This quick overview of the complex Egyptian-Russian relationship – extending over eight decades of deep shifts in the political landscape inside both countries and in regional and global realities – indicates the presence of two contradictory flows of cooperation and conflict, sometimes coexisting and, at other times, with one of them dominating, albeit only briefly. Indeed, when the cooperative-alliance mode takes over, it is an indication of the pragmatism of both sides and their awareness of national strategic needs in a competitive environment. But the lingering doubts and legacy of tensions leave a level of distrust and sensitivity that places systemic limitations on the relationship (Issaev 2016).

Both Cairo and Moscow have shown a sense of nostalgia towards their post-World War II history, each looking back on an era in the past when they enjoyed significant status and influence, with hopes of restoring some of that glory in the future. As part of the lessons learnt, both countries came to realise that their interests overlapped and interacted, thus requiring a degree of coordination. Indeed, when President Nasser defined his three circles of Egyptian foreign policy: Arab, African and Islamic (Nasser, 1954), he did not anticipate that there was a fourth, perhaps more important, circle that largely shaped his options in the three others: the global international circle. It is in this context that Egypt's successive leaders held a perception of their country as the primary Arab regional power, with its own priorities and interests to defend against perceived challenges and threats to its national security, and

therefore saw the need to cultivate friendships and alliances to help meet these challenges and threats.

Naturally, with few options open to him and no other super power to turn to, Nasser relied on Moscow for military and economic assistance, despite his professed foreign policy doctrine of Non-alignment. This doctrine was put to a further, deeper, test after the Six-Day War of June 1967 – in which he was defeated – when the idea of Egypt joining the Warsaw Pact was briefly contemplated, even though this proposal was not received with much enthusiasm by the Soviet leadership (Primakov 2009). Nevertheless, the relationship between Egypt and Russia at the time was depicted as a close alliance, with Egypt as a client state to the Soviets, but with two qualifications: first, that this partnership remained pragmatic rather than ideological and, second, that it metamorphosed into an alliance of convenience rather than a longer-term strategic choice (Elbahtimy 2018).

Sadat was aware of the danger of the Arab-Israeli conflict being frozen by the rules of East-West conflict management, particularly the rising signs of “détente” between Nixon and Brezhnev in 1972 (Quandt 1977). Already, there had been Egyptian attempts at combining the military support of the USSR with diplomatic openings to Western powers: the famous UN Security Council resolution 242 was a British proposal, while relations with De Gaulle’s France took on new dimensions, particularly after the 1969 Libyan coup and the Mirage deal and, more importantly, Nasser’s acceptance of the U.S. Rogers Plan of December 1969.

It is often said that relations between Cairo and Moscow never recovered from Sadat’s decision to expel the Soviets in 1972, especially with Cairo delivering some Soviet military equipment to the U.S. as a gesture of goodwill and providing Afghani Mujahedeen with Soviet-made weapons from its own stores. It is true that Mubarak, who received his pilot training in the Soviet Union, tried to restore a semblance of normalization of relations with Moscow by resuming diplomatic relations two years after he came to power in 1983, then exchanged presidential visits with the Russian leadership and encouraged expanding trade and cultural ties with Russia. New realities had been established, with the United States replacing Russia as the main supplier of arms and economic assistance, a situation Moscow could not compete with, even if it wanted to, due to its own internal problems, which finally led to the collapse of the communist system and the Soviet Union itself. During the years that followed, under Yeltsin, Russia was in no position to play any meaningful role in the Middle East or with Egypt.

It was not until Putin’s ascendance and the cementing of his power by restoring order and reorganizing the economy that Russia re-emerged with a claim to global power and Egyptian-Russian relations started to warm up again, albeit in a very different context. Mubarak was viewed by Moscow as a pragmatist, a moderate and a force for stability that Russia could deal with, albeit under new rules, without facing huge risks or adventures. Egypt, meanwhile, was discovering the limits of its relations with the U.S., as tensions increased over American support for Israeli policies, human rights issues in Egypt and, more generally, U.S. policy in the Middle East, particularly the invasion of Iraq in 2003.

In this context, Moscow viewed with apprehension the popular uprising against Mubarak in January 2011 and, due to its deep suspicion of popular movements, saw the Egyptian upheaval as an extension of the coloured revolutions that had swept the countries of Eastern Europe in 1989, and as part of a Western conspiracy to undermine Russia and ultimately bring regime change in Russia itself. Indeed, Moscow was more inclined to the status quo and favoured it, even though Mubarak was seen as an American ally rather than a friend of Russia

(Elhadidi 2018). This ambivalence was further strengthened with the ascendance of the Muslim Brothers (MBs) to power; a situation that differed from that of the Shia Islamic Republic of Iran, as Sunni Islamic movements – such as the Muslim Brotherhood in Egypt and other Sunni Muslim countries – raised the spectre of growing sympathy, if not outright support, between the MBs and the Sunni Islamic movements of Chechnya and North Caucasus. Following massive demonstrations in June 2013, the MBs were removed from power by the Egyptian military, which Russia saw as an opportunity to redress some of its setbacks in the region – particularly the Western intervention in Libya and, at that time, the threat to the Syrian regime.

Against this background, Egypt's Minister of Defence, Abdel Fattah el Sisi, was received with enthusiasm on his first visit to Russia. It was clear that Moscow had taken the decision to back the new regime in Cairo. Once again, as if history were repeating itself, the Kremlin saw a chance to draw Egypt closer and away from the American and Western sphere of influence, as it had done before, with Nasser, in the fifties. In other words, it was a calculated tactical move to further enhance Russia's interests in the region, with a view to gradually restoring Russia's lost influence and re-establishing Russia as a major power, as was manifested in the subsequent developments in Ukraine, in 2014, and then in Syria in September 2015.

As events unfolded between Cairo and Obama's Washington, the latter took a negative attitude towards what it saw as a military takeover against a democratically elected president, which prompted the partial freezing of American military and economic assistance to Egypt, including the halting of the delivery of some military hardware that had already been contracted by both countries, as well as cancelling joint military exercises. Despite the fact that these constraints were lifted once Sisi was elected President in June 2014, and U.S. military and economic assistance was resumed, political and diplomatic relations remained cool at best with the Obama administration; Sisi was not invited to the White House, though the two leaders met on the side-lines of the UN General Assembly in New York. In contrast to the deteriorating relationship between Cairo and Washington, the relationship between Cairo and Moscow was warming, especially given that they saw themselves as complementing one another.

Thus, Sisi and Putin exchanged visits, meeting eight times between 2015 and 2018. Several agreements were signed in military and economic spheres of cooperation, most significantly awarding Russia the contract for building Egypt's nuclear plants on the Mediterranean (US\$25 billion). Other agreements provided for conducting joint military manoeuvres, use of military airfields in both countries, reactivating the 2+2 dialogue (the Ministers of Defence and Foreign Affairs on both sides), and there was an agreement on establishing a Russian industrial zone in the Suez Canal Economic zone.

Significantly, this progress happened despite the October 2015 downing of a Russian passenger jet carrying Russian tourists from Sharm el Sheik, killing all 224 on board, which prompted Russian authorities to withdrew all tourists, halt all flights between the two countries and ban Russian tourism from Egypt. This indicated a "compartmentalisation" of various segments of the relationship, with areas of divergence not hindering other areas of cooperation. Nor did this obstruct the signing of a "strategic partnership" agreement in October 2018. Thus, President Putin referred to Egypt as "an old and reliable partner in the (Middle East) region" (Aziz, 2018).

### **3. Functional Areas of Cooperation**

Trade between Egypt and Russia increased by over 60% in 2017-2018, reaching US\$6.7 billion, with Russian wheat covering some 70% of Egypt's requirements. The balance of trade was heavily weighted in favour of Russia, with Russian exports to Egypt reaching US\$6.2 billion, while Russia's imports from Egypt barely exceeded US\$500 million. A closer look shows that wheat represented 23% (US\$1.4 billion) of Russian exports to Egypt – one quarter of Russia's global wheat exports – while metals constituted 11% (US\$703 million). Other sources placed Egypt's wheat imports from Russia in 2017 at US\$ 1.73 billion, a 44% increase on the previous year (RT, 2018). As for Egypt's exports, fruit accounted for 41% (US\$209 million), and vegetables constituted another 36% (US\$180 million). Thus, 77% of Egypt's exports to Russia are agricultural produce. Direct Russian investments in Egypt were at US\$4.6 at the end of 2017, with 60% of that figure allocated to the petroleum and gas sectors (MENA News Agency 2018). Significantly, in 2017, Russian oil giant Rosneft bought a 30% stake in Egypt's Zohr gas field in the Mediterranean for US\$1.125 billion. Russia is to build four nuclear reactors on Egypt's North Coast, a project valued at some US\$25 billion and to be completed by 2029, funded by a long-term Russian loan (third generation reactors with a capacity of 1,200 MW each, with the first completed by 2026.). Also, a new satellite under construction in Russia, Egypt Sat-A, will soon be launched to replace an earlier version, EgyptSat-2, that was lost in space. In 2014, three million Russian tourists visited Egypt, spending US\$2.5 billion (40% of Egypt's tourism market), a number that fell to just 100,000 tourists in 2017 (Hussein 2018), although Russian flights to Cairo resumed in April 2018. President Putin indicated that Egypt could soon establish a free trade zone with his Eurasian Economic Union, which includes Russia, Belarus, Armenia, Kyrgyzstan and Kazakhstan.

Militarily, relations advanced rapidly over the period from 2013 to 2018, with reports of a US\$3 billion arms deal, funded by Russia and the United Arab Emirates. Joint naval exercises were held in 2015, followed in 2016 by joint military manoeuvres in Egypt by paratroopers – under the title of “Protectors of Friendship” – which were repeated in Russia in 2017, then again in Egypt in 2018. In 2014, it was reported that Egypt purchased fifty Mikoyan Mig-29 fighter jets, followed by 46 of the naval version of the Kamov Ka-52 Alligator helicopter, intended for the two French-built Mistral helicopter carriers, which were originally built for Russia (Zilberman and Shaker 2018). The Antey-2500 long range air defence missile system (similar to the S-300 VM system) started to arrive in mid-2018, in addition to the multimode 3D-radar Protivnik-GE. There are also indications that 400 Russian T-90S/SK battle tanks will be produced in Egypt. In November 2017, during the visit of the Russian Minister of Defence to Cairo, a five-year draft agreement was signed to allow the joint use of each other's airspace and airbases.

Politically, the positions of Cairo and Moscow converged on several regional issues, including the situation in Syria, where both countries brokered a ceasefire in the south in October 2017. On Libya, they both support General Khalifa Haftar and prioritise the battle against terrorist organisations in that country and elsewhere in the Middle East as an area of joint cooperation. Russia's view of the costs and risks of the uprisings that swept the Arab World after 2011 – particularly the threat these movements posed to the state apparatus in several countries and, thus, to regional stability – was music to the ears of Egyptian leaders,

who shared this reading. Both sides support the two-state solution for the Israeli-Palestinian conflict and share positions on Iraq, Lebanon, and other regional issues.

More broadly, at the strategic level, Russia sees itself as a major power that is “returning to the Middle East” (Issaev, 8), utilising regional opportunities as well as gaps in the U.S. performance in the region, while aware of the links between the region and its own Muslim populations and understanding regional dynamics that position Cairo at the heart of multiple far-reaching circles of influence: Arab, African and Islamic. Thus, Moscow has followed a policy of pragmatism and flexibility towards Cairo, allowing for space to accommodate differences, together with a realistic search for economic opportunities. From an Egyptian perspective, there has been an effort to “diversify” (تويع) Cairo’s foreign relations towards a new balance (توازن) in light of the experience of the relationship with Washington, which seemed to have allowed the U.S. to renege on commitments, retreat from its role at the centre of the Arab-Israeli peace process, and place demands and pressures on successive Egyptian regimes, particularly in the spheres of human rights and democracy. Egyptian leaders tend to see their role in a wider regional context, with their country at the centre of diplomacy in the League of Arab States, the African Union, the Islamic Cooperation Organisation and the Union for the Mediterranean. They are also sensitive to “intervention in (their) internal affairs”, which brings them closer to Russia’s position on this issue.

#### **4. Triangulation**

Adding to the complexity of relations between Cairo and Moscow is the fact that each side brings other sets of relations, with third parties, to bear on the bilateral relationship. These third parties are mainly the United States and/or other regional parties.

The United States entered the picture in four modes (Salem 2013):

- a) when Egypt was in conflict with U.S. policies, as in the 1960s, Cairo compensated by moving closer to Moscow and its constellation of allies;
- b) in moments of close cooperation between Cairo and Washington, Egypt tended to stand back from Russia, or even ostracise it from the region and beyond (in Africa and Asia, for example) – this was clear from in mid-1970s until 1981;
- c) in moments of tension between the USA and the USSR, Egypt’s elbow room expanded as it tried to maintain positive relations with both sides (as in the 1960s, until the 1967 war, or in the 1980s), even though these were transitional phases that soon reverted to one of the other three modes;
- d) in moments of harmony between the USA and USSR, like the détente from 1972 onwards, particularly the agreement on “military relaxation” in the Middle East, Egypt felt compelled to assert its independence of action through initiating a crisis with one superpower (by expelling Russian experts in 1972) or going to war, as in in 1973.

Another triangulation set, at the regional level, had to do with adversaries of Egyptian regimes at one time or the other (Israel, particularly in the period 1967-1973, Russia in the 1960s, Iran during the time of the Shah). In the case of this group – countries that competed

with Egypt for a regional role with U.S. backing – Cairo sought, and often found, Soviet support in the form of diplomatic cover in the Security Council, together with military cooperation and mobilisation of other partners in the region. However, in cases of competing with the USSR over influence in other countries in the Middle East, time after time, Cairo showed its deep opposition to takeovers by local Communists in Syria, Iraq and Sudan.

## **5. Regionalism**

In an ideal world, Egypt would probably prefer to see a balance of power between the major external powers to the Middle East, coupled with a parallel balance between the major regional powers. This ideal situation would allow for the respect of several cardinal rules of state conduct, including maintaining political borders, minimising intervention in the internal affairs of other states, containing competition among, and direct intervention by, external powers and, nowadays, cooperation on combating terrorism. Alas, this utopian construct was not to be. In its place, there are multiple, prolonged crises situations (for example: Libya, Syria, Yemen) with a high level of external intervention by regional powers (Turkey, Iran, Israel, Russia, UAE) and powers from outside the region (Russia, USA, UK, France, Italy). Together with this trend, multiple failed states and “empty spaces” emerged, inviting external forces, including non-state actors, to intervene.

This regional picture was translated into increased direct foreign military presence in several theatres in the region, fanning from Djibouti to the Gulf, including the Red Sea, and from the Eastern Mediterranean into Syria and Libya. The once-dominant influence of Arab nationalism and charismatic leaders like Nasser withered into the past, leaving room for competition between Arab states and ruling regimes, together with, at another level of internal politics, claims and counter claims by ethnic, religious and tribal groups for independence or political influence. Egypt’s leadership, indeed its influence, retreated as it focused on reclaiming its occupied territory and rebuilding internally. Thus, Cairo’s role in the search for a solution to the Syrian crisis, for example, was minimal, although Egypt and Syria were united from 1958 to 1961. Significantly, while Moscow became the central broker of a settlement in Syria – in close coordination with Ankara, Tehran and Tel Aviv – it did not seem to be too enthusiastic about an Egyptian role in this process, despite the fact that Egypt, as a Security Council member, had voted in favour of a Russian draft resolution on Syria, to the dismay, then wrath, of Saudi Arabia.

In cases of Israel and Iran, and despite Egyptian reservations, Russia continued to foster close relations with both countries, with some ten meetings taking place between Putin and Netanyahu over a three-year period, from 2015 to 2018. Observers in Cairo raised their eyebrows at the Russian efforts to draft a new constitution for Syria (Sputnik 2017), an act reminiscent of colonial practices. Interestingly, it was Iran that requested that Egypt join the Syria talks at one stage (Ramesh 2016).

In the case of Libya, Egypt and Russia held converging views that were critical of the NATO role in that North African country, with reservations on Western policies that maintained an arms embargo on all parties – including the national armed forces of General Haftar – and allowed for the role of Islamic groups that were anathema to both Cairo and Moscow. In January 2017, to Egypt’s satisfaction, General Haftar visited the Russian aircraft carrier Admiral Kuznetsov, which was returning from Syria, and held a video conference with

the Russian Minister of Defence. Later, in August and November 2018, Moscow hosted the Libyan General (Pusztai 2017) while providing discreet support to the General's forces, sometimes through third parties.

These episodes confirm that relations between Egypt and Russia have managed a degree of realistic "compartmentalisation", wherein each case or issue is dealt with separately and each side reserves its position to protect its own interests. This parallelism may be practical, but it carries the risk of reduced trust and possible spill over where, inevitably, issues will influence each other. Thus, for example, irrespective of the closer relations of the last few years, there is no doubt that there exists a feeling of disappointment in Cairo at the long delay in resuming Russian flights to the Red Sea (Elhadidi 2017).

In competing for influence in the regional context, Egypt enters into rivalry with other Middle Eastern powers, particularly Turkey, Iran, Israel and Saudi Arabia. In this dynamic, each regional party seeks to maximise the support it receives from major powers and reduce international support for its rivals. Major powers, however, seek to balance their relations between regional parties while calibrating their own direct interests in each case. In this dynamic, building on its long experience of nonalignment, Egypt has often sought to obtain the support of competing parties; for example, the USA, Russia and China. Russian support in the 1960s and U.S. support in the mid-1970s strengthened Egypt's hand in the regional game, although eventually, in both cases, schisms appeared in the relationship with its superpower sponsor. After 2011, with Egypt preoccupied with its internal situation, and thus less engaged regionally, there was less need to demand support from Russia on specific initiatives, thus removing an area of possible conflict.

## **6. Realism (and the Demise of Ideology)**

The demise of the role of ideology in Egyptian-USSR relations occurred over a lengthy period of time. Nasser, particularly during the years of the Arab Cold War, postulated a confrontation between, on the one hand, progressive, anti-colonial, socialist forces and, on the other, the U.S.-led coalition of traditional, "reactionary", free market, autocratic regimes. This fitted in, to some extent, with the Communist analysis and terminology, which spoke of "contradictions" between political systems, classes and ideas, and called for cooperation between "progressive forces" and the realisation of the rights of "the people" (Heikal 1978). The complexity of this dynamic needs to be triangulated, once more, with other influences on Egypt's foreign policy, including, for example, Egypt's friendship with China, which remained reluctant to get involved in inter-Arab differences and Nasser's relations with numerous liberation movements, whether in the Arab World or in Africa.

With the death of Nasser – indeed before that, with the 1967 defeat – Egypt's foreign policy discourse changed to a milder tone, so as not to offend the conservative oil producing countries that supported Egypt's war effort. Paradoxically, even this step was seen by some of Egypt's old guard as similar to what happened with the USSR after the German onslaught during the Second World War, when "National Fronts" were supported by Communists as a means of mobilising against the Nazis. However, as Sadat turned against the Soviets, the Nasserist legacy was not only abandoned but repeatedly criticised as a cause of friction with sister Arab states, which increased Egypt's vulnerability. In parallel, a pragmatic approach



was applied in opening up to the West, particularly the USA, and, eventually, in dealing with Israel.

On 7 December 1988, Mikhail Gorbachev, addressing the United Nations General Assembly, suggested that the time had come to “de-ideologize” relations among states (New York Times 1988). With the collapse of the USSR, this “de-ideologisation” came full circle, as Moscow’s language changed in the direction of transactional interactions that applied concepts like national interest, strategic goals and terrorist threats. This may have chipped away some of the cement holding the Egyptian-Russian relationship together, creating difficulties as one side or the other approached the relationship with a mindset affected by past norms, past ideological frameworks and past terminology – together with the expectations that came with this heritage. But is also allowed for a pragmatic approach to reconciling past problems, which could now be pushed out of sight, like old furniture being replaced by new.

## **7. Personalisation**

The Egyptian foreign policy decision-making process or model attaches great value to the role of the President (Dessouki 2010). This partially explains, as in the case of several other strategic decisions, the shift in relations with Moscow under Sadat, who had a strong personal assessment of his country’s relations with the USA and of the American role in the region, which triangulated with his decisions on relations with the USSR. Moreover, chemistry was simply lacking between Sadat and the Russian leaders he dealt with. As a pragmatist, Mubarak, who had been trained in the USSR and was familiar with Russian capabilities and limitations, was better able to deal with the new leaders in the Kremlin, even though Gorbachev, Yeltsin and Putin differed immensely from the generation that Sadat had interacted with. With Putin and Medvedev in particular, the chemistry began to work again, through a common language devoid of ideologies or grand designs.

This element of personal rapport was amplified in the Sisi-Putin relationship and again triangulated with the Sisi-Obama relationship, which was deteriorating. Following the July 2013 takeover in Egypt and the imposition of what amounted to a U.S. arms embargo, Sisi flew to Moscow in February 2014 and was met warmly by President Putin, who, apart from giving Sisi a Russian ice-hockey team coat, wished his Egyptian counterpart success in the then upcoming Presidential election in Egypt, even though Sisi had not announced his candidacy (Spencer 2014). From 2014 to 2018, Putin and Sisi met at least seven times and held frequent phone talks. Some analysts have suggested that this personal relationship is based on the similar histories of the two leaders (careers in intelligence, a quest to “restore” the former status of their countries, attitudes towards opposition, etc.), as well as on their world vision (danger of extremism, focus on terrorism, Middle East policies, dealing with popular upheavals and regime change, tensions with USA, etc.).

## 8. The Russian Strategic Approach

In order to understand Egyptian-Russian relations, it is important to analyse Egypt's position in Russian global strategy. Four basic factors determine Russia's foreign policy towards the Middle East region, with Egypt at its centre as the leading political force and the most populated country; the capital of Arab culture and a leading regional military power. There is also a need to examine the importance of the Middle East region in the international geopolitical rivalry between the Russian Federation and the United States of America. Second, there is the role of ideology for the Russian leadership; ideology as a means of asserting Russia's role as a Eurasian power and forging its identity accordingly. *Third*, there is the increasing role of the Islamic factor in shaping the domestic agenda of the Kremlin. *Finally*, the role of energy as both a tool and prize for Russian designs for the region (Kozhanov 2018).

*The Middle East in Russian Strategy:* Although Russia is the largest country in the world in terms of land mass, geography has not been especially kind to it. Notwithstanding its having the longest borders in the world, stretching thousands of miles, Russia has few sea outlets, leaving it more of a landlocked, isolated country, with only three remote outlets on the water: St. Petersburg on the Baltic sea, Murmansk on the Barents sea in the European north western part of the country, and Vladivostok on the Pacific, in the far east. Thus, Russia is isolated from international maritime trade routes, ergo international trade and markets; in other words, Russia is geographically trapped. For this reason, many Russian strategists have postulated that – for both the security and prosperity of the Russian state, and to engage in world trade – access to the Mediterranean and the Persian Gulf is imperative. This explains Peter the Great's 18<sup>th</sup> century drive to the Crimea on the Black Sea and his obsession with his country's need to gain access to international waters, establish its own maritime fleet, and become a leading maritime power to be reckoned with; thus, the building of Sevastopol as the fourth harbour or outlet. This new harbour became the outlet to the Mediterranean and the Middle East, and its importance increased as the major power rivalry unfolded over the years, building into the twentieth century and what became known as the Cold War.

Whether Russia had its capital in Moscow or St. Petersburg, whether the political and socio- economic system was a tsarist autocracy or communist totalitarianism or authoritarian republican, access to the Mediterranean from Sevastopol, via the Black Sea, reflects geopolitical realities and power dynamics.

With the end of the Second World War and the ensuing Cold War, the Middle East, with its ports on the Mediterranean, gained increasing strategic and military importance in the face of attempts by Western powers, led by Washington, to encircle the USSR. The Baghdad pact in the fifties, which was to include Arab as well as other Middle Eastern countries in a grand alliance of all anti- communist countries and forces in the world, was such an example. Breaking that alliance meant breaking the encirclement that the West was trying to impose on Russia. This geopolitical power struggle is as alive and well today as it was at the height of the Cold War. Current events in Moscow and Washington are evolving in the direction of a new cold war, albeit in a different form.

This leads us to *the second factor*, ideology, which is directly related to the first. Gone are the days of Russia as a Christian Orthodox power whose mission was to protect other Christian Orthodox brethren, whether they be sizeable communities, such as in the Balkans, or smaller minorities, as in the Middle East. Also gone, since the dissolution of the USSR, are

Moscow's days of supporting nationalist liberation movements in the third world and promoting international solidarity with the struggle of patriotic and popular parties or coalitions against western imperialism. The ideology most vehemently promoted by the current leadership in the Kremlin is of a strong Russian national identity with a wider Eurasian character – an identity and character separate and different from, if not opposed to, Western and European identity and character. In this context, it is important for Moscow to have friends and partners in other regions of the world, especially in Asia and Africa, to emphasize the wider Eurasian character of present-day Russia. Having a closer relationship with the Middle East and its counties and peoples cements this notion of Moscow's being a Eurasian power (Tsygankov 2010).

*The third factor* is the rise of the Islamic dimension as a Russian domestic security challenge, which was one of many reasons behind Russia's direct military intervention in Syria. Conventional wisdom has been that Russia's involvement in Syria is partially due to Moscow's desire to assert itself once more as a super power with global reach – to be respected and dealt with on an equal basis and not just as a mere regional power, as Obama once described it – and thus redress this affront to Russian pride. Hence, Syria became part of a power play by Moscow to enhance its geostrategic position when the opportunity presented itself in line with the resurgence of Russia under Putin, as manifested by its war with Georgia in 2008, its intervention in Eastern Ukraine, and its annexation of the Crimean Peninsula.

Then came Syria. U.S. hesitation and withdrawal from the region, in line with the “pivot to Asia” concept, meant an American downsizing of its presence in, if not an exit from, the Middle East. This policy opened a door for to become directly involved in supporting the regime of Bashar al Assad: A bargaining chip Putin could use in his dealings with the West. But another factor that was not much noticed was the growing threat posed by Islamist movements originating in North Caucasus. Terrorist strikes reached the heart of Moscow, with attacks on the subway in 2010 and on the international airport the following year. Other incidents occurred in other parts of the country, as Moscow apprehensively followed extremist Islamist trends among its Muslim populations in the three republics of Chechnya (where the memories of the brutal wars of 1994-1996 and 1999-2009 are still much alive), Ingushetia and Georgia. Moscow has also noticed with great alarm that a large number of the Jihadists fighting in Syria had come from inside Russia's own borders and the countries of Central Asia – Russia's near abroad and a central part of the Eurasian bloc it is forming as a counterweight to the European Union. Thus, Assad's Syria become the first line of defence against both international and domestic jihadists, even as it satisfied Moscow's desire to gain a footing on the shores of the Mediterranean: two prizes at once.

Finally, there are Russia's ambitions to consolidate its role as a primary player in the world energy market. Not satisfied with its position among the world's biggest energy producers, Moscow has decided that it is equally important for it to influence the market and prices, and thus prevent a repetition of the circumstances that brought the Soviet Union to its knees. Thus, one of Moscow's strategic aims is to influence the international energy market through various means – buying assets, entering in partnerships, etc. – with the Middle East providing rich opportunities in this direction, including collaboration with countries such as Iran, Iraq and its autonomous Kurdish region, or even Saudi Arabia – a close ally of Moscow's adversary, the USA – when their interests coincide on averting falls in oil prices (Macaes 2018).

## 9. Future Scenarios

Taking these eight elements of Egyptian-Russian relations into account, what are the possibilities for their future development?

First is a scenario of stability – or *continuing on the present track* – with perhaps some amelioration of the points of friction (e.g., a full return of Russian tourism). In other words, cooperation would continue along the current avenues – political, military and economic – without affecting other areas, like the Egyptian-U.S. relationship or the Russian role in Syria. Natural growth could occur as the four nuclear plants near completion, the Russian free zone sees the light of day, and some joint military production takes place, but a certain distance would be maintained due to the requirements of triangulation with other powers (the U.S., the European Union, Saudi Arabia).

Second is a scenario of *closer collaboration*, perhaps as a result of a disruption in Egyptian-U.S. relations or because of a Russian desire to invest more heavily in building Egypt's military and economic capacity, or Moscow's interest in supporting a more active regional role for Cairo, particularly in Libya. This option seems less likely, in view of Moscow's desire to avoid escalating its challenge to Washington's position in the Middle East at a moment of U.S. retraction. It also may exceed Russia's capacity, particularly in light of its former experiences in the region. This scenario would probably mean abandoning the transactional style of dealing with Egypt, a risk that the Russian leadership would be reluctant to take.

The third scenario would be *a setback in relations or deterioration* over a period of time. This could be generated by external or internal factors related to the characteristics of the Egyptian-Russian relationship. If, for example, the U.S. or Saudi Arabia/U.A.E. pushed in the direction of downsizing the Russian role in the region, and in Egypt more specifically, while offering alternatives to meet Egypt's defence and economic requirements, this may indeed leave its mark on the bilateral relationship. Moreover, if either party fails to fulfil its contractual obligations (regarding the nuclear plants, for example, or military supplies), the relationship may deteriorate. The probability of this scenario, while smaller than that of the continuity scenario, may be higher than that of the second scenario: quasi-alliance between Cairo and Moscow.

Finally, as this is the Middle East, a margin is needed for unexpected, Black Swan possibilities. These may be generated by sudden developments in the region, a factor that limits Russia's role in the Middle East, where the region's states often drive the relationship, and major powers are challenged to turn short-term gains into strategic advantages. And there is always the impact of U.S. policy, which may yet see dramatic swings under the current Administration, due to the triangulation with Egypt's relations with the USA. Pressure from the U.S. for Egypt to limit its relations with North Korea is an example of this possibility. In addition, the current good chemistry between Putin and Sisi raises the question of the impact changes in leadership might have in the future.

## CONCLUSION

Current Egyptian-Russian relationships reflect dynamics, protocols and rules that developed over a period of seventy-five years of formal diplomatic relations. Both countries

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look back fondly on times when their influence was greater; times when their relations were closer or more impactful. Realpolitik, however, has tempered the expectations and disappointments of the past and allowed for the growth of a transactional relationship that fits in with each side's strategic outlook.

The personal rapport between Egyptian and Russian leaders helped to nurture the bilateral relationship, particularly in the period after 2013. However, this relationship remains triangulated with the future development of Russia's competition with the United States and its dealings with other regional parties in the Middle East – as well as with Egypt's global and regional relations – and is thus subject to positive and/or negative changes. Internal factors in both countries may also play a role in influencing the trajectory of their bilateral relationship.

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*Chapter 19*

## **RUSSIA'S FOREIGN POLICY IN THE 21<sup>ST</sup> CENTURY: VISION FROM GEORGIA**

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### **ABSTRACT**

The aim of this chapter is, first, to examine the basis of the West's expectations for Russia's "democratic future": Deep knowledge of Russian realities or "Realpolitik wishes" of the West? And second, to forecast Russian policy in general, but mainly on post-Soviet territory, in the 21<sup>st</sup> century, based on the experience of Georgian-Russian relations after the collapse of the Soviet Union.

These relations are based on multilateral, regional and bilateral interests, not only because of the military-strategic and economic importance of South Caucasus, but also due to rising international interest in the region.

The main question about the future of Russian foreign policy is, as usual, based on an issue related to its domestic policy; namely, on possible development of the Russian governing system and the potential for it's becoming more democratic and oriented towards the people's interests.

Can we, without such a change, expect any substantive, strategic changes in Russian foreign policy?

Or can we expect any tactical, short-term steps that the Russian government might use to improve its image globally and to ease the growing impact of foreign sanctions on its economy?

What kind of methods and instruments can Russia apply to make these steps successful, without (or along with) using military and political pressure? Is the use of more "soft power," especially in its "near abroad," a short-, medium- or long-term strategy for Russia? Will the West again follow its "Realpolitik wishes" in its relations with Russia, or will it work out (at long last!) a realistic and, more importantly, common strategy for this?

*Who would grasp Russia with the mind?*

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*For her no yardstick was created  
Her soul is of a special kind  
By faith alone appreciated*

*– Fyodor Tutchetv  
Translated by John Dewey*

This poem has long been used in Russia to prove the nation's exceptional nature. The Russian elite and intellectuals (or "intelligentsia," as they were called during the Soviet period), as well as ordinary people have long been intent on proving that this exceptional country has the right to have exceptional policies Both within and beyond Russia.

"The future of Russia" has been quite an important issue for the world after each global shift in the history of international relations. It is more than relevant nowadays, as, for many politicians and analysts, the spectre of a new cold war loom.

After the end of the "old" Cold War and the collapse of the Soviet Union, most of the Western world expected to see economic and political reforms in Russia, as well as a desire on the part of Moscow to act together with the world community to a new, more secure, cooperative world order. Now, especially after Putin-era Russia's "bullying" policy towards the West and it's "near abroad" – mainly against Georgia and Ukraine – as well as its "activities" in Syria and the Middle and Near East, these expectations are generally in tatters.

Every historian and analyst is well aware that, in the world history, there is a country that straddles the West and the East, since its vast territory overlaps both Europe and Asia. In this country, there has always been authoritarian, non-democratic rule.

To some extent, this presence on both continents may also have led the leaders of this country to think that they are very special, have a special mission in history, or are the leaders of the "Third Rome," but the true reason for such ambitions is not just the geographical or civilization factors.

On the one hand, we truly have to deal with the "imperial mentality" of Russia's leaders (which rubs off on a certain part of the population), which they cannot forsake even today, but it is also true that the country that spans a considerable portion of Eurasia has had a tremendous influence on the development of the history of global international relations.

The existence of Russia and the history of its relations with other countries implies a resolve to either dominate other countries or, by means of the "iron hand," secure indisputable influence over them.

In this chapter we are not going to carry out an in-depth analysis of the Cold War period of Soviet foreign policy, but in order to understand where Russia will go in the 21st century, it is necessary to review the period after the formal end of the Cold War and collapse of the Soviet Union.

Let us recall the main goal of the international community after the Cold War. It was certainly to create of a new, safe and just world order based on free market economy and the principles of liberal democracy. But the main thing is that many countries, including those with immense power – and first and foremost Russia – promulgated these slogans, but were in reality pursuing different goals.

At that time (and even currently, as we will discuss further), it was very important for the West, and especially the United States, that this goal be recognized by Russia, which was considered to be one of the largest and most powerful countries, and had led the forces whose

governments and arrangements were, mildly speaking, far from the abovementioned principles.

The Russian government expressed readiness to take the indicated principles into account, but this was only a declared and partial promise; i.e., for domestic use and in terms of the problems in Chechnya.

By that time Russia was well aware that, from an economic and political point of view, it was not yet ready to regain its status as a superpower and that the country needed a transitional period; to put it diplomatically, it needed a strategic pause. But at the same time, it was pursuing the so-called Primakov Doctrine in order to provoke and exaggerate political and ethnic conflicts in its near abroad, with the aim of depriving the newly independent former Soviet Republics of the opportunity to develop quickly and successfully and to widen the distance between themselves and their former "patron."

While Russia pledged to partner with the United States in establishing the new world order and to fight international terrorism, its actual goal was to use the new views and aspirations for its own benefit, first in Chechnya and then in the post-Soviet space and adjacent regions.

Unfortunately, the policy of the U.S. Administration at the time, and of its European allies, played into Russia's hands. Today's reality shows that the policy of the West turned out to be excessively "Realpolitik."

At about this time, Henry Kissinger underlined in his writing that "Comparable conditions do not exist anywhere in Post-Cold War Russia. Alleviating suffering and encouraging economic reform are important tools of American foreign policy; they are not, however, substitutes for a serious effort to maintain the global balance of power vis-à-vis a country with a long history of expansionism" (Diplomacy, 814).

He also wrote that "the overwhelming majority of Russia's leading figures – whatever their political persuasion – refuse to accept the collapse of the Soviet Empire or the legitimacy of the successor states, especially of Ukraine" (ibid., 815) and that "A realistic policy would recognize that even the reformist Russian government of Boris Yeltsin has maintained Russian armies on the territory of most of the former Soviet republics—all members of the United Nations—often against the express wish of the host government. These military forces have participated in the civil wars of several of the republics. The Foreign Minister of Russia has repeatedly put forward a concept of a Russian monopoly on peacekeeping in the "near abroad," indistinguishable from an attempt to re-establish Moscow's domination. Long-term prospects for peace will be influenced by Russian reform, but short-term prospects will depend on whether Russian armies can be induced to stay at home. If they reappear along the borders of the old empire in Europe and in the Middle East, the historic tension-compounded by fear and mutual suspicion—between Russia and the neighbors will surely re-emerge" (ibid., 815-816).

Kissinger stressed, that "Integrating Russia into the international system is a key task of the emerging international order," but "It has two components which must be kept in balance: influencing Russian attitudes and affecting Russian calculations" (ibid., 818).

The world – especially the United States, the main victor of the Cold War – wallowed in its victory and unfortunately awoke only after the unspeakable 9/11 terrorist attack, which diverted the world's attention and military forces to the problem of terrorism. A little later, due to the unprecedented rise in energy prices and the hectic development of the so-called

principles of "State Capitalism," Russia amassed tremendous capital and once again began flexing its "imperial muscles," both in its near abroad and on the international stage.

These two events set in motion a dangerous trend: it was clear that, without having obtained answers to some underlying questions, it would be hard to cope with the so-called "double standard" approach and to really join in the fight against the most dangerous phenomenon of the 21<sup>st</sup> century.

The international community would have averted many problems if, after the end of the Cold War, it had intervened judiciously in the geopolitical and regional processes underway.

The book by Strobe Talbot, U.S. Deputy Secretary of State during the Clinton Administration, clearly reveals the political sacrifice of the Clinton Administration for the cause of "Democratizing" Yeltsin's Russia and bringing Russia into the international system. It would be interesting to ask Mr. Clinton and Mr. Talbot what they got in return? Russia in the international system? Or a forceful aggressive Superpower that capitalized on the respite and threatened the new order with new challenges?

The fact that the Russia's "near abroad" would be the first target its expansion seemed obvious, but the West and its leader – the United States – did not or could not recognize this.

The United States turned out to be unprepared to reasonably assess Russia's readiness to acquiesce in the creation of the just world order. Although the Administration of George Bush Jr. – unlike the Clinton Administration – did not call the South Caucasus "Russia's backyard," the U.S. still considered this to be a territory where Russia had a sort of "free hand." Of course, this did not confer impunity on Russia for actions such as those it carried out against Georgia in August 2008 or is pursuing today (for example, construction of military bases in Abkhazia and Tskhinvali).

The Administration of George Bush Jr. also attempted to enhance its influence in the South Caucasus, which an important region for the transit of energy resources and is in close proximity to the Middle East, but the Americans did what they did while applying methods very different from those employed by Russia; namely; by strengthening the security of the countries in the region and by fostering democratic development in these states.

Similar developments took place in Ukraine (bearing in mind the support of the United States for the "colored revolutions"), but by means of political, financial or technical support, not by kindling separatism, provoking mutual distrust or interfering in the internal affairs of sovereign countries.

It is now clear that, the liberalism the West showed towards Russia after the Cold War has made it difficult to create a new type of international security system, which has naturally ruled out the creation of a regional security system, including in the South Caucasus.

It seemed obvious that Russia would go to any lengths to regain its superpower status and retaliate for its defeat in the Cold War.

To this end, Russia needed to use the traditional "hard hand" to restore order, which is impossible without the strong rule of the "force Ministries," which in turn would mean loss of democratic processes. In foreign policy, especially with regard to the West, Russia's traditional methods include exacerbating the relations between the United States and Europe, blackmail based on the reduction of nuclear and conventional weapons, forging alliances against the West with the eastern Countries (China, India, the Islamic world), taking advantage of newly emerging economic opportunities (for example, the unprecedented rise in energy prices and leveraging of energy policy), while using the same policy.

In its “near abroad,” Russia did everything to retain its influence, employing military, political and economic methods, and would not take even one step back. In this respect, Russia’s main weapon would remain the preservation of instability, through instigating separatism, and bargaining over extension of the mandate for international peacekeepers.

Russia would also employ economic leverage within the former Soviet space (Chubais’ well-known principles of a “Liberal Empire”).

Only in the beginning of the 21st century – when, as a result of the sharp rise in energy prices, a revived Russia resumed its imperial moves, making it clear that the country was returning to an authoritarian regime (seemingly for a long period of time) – did Western experts begin to see that “China and Russia can create an economically developed and viable “second world” that could be an attractive alternative to American liberal democracy” (Ghati 2007).

Despite discovery of this new reality, the West still could not fully comprehend what was going on in the “new Russia.” For example, in a July 2008 article on the G8 summit, “The Economist” wrote that the “Russian slide from democracy to state-controlled Capitalism harmed the Club’s [the G8’s] political tone.” Is that it? Nothing more? Even this “awakening” came only among a narrow circle of experts. Others stubbornly repeated mistakes made by their predecessors. If you add Putin’s aggressive rhetoric, the inference of the western experts

- that this does not constitute any threat to the West, because Russia spends far less than the West, and, in any case, Russian military technology is still way behind that of the West,
- that even if there are innovations in Russian military technology, they are meant not for the improvement of the country’s military, but for export,
- and that all this was being done in the run-up to elections and was simply propaganda,

it is hard to find words to comment on the analyses of these “experts.”

It is striking that these experts did not take into account that, during the same period, Russia withdrew from the Treaty on the Conventional Armed Forces in Europe and declared that, in the event of deployment of the U.S. anti-missile defense system in Europe, it would deploy missiles with nuclear warheads in Belarus and create a “defensive security system” together with the Central Asian States and China, not to mention the conducting of their first joint military maneuvers on territory of the Russian Federation. Russia began to pursue a more aggressive policy related to energy carriers and, lastly, and most ridiculously, the abovementioned “experts” relied on information provided by the Moscow Analytical Center for Strategy and Technologym, headed by Mr. Ruslan Pukhov, and statements from the Kremlin Spokesman, Mr. Peskov’s.

One thing is clear. A traditional movement was evident within the western approach of that time - the main thing was to avoid a nuclear confrontation and ensure that Russia did not “reach” them; otherwise it was possible to bargain at length regarding the influence on its “near abroad.”

On January 19, 2008, the media published the statement of the Chief of the General Staff of Russia, army general Yuri Baluevski. Here is what General Baluevski had to say at the dawn of the 21st century:

“We deem it necessary that all our partners must be well aware and have no doubt that in order to defend the sovereignty and territorial integrity of Russia and its allies(!) The country will employ its armed forces, including preventive actions and including the use of nuclear weapons (!).... The military force must and will be used in order to demonstrate the readiness of the country’s highest Command.”

In August of 2008, Russia invaded Georgia. We are not going to analyze this war, its real reasons and the awful mistakes made at the time by the Georgian government, which responded the longstanding military provocations by Russia and Ossetian separatists and jumped into the trap prepared by Russia. But we must emphasize the results of this war: Georgian territories still occupied, Russian “recognition” of these territories as “independent Abkhazia and South Ossetia,” against all rules of International Law, and refusal to comply with the terms of the Sarkozy-Medvedev Agreement.

However, even after this war, in March 2009, the media dished up information about the proposals concerning future relations with Russia, which had reportedly been presented to President Barack Obama by a team of politicians and experts on international relations. This team, led by the Democratic Senator Gary Hart and his Republican colleague Chuck Hagel, consisted of former diplomats and well-known analysts from both leading parties of the U.S. It seems that emphasis was placed on the proposals presented to the new Administration by the team, rather than its composition. The Russian media did not miss the opportunity to lampoon this phenomenon as no other than the return of the U.S. to the principles of *Realpolitik*.

The essence of these proposals was that the new administration should abandon fierce criticism of Russia for ignoring democratic values and violating human rights principles, go easy on its categorical demands regarding early membership of Ukraine and Georgia in the NATO, and seek common ground with Russia about issues far more important for both sides, such as disarmament, combatting terrorism, and the problems concerning Iran and Afghanistan.

Apparently, President Obama had agreed to the abovementioned proposals, since at his meeting with Russian President Medvedev on April 1, 2009, in London, the sides reached mutual understanding on a number of important issues, except for two controversial subjects. The sides expressed resolve to continue reduction of strategic nuclear weapons, agreed on the peaceful resolution of Iran’s nuclear problems, decided to cooperate on resolving problems in Afghanistan, expressed the willingness to enhance bilateral trade relations, and discussed U.S. support for Russia’s acceptance into the World Trade Organization. The parties also expressed concern over South Korea’s intention to test its nuclear weapons.

U.S. and Russian positions did not clash only on the issue of deployment of U.S. anti-missile systems in Europe. The same was true regarding the assessment of root causes of the armed conflict in “South Ossetia.” Obama accepted Medvedev’s invitation to visit Moscow at some point during July 2009, when the sides would sign a new Agreement on reduction of strategic nuclear weapons. After the meeting, President Medvedev stated that he was “optimistic about future relations between the two countries.” President Obama emphasized during the meeting, that “there are clear indications of new progress in the relations between the two countries.” All these niceties may have really created the illusion that the United States and the West as a whole had indeed “returned” to the principles of *Realpolitik* in their relations with Russia. As a matter of fact, it was a mistake to think along those lines, for the leading countries and the West had never abandoned these principles. There is no doubt that,

when implementing the principles of *Realpolitik*, all countries have more or less important priorities. Powerful states of course have greater leverage than smaller, weaker countries to make appropriate choices.

At first sight, everything we have mentioned above constitutes a well-known dogma, but in contemporary international politics we still encounter examples where small, economically or militarily weak governments are often oblivious (I do not want to think that this is due to ignorance) of these truths and often believe in a proverbial dream come true. The recent history of the renewed independence of Georgia is unfortunately full of such examples. Approaches like this have been apparent throughout the period of Georgian independence and mainly apply to our country's policy regarding leading powers such as the United States and, especially, Russia.

It is Georgia's policy in relation to these countries, and not the other way around, because as was mentioned above, powerful countries have far more resources and means at their disposal to direct their policies and promote their interests through implementing *Realpolitik*.

Does this mean that Georgia was not in a position to employ the fundamental principles of *Realpolitik*; i.e., to implement a more pragmatic policy regarding both leading countries of the world – especially Russia – which would have averted many calamitous events in our recent history? This does not mean that at all, and from day one of our independence, Georgia, objectively speaking, still more or less had the potential to pursue such a policy. To that end, we should have taken into account two simple things:

First, that Georgia is geographically situated in a region where there is a permanent clash of the economic, military and political interests of the world's leading countries.

Second is the fact that countries like the United States and Russia will always have to sacrifice their interests in Georgia for the sake of their own interests when it comes to the agenda in the relations of these two powers.

In the first place, Georgia should have taken into consideration the fact that, after having declared the Cold War finished, Russia, notwithstanding certain difficulties, never expressed its readiness to build a new international system based upon liberal economy and the democratic political system based on the supremacy of human rights; the system espoused by the U.S. and the West in general.

On the other hand, no U.S. Administration has ever declared that the problem of nuclear disarmament does not remain the foremost issue for maintaining international peace or that this issue, compared to others, is no longer number one within the relations of the two countries.

There was one thing that should have undoubtedly been taken into account. The Russian Federation has never refused to retain its influence in the former Soviet space. On the other hand, the United States, back at the time of Clinton's Administration, demonstrated the American tendency to "cede" their influence to the Russians. In one of his remarks, Clinton said that our region was "Russia's backyard."

We can also recall the remarkable rapture with which the Clinton Administration embraced the phony prospect of building "a democratic Russia." Even if the Americans really bought the Russian "democratization," were we not there to see that the "democratic Russia" was just playing possum and was from the realm of fairy tales? During the war in Abkhazia, when the Georgian leadership asked the international community for help, the U.S. displayed no real interest in what was going on in Abkhazia. In strict accordance with the principles of *Realpolitik*, America was busy handling the nuclear arsenal in Ukraine and Kazakhstan,

and supporting "Yeltsin's democracy." Our problem was somewhere on the periphery of the U.S. agenda. And the support we received from the U.S. was limited to watered down, balanced statements. So, should we trust Clinton's Adviser on Georgia at the time, Mr. Strobe Talbott, who said in a meeting with Georgian diplomats at the time that, if the Clinton Administration wanted to support Shevy, as they called their own President, "then it must also support Yeltsin against his domestic enemies," because "as our (i.e., Georgia's) big neighbor goes, so goes the neighborhood" (Strobe 2003, 46).

Earlier, under President George Bush Jr., a tremendously significant event that we have already mentioned occurred and not only influenced the policies of the United States, its allies and opponents, but again proved the supremacy of the principles of *Realpolitik* in modern international politics. Namely, the quick and desperate reaction of the Russians to 9/11 is firm proof of what has been stated above. The Russian move spawned the United States' position on the Russian reaction. Now things got clear: Russia's first negative move and its solidarity with the West in response to 9/11 were nothing but an attempt to turn to account the rallying cry to the fight against terrorism, first of all against the Chechen fighters, and afterwards against those Moscow deemed terrorists.

It is difficult to believe that the US Administration fell for that trick. However, here again the supremacy of *Realpolitik* came to the forefront. For the Bush Administration, at that period of time, in the relentless fight against terrorism, Russian support outweighed any "baloney" about Russia's double standards. Besides, in the absence of the international legal definition of who can be referred to as terrorist, the United States was also not free from the shadow of the abovementioned double standards.

Long before the August war in Georgia, serious printed media around the world repeatedly indicated that Putin's coming to power would encourage Russia to go to any extent to reclaim its status as a superpower. The same media more than once suggested that Russia's "near abroad" or the former Soviet Republics, especially those implicated in internal conflicts, would be the best "arena" for achieving this goal. This assumption was strengthened after Kosovo's recognition by the international community. Together with the warning message to Georgia, it was a sign of devotion to the principles of *Realpolitik* on the part of the West, because the message Georgia got was not an outright warning, but a hint: that in a conflict between Georgia and Russia, the West would not render assistance to post Soviet states or to Georgia *per se*. However, no matter how surprising this may be to the opponents of *Realpolitik*, such rhetoric continued on its course in Europe and, more importantly, in the Bush and Obama administrations.

In September of 2008, Stephen Castle, writing in *The International Herald Tribune*, wrote that, after serious deliberations, the Bush Administration had decided not to resort to punitive actions against Russia because of the conflict. "After lengthy debates, the Administration came to believe that unilateral actions against Russia would be less effective." Therefore, it decided to delegate the responsibility for adequate measures to the European Union. The U.S.-European position was also expressed: "Although the Bush Administration set out to work together with Europe, it also expects more viable actions on the part of Europe, instead of balanced statements of the EU. However, officials stated that, in order to maintain the unified front with Europe, the U.S. had to agree to the somewhat soft stance of Germany and Italy toward Russia.

After a short period of time, both the United States and Europe resumed full-fledged relations with Russia. The reason for this step was clearly explained by the Minister for



Foreign Affairs of Finland, who said that *Realpolitik* largely influenced this decision, since normalization of relations with Russia is in the interests of Europe in the first place (Shanker and Myers 2008).

The question that has been posed quite often in recent years is not whether the New Cold War has begun, but rather when it began. As I have mentioned, I believe that the Cold War never ended. Russia just took a strategic pause for a time because of its immediate economic and social problems after the collapse of Soviet Union. However, after completing the war in Chechnya and the so-called reforms in the military and security agencies, President Putin immediately showed his intentions.

Edward Lucas, in his well-known book “The New Cold War” (2008), wrote that: “One of Mr. Putin’s first acts in power was to create a strong state arms export company, Rosoboronoexport. Since then, Russian arms sales have risen by more than 70 per cent, making the country the world’s second largest arms exporter after America.”

He continued, that Russia is too weak to have a truly effective independent foreign policy, but it is too disgruntled and neurotic to have a sensible and constructive one. It wants to be respected, trusted and liked, but will not act in a way that gains respect, nurtures trust or wins affection. It settles for being noticed – even when that comes as a result of behavior that alienates and intimidates other countries. It compensates for real weakness by showing pretend strength. Little of that – advanced weapons sales to rogue regimes aside – immediately threatens global peace and security. In that sense, the New Cold War is less scary than the old one. But Russia’s behavior is alarming, uncomfortable and damaging, both in its own interests and to those of other countries. And the trajectory is worrying. If Russia becomes still richer and still more authoritarian, all the problems (described in previous chapters) will be harder to deal with, not easier. Russia’s influence in the West will be stronger; the willingness to confront it less. The former satellite countries will be even more vulnerable: the economic levers even better positioned. In other words, if the West does not start winning the New Cold War while it can, it will find it much harder in the future. The price of the confrontation now may be economic pain and political uncertainty. But it still offers the chance of a new relationship with Russia based on realism rather than sentiment, and tough-mindedness rather than wishful thinking. The price later will be higher- perhaps so high that the West will no longer be able to pay it.

Russia is reverting to behavior last seen during the Soviet era. So the first step towards winning the New Cold War is to accept what is happening.

Having accepted the magnitude of the problem, the next step is to give up the naïve idea that the West can influence Russia’s domestic politics.

At any rate, it is futile to seek friends among the feuding clans of the Kremlin. Their hatred for each other may lead to change, but not necessarily change in the West’s interests. Instead, we are back in an era of great-power politics. If we want to defend our interests, we will have to think clearly and pay dearly. (Ibid p. 267-270)

A central message of Lucas’s book was that “the world’s richest and strongest free countries must stand behind small states now under threat from Russia. It may be inconvenient, costly or even painful to do so, but if we do not win the New Cold War on terms of our choosing, we will fight at a time and place chosen by our adversary, and the odds will be tilted against us” (ibid., 270).

But we mentioned at the beginning, that we are more interested in analyzing Russia's future – how it might conduct itself in the 21<sup>st</sup> century – than its past.

From this point of view, quite an interesting vision of the future of Russia was presented by George Friedman in his book “The next 100 years” (A forecast for the 21st century), published in 2010.

In his book he draws the rather radical conclusion that “the problem is that the very existence of a united Russia poses a significant potential challenge to Europe” (101). However, he also presents other conclusions of interest to us.

For example, that “Protecting its frontiers is not Russia's only problem today. The Russians are extremely well aware that they are facing a massive demographic crisis. (by 2050, there will be between 90 and 125 million of them) ...and between the geopolitical, economic and demographic problems, the Russians have to make a fundamental shift.”

Friedman thinks, that: “In the next decade (from 2010) Russia will become increasingly wealthy (relative to its past, at least) but geographically insecure. It will therefore use some of its wealth to create a military force appropriate to protect its interests, buffer zones to protect it from the rest of the world – and then buffer zones for the buffer zones. Russia's grand strategy involves the creation of deep buffers along the northern European plain, while it divides and manipulates its neighbors, creating a new regional balance of power in Europe. What Russia cannot tolerate are tight borders without buffer zones, and its neighbors united against it. This is why Russia's future actions will appear to be aggressive but will actually be defensive” (104-105).

“Russia's actions will unfold in three phases. In first phase, Russia will be concerned with recovering influence and effective control in the former Soviet Union, re-creating the system of buffers that the Soviet Union had. In the second phase, Russia will seek to create a second tier of buffers, beyond the boundaries of the former Soviet Union. It will try to do this without creating a solid wall of opposition, of the kind that choked it during the Cold War. In the third phase – really something that will have been going on from the beginning – Russia will try to prevent anti-Russian coalition from forming” (106).

As for Russian-American relations, Friedman thinks, that

The Russians will respond to American power grab by trying to increase pressure on the United States elsewhere in the world. In the Middle east for example....By 2020 this confrontation will be the dominant global issue – and everyone will think of it as a permanent problem. The confrontation will not be as comprehensive as the first Cold War. The Russians will lack the power to seize all of Eurasia, and they will note a true global threat. They will however be a regional threat, and that is the context in which the United States will respond. There will be tension all along the Russian frontier, but the United States will not be able to (or need to) impose a complete cordon around Russia as it did around the Soviet Union. Given the confrontation, the European dependence on hydrocarbons, much of it derived from Russia, will become a strategic issue.....Russia is not going to be in the forefront of the technological developments that will dominate the later portion of the century. Instead, Russia will need to develop its military capabilities. Thus, as it has over the past two centuries, Russia will devote the bulk of its research and development money to applying new technologies toward military ends and expanding existing industries, causing it to fall behind the United States and the rest of the world in non-military but valuable technology.

The causes that ignited this confrontation (confrontation between Russia and the West) – and the Cold War before it - will impose the same outcome as the Cold War, this time with

less effort for the United States. The last confrontation occurred in central Europe. This one will take place much further to the east. In the last confrontation China was an ally of Russia, at least in the beginning. In this case China will be out of the game. The last time, Russia was in complete control of Caucasus, but now it will not be, and it will be facing American and Turkish pressure northward. In the last confrontation Russia had a large population, but this time around it has a smaller and declining population. Internal pressure particularly in the south, will divert Russian attention from the west and eventually, without war, it will break. Russia broke in 1917, and again in 1991. And the country will collapse once more shortly after 2020. (Ibid 117-119)

Of course, in 2018 the general conclusions of George Friedman look even more radical and far from reality, but if we look to the future of Russian foreign policy in our time, and from the Black Sea region, or more specifically from South Caucasus, there are quite a lot of specific conclusions that look quite possible and dangerous for our region.

We agree with the analysts and experts who think that, in the 21<sup>st</sup> century, Russian policy towards the West and the “near abroad” will be based on using hybrid modes. This means that Russia will use the combination of military and “soft” power. We think that in its “near abroad” Russia will use more military “bullying” and provocations and less “soft power,” but from the point of view of some experts, the hybrid modes of warfare can be used even against the West.

For example, Zdzislav Sliva, Vijliar Veebel and Maxime Lebrun (2018, 86-108) think that “The old Cold War mentality has waned and Russia no longer has the capabilities to conduct such large-scale operations, conquering vast territories...”

This is understood and implemented by Russian leadership. Therefore, the NATO and the EU are being challenged by non-military tactics meant to weaken them, to destroy their internal cohesion, and to deepen internal divisions. The challenge is that the perception of the hybrid approach to warfare is understood differently among nations. It has direct consequences in governmental defense strategies and armed forces investments. It can be visible in a variety of political parties’ perception of threats, the different priorities in economic development, lack of unification; e.g., within energy security and deals related to transportation of gas and oil. The advancing technologies and global market economy support the evolution of warfare by adding a variety of options to be exploited, some much stronger than in the past. The combination of a continuous build-up of armed forces and the creation of a National Guard ensures that the direct external and internal threat for Russia is reduced. Furthermore, it ensures close control of the internal situation, keeps opposition under control, manages the terrorist threat and thwarts any “color revolution” attempts. It is partially linked to the recognition of power in popular movements capable of toppling governments. The latter has been under heightened attention in Russia due to the centennial of the October Revolution in 2017. In parallel, the development of military and law enforcement capabilities is a facilitator for using other instruments of power supported by skillfully utilizing information and cyber domains. The hybrid approach is visualized and explained in the Gerasimov doctrine and the capabilities are available. The challenge is how long those capabilities can be preserved due to economic reasons. In the short term it is viable until 2020 or 2022, but in the long term the Russian economic situation must be improved to avoid the implosion of the current system. The answer from Western nations must be decisive and it must include all possible tools to put constant pressure on Russia. It must be conducted in a concerted manner by all members of the European and Euro-Atlantic communities, as any

sign of a lack of cohesion or hesitation will be exploited against them. The hybrid threat requires a comprehensive answer by consolidating all available resources within each single nation and within security organizations. To face them, the NATO has agreed to “a hybrid strategy to cope with the fast-moving challenges posed through a range of military and non-military means.” It is necessary to remember, that complex challenges must be countered with a complex and coordinated approach to counter propaganda, information campaigns, cyberattacks and other soft non-military options that deny Western nations the ability to react. As described in Atlantic Council’s 2016 report on Russian hybrid warfare against the West, in that domain Russia is already successful:

A concerted effort to establish networks of political influence has reached into Europe’s core. Be it “Putinverstehern,” “useful idiots,” agents of influence, or Trojan Horses, the aim is the same: to cultivate a network of organizations and individuals that support Russian economic and geopolitical interests, denounce the EU and European integration, propagate a narrative of Western decline, and vote against EU policies on Russia (most notably sanctions) – thus legitimizing the Kremlin’s military interventionism in Ukraine and Syria, weakening transatlantic institutions, and undermining liberal democratic values.

The report on the Kremlin’s Trojan Horses offers a comprehensive examination of how the Kremlin tries to influence politics in three major European countries – France, Germany, and the United Kingdom. To halt further influence, European policy makers can and should take common action to expose, limit, and counter Russia’s attempt to use economic leverage and seemingly benign civil society activities to manipulate policy and discourse in open societies. The report offers the following recommendations to France, Germany and the UK: to expose Russia’s network of Trojan Horses by shining a light on opaque connections, to limit Russia’s influence through government actions and to reinvest in European values and democratic institutions. Next to non-military means, the conventional capabilities must be preserved and developed further, as military weakness could be exploited by further territorial requirements recognizing that Europe is focused only on minor actions, such as deployment of limited forces to Eastern Europe, believing it serves as sufficient deterrence. The scale of Russian “snap exercises,” nuclear scenarios and the continuous modernization of armed forces are something to be taken very seriously and require investing in capabilities to face an unexpected attempt to further change national borders. Solid analysis must be done to face the risk that “the actual future capability will surely differ from whatever it is that NATO and the EU are currently planning to counter, endangering the preparedness to face the opponent on the future battlefield (Śliwa, Veebel and Lebrun 2018, 86–108).

As for Russia’s behavior in its near abroad:

The extreme manifestation of Russian political philosophy was the unleashing of two wars in Europe in 21st century: in 2008 with Georgia and in 2014 with Ukraine. Both cases showed that the Kremlin approved the corresponding plans in advance. Probably, such approved plans exist for other countries as well. Whether or not they will be implemented, depends on the degree of solidarity of the international community and its efforts to confront and restrain Russia. There is no doubt that, having established hegemony in the surrounding space, Russia will rush forth further. If Russia faces a well-organized resistance and a coordinated position in the international arena, it begins to return to the mainstream of the international law and refers to its norms and principles in order to consolidate the achieved success. Moreover, the options of sacrificing secondary issues for the sake of the achievement of the main goal may also be considered. Thus, as a result of international pressure, Russia

can agree to an option for the solution of the situation in the east of Ukraine, but it will get its teeth into the Crimea. Russia will compromise nothing vis-à-vis Georgia for two main reasons: first – Georgia's issues are not considered so actively on the international agenda today as evidenced by the results of the last G-7 Summit in Charlevoix, Canada on June 8-9 this year: second – 300 km of the Abkhazian section of the Black Sea coast of Georgia is regarded by Russia as the means for strengthening its influence, including military, in the larger Black Sea region, and so named South Ossetia is a military base in the heart of the South Caucasus which allows putting pressure in whole region, and not only Georgia. (Chechelashvili and Ogryzko 2018)

We cannot avoid mentioning the future of the so-called Geneva Process or the still ongoing negotiations between the parties in conflict and representatives of the West aimed at finding a peaceful resolution of the conflicts in Georgia. Of course, Georgia and the International community will never recognize (in our opinion, certainly not in the 21st century) the “new realities” (named so by Russia) in the South Caucasus – two more “independent states of Abkhazia and South Ossetia” – and we think Russia understands this quite well. However, along with this, the latest moves of Russia and its separatist satellites show that they simply want to achieve abolition of the Geneva process. This seems to be the case because they have refused during the last several meetings even to discuss such important and natural parts of these conflicts – such as the situation around the violation of the rights of the Georgian population in Abkhazia and the rights of displaced persons and refugees to return to their native lands – and are leaving the meetings.

Thus, the future of an international format like the Geneva process can change. If Russia and separatists are successful in their efforts, the only existing format for possible conflict resolution can be “killed,” and that will make the situation more unpredictable and dangerous in the South Caucasus and the wider Black Sea region.

If we add to this the new activities of NATO in the Black Sea region, which were announced at the Alliance's 2018 Brussels Summit Meeting, and the readiness of several Black Sea countries that are searching for more allies against possible Russian aggression – hoping to see “more NATO in the Black Sea region” – this can also increase the possibility of aggravation of conflict between Russia and the West in the region.

As for using more “soft power” in its “near abroad,” – for example, against Georgia – Russia can use the economic interests of the Georgian population in Russia itself, bearing in mind that these people send quite a large amount of money to their relatives in Georgia every year. It can also manipulate the shared religious sentiments of Georgians and Russians, both peoples being Orthodox Christians. And it can also use the growing number of Russian tourists in Georgia, youth contacts and media organizations.

All this can impact Georgian-Russian relations in the long term, but without solution of the problems related to the occupation of Georgian territories and recognition of the so-called “independence of Abkhazia and South Ossetia,” it will be impossible to change the Georgian people's feelings of resentment towards Russia.

## CONCLUSION

There are no visible signs that, in the foreseeable future, Russia's existing leadership will change their traditional vision of Russia's exceptional role in history and in the international arena.

This means that the current Russian government and President Putin can be expected to generally continue to follow Russia's present internal and foreign policy.

Russia will not change its foreign policy strategy, but it can use new and more diversified tactics to achieve its goals in various parts of the world.

Russia will continue to use hybrid methods to exert pressure in the West and its "near abroad," but with the West it can use more "soft power," relying more on military provocations and bullying – in combination with soft power – in its near abroad.

If the West and leading world powers do not acknowledge these realities and help the countries of Russia's "near abroad" to stand strong against growing pressure from Moscow, the outlook for a more predictable and peaceful regional and world order in the 21<sup>st</sup> century is bleak.

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*Chapter 20*

## **RUSSIA, THE MIDDLE EAST AND THE INTERNATIONAL SYSTEM**

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### **ABSTRACT**

Russia's current geopolitical interests in the Middle East are almost identical to those it has pursued since the 19<sup>th</sup> century. These interests focus on what was known during the Cold War era as the "Northern Tier"; namely, Iran, Iraq, Turkey, Afghanistan and, naturally, the Caucasus and Central Asia. After the end of the Cold War, Moscow's agenda was supplemented with the strengthening of the economic/trade relations and the issue of energy. Russian foreign policy goals especially under Vladimir Putin were to increase influence in the Caucasus and Central Asia and develop privileged relations with Iran and Turkey. Putin's government was fretful of the "colour revolutions" in Ukraine, Georgia and Kirgizia, and, by extension, the U.S. support for them. By the same token, Russia considered the "Arab Spring" analogous to these uprisings, fearing that U.S. support might bring political Islam to power and create a dangerous paradigm for Russia itself and its immediate regional sphere of influence. For these reasons, Russia tended to counterbalance what it considers U.S. influence and the development of political Islam by backing Assad's regime and the government of Al-Sisi in Egypt. Russian intervention in Syria produced a new type of multilateralism, which gave Moscow a preponderant role in the Middle East and the opportunity to challenge the narrative of the liberal western model for global order.

**Keywords:** Russia, Middle East, Syria, Putin, Iran, Turkey, Israel, the Gulf, Saudi Arabia, Egypt, new multilateralism

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## INTRODUCTION

The relations between Russia and the Middle East have always been defined and shaped by Russia's two fundamental priorities, which to a large extent are interlinked: the fear of encirclement of the Caucasus and the Black Sea regions, and the possible rise of Islamic movements within the country. Russia is less interested in the Mediterranean region or the area further to the Arabian Sea's south. Despite the coherence of its key objectives, Moscow's means and policies are characterised by significant discontinuities, particularly during the period of transition from the Soviet to the first post-Soviet state. Putin is leading Russian politics down familiar paths, drawing from the Soviet experience, without, however, risking open competition with the U.S. The Russian intervention in the Syrian civil war offered Moscow the opportunity to challenge the narrative of the liberal Western model for globalisation, which aims at the protection of individual, political and financial freedom and promotes internationalised civil society as the main vehicle for political and social transformation. Russia's perception of sovereign democracy focuses on the protection of the state's sovereignty and, subsequently, on domestic and regional stability, given that the state is the pivot for all necessary political and social changes (Dannreuther 2015, 79).

There are three basic trends that formulate the Middle East policies of post-Soviet Russia. The first trend consists of a "pro-Western" group, who support cooperation with the U.S., sanctions against Iran, good relations with Israel, and cooperation and good neighbourly relations with the Caucasus and Central Asia. The second trend promotes a "euroasian" perspective on Russian politics, which suggests that Moscow should rely not only on cooperation with the West, but also on close ties with the Middle East (with both Iran and Israel), with its immediate region and with China. Finally, the third group prefers a more confrontational relationship with the U.S. and Israel, the revival of good relations with Iraq and Iran, and dominance in the immediate region. This group is not particularly strong, except in the Duma. At the same time, Soviet era centres that influenced strategic analysis on the Middle East region have lost prominence, with significant consequences for policy formulation (Menicucci 1997, 19-21). The contradictions between these factors restrained Russia from developing a clear strategy for its role in the Middle East.

## THE PUTIN ERA

Vladimir Putin's rise to power in 1999 created a clearer foreign policy, gradually unifying the various decision centres, while not completely eliminating their contradictions. The Chechen war, along with the colour uprisings in Ukraine and Georgia, deeply affected Putin's geopolitical outlook.

Putin has built up his political capital and increased his prestige and standing after successfully addressing the Chechen issue and quelling the separatist threat in the North Caucasus region. His main goal was to overcome the failures and oscillations of Yeltsin's administration and address the Chechen issue with determination, especially after the crisis of the Beslan school and Moscow theatre sieges. Thus, Putin's administration saw the need to develop a strategy for the Middle East and the Islamic world. In fact, a large portion of the



Chechen separatists' human and material capital came from Muslim countries, and mainly from Saudi Arabia, the Gulf monarchies and southwest Asia (Dannreuther 2012, 546).

Putin's reaction was to make overtures to the Muslim world, and primarily the Arab monarchs. In this effort, he highlighted the centuries-old peaceful coexistence between Islam and Orthodoxy in Russia and promoted the image of a Eurasian country that could successfully incorporate a unique mixture of European and Asian values and traditions. The efforts to incorporate the Russian Muslims into the national discourse and to establish an independent foreign policy led Putin to initiate a dialogue with Hamas and to promote moderate Muslims in Russia, such as the president of Tatarstan, Mintimer Shaimiev. Russia even sought participation in the Organisation of Islamic Conference, gaining observer status in 2003. Considering this Organisation's harsh criticism of Russia during the Chechen uprising, this was a very significant achievement (Dannreuther 2012, 549).

The anti-regime pro-Western uprisings in Ukraine and Georgia, as well as the general encroachment of NATO and U.S. forces in Russia's periphery – south Caucasus, Iraq, Afghanistan and Central Asia – generated a sense of insecurity in Moscow. As a counter-balance, Russia pursued close cooperation with Iran; cooperation that never exceeded particular boundaries that would alarm the U.S.

In essence, Putin's Russia never considered Iran a threat to regional and global peace. However, Moscow attempted to sustain tensions between Washington and Tehran through a number of seemingly inconsistent policies. A rapprochement between the two would intensify Russia's phobia of encirclement. Furthermore, Russia desired the continuation of competitive U.S.–Iran relations for geo-economic purposes: it would keep Iran from potentially becoming either a natural gas supplier or transit country for Europe, sustaining the latter's energy dependency on Russian pipelines.

By the beginning of the 2000s, Moscow was resisting the imposition of harsh sanctions on Iran, and the Russo–Iranian cooperation was launched during the visit of President Khatami – the first Iranian leader to visit Russia since the fall of the Shah – to Moscow in 2001. The visit brought contracts for Iran to purchase Russian defence equipment, promises of continued Russian technical assistance for the nuclear power plant in Bushehr, and a neutrality pact.

This close cooperation policy and resistance to American pressure for suspension of Russian military and nuclear programme assistance to Iran continued until 2006. This cooperation was enhanced by developments in Georgia and Ukraine, the decrease of Russian influence in Eastern Europe after the accession of the three Baltic states to NATO, and the American occupation of Iraq (Omeličeva 2012, 336). The friendly Russian–Iranian relations were also a result of Tehran's moderate politics vis-à-vis the Chechen issue and its non-aggressive policy in the southern Caucasus.

This policy was reversed starting in 2008. Russia started to support the Western position on exerting pressure against Tehran's nuclear programme and voted in favour of Security Council resolutions for gradual sanctions. Russian–Iranian relations were tested in 2010, when Moscow decided to support the severe sanctions against Iran, despite the intense Iranian reaction characterising the Russian leadership as "the messenger of the enemies" (Flanagan 2013, 172). This deterioration in relations came in the aftermath of Iran's withdrawal from an international scheme for uranium enrichment with the participation of Russia and France. Nevertheless, a number of bilateral negotiations in 2011 led to a rapprochement between the

two countries and to negotiations for the creation of a joint missile defence system (Omelicheva 2012, 332).

The shift in Russia's attitude can be attributed to three main reasons. First, the subsidence of Russia's sense of insecurity and its emergence as a powerful global player, as indicated by its new strategy doctrine. Barack Obama and his administration put emphasis on multilateral cooperation and consultation, evidence of which was the suspension of the missile defence shield programme. The second reason was the boost Russia's economy received as a result of the upsurge of the oil prices. As Russia's economic interests were developing globally, the potential benefits from cooperation with Iran on the oil sector would not offset the significant losses Russian companies could suffer from U.S. sanctions. Third, Moscow always considered that a nuclear Iran would claim regional hegemony not only in the Middle East, but also in Central Asia and south Caucasus.

At the same time, Putin decided to warm up relations with Saudi Arabia and Qatar by means of his official visit on February 2007. Putin sought to exploit the Bush administration's discontent with the Saudis, whom he considered to have indirectly supported the jihadist terrorists in Chechnya and to be responsible for the high oil prices. In fact, apart from the political rapprochement, Putin attempted – for the first time in Russian oil policy – to propose closer cooperation with Riyadh on oil supply (Dannreuther 2012, 552-553). Nonetheless, both the Soviet and the post-Soviet governments strongly resisted OPEC's efforts to limit Russia's autonomy in reducing or increasing oil production (Katz 2001, 606-610).

Russia's approach to Israel during Putin's era is also significant. The attacks of 9/11 and the development of jihadist Islam brought the two states closer together within the framework of Russia's closer cooperation with the U.S. and its allies in the "war on terror." Israel's technical assistance to Russia during the Chechen war was particularly valuable. The Russian leadership, specifically during the first years of Putin's administration, gave the impression of not taking sides in the Israeli-Palestinian conflict. This period was crucial to the future of the peace process, given that, at the time, the Second Intifada was at its peak, the Israelis were using savage repressive measures against the Palestinians, and Yasser Arafat was restricted to his headquarters until his death (Katz 2007). However, the main reason for Russia's overtures to Israel remained financial. Already in 2007, direct trade between the two countries reached \$1.5 billion, while hundreds of Israeli companies flourished in Russia. Furthermore, Russian companies aspired to cover the increasing needs of Israel in the energy sector (Khrestin and Elliott 2007). In any case, Moscow continued the counterbalancing strategy towards the U.S. and its allies, along with the effort to integrate Muslims into Russian foreign policy discourse by maintaining close ties with Hamas and Hezbollah.<sup>1</sup>

Starting in 2006, Moscow upgraded its relations with Hamas through a number of official visits of the Palestinian Islamic organisation – including the organisation's leader, Khalid Michal – to Moscow. The Russian side engaged with Hamas in an attempt to counterbalance the dominant role of the U.S. in the Israeli-Palestinian peace process. Moscow assumed that Washington sought to marginalise Russia within the Quartet for the Middle East (the U.S., Russia, the European Union, the UN) and that closer relations with Hamas would offset the U.S. hegemonic tactics. Although Russian policy remained balanced vis-à-vis the Palestinians and Israel, Moscow's privileged relationship with Hamas enhanced Russian role

<sup>1</sup> "Vladimir Putin and the holy land," *The Economist* 2013, March 16. Accessed 20 January 2017 <http://goo.gl/nmF8uy>

in the wider region (Bsaikri, 2010). The Syrian uprising changed the dynamic between Assad's regime and Hamas, which was evicted from Syria and strained Hamas' relations with Tehran. In 2014, in one of the most critical moments of the post-war era, Russia undertook an initiative to strengthen the Tehran–Damascus axis and, by extension, Russia's regional role in the Middle East (Abu Amer, 2014).

Relations between Hezbollah and Moscow had always had wider regional implications, indirectly affecting Russia's main priorities in the region; namely, its relation with Iran. The USSR established relations with Lebanon's radical Shi'a in 1972, with the visit to Moscow of the religious leader of the "Movement of the Deprived," Moussa Al-Sadr (Nizameddin 2008, 479). After the Islamic Revolution in Iran, the Shi'a organisations in Lebanon were particularly suspicious of Moscow, following the anti-Soviet ideology and rhetoric of Ayatollah Khomeini. Starting in 2000, Hezbollah–Russian relations were upgraded as part of the general tendency of Russia's foreign policy to strengthen the Iran–Syria axis and to use it as a basis for a policy of emancipation from the options offered by the U.S. in the region.<sup>2</sup> The Hezbollah leadership acknowledged how important Russian assistance for Damascus was to the security and power of the organisation. Given that the presence of Shi'a Islam in Russia is negligible, the Kremlin encouraged the development of a Shi'a alliance to counterbalance the Gulf-state aid to Sunni Islamists. More particularly, after the outbreak of the Syrian civil war, Hezbollah remains a key player in Russia's effort to rescue Assad's regime and, mainly, to prevent Sunni Islamist dominance in Damascus (Corbeil 2017).

## THE ARAB UPRISING AND THE SYRIAN CIVIL WAR

In the 2000s Russian analysts posited that the Arab regimes were enduring an inevitable transformation process. Yet, these changes, they argued, should not be dealt with under the prism of western liberal ideas, but instead in terms of a broad search for the authentic identity found in Islam (Dannreuther 2015, 81). The Arab uprisings that were viewed as the "Arab Spring" were confronted with suspicion by Putin's administration, as they resembled the uprisings in Serbia, Ukraine, Georgia and Kirgizia, which overturned pro-Moscow regimes in favour of pro-western governments. This suspicion was intensified by the Putin administration's fear that political Islam would come to dominate the transitional phase of these political systems, setting an example for Russian Muslims. However, what generated even more fear in Putin's administration was the example of popular uprisings that toppled powerful authoritarian leaders, which could strengthen the opposition within Russia (Malashenko 2013, 8-9, 16).

Among the Arab uprisings, the one against Assad's regime in Syria was the most challenging for Russian policy. Syria, as mentioned above, was the exception to post-Soviet Russia's tendency to decrease aid to the so-called "radical Arab regimes." The reasons may be found, first, in Russia's need to secure the Russian naval base in Syria; the only military base at its disposal beyond the post-Soviet space. Second, Moscow has the ability to exert influence over a number of regional actors, from Hezbollah and Hamas to the Kurds. Third, a Syria strongly influenced by Russia and Iran could not be a transit country for potential

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<sup>2</sup> This greatly concerned Israel, especially after the use of Russian military equipment during the war against Israel in 2006.

natural gas pipelines from Qatar to Europe, thus keeping intact the latter's energy dependency on Russia (Malashenko 2013, 12).

The ferocious persecution of Christians by the jihadist organisations in Syria and Iraq increased the Russia Orthodox Church's interest in the protection of the Christian communities in the region. During the post-Soviet period, especially under Putin, the Russian Church acquired prestige and influence in the region. Pilgrimages of Russians to the Holy Land had reached the numbers of the tsarist era, giving the Russian Church the capacity to restore close ties with both the Arab Christian communities and the Muslims, while creating channels of communication with political forces.

Within this framework, the Russian Church offered significant humanitarian assistance during the Israeli military operations in Lebanon in 2006. The Russian Church, in essence, revived the old "Orthodox Imperial Society of Palestine," which had ceased to exist after the October Revolution, as an international non-governmental organisation that aimed to serve pilgrims' needs and promote scientific research on the Holy Land (Curamovic 2007, 313).<sup>3</sup>

In 2011, the issue of "Christianophobia" – mainly in Muslim states and societies (equivalent to Islamophobia in Christian states) – was on the very top of the Russian Church's agenda. According to the Department of External Church Relations of the Russian Orthodox Church, "only bloody chaos will result from short-sighted attempts to plant, in a biblical region, political models from a different civilizational matrix, without taking into account the world view and values that have shaped peoples' lives [in Syria, Iraq and Egypt] for centuries and millennia." This criticism is directed at both the American invasion of Iraq and the Western support for the Syrian opposition. According to the same perspective, "forming foreign policy without accounting for the religious factor could lead to a catastrophe, to the deaths of thousands and millions" (Barry, 2012).

For the aforementioned reasons, but also due to Russian concern over political Islam's potential dominance in Syria and the implications of this not only within Russia but also in its near abroad, Moscow firmly backed Bashar Assad from the beginning of the uprising. Nevertheless, this does not imply that Russia's backing should be taken for granted; this position may change if Moscow considers that its interests in Syria could also be served by a political configuration in a post-Assad era. Furthermore, Moscow is not the only party determining developments on the ground. In other words, if Moscow were to retract its support, it would not necessarily mean the collapse of Assad's regime, given that regional powers – Iran and its allies – would continue to support it (Corbeil 2017). Russian military support for Assad generated friction with Turkey, Jordan and Saudi Arabia, all of whom are very keen to see Assad deposed. However, close economic ties – especially with Turkey – prevent relations from being totally undermined (Katz 2013, 39-41). Moscow was also particularly cautious of Israel's concerns, constantly maintaining open channels of communication regarding Russian operations in Syria.

Moscow was aware that its long-term military involvement in Syria would undermine its relations with these states, even with Iran, and would cause serious harm to its mid-term and long-term interests, mainly in the energy and economic sectors. The ghost of the long-term Soviet involvement in Afghanistan in the 1980s always hovers over Russian strategic thought. After the capture of Aleppo, Russia found itself with significant leverage to reach an

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<sup>3</sup> The Russian Church with the assistance of the Russian government, acquired land in Jerusalem and Jordan, where they built hotels and infrastructure for pilgrims.

arrangement with Turkey and Iran that would be beneficial for itself and Assad's regime. This arrangement is expected to safeguard significant Russian interests, military bases and political influence in Syria. At the same time, it should preserve the military alliance between Tehran, Damascus and Hezbollah and prevent the creation of a Kurdish state-like entity in northern Syria. But all of these outcomes, if achieved, are going to be hard for Saudi Arabia and Israel to accept and will cause concern in Washington, as they empower Iran.

The Trump administration has made clear that one of its top foreign policy priorities is to neutralize the "Islamic Caliphate" and other jihadist organisations. Furthermore, the "de-ideologicalisation" of foreign policy under the new U.S. President sidelines the promotion of the liberal model, open-market economy, human rights and nation-building, focusing instead on U.S. vital interests. These two elements generate a space for convergence with Putin's firm strategy to confront the jihadist phenomenon (Bechev 2017).

### **RUSSIA IN THE SYRIAN CONFLICT: A NEW TYPE OF MULTILATERALISM**

Russian intervention in the Syrian conflict had three aims. First, to prevent a regime change in Damascus – reminiscent of that in Libya – and the triumph of the Islamists; second, to break its international isolation and to become an indispensable key player in the Middle East; and, third, to induce the United States to accept Russia as a great power and as a legitimate partner in solving regional issues (Kofman and Rojansky 2018, 9). Following the evolution of a conflict that has evolved from civil strife to a regional and global proxy war, Russia also acquired a balancing role in the multiple antagonisms in the region. According to Russian commentator Fyodor Lukyanov, "radical Islamists have been crushed. President Bashar al-Assad has retained and strengthened his power. Russia's regional clout has grown dramatically alongside its military and political impact on the global stage."<sup>4</sup>

In pursuing this policy, Moscow benefited from the lessons of Afghanistan, Chechnya and Crimea. It preferred the deployment of a small flexible force to a heavy intervention like the one that led to their Afghan quagmire. Russian ground forces in Syria consist of 3,000 men of the regular army and Special Forces and around 30 to 50 warplanes and 14 to 60 attack helicopters. What made Russian intervention critical to the success of Assad's side was the co-ordination of the Russian Army with the 2,000-strong private military contractors, mostly known as the Wagner Group, who enabled disparate pro-Assad militias to become reliable battle forces (Kofman and Rojansky 2018, 15-17)

Many analysts argued that Russian forces use air power and artillery in indiscriminate shelling of urban centres. The battle for Aleppo was reminiscent of the siege of Grozny in the 2<sup>nd</sup> Chechen war, where whole blocks were levelled before being captured by the Russian army. According to Gardner, in 2016 Russia decided to deprive the Sunni Islamists of their urban strongholds and drive them away from the perimeter of Assad-controlled areas in the coastal zone (Gardner 2016).

The Crimea case taught them that a small flexible force can produce significant results on the ground when smartly combined with local agents. The existence of local forces loyal to

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<sup>4</sup> *Al-Monitor* 2018, December 30. Assessed 11 January 2019 <https://www.al-monitor.com/pulse/originals/2018/12/russia-putin-next-act-turkey-syria-rapprochement.html>.

Assad's regime and their ability to hold the ground that was abandoned by the insurgents was perhaps the most important element of the successful Russian enterprise in Syria. More importantly, this co-operation and military control over various factions of the pro-Assad camp created special relations between the Russians and intelligence heads, warlords and influential businesspeople. The Russians have access to Syria's key domestic actors (Alami 2018, 2). In contrast, Washington failed to learn from its experiences in Vietnam and Iraq. In both cases they lacked a local political partner with wide support among the population; someone who could hold the ground won by American war capabilities (Blank 2017, 9). They initially supported the Free Syrian Army and some so-called moderate Islamist groups. When they realised that their military aid was being siphoned off to ISIS and other al-Qaida-affiliated groups, they turned to the Kurdish PYD forces, which can by no means become an alternative to Assad's regime.

The Syrian case was far more complicated than Crimea and the Caucasus, as it involved a number of regional players with interests that clashed with those of Russia. Turkey wanted to depose Assad and firmly supported Sunni militias against the regime. Russian military intervention created a serious rupture in relations with Ankara, despite the development of close economic and trade ties. After the downing of a Russian fighter jet by the Turkish armed forces in November 2015, relations between Moscow and Ankara became extremely strained. Moscow used its economic leverage to extract a Turkish apology and managed to find a *modus operandi* with Ankara in Syria, as bilateral trade in goods reached 15.8 billion dollars in 2015 (Alterman et al. 2018, 8).

Moscow and Ankara established a three-pillar mechanism based on enhanced consultations between the two countries' foreign ministries, intelligence agencies and general staffs (Ersen 2017, 6). This rapprochement led to a mutual understanding of the parties' vital interests. Russia acknowledged Ankara's security concerns in North and North-East Syria – the Kurdish presence there. On the other hand, Ankara came closer to the Russian-Iranian coalition in Syria, supporting the territorial integrity of Syria (Ersen 2017, 7) and lowering its anti-Assad banners. Neither Operation Euphrates Shield nor the Turkish invasion in Afrin could have happened without Russian consent.

The understanding created in the Astana talks led, in May 2017, to four de-escalation zones overseen by Russia, Iran and Turkey. Within six months of the agreement, Assad's forces, with Russian help, ousted rebel forces from three of these zones (Markusen 2018, 2). It is noteworthy that Turkey did not oppose these take-overs, acknowledging Assad's victory in the civil war. Russia has restrained Assad from entering the zone of Idlib in Northern Syria, as this is of vital importance to Turkey. The rebel forces in Idlib is the last card of Ankara to play a role in post-war Syria. Russia, on the other hand, has a keen interest in preserving the prospects of economic co-operation with Turkey. A consortium of Russian, Turkish and Iranian companies announced a \$7-billion oil deal in August 2017, and Rosatom is building a Turkish nuclear plant worth \$20 billion (Markusen 2018, 7).

Israel saw the Syrian civil war as an opportunity to disrupt the Iran-Syria-Hezbollah axis and diminish the threat from Iranian proxies on its northern border. Russia is afraid that Israeli airstrikes on Iranian and Hezbollah bases in Syria could jeopardize the stability of the Assad regime. The ongoing Israeli-Iranian conflict on Syrian soil could drag the Syrian regime into the conflict, and this means Russian and Israeli interests would collide (Lappin 2018, 2). Despite Putin's pledge to keep the Iranians 80 kilometres away from Israel's

northern border, Tel Aviv is afraid that Moscow may not be able to exercise effective control over Iran's plans to increase its military infrastructure in Syria.

Alastair Crooke notes that Putin is offering Israel a deal. "Russia will assume a certain defined responsibility for Israel's security, but not if Israel undertakes wars of choice against Iran and Hizbullah, or if it deliberately disrupts stability in the North (including Iraq). And no more gratuitous bombing raids in the north, intended to disrupt stability. But if Israel wants a war with Iran, then Russia will stand aloof." (Crooke 2018a)

Russia maintains close relations with Saudi Arabia and the UAE, despite conflicting interests in Syria. Saudi Arabia, along with the UAE and Qatar, has backed the main Sunni Islamist rebel forces in Syria against President Bashar al-Assad. Their financial and energy engagements and the sale of military equipment to the Gulf States are the main pillars of these relations. Beyond Saudi-Russian co-operation in setting global oil prices, the Saudi Public Investment Fund (PIF) has agreed to invest up to \$5 billion in an RDIF-led Liquefied Natural Gas (LNG) project in the Arctic, and as of 2018, Emirati Funds are partners in the companies Russian Helicopters and Gazpromneft-Vostok (Mitrousis 2019, 4-5). The Russia-Saudi rapprochement arguably became possible precisely because Russian President Vladimir Putin and Crown Prince Mohammad bin Sultan speak the same language, as it were: Both prefer to use hard power to resolve issues domestically and internationally. Some media outlets in the Gulf refer to the Saudi Crown Prince as "the Vladimir Putin of the Middle East" (Barmin, 2017).

Regarding the endgame in Syria, the Gulf monarchies could accept Assad's rehabilitation into the Arab order as long as he distances himself from Tehran. According to a Gulf official interviewed by David Hearst, "they did not expect Bashar to break relations with Iran, but they wanted Bashar to use the Iranians rather than be used by them. The message was: "Return back to how your father treated the Iranians, at least as an equal at the table, rather than subservient to Iranian interests" (Hearst, 2019). At the beginning of 2019, Moscow is sharing this understanding and is ready to accept moderate Syrian Sunni opposition representatives in the talks for a political solution in Syria.<sup>5</sup>

Russia does not share Tehran's interest in maintaining an axis with Syria, Hezbollah and Iraq. In 2018, Russia tried to limit Iran's military influence in Syria and to control various Iranian economic projects related to phosphate mining, mobile phone networks and gas exploration (Sinjab, 2018). But Moscow has established mutually beneficially co-operation beyond Syria, in the Caucasus, Central Asia and Afghanistan, and thus Russians could neither destroy close co-operation with Iran nor take sides in either Saudi-Iranian or Israeli-Iranian regional antagonisms. Moscow fears that Syria's reconstruction process could increase the influence of the Gulf Arabs in the country at the expense of Russian interests, and they view the Iranian presence as a serious counterweight to such influence.

Russian intervention in Syria produced a new type of multilateralism. Fyodor Lukyanov noted on the website *al-Monitor*, on 31 December 2018, that the "Astana format is a miracle in itself, since it witnesses the cooperation of states that are largely distrustful of each other and have different interests in most regards. However, the Russia-Turkey-Iran triangle demonstrates a new type of partnership. The parties are united not by the desire to attain a common goal but each to achieve its own. However, each party understands that the other two make it all possible." In Syria, Russia has employed what Sergey Lavrov described as

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<sup>5</sup> *Arab News*. 29 August 2018. Assessed 11 January 2019. <http://www.arabnews.com/node/1363741/middle-east>.

“network diplomacy,” a policy that focuses on ad hoc partnerships with various state and non-state actors, without questioning either the ideology, the worldview or the policies of these actors, as long as they do not cross Russian interests (Blank 2018, 4).

This new type of multilateralism enabled Russia to succeed on Syrian terrain and to develop close relations with Sisi’s regime in Egypt. Trade between Egypt and Russia stood at \$4.6 billion during the period from January to October 2017, up by 59% compared to the same period a year earlier. Russia has also undertaken to fund and build the first nuclear plant in Egypt, worth \$29 billion (Farouk, 2018). Egypt’s first naval drills with Russia in the post-Soviet era were held in 2015, followed by joint military exercises in 2016 and 2018 (Zagoritou 2019, 9).

Russia assumed a considerable mediating position in Yemen (Ramani 2018) and Libya (Salacanian 2019). This also brings Russia and China closer in the Middle East. China is the biggest investor in the region, surpassing the USA and UAE. The presence of 5,000 to 10,000 Sunni Muslim Uighurs in Idlib, alongside a jihadist organisation, has been a major security concern for Beijing and the turbulent relations with Washington led to closer cooperation with Moscow (Suchkov, 2018).

This type of multilateralism has been supported by what Crooke described as “an emerging global notion of a different way of envisaging sovereignty. It encompasses within it the idea that sovereignty is acquired, through acting, and thinking sovereign” This notion could challenge the narrative of the liberal western model for global order (Crooke, 2018b).

## CONCLUSION

The geopolitical interests of Russia in the Middle East today remain almost identical to the fundamental goals it has pursued in the region since the 19<sup>th</sup> century. These interests focus on what was known during the Cold War era as the “Northern Tier”; namely, Iran, Iraq, Turkey, Afghanistan, the Caucasus and Central Asia. After the end of the Cold War, Moscow’s agenda was supplemented with the strengthening of the economic/trade relations and the issue of energy. Likewise, Moscow is very concerned with the Russian Muslim population and its interaction with the developments in the heart of Islam in the Middle East.

Russian foreign policy goals, especially under Vladimir Putin, have been to increase the country’s influence in the Caucasus and Central Asia, to develop privileged relations with Iran and Turkey, and to preserve – if not increase – Europe’s dependency on Russian energy resources. Russia’s relations with Turkey and Iran touch upon many Russian interests, such as the danger of encirclement and the issue of Islamic fundamentalism in the Caucasus and Central Asia. Russia’s relations with these two neighbours have not always been harmonious and have weathered significant differences of opinion and policy, avoiding an outright rift. Russia’s need to stabilise the dire economic conditions during the first post-Soviet period led Moscow to pursue closer ties with the Gulf monarchies and Israel.

Putin’s government was fretful of the “colour revolutions” in Ukraine, Georgia and Kirgizia and, by extension, the U.S. support for them. By the same token, Russia considered the “Arab Spring” analogous to these uprisings and feared that U.S. support might bring political Islam to power, creating a dangerous paradigm within Russia and its immediate regional sphere of influence. For these reasons, Russia decided to counterbalance what it



considers U.S. influence and the development of political Islam by backing Assad's regime and the government of Al-Sisi in Egypt.

Comparing Putin's policy to that of Leonid Brezhnev during the Soviet era, one can detect the theoretical framework put forth by Mark Katz (2008, 179-180). According to Katz, in 1982 each of the two great powers had a distinct set of allies and adversaries among the Middle Eastern countries. Today, the U.S. continues to have a set of friendly states, but also a set of state and non-state rivals. Meanwhile, Moscow maintains good relations (to varying degrees) with all the state and non-state actors in its network diplomacy pattern, which does not include the jihadist groups.

This situation offers Russia the potential to play the mediator – be it to prevent or to resolve regional crises and conflicts – a role virtually monopolised by the U.S. during the 1970s and 1980s. Russia now has the opportunity to have military bases in Syria, Egypt and, potentially, in Yemen and Libya. American analysts view Putin's policies as an attempt to act as a spoiler to U.S. influence rather than to establish its own influence in the Middle East. In other words, although Russian intervention in Syria hinders U.S. plans for regime change in the region, Moscow would need the support of regional players to stabilise the regime over time. Russia's desire to display its prestige in the international arena is of equal importance. Putin wants to prove that Russia will not abandon its friends and allies, as it happened with *Milošević*, Saddam Hussein and Qaddafi. For Russia, the implications of the Syrian crisis for the international system are of vital importance. According to Russian Foreign Minister Sergey Lavrov "the way the Syrian crisis is resolved will largely determine the model for the international community's response to internal conflicts in the future" (Dannreuther 2015, 84).

Last but not least, there are global and regional powers – China, Iran, Turkey, Saudi Arabia – who would prefer a multilateral Global Order and ad hoc partnerships not governed by Western norms and values. Therefore, the new type of multilateralism employed successfully in the Syrian war offered Moscow a preponderant role in the region.

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*Chapter 21*

## **RUSSIA AND THE BALKAN STATES: VARIABLE SPEEDS OF ENGAGEMENT**

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### **ABSTRACT**

This chapter discusses Russia's relationship with the Balkans by looking at three issues interchangeably: the mode of influence exerted from Russia on the different states of the Balkans; the local elites' reactions to Russia's influence in the region; and the diversity of public narratives and perceptions among the Balkan peoples. In order to show the range of linkages, the chapter looks at Russia's intentions in the region as a whole, as well as its bilateral relationships with individual states, all of which have a different connection with Russia, based on divergent cultural/historical memories, political/economic relations and degrees of influence. The chapter focuses on the current state of relations with emphasis on the post-1989 environment, but also takes a long historical view of the relationships in order to show the impact of the past on the present, and the continuities or ruptures through time. It argues that the Balkans are not Russia's first international priority and never have been; yet, as a region in its "near abroad," Russia needs the Balkans to project its global influence in a strategic, often tactical way; for their part, all Balkan countries are tied firmly to the European (EU and transatlantic) anchor, yet some states more than others choose to play the Russian card to strengthen their own authority vis-à-vis the West, and each other. This amounts to "politics of opportunism," where the different sides choose to engage at a low cost in their respective foreign policies.

**Keywords:** Russia, Soviet Union, Yugoslavia, Cold War, Yugoslav conflicts, Western Balkans, Romania, Bulgaria, Serbia, Montenegro, multipolar world, energy politics, security and geopolitics

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## 1. INTRODUCTION

The relationship between Russia and the Balkan region is a story of geopolitics and geo-economics, mixed with cultural, identity and ideological myths. From Russia as Czarist Empire, to Russia as a Soviet hegemon, and to the present Russian Federation, the impact of this big power in the Balkan region has undoubtedly been prominent and, oftentimes, controversial. The connection between Russia and the Balkans has been described as an asymmetric relationship (Erlanger 2018) between a big influential power and weak “client states” in its wider neighbourhood. As the most vulnerable periphery of Europe, the Balkans has always been amenable to international politics of influence and control, and an opportunity for Russia’s ambitions and a proxy for competition with the West. For their part, the Balkans internalised Russian power in multiple and diverse ways, their local elites wavering between solidarity and mistrust between dependency and resistance.

In the current multipolar global environment of geopolitical uncertainty and indecisive EU integration, the Balkan region has become yet again one of the most pertinent “Russian riddles” for Europe, with respect to Vladimir Putin’s strategic intentions and the degree of Russian “infiltration” and, even, popularity in the peninsula. This chapter discusses Russia’s contemporary relationship with the Balkans by looking at three issues interchangeably: the mode of influence exerted from Russia on the different states of the Balkans; the local elites’ reactions to Russia’s influence in the region; and the diversity of public narratives and perceptions among the Balkan peoples. In order to show the range of linkages, the chapter looks at Russia’s intentions in the region as a whole, as well as, its bilateral relationships with individual states, all of which have a different connection with Russia, based on divergent cultural/historical memories, political/economic relations and degrees of influence. It focuses on the current state of relations with emphasis on the post-1989 environment, but also takes a long historical view of the relationships in order to show the impact of the past on the present, and the continuities or ruptures through time.

The chapter argues that the Balkans are not Russia’s first international priority and never have been; yet, as a region in its “near abroad,” Russia needs the Balkans to project its global influence in a strategic, often tactical way; for their part, all Balkan countries are tied firmly to the European (EU and transatlantic) anchor, yet some states more than others choose to play the Russian card to strengthen their own authority vis-à-vis the West and each other. This amounts to “politics of opportunism,” where the different sides choose to engage at a low cost in their respective foreign policies.

## 2. GREAT POWER RUSSIA AND THE BUILDING OF IDENTITY LINKS

Russia’s involvement in the Balkans runs deep into history. Without ever being a direct Emperor or ruler, Russia’s influence in the Balkans had multiple effects at the domestic political, economic and/or cultural levels. As is often argued by historians, the narratives of Pan-Slavism and Orthodox unity were influential and durable across parts of the region, and created elite allegiances and popular narratives (Jelavich 1991). During the 17<sup>th</sup> and 18<sup>th</sup> centuries, some Treaties with the Ottoman Empire gave Russia the right to protect or have direct contacts with Orthodox believers in parts of the Ottoman lands, a link which

transcended Greeks, Serbs, Bulgarians and Romanians. The ideology of Pan-Slavism and the Russian protection of the Slavic populations gained prominence in the late 19<sup>th</sup> century, created frictions between the Russians and the Ottomans, and culminated in the Russian-Turkish war of 1877, when Russia came to the support of Serbia and Bulgaria. Naturally, such ethnic or religious links were not connected purely to solidarity but had other motives in the realm of high politics and economics, including Russia's strategic interest in asserting its presence in the disintegrating Ottoman Empire. For their part, the elites in the region were happy to accept Russia's solidarity in pursuit of their own nationalistic goals. In 1830, Greece became the first case of a Balkan country that gained independence with the help of the Great Powers, including Russia. Subsequently, Bulgaria increased its territory with Russia's help in the context of the Treaty of San Stefano in 1878. Within this power game, economic interests were also important, given Russia's long-term readiness to dominate the Black Sea and have free commercial traffic through the Straits, the exclusive connection to the Mediterranean, and in that respect the Balkans were potentially useful allies in undermining Ottoman power (Jelavich 1973).

The degree to which identity links were actually espoused by all the people (peasants, middle classes) or were just the prerogative of the local elites and upper classes, including some intellectuals – what Marx called as a “political project by the elites” at the time (Marx 1897) – are matters which are still contested by historians (Kohn 1960). Similarly, the notion of “benign Russian influence” towards the Orthodox Christians and the Slavs is also a matter of contestation given Great Power Russia's main aim to preserve its influence in the world, with the Balkans being an important international platform. What is more interesting, however, is the way these historical and cultural affinities develop through time and how they are mythologized and passed on into the inter-generational national narratives, with a historical continuity in some parts like in Bulgaria, or are resuscitated and revived in other parts like Serbia, and how these become legitimating pillars of short- or long-term strategic allegiance.



Figure 1. Slavic Europe.

In the age of nationalism, the conventional historical narrative has it that Orthodox and Slav elites and people in the Balkans looked to Russian support for their emancipation from the Ottoman Empire. Russian victories against the Ottomans during the 19<sup>th</sup> century had a benevolent impact on those Balkan people who sought independence. The nationalists in the region saw Russia not as a new imperial power to replace the Ottomans but as a supportive external power which was contributing to their liberation. In this commonly held view, the emergent Balkan states were also inhibited by their own national and regional ambitions, and the establishment of one state meant the reduction of the other, which was something that often complicated states' bilateral relationships with Russia. The case of a Greater Bulgaria, for instance, conflicted with the Serbian and Greek territorial ambitions. Beyond power politics, however, most national elites in the Balkans sought constitutional inspiration from England or France as the most attractive models of their nation-state building, while some looked to Russia for cultural identity inspiration.

In the run-up to the First World War, when the Balkans became a central stage of great power rivalry, the Russians competed with the Central Powers and the Ottoman Empire by seeking allies in the region, with Serbia being at the forefront (Clark 2012), and prompting the creation of the Balkan League to limit Austrian power in the Balkans and expel the Turks from the region. Yet Russia received major blows to its world influence, internal stability and sustainability, and eventually collapsed largely as a result of massive failures during the Great War (Anastasakis, Madden and Roberts 2015). The inter-war story is one of detachment from the Balkans, focusing on the building of a communist Soviet Union. The Bolsheviks rejected Panslavism as an expression of "Russian imperialism" at the beginning, and it was again in the 1930s that Pan-Slavism re-emerged as a tool of Soviet foreign policy in the region, with varying degrees of success.

### **3. MONOCENTRIC SOVIET UNION VERSUS POLYCENTRIC COMMUNIST BALKANS**

After the end of the Second World War, the superpower Soviet Union replaced Germany as the pre-WWII hegemonic power, seeking total control and domination of Eastern Europe and the Balkans, by way of imposing loyal communist regimes throughout the East European space. The communist takeover for the Balkan states meant the expulsion of monarchies, the suppression of opposition, the discrediting of the old armies, the persecution of religion and the redistribution of lands. After a Soviet-style communist start, all Balkan states developed their own national variants of communism with different degrees of affinity and closeness to the Soviet Union. The Cold War period in the region was a constant battle between Soviet monocentrism versus Balkan polycentrisms, and was marked by national deviations and varying degrees of Soviet intrusion. The region showed remarkable diversity vis-à-vis the Soviet hegemon and ranged from the Yugoslav split from Moscow to Romania's own model of nationalist communist totalitarianism, to Bulgaria's consistent loyalty to the Soviet Union and Albania's isolation under severe totalitarian rule at home.



### 3.1. The Yugoslav “Third Way”

Yugoslavia was the first country after the war to adopt a Soviet-style economic model (The Royal Institute of International Affairs 1948), but was also the first to break with the Soviet camp and follow a more independent path towards its own brand of federal communism, expressed in the economy through the innovative self-management system, in foreign policy through the participation in the Non-Aligned Movement, and in constitutional terms through a fine federal balance between the different republics, provinces and ethnicities. The initial period of ideological and political convergence between Yugoslavia and the Soviet Union was short lived and was subsequently marked by tensions and some failed attempts at rapprochement. Unlike Romanian and Bulgarian communism, Yugoslav communism was not imposed from the Red Army occupation but was home grown from the partisan resistance to Nazi occupation, and this allowed the subsequent Yugoslav independence from Soviet control. Tito’s break with Stalin was made evident with the expulsion of Yugoslavia from the Cominform in 1948.<sup>1</sup> Tito’s aim was to distance his country from the ideological grip of the Soviet Union and extract as many concessions as possible in the economic and security fields from the West, without being part of this either. The 1953 Balkan Pact was both a notable example of Yugoslavia’s choice for a more independent security framework vis-à-vis the Soviet Union and a short-lived attempt at security cooperation among ideological foes - Yugoslavia, on the one hand, NATO members Greece and Turkey, on the other (Westad 2017).

Following Stalin’s death in 1953, the next Soviet leader, Nikita Khrushchev, attempted to mend relations with Yugoslavia by signing a bilateral agreement guaranteeing non-interference in Yugoslavia’s internal affairs and allowing socialist states the right to interpret Marxism in a different way (the 1955 “Belgrade declaration”). This was a short-lived rapprochement which ended with the Soviet intervention in Hungary in 1956, when Yugoslavia was criticised in a Soviet campaign for having an influence on the Hungarian insurrection. The 1968 Soviet invasion of Czechoslovakia led to another crisis in relations, with Yugoslavia being yet again criticised for inspiring disunity in the eastern bloc. During the 1970s, Moscow tried to benefit from Yugoslavia’s internal republican and ethnic divisions – there was even speculation that Soviet intervention was imminent in Yugoslavia (Lazic 2017) – and sought gradually to increase its influence in the Mediterranean and reduce Yugoslavia’s ongoing policy influence. Yugoslavia responded by mobilising the Non-Aligned Movement in its favour, built closer relations with Beijing, softened relations with Tirana, discussed defence plans with Bucharest and sought support from the U.S. Nixon administration.

Throughout the Cold War years, the Yugoslav foreign policy machinery worked well to offset Soviet advances, and, in many ways, Marshall Tito managed to use the Soviet threat effectively to keep his country together. Having said that, it did work to his favour that both the United States and the Union of Soviet Socialist Republics (USSR)<sup>2</sup> had chosen not to stir the waters over Yugoslavia and instead to respect it as a European neutral ground. Despite a

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1 In 1948 Tito challenged the right of the Communist Party of the Soviet Union (CPSU) to interfere in Yugoslavia’s internal affairs demanding the removal of Soviet military and economic “advisers” who were forcing Yugoslavia to follow the Soviet path of communism. For further reading see Ivo Banac, *With Stalin against Tito, Cominformist splits in Yugoslav Communism* (Cornell University Press, 1988).

2 Soviet Union and USSR are used in the chapter interchangeably.

number of attempts at rapprochement between the two sides, these were always short-lived and Yugoslavia was always feared by the Soviets for the spillover effect that it could have on the other East European satellites. The Hungarian insurrection in 1956 and the Prague Spring in 1968 led to crises in relations between the Soviet Union and Yugoslavia, the latter criticised for inspiring disunity in the eastern bloc. In Yugoslavia, the Soviet leadership recognised the limits to its ability to influence a country in the communist camp, trying on several occasions to destabilise the system from within, by means of conspiracies (Cichock 1980).<sup>3</sup> It was only during the gradual de-ideologisation of Soviet foreign policy and the changing discourses vis-à-vis Europe under Gorbachev (Samokhalov 2017) who visited Belgrade in 1988, when relations between Yugoslavia and the Soviet Union were normalised; but by that time, Yugoslavia was disintegrating politically and economically.

### **3.2. The Romanian Maverick**

Romania's post-Second World War relationship with the Soviet Union started with the Soviet occupation of the country between 1944 and 1958, during which the Red Army maintained a strong military presence in the country. The Romanian Communist Party grew exponentially after 1944, and through a vigilant Soviet presence in the politics and economy of the country, the Romanian communist party leadership under Gheorghe Gheorghiu-Dej remained loyal to the Soviets and vehemently supported Soviet interventions in Hungary and Poland in 1956. During that time, Romanian national identity was under the spell of Russian influences; Romanian history books were rewritten to emphasize Slavic influences and Russian became a required course in all schools.<sup>4</sup>

Romania was the second country in the Balkans to break from Soviet uniformity, following the example of Yugoslavia but in a radically different way. With the departure of Soviet troops from Romania in 1958, the de-Stalinisation of the Soviet Union under Nikita Khrushchev, and with the 1955 "Belgrade Declaration" (see above) in mind, Romania started pursuing its own communist course, reacting vehemently to the Soviet-imposed division of labour under COMECON,<sup>5</sup> which obliged Romania to become an "agricultural breadbasket" for communist Europe. Communist Romania gradually developed closer trade links with the West and increasing relations with China.<sup>6</sup> During the period of Nicolae Ceausescu from 1965 until 1989, Romania built a foreign policy more autonomous from the Soviet Union (which had already started under the last phase of his predecessor Gheorghiu-Dej), on occasions critical towards the Soviet superpower's policies, i.e., the Soviet invasions in Czechoslovakia in 1968 and Afghanistan in 1979, and maintained friendly relations with the

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3 The arrests inside Yugoslavia in 1975-1976 of a number of so-called Stalinists for trying to form an underground organization was one example of the Soviet attempt at creating underground cells to destabilise the League of Communists of Yugoslavia (LCY) leadership and an expression of Soviet frustrations at being incapable of effecting change otherwise (Cichock 1980).

4 The involvement of Russia with Romania was deep into the history from 15<sup>th</sup> century onwards and since Romania's independence in 1878, Russia participated in every partition of Romanian national territory.

5 The Council for Mutual Economic Assistance (COMECON) was created in 1949 under the leadership of the Soviet Union and included the countries of the Eastern bloc and a number of communist states from elsewhere. It was the Eastern bloc's reply to the US led Marshall Fund.

6 China supported Romania financially throughout the 1960s, it provided moral support to Romania whenever the latter was in opposition to the Soviets, like after the 1968 Czechoslovak crisis, and was the largest contributor to the relief effort, after the catastrophic floods of 1970 in Romania.

United States, most Third World countries, as well as China and even Israel.<sup>7</sup> All this made Ceausescu appear as somewhat of a “Soviet dissident,” accessible to the West, the latter willing to overlook the leader’s power abuses and the totalitarian control of Romanian society. On various occasions and at different moments in time, bilateral relations between Romania and the Soviet Union deteriorated over a number of issues, including attempts to create a “Southern Alliance” (or a Balkan Pact), relations with China and the US, Romanian autonomy within the Warsaw Pact,<sup>8</sup> relations with Third World countries, or the identity and language of Moldovans;<sup>9</sup> a sensitive national issue for Romanians (Watts 2012), though not central to the relationship between Romania and the Soviet Union during the Cold War period, the question of minorities and disputed territories was certainly important and further complicated the relationship between the two countries.

In economic policies, Ceausescu had retained a Stalinist orientation, with his emphasis on industrialisation and opposition to any form of private ownership. This eventually led Romania into economic difficulties and distancing from the West,<sup>10</sup> which gradually became more critical and intolerant of the regime’s abuses. Ceausescu’s opposition to Mikhail Gorbachev’s reforms distanced him even further from the Soviet Union and left him without any allies in the end (Deletant 2011). With the end of the Cold War in sight, Ceausescu had completely lost his usefulness, both to the West and to the Soviet Union, and it is quite likely that his overthrow was at the very least approved by Moscow, if not planned by it (Decebal).

### 3.3. The Bulgarian Loyalty

Bulgaria was the single country in the Balkans with consistent loyalty to the superpower and close cooperation at various levels. As in Romania, the Red Army supported a coup d’état after the end of WWII, which brought in power the Communist party and proceeded with the Stalinisation of the Bulgarian economy and society and the imposition of Soviet inspired reforms. The country adopted its constitution on the Soviet model, with the difference that it allowed private property but placed all means of production under public ownership. Todor Zhivkov ruled the country from 1955 for 35 years, becoming the longest-serving communist leader in the eastern bloc, his leadership marked by relative stability in the country and submissiveness to Soviet directives.

Bulgaria was the Soviet Union’s closest ally in COMECON and the Warsaw Pact. The regional significance of Bulgaria for Soviet interest cannot be underestimated given the challenges coming from the other Balkan states: Yugoslavia, Romania and Albania; at Moscow’s insistence, Bulgaria resisted any suggestions for multilateral cooperation among

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7 Romania was the only country in the Eastern bloc to develop diplomatic relations with Israel and Ceausescu demonstrated support to Zionism and Jewish culture in general—a position unthinkable in the USSR.

8 The Treaty of Friendship, Cooperation and Mutual Assistance signed in Warsaw in 1955 was the eastern response to NATO.

9 Important parts of Romanian territory remained as an aftermath of WWII within the Soviet Union (the north of Bukovina, nowadays a Ukrainian province, Bessarabia, nowadays the Republic of Moldova, a sovereign state since 1991, and Bender, a small portion north of the Danube Delta).

10 Romania was severely hit by the oil crisis. In the mid-1970s, Ceausescu expanded Romania’s oil-refining capacity in excess of its own domestic output and was forced to import crude oil in very high prices and exacerbated by the revolution in Iran, the main supplier of oil to Romania.

the Balkan states.<sup>11</sup> Strategic and geopolitical cooperation between the two was complemented by cultural and linguistic closeness and long-standing historical ties between the countries. The importance and significance of Russia for Bulgaria's national independence and the brotherhood ties between the two peoples were evident in history, culture and monuments in Bulgaria.<sup>12</sup> It is therefore no coincidence that the majority of Bulgaria's communist elites were for the most part educated in Moscow.

It goes without saying that Bulgaria's closeness to the Soviet Union had to do with a high degree of economic dependency, including Soviet technical and financial aid enabling the Bulgarian economy to industrialize rapidly, or the USSR providing Bulgaria with energy and markets for its goods. More than 300 industrial enterprises were built in the country during the Cold War period; the Soviet Union accounted for up to 60% of Bulgaria's exports; the USSR stimulated the development of agriculture and supplied gas to Bulgaria at significantly reduced prices. It also supported the defence and military industry of the country. The Bulgarian challenges to Soviet authority (as, for example, some Chinese-inspired innovations or attempts at cultural nationalism by Zhivkov's daughter, Lyudmila Zhivkova), were limited, brief and discreet (Brown 1986). It is therefore understandable that Bulgaria was labelled as the "sixteenth republic of the Soviet Union."

### **3.4. Albanian Isolationism**

Following a period of close initial links with the Soviet Union, mostly as an antidote to Yugoslavia's hegemonic regional intentions, Soviet-Albanian relations deteriorated with the death of Stalin, and in 1961 the Soviet Union broke diplomatic, cultural and economic relations with Albania. For its part, Albania intensified relations with China instead and withdrew from the Warsaw Pact in 1968, reacting to the Pact's invasion in Czechoslovakia. Despite some timid attempts to reinstate relations with the Soviet Union in the 1970s, Albania kept itself largely isolated from all its neighbours, fearful of Yugoslav or Greek foreign policy intentions, while Enver Hoxha's brand of Albanian communism had a strong sense of xenophobia and perceived both superpowers as threats, while building a communist state under the ideology of fear, in a constant state of defence and totalitarian control of society.

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The spectrum of Soviet-Balkan relations was varied, changeable and multi-layered. During the Cold War, there was never a consistent and continuous Soviet regional strategy vis-à-vis the communist Balkans, but a changing landscape of variable speeds and directions of engagement. For their part, the local elites wavered back and forth from allegiance to distance, according to the wider geopolitical circumstances. During the Cold War period,

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11 During the early 1960s there was a growing fear that the three states might create a "Southern Alliance" under Chinese support to challenge Soviet supremacy.

12 Russia's historical debt to the Bulgarians, which should not be forgotten according to the Bulgarians, includes the Slavonic Alphabet by Cyril and Methodius and the first holy texts to the first Russian Orthodox. Bulgaria's debt to Russia includes the 1877-78 war to liberate them from the Ottomans. There are around 400 monuments related to this event. Sofia's prominent monument is the Alexander Nevsky Cathedral, built in thanks to the tens of thousands of Russian soldiers who died fighting for Bulgaria's freedom (Bechev 2015).

neither the “Slav” nor the “orthodox” issues played any important role in the Soviet approach towards the Balkans. Relations with all sides were based on strategic considerations in the context of the bipolar environment of nuclear insecurity and ideological polarisation. With the exception of Bulgaria, where Soviet Russia continued to act as a “big brother” the rest of the Balkan states escaped direct Soviet domination, developing their own brands of communism and bilateral relationships with the Soviet Union.

As the next part of this chapter describes, the communist collective memory of the Soviet Union was one of suppression, external interference and totalitarianism, and the communist model was eventually rejected by all the countries after 1989 and replaced by a clear strategic orientation towards the West. While some communist legacies lingered in all of the Balkan states in one way or another, and the Balkan transition was not a total rupture with the past, the states’ relations with Russia were redefined and repositioned: at first in the context of a disintegrating Soviet environment of the 1990s and the emergence of the Russian Federation in world politics, and gradually in the context of a rising Russia with an increasing global position in the new multipolar environment. The variable speeds of engagement continued to define the landscape, with Serbia taking the place of Bulgaria as the most loyal ally to Russia, and the other countries struggling to manage the degree of Russian influence or even interference in their domestic affairs, in the context of a new hegemonic transatlantic priority of the Balkan states.

#### **4. THE SHORT PERIOD OF RUSSIAN MULTILATERALISM IN THE YUGOSLAV CONFLICTS**

With the collapse of communism, the post-1989 era confirmed the victory for the single superpower, and the hegemony of the United States was undoubted and uncontested, so much so that many rushed to predict the end of history and the triumph of liberal democracy (Fukuyama 1992). In this unipolar moment (Krauthammer 1990), the Soviet Union was consumed by its own dissolution and the role that the most dominant successor country, the Russian Federation, would play in this. The new Russian leadership was mostly concerned with relations with Europe and the United States, so the Balkans were bound to be of diminished significance in this transition phase (Headley 2008). Having said that, the Yugoslav quagmire, the most violent and divisive conflict in Europe since WWII, split Russia over what kind of position to adopt. The Yugoslav conflicts had their special significance for Russia for two reasons: first, because they reflected “the mirror image” of a potential violent disintegration in the post-Soviet space; second, as the most contentious international issue at the time, it spoke volumes about Russia’s diminished global power in the face of U.S. hegemony. The post-communist Russian elites were therefore divided between those who advocated that their country should act as a unilateral great power and those with a more cooperative approach in the new environment of multilateral liberal institutionalism. Russia’s foreign policy towards the conflicts evolved during the 1990s, mostly as a reaction to developments in the region and as a reaction to the actions of the transatlantic alliance, which took the prominent role in diplomatic and military terms.

Russia’s initial position claimed that these conflicts were Yugoslav internal matters and consequently should be settled peacefully, without use of force, with the help of the UN or the

OSCE as mediators. Along with Western states, it recognised the independence of the new post-Yugoslav states. When the wars intensified, Russia cooperated with the international peacekeeping and crisis management missions. Russian forces joined the NATO-led Implementation Force (IFOR) and the subsequent Stabilisation Force (SFOR) for Bosnia-Herzegovina in 1996. There was also broader cooperation between NATO and Russia in the context of a Permanent Joint Council following the NATO-Russia Founding Act of May 1997. The two sides agreed to consult on a wide range of security issues, including peacekeeping, international terrorism, military strategy, and nuclear doctrine (Bowker 1998).

This policy of multilateralism and cooperation with the West was, however, perceived as a sign of weakness and decline by Russian nationalists who claimed that their country had an obligation towards the long-standing historical Russian communists to support the unity of the Yugoslav state with its central authority in Belgrade. When the conflicts broke out, they formed their parallel external operational networks and took to supporting the Serbs and Bosnian Serbs and the idea of the creation of a Greater Serbia. Russian “volunteers” fought with Serbs in Croatia, Bosnia and Kosovo during the wars of the 1990s. This joint experience and the Russian nationalist support for Serbs laid the foundations for the development of a closer relationship between Russia and Serbia, following a long period of Cold War competition and even animosity under Marshall Tito.

The 1999 NATO military campaign in Kosovo and the bombing of Serbia was a turning point in Russia’s approach towards the liberal interventionist international order. Russia saw this as an illegal attack on a sovereign state in a way that the military intervention in Bosnia was not. With Chechen separatism in mind, Russia objected vehemently to the secession of Kosovo and became Serbia’s closest supporter against the latter’s independence. At the same time, in accord with the West, it endorsed UN Security Council Resolution 1244<sup>13</sup> (which ended the war in Kosovo and kept it within Serbia but with an international administration) and subsequently the 2001 Ohrid agreement (which ended the conflict in the Former Yugoslav Republic of Macedonia). But these were the last vestiges of Russia’s multilateralism, which, with the advent of Putin in the leadership, changed the Western-Russian relationship to what some have termed a “new Cold War” (Lucas 2014).

## **5. RUSSIA’S ENERGY HEGEMONY IN SOUTH EAST EUROPE**

The unipolar U.S. hegemonic moment proved to be brief, and the post-2000 international environment was marked by the rise of competing actors in the global landscape. With the end of the Kosovo military campaign, the U.S. withdrew itself from the region, with the EU taking a central role in post-conflict reconstruction, economic development and European integration.

Under Putin’s rule, Russia sought to diversify its relationship with the Western Balkan states, cultivating economic and political links with some of the most prominent local elites. At the centre of the new strategy lay the supply of gas, whereby Russia consolidated its position as a major Eurasian energy provider in the region, through its state-owned gas

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13 The brief confrontation between Russian and NATO forces over the Pristina Airport in June 1999, when the former occupied the airport ahead of the latter, was resolved peacefully, yet illustrated both Russia’s unhappiness with what was taking place and its inability to command the situation.

monopoly company *Gazprom* and strategic control of foreign direct investment.<sup>14</sup> The pinnacle of energy influence was the so-called *South Stream* project, Russia's major regional project, setting up South East Europe as the alternative to the Ukraine energy route to Europe. Through energy, Russia developed its own distinct hegemonic brand, extending the dependency of most Balkan states on Russian gas, promising to transform these countries into transit routes for oil and gas towards Europe, and creating friction with the West. Numerous contacts and basic agreements on the construction of the *South Stream* gas pipeline were signed with countries forming potential routes through Serbia and Hungary, Bulgaria and Greece, or Austria and Slovenia. Russia's energy diplomacy advocated the inclusion of as many states as possible in the gas pipeline project bypassing Ukraine (Bechev 2017).

From a high politics perspective, this was an alternative strategy of domination and dependency applied all around the Balkans, where Russia aimed to secure its sphere of political and economic influence by building interdependencies among the countries in the region through bilateral pipeline deals. As a main operator of *South Stream*, *Gazprom* also tried to acquire many downstream assets to gain control over gas distribution networks, transforming economic influence into enduring political power over national governments (Petrillo 2013). The degree of energy dependency on Russia varies in the region, with Romania and Croatia having sizeable domestic production with gas imports as supplementary supplies, Serbia producing less than 10% of its gas needs and relying on Russian supplies to cover the bulk of domestic demand, and Bulgaria, Bosnia-Herzegovina and FYR Macedonia being almost entirely dependent on imports of Russian gas (Kovasevic 2009). The January 2009 disruption to natural gas supply from the Russian Federation was particularly important for most countries in the region and contributed to the contraction of domestic economic activity, coupled with the impact of the global financial market crisis.



Figure 2. The South Stream.

14 The biggest Russian investors in the region were natural resource-based firms, with oil and gas sector companies (such as *Gazprom*, *Lukoil*, *Itera*, *Yukos* and *Rosneft*) being dominant, although ferrous and non-ferrous metals are also represented (see for example *RusAl*, *Norilsk*, *Nickel* or *Severstal*).

Russia's friction with the West was further exacerbated by the 2014 Ukraine crisis and NATO's commanding presence in Central and Eastern Europe. Russia's policy towards the Balkans was largely guided by considerations in its immediate neighbourhood: in Ukraine and the occupation of Crimea. From a Western perspective, Russia was pursuing a disruptive influence in the Western Balkans by increasingly infiltrating in the fields of security, party politics and cyber space. From then on, Russia was repeatedly accused by the West of obstructing Montenegro's NATO membership, hindering the normalisation agreement between Serbia and Kosovo, fighting against the resolution of the Macedonian name dispute,<sup>15</sup> developing close relations with pro-Russian elites in most Western Balkan states, and stirring anti-western feelings in the region through influential media and social media presence. Following the period of increasing activity in the Western Balkans, Russia – affected by its own economic crisis due to EU sanctions, falling gas prices and the unstable Rouble – diminished the inflow of Russian investment and put a sudden, unexpected stop to the South Stream project in December 2014. This resulted in the gradual weakening of Russia's regional energy agenda and its increasing reliance on bilateral relations with individual states and ethnic communities, at various levels and degrees.

## **6. RUSSIA'S BILATERAL ADVANCES IN EUROPE'S SOFT UNDERBELLY**

### **6.1. Serbia's Revived Special Relationship**

Throughout the Cold War years, political relations between the Soviet Union and Yugoslavia were turbulent, while the level of economic relations remained low and most of Yugoslavia's trade was with Western Europe. Similarly, cultural and identity connections played no part in the relationship and were nowhere to be found in Soviet policy considerations in relation to Yugoslavia. Regarding Serbia, in particular, (a country which has been traditionally perceived as a natural ally of Russian interests) throughout most of the period between 1917 and 1990, relations remained rather poor (Bechev 2015). A general attitude of distrust and antagonism governed Soviet-Yugoslav bilateral relations during the course of the Cold-War period, with, in particular, Soviet fear that the Yugoslav paradigm could be emulated by other communist countries in Eastern Europe.

The Yugoslav wars changed all that, in that Russia developed bilateral links with the successor states, with various degrees of new influence and engagement. From early on, Serbia became central in Russia's Balkan plans. Beyond the solidarity during the wars, Moscow entertained other ambitions with Belgrade. On the one hand, Russian companies focused on privatisation by becoming majority stakeholders in Serbia's former state-owned oil companies. Having said that, in other investment areas, Russia remained well behind major EU countries such as Italy, Austria and Germany. On the other hand, Russia developed

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15 In FYR Macedonia, the June 2018 agreement with Greece to end the name dispute, and change the name of the country to "North Macedonia" leading to the accession of the latter to NATO and the start of accession talks with the EU, prompted Russia to interfere against a solution, through negative publicity in social media and financial support for demonstrations against the deal in both countries, a move which soured relations between the two traditional allies, Greece and Russia.



special links with some of the most prominent political elites in Serbia's, causing internal frictions between pro-European and pro-Russian political forces. Tomislav Nikolic, the leader of the Serbian Radical Party, famously said in a state visit to Moscow in 2012 that "he loved only Serbia more than Russia." Diverse leaders such as the 1990s nationalist leader Slobodan Milosevic and one of the politicians to topple Milosevic in 2000, Vojislav Kostunica, a subsequent President, were both supporters of Russia. In many ways, Russia capitalised on internal divisions among Serbia's political elites and society on the issue of the country's relations with the West, primarily because of experiences with NATO's military strikes against Serbia in 1999. In Serbia, several right-wing nationalistic groups, such as *Obraz* and *1389*, called on the government to develop closer relations with Russia and to abandon the EU integration policies. When in power, Russian-leaning politicians, like former President Tomislav Nikolić facilitated Russian financial projects, either for the enhancement of hydro-electric stations, the advancement of the railway tracks or the rearmament of the Serbian military.

Serbia signed bilateral agreements with Russia, including a Free Trade Agreement (which stipulated that Russian goods produced in Serbia were considered to be of Serbian origin and exported to Russia customs free), a Visa-Free Travel Agreement (for stays of up to 30 days), while Serbian business elites were also gaining concessions and lucrative financial deals from Russia. In 2013 Serbia became a permanent observer at the Russia-led defence alliance, the Collective Security Treaty Organization (CSTO), and signed a bilateral agreement on military cooperation. Yet, despite talk about possible joint ventures with Russia, including the modernization of obsolete tanks and armoured vehicles for the army, no significant projects were realized, and Serbian military industry mostly bought outdated Soviet arms and equipment (Heler 2018).

Most importantly for Serbia, Russia was one of the five permanent members of the UN Security Council to veto Kosovo's ambitions to join the UN after it declared independence in 2008. This in itself made Russia, Serbia's major ally in the fight against Kosovo's independence, a key issue of national interest for Serbia and gave Russia a special place in the hearts and minds of many Serbian elites and people. This explains why many Serbs chose to defend adamantly Russia's claim on Crimea. Serbia was the only country where the Ukrainian situation sparked actual street protests in which pro-Russia demonstrators gathered in the capital, Belgrade, chanting and holding placards reading, "Crimea is Russia, and Kosovo is Serbia" (Veselinovic 2014). But because of the start of accession talks with the EU in 2014, the Serbian government tried to keep down the tone and preserve a neutral stance as much as possible. Serbia's delicate balance between membership in the European Union and partnership with Russia was tested as relations between Moscow and the West tensed over the crisis in Crimea, also because Ukraine, too, was a country that did not recognize Kosovo on the grounds that it went against international law.

As an extension to Serbian solidarity and brotherhood, Russia built close relations with Republika Srpska (RS) in Bosnia by cultivating links with Bosnian Serb leader Milorad Dodik, investing in the country's oil refineries, and including RS in the prospective pipeline projects. In security affairs, Republika Srpska maintained friendly relations with Russia, its police force being trained by Russian officers and developing intensive cooperation in counter-terrorism and police and internal security education.

For some, Montenegro's relations with Russia were historically more significant than those of Serbia, and indeed Moscow's influence became very visible in post-communist

Montenegro, with substantial investment in tourism, the extractive sector<sup>16</sup> and property; in the latter the acquisition of real estate was so impressive that public opinion and press often talked about the “selling off” of Montenegrin land to Russian investors.<sup>17</sup> Yet, Montenegro’s launching of accession talks with the EU and its NATO membership deeply annoyed Russia, which fell out with Prime Minister Milo Djukanović’s ruling party for taking such a course of action. What made it even more irritating for Russia was that Montenegro joined EU sanctions against Russia and supported the UN General Assembly resolution on Crimea. The Montenegrin allegations that, on the 16 October 2016 election day, they prevented a Kremlin-based coup aided by pro-Russian Serbs is indicative of a climate of suspicion and rising animosity between two former friends (Bajrovic, Gardevic & Kraemer 2018).

## **6.2. Bulgaria’s Internal Divisions over Russia**

The special links between Bulgaria and the Soviet Union explain why Bulgaria’s political class was more resistant vis-à-vis the radical re-orientation of the country towards the West during the initial years of the post-communist transition; Bulgaria was the country among the Central and East European states that wavered the most between the communist “remainders” and the western-style “neo-liberalists.” As the Bulgarian transition was a top-down process following a “palace-coup” style breakdown of communist rule, the subsequent governing Bulgarian Socialist party (BSP) retained many of the party’s core pro-Russian supporters (Anastasakis 2013). By the mid-1990s, the BSP elites were bragging that they had defied the imperialism of the IMF, the “Washington consensus,” and were the champions of social reform (Ganev 2006). But by the mid-1990s the country suffered from a deep economic crisis, which led the pro-Western elites to dominate economic policy and reverse the previous trends. Since then relations between Bulgaria and Russia have varied according to which party came to power, right-wing or left-wing, the former tending to be more critical of Russia and the latter more supportive and accommodating of Russian interests. Russia continued to be Bulgaria’s single energy supplier, one of its biggest trade partners, a supplier of military equipment and one of the biggest sources of tourism in the country.

According to Dimitar Bechev and other scholars of Bulgarian politics, the talk of cultural and identity links, which has been often offered as a reason for the closeness between Bulgaria and Russia, risks obscuring the wider picture, which is more complex and includes financial deals, corruption and political influence, as well as dependency on energy supplies, especially gas (Bechev, Sakalis, Hristova 2014). The Cold War relationship left a deep economic mark on Bulgaria, especially in terms of Russian energy supplies. More than 85% of Bulgaria’s gas supply was bought from Gazprom, Bulgaria’s only oil refinery in Burgas was controlled by Russian company LUKOIL, and its only nuclear plant run on Russian fuel. As Irina Novakova claims, the post-communist years “were a murky period when shady

16 Pro-Kremlin tycoon Oleg Deripaska bought the aluminium factory KAP in the capital Podgorica, which was the biggest single contributor to the GDP of the country, and the bauxite mines of Nikšić. In 2007, Deripaska purchased 30 % of the Austrian company Strabag, a co-owner of Montenegro’s road construction company Crnagoraput. His attempt to buy the coalmine in Pljevlja and the only coal-fired power station of the country, which produced one-third of its energy, almost generated a political crisis as the acquisition would have placed Deripaska in control of about 40 percent of Montenegro’s economy.

17 According to unofficial estimates, between 2005 and 2010, Russian nationals bought about 100,000 real estate properties in Montenegro.

offshore companies, criminals and former communist bigwigs fought to control lucrative businesses like gas, coal and oil, but also cigarette-smuggling and tourism. They emerged as middlemen between Gazprom and consumers, thus securing Bulgaria's position as an energy satellite. In various configurations, this diverse "energy mafia" privatised control over energy-distribution and forged rewarding contracts with the gas-thirsty industries" (Novakova 2009).

Despite Bulgaria's clear transatlantic orientation and EU accession, political elites were always divided on the desired degree of Russia's economic and energy presence in the country. Georgi Parvanov, socialist politician and Bulgarian President during 2002 and 2012, was a lobbyist for three large-scale Russian projects: the Belene Nuclear Power Plant, the Burgas-Alexandroupolis oil pipeline project, and the South Stream. On the other side, right-wing, pro-US politician Boyko Borisov of the GERB (Citizens for European development of Bulgaria) party, a dominant politician since his electoral victory in 2009, followed a different course as Prime Minister and managed to prevent progress for the Belene and Burgas-Alexandroupolis projects.

The Belene project is a nuclear power station in Bulgaria. First approved in 1981, its construction started in 1987, but was discontinued in 1990. In 2002, the project was re-launched by the government of Prime Minister Simeon Sakskoburggotski, but this decision was followed by years of inconclusive negotiations and delays until 2008, when Russian company Atomstroyexport and Bulgaria's National Electric Company (NEC) signed a contract for the design, construction and installation of the first units of the nuclear power station. However, the global financial crisis and Borisov's coming to power in 2009 stopped the project. Frozen indefinitely in 2010 and officially abandoned in 2012, it was revived by the socialist government in 2018. The Belene project has been a subject of controversy in Bulgaria, not just because it divided political elites but also because – being located in one of the most seismically active areas of Europe – it raised environmental concerns. Yet one of the major anxieties for many in Bulgaria and the country's Western partners was that the project would even further strengthen Russian domination of Bulgaria's energy sector.

Another suspended project is the Burgas-Alexandroupolis pipeline. Proposed in 1993 and signed with a lot of pomp in 2007 by Russia, Bulgaria and Greece, the project foresaw Russian and Caspian oil being carried from the Black sea port of Burgas to the Aegean port of Alexandroupolis in Greece. Borisov cancelled it – as he did the Belene project – following an environmental assessment and concerns about its impact on tourism in the Burgas region.

The design of the South Stream project placed Bulgaria as a central transit route in the Balkans, yet the European Commission reacted repeatedly to Gazprom's monopolistic practices and threatened to take action against Bulgaria over South Stream construction which was not compatible with EU legislation. The cancellation of the project by Russia at the end of 2014 was a very embarrassing moment in Bulgarian-Russian relations. All of the above projects were politically motivated and had less to do with economic rational choice calculations. Russia sought to increase its influence through control of energy sectors, and Bulgaria to increase its transit role in the region and to emphasise its "strategic" relations with Russia.

The pattern of Russia's meddling in Bulgaria's internal affairs has been a constant theme since the country's independence in 1878. Russia has been very skilful at exploiting the historical connections with Bulgaria to promote its energy hegemony, trade links and investment (Maisel and Duval 2017). Having said that, the post-communist story has shown

that Russia's position is not consistently strong, and the Borisov government managed to suspend very important Russian energy projects. The mass protests over high energy prices which brought down his cabinet in 2013 were a clear case of public indignation against Russia's interfering in Bulgarian politics. The freezing and cancellation of all these energy projects led to deteriorating relations between Bulgaria and Russia, although even Borisov's critical towards Russia policy, was discreetly trying to find ways to not completely exclude Russia from the pipeline plans (Samorukov 2018). There was a realisation that, despite the objections and resistance from the pro-Western political elites, Bulgaria did not make any progress in finding alternative energy supplies to replace Russian hegemony in the country.

### **6.3. Romania's Troubled Relationship with Russia**

In 1996 Ion Iliescu, then President of Romania, refused to sign a treaty of good neighbourly relations with Russia, because it failed to address two of the most enduring bilateral disputes: the lack of any condemnation of the Rippentrop–Molotov Pact (Sava, 2001)<sup>18</sup> and the return of Romania's National Treasure stored in Moscow.<sup>19</sup> Eventually, after a difficult period in the two countries' diplomatic relations, the bilateral treaty was signed in 2003, but still without addressing these two contentious issues. The effort to relaunch political, economic, cultural and academic relations, which had been announced by the treaty, was abandoned by Traian Basescu, President of Romania between 2004 and 2014, who used aggressive rhetoric towards Moscow on many occasions and favoured relations with the U.S. in the fields of defence and security (Manea and Gosu 2016). The Russian-Georgian war in 2008 worsened relations even more, with Bucharest joining, alongside other European countries, the condemnation of Russian aggression in Georgia. In February 2010, upon the announcement that Romania had agreed to host components of Washington's European anti-ballistic missile system, relations with Russia soured again. The Ukrainian crisis, the annexation of Crimea, and EU sanctions on Russia dealt further blows to the bilateral relationship.

On Moldova, perhaps the most divisive issue between the two, spirits run high; Bucharest was a strong supporter of Moldova's territorial integrity and demanded the withdrawal of Russian troops stationed in Transnistria since the early 1990s, when the region broke away from Moldova, fearing that the country would reunite with Romania. Trans-Dniester is not internationally recognised but is supported by Russia. Russia considers Moldova to be a part of its sphere of influence and is committed in supporting pro-Russian political forces in power in Chisinau, which has been a major source of irritation for Romania.

Romania, unlike most of its neighbours in the Balkans, is less dependent on Russia for its consumption of natural gas: it depends on Russia for about 30% of its energy resources and is a strong supporter of the Common European Energy Security Strategy, including for the

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18 The 1939 Ribbentrop-Molotov pact weakened Romania's geopolitical significance through the annexation of Bessarabia and northern Bukovina by the USSR. The consequences of this pact concerned Romanian-Russian and Romanian-Ukrainian relations, after 1989. More than 5 million Romanian speakers lived in the area, on the other side of the Romanian borders (Sava 2001, 5)

19 Some 94 tons of gold, as well as jewels, art and manuscripts concerning the history and identity of the Romanian people were sent to Moscow for safekeeping during WWI. As of recently, none of the gold was returned to Romania and only a small portion of objects were retrieved.

Eastern Partnership countries – Moldova in particular. As for trade and economic relations, the impact of Russia on the Romanian economy is minimal, given the country's orientation towards the EU. Being a front-line state as far as Russia's interests in its near abroad are concerned, it is constantly criticised by Moscow for being excessively influenced by the West. This is particularly reflected in the Black Sea region, which both countries share, but where both accuse each other of threatening intentions: Romania wants to prevent the Black Sea from becoming a "Russian lake" and Russia accuses Romania of wanting to turn the Black Sea into a "NATO lake." Scepticism continued to dominate bilateral relations resting on a number of historical, geopolitical and circumstantial divisions.

## CONCLUSION

1989 was not year zero for the post-communist states of South Eastern Europe, nor was it the end of one world history and the beginning of a new one. Despite the dramatic collapse of communism, the U.S. hegemonic moment and the disintegration of the Soviet Empire, subsequent relations between the more numerous Balkan states and the new Russian Federation, in a constantly changing world, were either re-built, continued along the communist lines, revived from the pre-communist past or ruptured. The multiplicity and variety of relations is a historical feature when it comes to Russia's Balkan "near abroad"; the latter becomes important when relations with the West turn sour or when Russia's immediate neighbourhood is deemed to be in danger. The reality of "variable speeds" has encouraged different schools of thought when responding to the question "what kind of engagement is Russia pursuing in the Balkans?"

The first school of thought, the constructivist, is that Russia, as a historical player in the region, has automatic leverage over cultural, identity and political issues. Russia has a default "soft power" and historical familiarity with the region, which allows it to interfere and affect policy decisions aiming at gaining friendly positions within Europe and stirring anti-western feelings. Its historical role resonates with some of the elites and the citizens who reminisce about Russian solidarity during Ottoman times, the long-lasting religious orthodox links, or a common Slav identity. This chapter paid lip service to this approach and argued that such links are being instrumentalised occasionally when circumstances require.

The second school of thought argues that Russia is only focused in its own neighbourhood and in any case it does not have any credible leverage in the region in that it cannot offer a real alternative to the EU, and the region is firmly anchored in the West. It is indicative that despite the numerous crises and rising nationalisms, all the mainstream Balkan elites share a consensus as to the primary role of the EU. The EU is the most comprehensive vision for the future in socio-economic, political and identity terms, and the security of the region lies with membership in NATO. Even Russia's closest ally, Serbia, is careful to maintain a balance in its foreign policy vis-à-vis Europe and Russia, while at the same time endorsing a clear course of EU accession as the country's foremost priority. This more complacent view has not been emphasized in this chapter either, despite acknowledging that the Balkan region has always been second importance for both Russia and its predecessor Soviet Union. However, seeing Russia exclusively focused on its immediate neighborhood obfuscates the fact that Russia is increasingly becoming one of the global powers with

interests beyond its neighborhood, the Commonwealth of Independent States, in areas such as the Middle East and the Eastern Mediterranean; and using the Balkan platform as a proxy for its projection of global power has also been part of Russia's agenda.

This chapter argued that Russia, as a growing global power, is strategic. It benefits from the weaknesses of adversarial powers in order to increase its own influence, it is selective in the instruments that it uses, and has no long-term perspective. To understand the nature of Russia's engagement with the Balkans, one needs to compare its actions with China's long-term geo-economic vision of investments in infrastructure, energy and communication, and the significance of the region as part of the Silk and Belt Road and as an entry point to Europe. Russia has no such investment vision and shifts positions according to circumstances. The ease with which Russia cancelled the South Stream gas pipeline and replaced it with the Turkish Stream is indicative of a flexible, volatile and opportunistic approach. Having said that, Russia's strength lies in its relative distance from the Balkans, and pursuing a low-cost policy in the region can pay more substantial power dividends as far as its relationship with Europe is concerned.

This type of influence is internalised differently by the various Balkan states: the post-Yugoslav Western Balkan states are following a "neo-Titoist" strategy, aspiring to join the EU, yet keeping options open with other regional and global players, including Russia, in an increasingly multipolar world. Bulgaria is divided along political, ideological, historical and economic (of a formal or informal nature) considerations, while Romania is deeply sceptical and fears the security threat more than any other state in the region. There is far from a consensus in the region and within states as to how they should be approaching Russia and how far they should use the Russian card in their engagement with Europe. They all agree, however, that keeping relations on the "slow burner" seems to be benefiting all sides.

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*Chapter 22*

# **THE RESILIENCE OF THE KREMLIN'S ECONOMIC INFLUENCE IN SOUTHEASTERN EUROPE IN THE AGE OF SANCTIONS**

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## **ABSTRACT**

Russian economic influence in Southeastern Europe is alive and well despite the introduction of EU and U.S. sanctions in 2014. Russia has grown from a marginal economic player a decade ago to a key player in the most strategic sectors of the regional economy, including energy, banking, mining and telecommunications. This chapter aims to provide an estimate of the Russian economic footprint in the economies of SEE countries based on publicly-available data about Russian corporate ownership and revenues, foreign direct investment, and structural trade relationships. It then elaborates key case studies from the most vulnerable economic sectors, explaining how economic influence can translate into political leverage through state capture practices.

**Keywords:** Russian economic footprint, Natural Gas Dependence, Russian Sanctions, Turkish Stream, Gazprom, state capture

## **INTRODUCTION**

The conflict in eastern Ukraine has shown that, despite the concerted U.S. and EU sanctions against Russia, the Kremlin regime has been determined to continue its bellicose foreign policy. The impact of this renewed assertiveness has been felt strongly beyond Ukraine, where Russia has been able to leverage its role as the main energy supplier to Central and Eastern Europe to sustain and even expand its economic and political influence.

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This economic influence has been translated into political leverage through pre-existing state capture channels managed by Russian proxies such as Russia-sympathetic political parties and media institutions.

The instruments Russia has used to increase its economic influence in critical sectors are not new to SEE – political corruption, corporate raiding, acquisition of strategic assets, financing of political parties and organizing of mass media campaigns (like the anti-shale gas campaign in Bulgaria). They are all part of the current Russian government's policy toolbox in Europe for swaying governments in the region, including those of some NATO members, to adopt policies that are not consistent with their national security strategy but benefit the interests of foreign private and state interests. These tools have compounded the classical economic levers, such as acquiring critical (energy) sector companies, expanding investment and maintaining a dominant position in wholesale energy markets.

Russia's economic presence in the region should not be exaggerated, as Russian companies are still trailing those of the European Union (EU) in terms of investment, bilateral trade and corporate footprint. However, it would be premature to ignore Russia's dominant position in strategic markets, which could potentially create ripple effects on a number of seemingly unrelated companies. The growing Russian ownership of energy, banking, telecommunications, retail and real estate assets in the region has been used, on many occasions, as direct leverage for exerting political pressure, even when Russian private, rather than state-owned, entities have been engaged. Russia is also wrongly compared to the whole EU, as the latter cannot muster the same vertically-integrated approach to foreign and economic policy that Russia does. Direct country-to-country comparisons that disentangle real corporate ownership structures involving Russian entities are evidence that, on par, Russia remains one of the biggest economic players in the region.

The existing consensus presents Russia as a weak economic power whose super-power aspiration have sent the country down the path of long-term decline<sup>1</sup> (Goldman 2008; Hancock 2007; Ledeneva 2013; Aslund et al. 2010). The heavy focus of such research on Russia's bleak growth fundamentals – including aging population, crumbling infrastructure and lack of diversification into higher added-value goods – misses the point. As the Kremlin regime, since the ascendancy of Vladimir Putin in 2000, has been able to concentrate close to 80% of the economy in the hands of the state, Russia has stepped in overtly or covertly in support of Russian business interests on the ground. In addition, most existing research into Russian economic influence has focused primarily on Russian economic strength as an underlying factor in super-power aspirations, while neglecting the effect of two decades of integration of Russian capital into the European economic networks. Hence, Western European financial hubs have become passive intermediaries in channeling Russian private funds into the region under the guise of Western foreign investment.

This chapter will try to fill in these gaps of understanding by adding to existing metrics of Russian economic influence in the form of direct and indirect corporate ownership, and by looking into the factors from the wider Russian influence toolbox amplifying the impact of

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<sup>1</sup> Goldman, Marshall. *Petrostate: Putin, Power, and the New Russia*. Oxford University Press. Oxford: 2008. Hancock, Kathleen J. "RUSSIA: GREAT POWER IMAGE VERSUS ECONOMIC REALITY." *Asian Perspective* 31, no. 4 (2007): 71-98. <http://www.jstor.org/stable/42704609>. Ledeneva, Alena V. *Can Russia Modernise?: Sistema, Power Networks and Informal Governance*. Cambridge University Press. Cambridge: 2013. Aslund, Anders et al. *Russia after the Global Economic Crisis*. Peterson Institute for International Economics, Center for Strategic and International Studies, New Economic School. Washington D.C.: 2010.

the economic footprint. More specifically, the analysis will compare the size and scope of the Russian economic footprint in 11 CEE countries, including Bulgaria, Romania, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina, Czech Republic, Slovakia, Hungary, Lithuania and Latvia, that have been identified as the most vulnerable to the growth of Russian influence in Europe over the past decade. The study will dive deeper into understanding the most vulnerable economic sectors in Southeastern Europe, which has been identified as most susceptible to Russian economic influence.

## **METHODS**

The analysis will examine Russia's corporate presence, direct investment, trade relationships (bilateral account balance), and private ownership and investments over a ten-year period (2005-2016). The chapter will also examine the corporate and political links between Russian businesses and local oligarchic networks in strategic sectors.

The author intends to estimate the size of the bilateral trade balance (account balance) between Russia and each of the selected countries, with a specific focus on energy flows, to explain how Russia has been using its dominant position in energy markets as leverage in achieving a favourable trade position, on the one hand, and in preventing key reforms such as market liberalisation and diversification of sources. Similarly, the chapter looks at the size of direct investments for each of the selected countries in the post-2000 period. Size of direct investments will be presented in EUR values and will include greenfield investments; mergers and acquisitions (M&A); bilateral trade agreements; bank and direct government loans. The added-value of the investment analysis will be the tracing of the FDIs by ultimate beneficial owner (UBO) to identify which capital inflows from Russia have been channeled through intermediaries in other countries, including offshore zones. In the case of Bulgaria, for example, if we include the Russian investments by UBO, they increase from a mere 4.5% to over 12% of GDP in some years.

This chapter will also elaborate on the sectors that have been most strongly impacted by the expanded investment flows from Russia over the 2007-2016 period and how this investment exposure has translated into economic and political vulnerability. Germany will serve as a benchmark for comparing the size of Russian investment and corporate presence in the region.

## **IT'S THE ECONOMY ...**

One can explain the objectives of Russian economic influence in CEE based on three levels of analysis:

- Systemic – where Russia is perceived as a revanchist power aiming to overturn the existing European economic order by creating irreparable divisions within the EU, allowing the Kremlin to reinstate its sphere of economic influence in the region.

- Industrial – where Russian foreign policy is driven by its attempt to preserve its dominant position in energy markets, guaranteeing the stability of the domestic political and economic system in Russia.
- Individual/Business – where the actions of Russian companies and Russian officials should not be seen as a coherent policy managed by the Kremlin, but as a constant struggle by various Russian economic and political groups (often with direct ties to the security services) to gain influence and capture a lucrative asset or enter a strategic domestic and European market.

The actions of the Russian state and private entities involved in the region can sometimes not be explained by just one of the analytical plains. Individual business interests can often coincide with the geopolitical objectives of the Kremlin, or the market position of private companies could be exploited to strengthen the overall energy supply monopoly of state-owned firms through *state capture* of national institutions. It is the term state capture that explains how Russian economic influence translates into political influence when institutional deficits become loopholes for manipulating strategic decision-making on key issues for Russia, such as energy market diversification and liberalisation; stopping anti-trust ex-post investigations; avoiding tax payments through complicated transfer pricing mechanisms; ensuring that non-transparent mergers & acquisitions are completed; and clinching complex deal structures that allow for slush funds to be easily hidden and redirected towards side investments or political activities.

To enable state capture practices, Russia's strategy has been to control powerful local brokers by providing them with government-sponsored business opportunities at premium returns. Another common practice is to use former security officials with significant influence over parties, businesses and institutions to act as intermediaries, boosting Moscow's interests where necessary. The reverse has also been happening in the region, when powerful local economic groups use their Russian links to secure capital and political backing to acquire assets and invest in large projects. Sometimes domestic interests have vied for and received economic and political support from Russian companies to engage in rent-seeking with the national governments, exploiting the lack of oversight and rule of law. In exchange for providing their brand name or capital (fronting), Russian companies have taken a nominal share in lucrative domestic businesses, gaining access to strategic assets in the telecommunications, finance and, most often, energy sectors.

The nurturing of such predatory elites in Central and Eastern European countries, no matter their ideological or political affinities, has made Russia's actions more effective and less predictable. It would be naïve to assume that there is a central coordination of all business activities involving Russian companies. However, the fusion between oligarchs and security services contributes to an excessive dependence of Russian foreign economic activities on the Kremlin's protection. The support of the Russian state comes at the expense of the private actors' absolute loyalty and readiness to execute political tasks when and where necessary.

The gradual fusion between the state and the economy in Russia over the last decade has meant that the activities of Russian companies abroad can no longer be explained by business logic alone. In fact, it can be argued that Russian foreign economic policy is often the product of the extreme dependence of the country's economy on oil and gas exports. Estimates show that at least 20% of Russian value-added is directly or indirectly generated by export revenue

from selling oil and gas abroad (Kuboniwa 2015). In addition, the Russian Ministry of Finance reported that oil and gas revenues made up 36% of total federal budget revenues in 2016, down from 51% in 2014, due to the recent fall in global oil prices (Annual Report on Execution of the federal budget 2006-2016). If coal, electricity and mineral exports are included, close to 80% of the country's budget would depend on natural resources. Russian energy companies are also extremely dependent on Europe for oil and gas clients. The U.S. Energy Information Administration estimated that 60% of Russian crude oil and 75% of natural gas exports went to OECD Europe (United States Energy Information Administration 2017).

The economic concentration in the energy and extractive industries signifies that the survival of the Russia economy depends largely on the ability of Russian companies to maintain their market share in European energy markets. The macroeconomic impact of the 2009 and 2014 falls in the crude oil and gas prices provides the perfect examples. In essence, during the Putin regime, Russia has turned into a classic Petrostate similar to Saudi Arabia and Venezuela, relying on the sale of energy for the projection of power and maintaining regime stability (Petrostate: Putin, Power and the New Russia). The latter has two dimensions – 1) keeping the social welfare system intact and growing; and 2) ensuring the loyalty of powerful economic elites.

At the same time, the authoritarian regime established by Vladimir Putin depends on a close circle of individuals from the security services, who have acquired control over the country's vast resources by building a parallel system of decision-making, in which a legalistic set of institutions sustains the status-quo (Dawisha 2014). An economic decline leads to the reduction of corruption rents that can be extracted, and thus to discontent and internal struggle for influence among the oligarchic circles surrounding the Kremlin. The economic crisis in Russia following the oil price plunge in 2014/2015 showed how the rapidly shrinking public resources led to clashes between oligarchic networks over redistribution of wealth and assets (Economist 2017). Following the annexation of Crimea, Russian businessmen close to the Kremlin and targeted by sanctions have become even more dependent on government contracts for roads, bridges and pipelines. With shrinking wealth from falling energy prices and less opportunity to do business in Europe and the U.S., these powerful individuals will seek even more support from the Russian state.

## **ASSESSING THE RUSSIAN ECONOMIC FOOTPRINT**

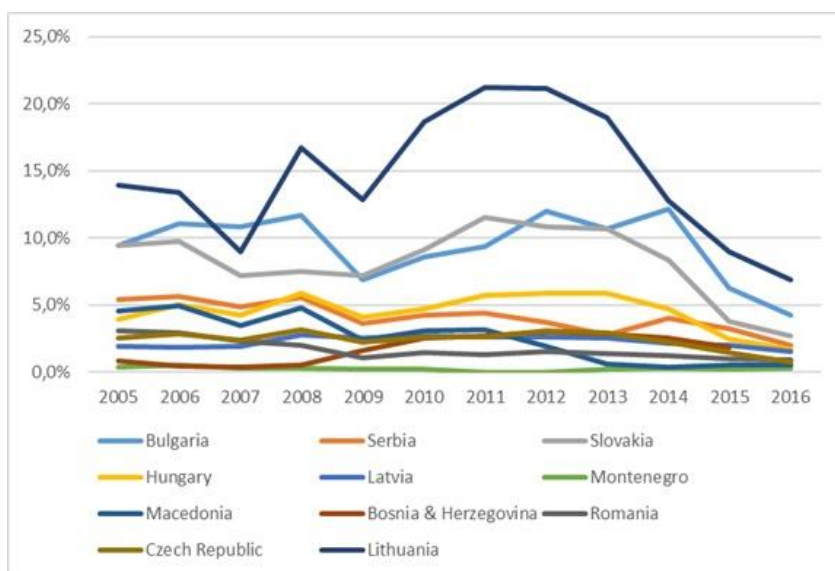
Russia's economic footprint in CEE has remained more or less stable, declining in some countries while deepening in others. In 2015, the share of Russian-owned or indirectly-controlled companies of the total revenues in the economy varied from as low as 0.4 percent in Romania and Lithuania to as high as 13 percent in Serbia. To amplify its economic influence, Russia has supported political parties, deployed a range of soft power instruments, and acquired critical energy sector companies. Moscow has also sought to exploit governance deficits and the lack of strong institutional memory in the country to exert geopolitical pressure to attain its strategic goals. This pattern of behaviour has been most visible in Southeastern Europe, which has remained structurally most dependent on Russia compared to other subregions in CEE.

## Structural Trade Dependence

The most obvious manifestation of Russia's growing economic presence in SEE is the gradual takeover of critical oil and gas assets in the region. Energy imports have contributed to persistent trade deficits in all SEE countries under study. Between 75 and 95 percent of Russia's imports are crude oil and natural gas, and energy dependence has increased the countries' trade vulnerability. While the importance of gas as a geopolitical tool has declined in the past decade, it remains a potent lever, as the region remains the biggest energy island in Europe.

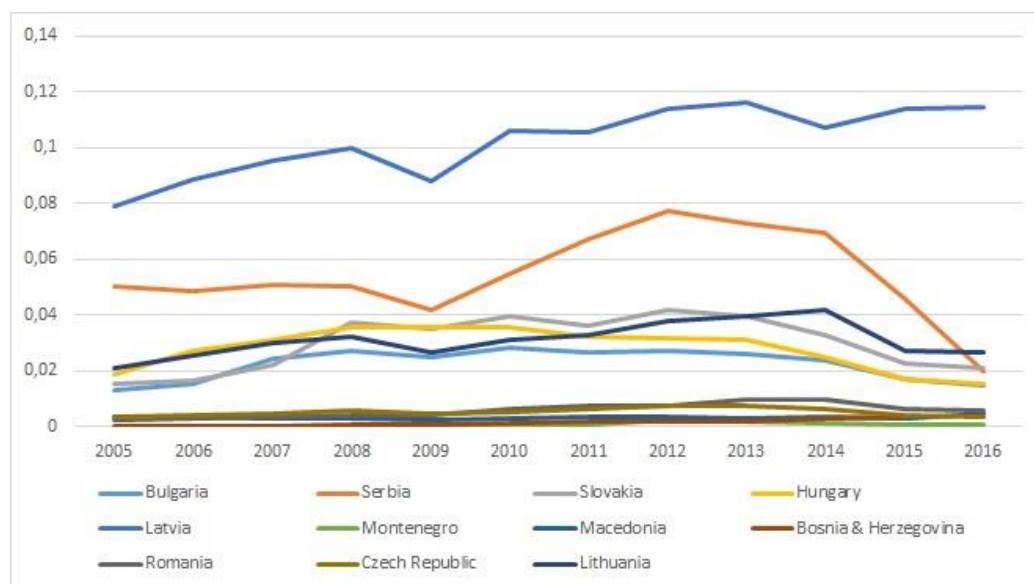
Serbia, Bulgaria, Slovakia and Lithuania in particular stand out as the most vulnerable in terms of energy imports from Russia, each with an average share of energy imports of above 9% of GDP over the decade since 2004. Although oil and gas imports have dropped significantly as a share of GDP since 2014, due to the fall in oil prices, in 2016 they stood at a low of 4.3% for Bulgaria and 6.9% for Lithuania. In the rest of the countries the average share of Russian energy imports as a percentage of GDP in 2016 was at or below 2%.

Exports to Russia are a more important determinant of the health of bilateral trade ties, as, apart from oil, gas and raw materials, Russia does not sell much else to the region. Russia is still a marginal market for the region's goods, with the notable exception of Serbia and Latvia. The Balkan state saw its sales to Russia jump four-fold to more than USD 1 billion in 2017, after Serbian agricultural producers took advantage of the Russian embargo on EU goods in this sector to try to fill in the niche. Serbia also has a free trade agreement with Russia dating back to 2000, giving Serbian firms somewhat privileged access to the Russian market. Latvia, on the other hand, has been one of the countries, most dependent on reexporting EU-manufactured goods to Russia via the well-developed trade transit routes in the Baltics.



Source: Eurostat – COMEXT.

Figure 1. Oil & Gas Imports as Share of GDP (%).



Source: Eurostat – COMEXT.

Figure 2. Exports to Russia as Share of GDP (%).

Total exports of the selected case studies to Russia do not exceed USD 10-12 billion, with the majority being machinery, cars, and agricultural and pharmaceutical goods. Between 2008 and 2014, there was a steady rise in sales to Russia, but the boom ended after the introduction of EU sanctions amid the Crimean annexation. For many companies in CEE, the EU is the biggest market, with  $\frac{3}{4}$  of goods ending up there. Overall, the gains in exports to Russia in the 2000s have been almost completely erased in the case of Bulgaria and have failed to pick up in most of the rest of Central and Eastern Europe.

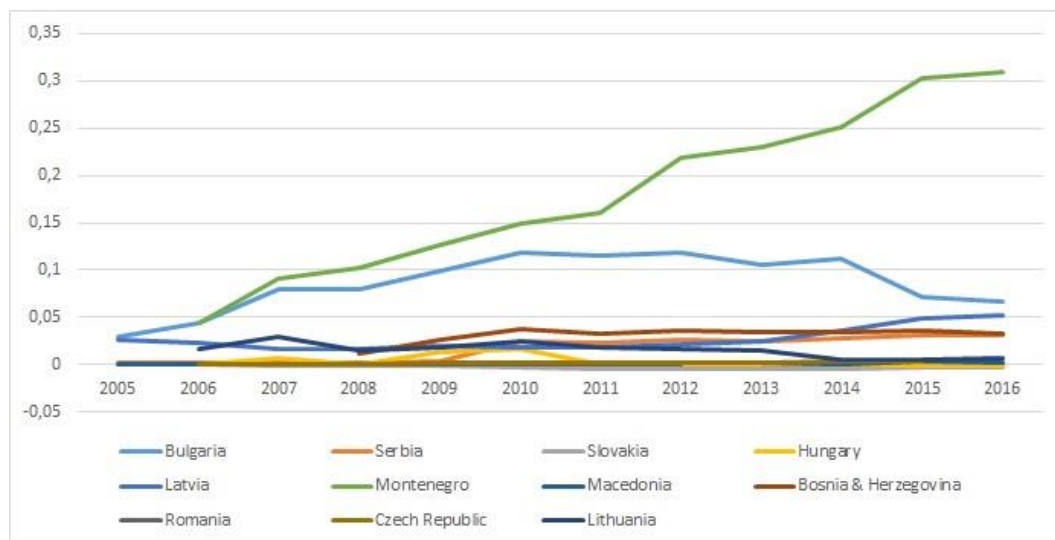
Southeastern Europe's export relationship with Russia is quite different from that of other parts of the post-Communist European space because the region has not benefitted as much from the rapid expansion of EU investment, especially in high-added-value, export-oriented industries such as car-making and machine-parts manufacturing. The flow of EU investment in countries like Hungary, Slovakia and Czech Republic, and the Baltic countries led to a structural transformation of these economies towards export-led growth. The Western European companies that set up plants in Central Europe took advantage of the countries' well-established economic ties with Russia to expand their market presence there. The strong demand from the Russian economy in the years of oil-price boom, coupled with the lack of a local Russian diversified quality manufacturing base, meant that most of the new Russian energy income was spent on European manufactured goods.

One outlier in this analysis is Montenegro, which has a small trade turnover in goods with Russia (at around EUR 215 million or roughly 5% of GDP) but a relatively strong trade relationship in services; namely, tourism (Center for the Study of Democracy 2018). Estimates show that around 25% of Montenegro's total tourism revenues, or EUR 225 million, in 2016 were Russian in origin. Deterioration in political ties following the country's accession to NATO has led to a modest decline in Russian tourist visits to the country, but the sector is yet to feel the impact. The sanctions regimes have instead dealt a blow to the agricultural sector. Montenegro's joining of the EU sanctions regime led to an embargo on

agricultural imports similar to Russia's actions against all countries that followed the sanctions regime. In addition, in April 2017, the Russian agricultural inspection body banned the import of wine and other alcoholic beverages from the Montenegrin state-owned wine company, Plantaze, under the pretext that a regulatory inspection showed the presence of pesticides and plastic in the company's products. Over the previous five years, 20% of Plantaze's exports, or 110 million bottles of wine, were exported to Russia, one of its biggest markets. Plantaze has challenged the regulatory decision in a Russian court, which is still deliberating on the issue at the time of writing. The Montenegrin government has argued that the prohibition of wine imports was politically motivated by Montenegro's membership in NATO (BBC 2017).

## Investment Ties

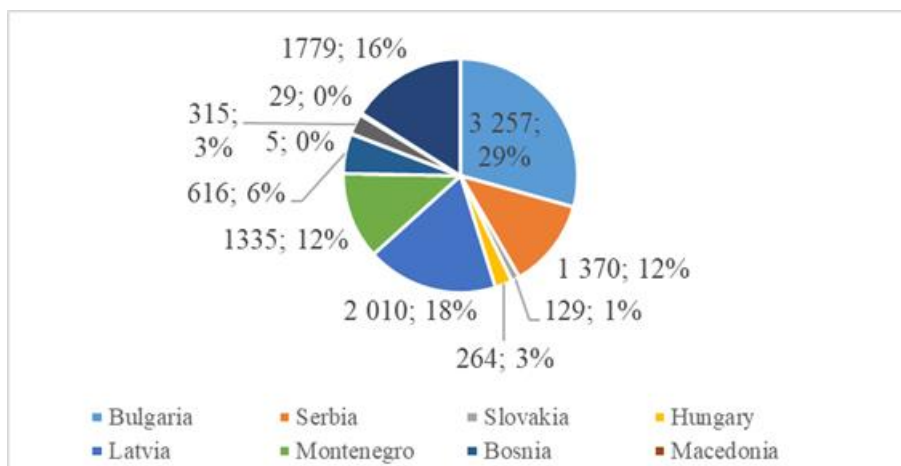
The painful transition to a capitalist economic system in Russia led to the withdrawal of capital and the severance of investment ties with Central and Eastern Europe, where the Soviet Union had dominated the local economies for four decades. Russian foreign investment in CEE started growing again in the early 2000s, on the back of raw materials' price increases, providing the Russian economy with windfall profits to invest abroad. Russia's total outward FDI stock rose from just over USD 3.5 billion in 1995 to close to half a trillion dollars at the beginning of 2014, albeit falling during the latest economic recession to around USD382 billion, or 25% of GDP, at the end of 2017.



Source: National Central Banks; \*The data for Bulgaria include a transaction-based assessment of FDI based on ultimate beneficial ownership. Statistical data for 2015 and 2016 on ultimate ownership is not available. According to official central bank data, Russian FDI stocks are three times lower or around 4% of GDP.

Figure 3. Russian FDI Stocks as share of GDP (%).





Source: Russian Central Bank.

Figure 4. Russian FDI Stocks in selected CEE countries (USD Million and % share of the total).

The Russian investment boom of the past decade seems less spectacular in the case of the selected countries alone, but it still represents a total of around EUR 10 billion since 2004. In relation to the countries' GDP, the stocks of Russian foreign direct investment (FDI) range from as high as 30% in the case of Montenegro, where Russia has invested around EUR 1.27 billion since the country's independence in 2006, to as low as 0.3% in the case of FYROM. Actual Russian investments throughout the region are higher if Russia-controlled investment flows channeled through offshore zones (Cyprus) or the use of preferred intermediate investment countries (the Netherlands, Germany, and Austria) are included (Pelto, Vahtra and Liuhto 2004). These countries are among the largest foreign investors in Latvia, Czech Republic, Serbia, Bulgaria, Bosnia and Herzegovina, and FYROM. Since 2009, the Russian Central Bank has been providing data on Russian outward FDI stock by ultimate beneficial owner, capturing part of the Russian-origin investments in CEE that are channeled through third countries. The data show that in some cases, such as Bulgaria, the investments of Russian origin are much larger than reported by the CEE national central banks. In the case of FYROM, the inclusion of offshore entities linked to Russian holdings (such as the mining company Solway) and the joint venture owning and operating the TE-TO Combined Cycle Heat and Power Plant near Skopje would almost double the Russian economic presence in the country.

Sector-wise, most of the investments have been concentrated in the energy, mining, banking, transportation, telecommunications and real estate sectors, and Russian companies have taken over strategic assets such as refineries and wholesale oil and gas distribution companies; gold, aluminium and copper mines; the biggest telecom company in Bulgaria; and several retail banks across the region. This makes individual Russian investors too big to be ignored by local governments. The fact that German companies were able to take over many business niches in Hungary, Slovakia and the Czech Republic during these countries' 1990s privatization waves reduced the space for Russian green investments or takeovers later on, at a time when Russian energy giants benefited from the rise in commodity prices in the 2000s. There was no similar Western-European large-scale investment in Southeastern Europe that would have closed the strategic niches explored by Russia. The latest case in which the lack

of a large Western investor allowed Russia to fill a critical economic niche was the spring-2008 acquisition of almost half of Agrokor by state-owned Sberbank and Vneshtorgbank (VTB). Agrokor is one of the largest retail companies in the Western Balkans and one of the biggest in terms of total turnover and employment. Its partial takeover has been a game-changer in terms of the depth of Russian investment penetration in the region.

Although dwarfed by the total investment coming from the EU, Russian investments have been leveraged more successfully to achieve an outsized political influence (Vladimirov, Kovačević, et al. 2018). Where Russian investment has been most visibly leveraged to achieve political objectives and influence governance standards is in the large-scale energy projects launched in the whole region after 2006. Their sheer size relative to the size of the national economies and state budgets made them game changers in terms of bilateral investment relations. The prospect of future cash flows and Russia's ability to use energy dependence as a trading card allows Russia to structure the large-scale deals in such a way as to guarantee well-connected domestic and Russian companies to win the bulk of procurement contracts, thus creating substantial rent-seeking opportunities. Russia-friendly governments also use the grandeur of some of these pipelines, power plants, and refineries to win popular support from citizens. Meanwhile, citing ostensible "strategic" concerns, the same governments amend laws and shift policy priorities to accommodate Russian initiatives. Although not all of these projects have materialized or will materialize in the future, they have partially achieved their goal – namely, to prevent needed structural changes in energy markets and to capture influential local political actors who can later be used when future Russian interests are at stake.

## **Overview of the Corporate Footprint**

Russia's corporate footprint in CEE has been concentrated in a small number of strategic business sectors, such as energy, banking, transportation, metallurgy and real estate. Outside energy, Russia has expanded its presence in the regional financial sector mainly through the entry of the state-owned Sberbank, which in 2012 bought the Volksbank International branches in the region. Though its share in domestic markets has not expanded much, Sberbank has become an important regional player through the provision of loans to the Croatian retail giant Agrokor, in which Sberbank and VTB currently own a controlling 46.7% of shares. Russia's corporate presence in the region has spread to several other key sectors, most notably metallurgy and real estate in Montenegro. Below is an overview of the Russian corporate footprint in the six SEE case studies, which will be discussed in-depth in the 'Vulnerable Sectors' section.

Russia's economic footprint is probably biggest in Bulgaria, although this is not directly visible from the corporate presence, which has declined from as high as 8.5% of the total turnover in 2012 to as low as 4% in 2016. This is largely due to the overwhelming presence in the country of Russian oil and gas companies, whose revenues are the direct product of international oil and gas prices that have fallen significantly since 2014. A more in-depth analysis of the Russia FDI stocks in the country based on ultimate beneficial ownership reveals that Russian businesses are by far the biggest investors in Bulgaria, making up close to 12% of GDP. These data are not reflected in the central bank statistics, which points to the Netherlands as the biggest foreign investor. However, in the case of the Netherlands, at least

half of all Dutch investments in Bulgaria are of Russian origin, with the bulk of the inflows coming from one company, Lukoil, which owns and operates the largest refinery in Southeastern Europe and controls 2/3 of the Bulgarian wholesale market. At the same time, Russia's state-owned VTB bank owns the largest telecom company in the country, and Gazprom controls 50% of the Overgaz gas distribution company, the de facto distribution monopoly in the country. Russian investments worth at least USD 4 billion have been concentrated in real estate on the Black Sea coast and the mountain resorts, which have a combined indirect impact on the economy in the vicinity of 10%.

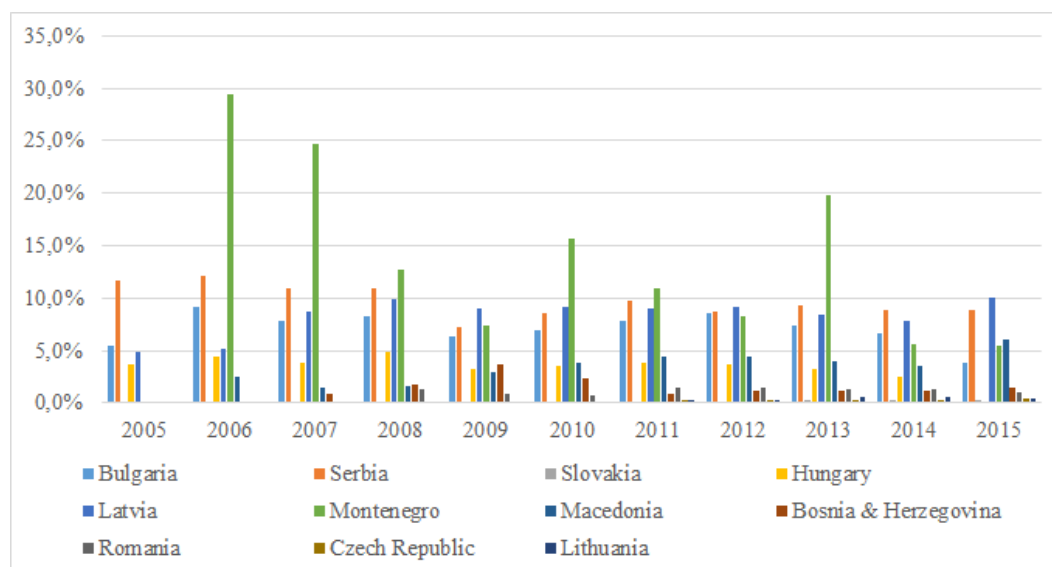
In Montenegro, Russia's corporate footprint declined from 29.4 percent in 2006 to around 5.5 percent in 2015. The decline has been related to the withdrawal of Russian businessman Oleg Deripaska from the Podgorica Aluminum Plant (KAP), the largest Montenegrin company, which used to contribute approximately 15 percent of Montenegro's GDP and 51 percent of exports. Over the last decade, Russia has been the single largest direct investor in Montenegro, equivalent to around 30% of GDP.

In Serbia, Russia's corporate presence stayed relatively constant at around 10%. Russia-owned or indirectly linked firms in Serbia control revenues of over USD 5 billion. According to the official statistics, in the past decade, Russian direct investment in Serbia has amounted to USD 1.1 billion, or slightly less than three percent of the country's GDP. But this figure does not reflect the true size of the Russian investments, as many of them have come through EU member states such as Austria and the Netherlands. A much more potent source of Russian leverage over Serbia has been the direct government-to-government loan schemes, which have amounted to roughly USD 1 billion.

In Bosnia and Herzegovina, Russia's corporate presence has more than doubled over the past decade to 5.7 percent in 2015. Russia-controlled companies had a turnover of over USD 1 billion in 2016. Zooming in on the data, most of Russia's footprint is concentrated in the Republika Srpska (RS) entity, where it amounts to around 8% of the economy. Bosnia and Herzegovina is 100% dependent on Russian gas supply, and Russian companies control the country's two refineries. Russia's FDI stock in the country has increased from USD 235 million in 2008 to around USD 547 million in 2016, equal to 8.1 percent of the country's total FDI stock or 3.3 percent of GDP.

Russia's economic footprint in FYROM and Romania has been the most limited. Russian investments are also least visible in FYROM, where they account for a 1% share of the total FDI stock. But the revenues of Russia-owned companies operating in FYROM have grown fourfold from EUR 63 million in 2006 to over EUR 212 million in 2015. And high profile Russia-linked investors have enjoyed close access to high-ranking government officials.

Russian companies control only around 1% of the total revenues in the Romanian economy, with Lukoil, as in Bulgaria, dominating the Russian corporate presence. Given the low public acceptance of Russian influence, where it exists, it remains rather below the radar. Official Russian-registered FDI reported by the National Bank of Romania was only EUR 139 million in 2016, or 0.2% of total FDI, although actual Russian investment is probably higher if we include the activities of subsidiaries of Russian companies registered in other EU countries, such as the Netherlands, Cyprus, Luxembourg and Austria. For example, over 82% of the total turnover of companies with ultimate Russian beneficial ownership operating in Romania is channeled through shell firms registered in the Netherlands.



Source: Amadeus Corporate Database; national trade registries.

Figure 5. Operating Revenue of Russian-Controlled Companies as a Share of Total Operating Revenue for the Economy %.

## VULNERABLE SECTORS

### Energy Remains the Tool of Choice

#### *Natural Gas*

Russia has leveraged Europe's dependence on Russian gas imports as a powerful tool of influence (Blank and Kim 2016). Russia has followed the twin goals of preventing source diversification and market liberalisation. The Kremlin has pressured governments in the region to delay the implementation of the EU's energy and competition laws and the building of critical pipelines that would allow for greater cross-border trading and access to alternative gas supplies in Europe. In addition, Gazprom, has championed new large-scale gas infrastructure in Europe to further lock countries into long-term supply deals that leave little room for competition. Russia's strategy has been very successful so far. All CEE countries – except Romania, which possesses large domestic oil and gas reserves, and Montenegro, which does not consume natural gas – have depended on Russian gas for at least 60% of their demand in the past two decades (the share for the whole EU is a little over 34%). Meanwhile, natural gas import prices have remained stubbornly higher than in the rest of the continent. The price differential is not the product of market conditions, but of Russia's stronger bargaining position during bilateral negotiations. The European Commission has pressured governments in the region and Gazprom to seek renegotiation of supply and transit contracts that limit competition and bottleneck cross-border trading, but the implementation of the EU anti-trust probes has been painfully slow.

Moreover, the countries in the region continue to prioritize large-scale Gazprom-led pipelines, including the European component of the TurkStream gas pipeline. The Bulgarian

government has been most active in this respect, gearing up to win the competition for the exit route on the planned 15.75bn m<sup>3</sup>/yr Russian pipeline. Under the guise of creating a natural gas hub, the government is promoting a South-Stream-Lite version of a cross-country transit pipeline from the Turkish border to the Serbian border. The route in the northern part of the country would mirror the now-defunct South Stream.<sup>2</sup> The result will be an even greater dependence on Russian gas and enormous, unnecessary infrastructure spending that will feed a powerful pro-Russian oligarchic network close to the government. The government's active negotiation for a new Russia-led pipeline to pass through Bulgaria undermines the Bulgargaz bargaining position due to the ongoing talks for a new pricing formula and supply terms with Gazprom. Bulgaria is yet to secure any alternative to Russian gas, might lose the biggest source of liquidity after 2019 if Gazprom stops transit through Ukraine and the Balkans, and has so far failed to establish a transparent regulatory framework for liberalized gas trading.

Like Bulgaria, Serbia and Hungary have promoted their own versions of new *South Streams*, attracted by the promise of higher transit revenue and the potential for becoming a large supplier of Russian gas to Central Europe. It is unclear how these pipelines will be financed, who will buy the additional gas volumes, and how the new infrastructure would be consistent with the EU energy and competition law. These issues have been ignored in favor of generalistic arguments grounded on the shaky basis of geopolitics. The successful promotion of the Nord Stream 2 pipeline between Russia and Germany, despite its obvious contradiction with the EU energy security priorities and risks for Ukraine and Central Europe, has emboldened some pro-Russian governments in CEE to seek a new pipeline partnership with Gazprom.

Bosnia and Herzegovina and FYROM are entirely reliant on Russian gas imports through Serbia and Bulgaria, respectively. In the Bosnian case, the dependence became painfully visible in 2009, when the Russo-Ukrainian gas dispute led to interruption of 50% of the gas supply to the country (Ralchev 2009). Macedonia was also hit hard by the supply crisis but was able to continue operating heating plants using heavy fuel. Both Bosnia and Herzegovina and FYROM pay some of the highest gas prices in Europe. It is important to note that natural gas itself does not play a major role in the energy mix of either country. In 2016, natural gas accounted for 2.5% of gross inland energy consumption in Bosnia and Herzegovina and 6.6% in FYROM, or a total of a little over 0.5 bcm/yr in Russian gas imports, six times less than the total consumption of Bulgaria alone (Energy Community Secretariate 2018).

However, Russia has been able to masterfully take advantage of their dependence to achieve political influence. Russia has constantly undermined cooperation between the two Bosnian entities on joint projects for diversification of supply and the integration of the currently disjointed market. Republika Srpska (RS) has taken advantage of its gas transit monopoly for the gas volumes delivered to the Federation of Bosnia and Herzegovina (FBiH) and the biggest consumer, Sarajevo, to threaten supply cuts as political leverage against FBiH. Gazprom has nurtured this internal gas division by providing RS with preferential supply terms, debt write-offs and access to Gazprom-led pipelines, including South Stream.

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<sup>2</sup> Bulgartransgaz, the Bulgarian gas TSO, announced that five companies had expressed interest in booking up to 54.6mn m<sup>3</sup>/day at the Bulgaria-Turkey border, while only 34.4mn m<sup>3</sup>/d would reach the Serbian border. The TSO puts the price tag of the new "South Stream Lite" at €1.5bn, but it is hard to imagine that such a pipeline could be built in less than 24 months.

Macedonia has expanded its cooperation with Gazprom despite the 2009 supply disruption and the introduction of sanctions in 2014. In July 2013, the FYROM government signed a bilateral agreement with Russia for the construction of a South-Stream offshoot, although there was great uncertainty as to how exactly FYROM would be linked to the pipeline (B92 2013). When South Stream was abandoned, Skopje immediately jumped on the bandwagon for the project's successor, Turkish Stream, and its Balkan route, the Tesla pipeline. FYROM's section will be in the form of an expanded domestic transmission network. The first USD 75 million stage was completed in August 2016 by Stroytransgaz, which is controlled by the Russian tycoon Gennady Timchenko, sanctioned by the U.S. and the EU. The new pipeline between Klekovce and Negotino linked the gas transmission networks of FYROM and Serbia, and the project company envisions a similar connection to the Greek border, where it would serve to import Russian gas from the Greek part of Turkish Stream.

The close cooperation between FYROM and Russia on natural gas projects has spun off into a number of related joint projects, including the biggest individual Russian investment in the country – the construction of TE-TO, the gas-fired heat and power plant – near Skopje (Risteska 2019).

Gazprom-Serbia relations have strengthened further since 2014, not only on the back of Tesla (dubbed Serbian Stream in the country) and Turkish Stream, but also due to the renegotiation of the long-term gas contract in 2017, after which Srbijagas agreed to start buying 0.5 bcm/yr more gas from the Russian company, or 2 bcm/yr in total from 2018 (Gazprom 2017). The long-term deal will continue until 2021 but is likely to be extended, as Serbia lacks any alternative gas supply, despite ongoing projects for gas interconnectors with Croatia and Bulgaria that could deliver LNG and Azeri gas to Serbia. The process for constructing both pipelines, however, has not gone beyond political declarations. European funding for the new pipelines has been linked to the Energy Community's requirement for the unbundling of the natural gas sector. So far, the government has dragged its feet on separating the ownership of the supply and transmission functions of the state-owned Srbijagas company and the Gazprom-led joint venture YugoRosGaz operating the gas transmission network in Southern Serbia. YugoRosGaz is also the gas supply intermediary reselling Gazprom gas to the wholesale supplier, Srbijagas.

Gazprom also has enormous influence over the financial management and governance of the state-owned monopoly. Its CEO, Dusan Bajatovic, is also the Vice President of the SPS – the party founded by Serbia's former President Slobodan Milosevic. SPS members have been the key brokers of almost all energy agreements with Russia since the early 1990s. In addition, Mr. Bajatovic is Srbijagas' representative (co-director, member of the Board of Directors or Supervisory Boards) to all joint ventures and projects involving Gazprom. Although in 2014 Serbia's anticorruption agency came out with an official recommendation for the removal of Bajatovic, due to unlawful and highly lucrative accumulation of functions, he managed to defy it (Bakovic 2016).

Srbijagas' notoriously bad financial and corporate governance has been the product of regulatory decisions that have for years mandated that Srbijagas sell natural gas at artificially low prices to final industrial consumers, while purchasing it from YugoRosGaz at a premium of around 4%. A similar pattern of intermediation also existed in Bulgaria, where until 2012 Gazprom sold all of the contracted gas volumes to its Bulgarian joint venture, Overgas, which then sold the gas to the national incumbent, Bulgargaz, at a 6%–7% premium. The proceeds went similarly for the development of the extensive gas network owned by Overgas, reaching

30% of all households in Bulgaria. This scheme is rife with governance risks, including corruption, serving as a screen for vested local political interests. YugoRosGaz's profits, at least on paper, also have to serve to finance such gas network projects, but the reality is that little has been done in the past decade.

The perverse nature of the intermediary agreement has led to the accumulation of an enormous Srbijagas debt to the Russian supplier, which in 2016 was taken over by the Serbian state itself. In the following restructuring process, regulated gas prices were removed, making Srbijagas profitable again. However, the company still remains locked in with an intermediary, which is the exclusive holder of a supply contract with Gazprom. The intermediary has also ensured the blocking of the interconnector Bulgaria-Serbia, which is to enter Serbia at the town of Dimitrovgrad and then be connected to the gas grid operated by YugoRosGaz. By blocking the diversification of supply, Gazprom's proxy firm ensures that the structure of supply remains the same.

### *Oil*

In terms of crude oil, the region is between 80% and 100% dependent on Russian imports. This dependence has not drawn as much attention as that in the natural gas sector, due to the existence of a global spot market for oil. However, Russian companies have been able to exploit it markets more commercially isolated from the EU, such as Bulgaria and Serbia, to create monopoly rents. Although these monopolies have been limited in terms of market power, the overall rents they can generate and their impact potential should not be underestimated, given the small size of the economies under study and the still very high energy intensity of the local industries. One country that has escaped Southeast Europe's dependence on Russian oil is FYROM, which imports all of its crude oil from Greece and brings it via a pipeline to the Greek state-owned OKTA refinery in Skopje. Russia tried to break into the FYROM oil market in 2016 with Rosneft's failed attempt to purchase the OKTA refinery amidst Greece's financial troubles. Russian businessmen have also unsuccessfully tried to gain control over the country's largest fuel supplier, Makpetrol (Telma 2018). Russia also controls Bosnia's two refineries, producing 19% of the country's GDP (Zarubezhneft 2011).

Russia has been able to secure a quasi-monopoly position for its oil companies in the region by taking over the biggest refineries, monopolizing the small oil production in the region (with the exception of Romania and Croatia) and controlling distribution networks. Lukoil owns the largest refinery in the region, located in the Bulgarian port of Burgas, where 7.5 million tons of crude enter the region every year. Bulgaria is a significant manufacturer of refined products for domestic consumption and regional export. Currently, Lukoil is the biggest company in Bulgaria and one of the biggest in the region, with combined revenues of close to EUR 8 billion per year.<sup>3</sup> According to the Lukoil CEO, the Bulgarian subsidiary controlled 54% of the fuels market in 2011, while independent estimates from 2016 put the share at around two-thirds of the wholesale market (Trud 2011).

As in natural gas sector, Russian oil and oil products' companies have effectively captured government institutions to preserve their dominant position on the local market. They have de facto blocked any alternative foreign supply and have consolidated their almost full control over the wholesale and retail market. By capturing the Bulgarian parliament,

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<sup>3</sup> Based on Lukoil's annual financial reports.

Lukoil has designed legal amendments that make competitors dependent on its sales, while its influence in the key tax and regulatory bodies has allowed it to avoid corporate taxation and diminish its VAT and excise tax payments via non-transparent transfer pricing methods. Lukoil is also believed to have engaged in lobbying against gas diversification projects and domestic exploration drilling. The company's CEO has often pressured senior cabinet members, including the prime minister, into dropping tax inspections or legal changes that would lead to more transparency.

Lukoil has also been able to avoid any major regulatory repercussions from the alleged abuse of its dominant position in the wholesale fuels market. In 2017, the Commission on Protection of Competition (CPC) revealed that the Russian company had been charging its domestic clients higher prices than in neighboring markets. The price difference was especially visible between 2012 and 2014, when Lukoil seemed to have been overcharging Bulgarian consumers by around 16% above prices in neighboring Romania. However, the regulator concluded that there had not been a breach of monopoly rules, and simply advised the big market players to refrain from discussing pricing strategies (Capital Daily 2017). Lukoil was also alleged to be behind the financing of anti-shale gas protests in Bulgaria in 2012, through a related PR company. These protests led to the imposition of a parliamentary moratorium on shale gas exploration. The then-deputy prime minister, Tsvetan Tsvetanov, said that the protests were organized by local economic and oligarchic circles with close ties to Russia (Hope 2014).

In both Bulgaria and Romania, there have been investigations into Lukoil's potential misuse of the transfer pricing mechanism for tax evasion. The Romanian prosecution even attempted to seize EUR 1.7 billion in assets from the company. The charges alleged that the Romanian subsidiary, Petrotel Lukoil, was siphoning funds to its Dutch owner, Lukoil Europe Holdings Netherlands, by servicing fictitious loans based on fictitious investments and equity increases. Prosecutors also argued that commercial contracts were detrimental to the Romanian subsidiary. Eighty-three percent of the Romanian subsidiary's losses, the prosecutors argued, were from deals inside the group as a result of artificially high prices for the purchase of crude oil.

In the Western Balkans, the Russian presence in the oil sector is similarly direct and omnipresent. Between 2003 and 2008, Russian state-owned and private companies gained significant – or, as in the case of Serbia and Bosnia and Herzegovina, dominant – control over the oil markets. In Serbia, Gazprom purchased the national oil company, NIS, in 2008, while Lukoil bought out the second biggest fuels retailer, Beopetrol, in 2003. These two Russian companies control most of the upstream, refining, wholesale and retail sectors (Vladimirov, Kovačević, et al. 2018). According to 2015 data, NIS owns 325 gas stations (one in four gas stations in Serbia), while Lukoil owns 148 (10%), making them the two biggest retailers in Serbia. In addition, NIS supplies 78 percent of the fuels sold by other competitive retail gas stations.

In Bosnia and Herzegovina, the Russian state-owned oil company Zarubezhneft won privatization tenders in 2007 for two refineries, Rafinerija Nafta Brod and the Modrica motor oil processing facility, for a combined EUR 125.8 million, far below the initial, 2005 asking price of EUR 285 million in. Russian officials described the project as both politically and economically part of a broader strategy to strengthen alliances with countries of the Western Balkans (Zarubezhneft took a loan from the Russian state-owned Development Bank to buy



the two refineries) (Sito 2009). Zarubezhneft also acquired an 80 percent share in the Nestro Petrol wholesale and retail fuels supplier, now the country's largest gas station chain.

In FYROM and Montenegro, Lukoil has expanded its presence on the back of its large-scale activities in Bulgaria. It is the second-largest fuel supplier in both countries, but operates largely on the retail level, with a market share of around 10%.

Overall, allegations of corruption have marred the expansion of Russia's corporate footprint in the region's oil sector. These allegations arise at all stages: during the privatization of oil assets, implementation of privatization agreements, and abuse of dominant market positions for non-competitive pricing and tax evasion. Gazprom's below-market-price purchase of the controlling stake in NIS has raised serious questions and has led to some allegations of corruption.<sup>4</sup> The total value of NIS, according to the preliminary estimates of privatization advisors in 2006, was between EUR 1.2 and 1.6 billion. In other words, 51 percent of NIS was worth EUR 612-816 million (excluding the value of domestic oil reserves). The controlling stake in NIS was obtained by Gazprom for EUR 400 million, with the obligation that the Russian company finance a modernization program worth EUR 500 million. Gazprom then borrowed funds to fulfil its obligation instead of using its own equity. By using debt instead of equity, Gazprom committed NIS to repay the loan with interest. In addition, the Agreement granted Gazprom favorable terms for the extraction of oil and gas in Serbia. It set NIS's mining tax at three percent (lower than the seven percent tax for other companies, and far below international practice of between 15 and 30 percent) and exempted NIS from future tax increases until the company becomes viable.

The privatization agreement of Beopetrol by Lukoil in 2003 also raised concerns about malign Russian involvement. According to the document, Lukoil pledged to invest USD 106.8 million in the company's infrastructure. In a September 2013 report on Beopetrol's privatization, the Serbian Anti-Corruption Council said that Lukoil never honored the agreement, causing the company enormous financial damage. According to the Council's report, instead of investing in Beopetrol's infrastructure, Lukoil violated the privatization arrangement by actually dipping into Beopetrol's funds to lend the parent company USD 120 million, or around 90 percent of what it had just paid to purchase this state-owned company. The Council claimed that Serbia's Agency for Privatization never really controlled the process and never prevented Lukoil from proceeding with the loan transfers.<sup>5</sup>

Similarly, the refinery privatizations in Bosnia and Herzegovina were executed without public tenders, economic assessment or any public discussion (Center for the Study of Democracy 2018). The state-owned companies were bankrupt at the time of their sale, with huge debt that Zarubezhneft pledged to pay off. The Russian firm also promised to invest in

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<sup>4</sup> Even before his election, Alexander Vucic criticized the corrupt nature of the agreement with Gazprom and the acquisition of NIS, saying that a higher share of its profits should be transferred to the state budget and the proceeds should be used to repay Srbijagas's debt to Gazprom. When Vucic became Serbia's Prime Minister, Serbia's prosecutor opened an investigation into the 2008 deal. Media reported that the investigation was designed to pressure the Russian side to take over the petrochemical company Petrohemija, which in 2014 owed around EUR 20 million to NIS for the fuel it was using for its production. The investigation was completed in 2016, but no indictment was issued.

<sup>5</sup> The Privatization of Beopetrol a.d., Anticorruption Council, Government of Serbia, Issue 72, September 30, 2013. The short report is available in Serbian at the Councils web-site: <http://www.antikorupcija-savet.gov.rs/sr-Cyrl-CS/izvestaji/cid1028-2379/izvestaj-o-privatizacijibeopetrola-ad>. As of 2016, the Council still upholds its claims despite vehement objections from Lukoil. See, for example, this short report from the Danas newspaper in Serbian: <http://www.antikorupcija-savet.gov.rs/sr-Cyrl-CS/radio-televizija-i-stampa/cid1037-3112/beopetrol-je-bukvalno-kupio-samog-seb-e>.

an additional modernization program worth over EUR 600 million; a promise that was never enforced by the Optima Group, which had invested only EUR 120 million up until 2016 (Optima Group n.d.). Despite the continued debt accumulation by Optima Group, the decline in production levels, and the struggle with air pollution, the Russian company has not sold its assets or reversed its management model. This could be related to the crucial role the firm has played in maintaining a strong grip on the RS economy and its close ties to the entity's leadership.

### *Nuclear Energy*

Only two countries in SEE use nuclear power: Romania and Bulgaria. But only the latter has cooperated significantly with Russia on developing nuclear energy technology. Nuclear energy contributes around a third of the total electricity generation in each of the countries and plays a key role in the security of supply. Like oil and gas supply, this has been one of the pillars of the bilateral economic relationship formed with Moscow during the COMECON integration. The nuclear power plant in Bulgaria, Kozloduy, was built by Soviet engineers and until today is serviced by the state-owned Russian giant Rosatom. Rosatom subsidiary TVEL is the main supplier of reactor fuel.<sup>6</sup> In addition, Russia has been responsible for processing the spent fuel and for supplying the NPPs with a large share of the necessary spare parts. Rosatom has also worked on the modernization of the existing reactors and has proposed the construction of new nuclear power plants in Bulgaria and Hungary. This has been the most ambitious effort towards expanding Russian economic influence and locking in Bulgaria's energy dependence for the foreseeable future.

The Belene nuclear project, dating back to the mid-1980s, has been restarted on a number of occasions but has failed to materialize so far. In 2008, the National Electricity Company (NEK), the state-owned wholesale supplier of electricity to households, signed a EUR 4 billion construction contract with Atomstroyexport, which was then expanded with multiple annexes that, over the next four years, cost Bulgarian taxpayers more than EUR 1 billion.<sup>7</sup> In 2012, the project was finally abandoned by the government, despite a last-minute attempt by the Russian-backed opposition to organize a referendum on whether the NPP should be built. However, the political struggle over the construction of the plant moved onto the international scene when the leading contractor, Atomstroyexport, began a EUR 1 billion claim against NEK in the Paris-based International Court of Arbitration. The claim is for a compensation for the cancellation of the Belene NPP project earlier in 2012. The court ruled in 2016 that Bulgaria had to pay Atomstroyexport EUR 628 million for the two already-built reactors, which the government did at the end of 2016. Despite the significant financial risk, the current Bulgarian government is gearing to restart the Belene project yet again. It has pledged that it would be constructed only under a market-based framework, in which a strategic private investor would fully finance the construction, while the state would not participate except by providing the already-delivered two reactors. Although Chinese state companies have expressed interest in the nuclear power plant, no firm commitment has been made yet. Without a pledge for a long-term power purchase agreement, it seems unlikely that any investor would commit to a project that would have to sell electricity at prices twice as high

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<sup>6</sup> TVEL is the main supplier of reactor fuel to most of the CEE countries that operate nuclear plants.

<sup>7</sup> According to estimates, the full cost of the plant could have risen to EUR 10.5 billion, more in line with similar projects in Turkey and Finland.

as the current levels on the regional market (Vladimirov and Stefanov, Bulgaria: State capture unplugged 2018).

## **Beyond Energy**

With the rise of oil and gas revenues since 2004-2005, Russian economic interests have diversified into a number of other strategic businesses in the region, including banking, telecommunications, mining and real estate. Russian economic expansion into non-energy sectors has been spearheaded by the Russian state-owned banks Sberbank and VTB, which currently control almost 47% of the region's biggest retail chain, Agrokor; Bulgaria's largest telecom, BTK; and several banking subsidiaries with a wide network of branches in Serbia, Bosnia and Herzegovina and Croatia. Sberbank's entry into the regional financial market came after it took over the banking subsidiaries of the Austrian Volksbank International in Central and Eastern Europe, including in the Western Balkans, where Russian bank operations have flourished the most. VTB came to the region after acquiring the Serbian-based Moskovska Banka.

### *Banking and Telecommunications*

In Serbia, Sberbank has focused on the retail market and has shied away from dealing with large private domestic firms. The financial institution's exposure in Bosnia and Herzegovina has also been moderate, although the bank has 51 branches in the country, with around 100,000 clients and close to EUR 600 million in assets, making it the sixth-largest bank (International Monetary Fund 2015). Its activities are concentrated in the RS entity, where it is not only the fourth-largest bank, but has also been servicing the Optima Group, owner of the country's refineries.

Sberbank became much more assertive when it took the strategic decision to support the expansion of the above-mentioned Agrokor. After its default in 2017, governments in the Western Balkans had to introduce special measures to shore up its assets. Agrokor, which directly employs 11,200 workers in Serbia and delivers from at least 660 domestic suppliers, is of enormous significance for small-town economies. In Bosnia and Herzegovina, the company has eight subsidiaries, which in total have over 5,000 employees and more than 100 suppliers, including large meat and dairy plants. Following the inability of Agrokor to repay its debts of around EUR 4.6 billion (one quarter of which are held by Sberbank and VTB), in early July 2018 creditors agreed on a debt settlement deal in which the Russian state-owned banks got 46.7% of the company. As a result, Russia would be able to indirectly increase its economic reach to the core of the regional economy.

VTB's retail activities have been marginal in the region. However, through its foreign investment arm, VTB Capital (founded in 2008), which entered the regional market aggressively in 2011, it purchased 79.83% of the region's largest tobacco producer, Bulgaria's then state-owned, Bulgartabac. Three years later, the bank sold its stake in the company for EUR 130 million to an offshore company believed to be closely related to the pro-Russian, but ethnic-Turkish, Movement for Rights and Freedom (MRF) party.<sup>8</sup> The latter

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<sup>8</sup> At the time of the deal, construction companies believed to be indirectly owned by the influential MRF deputy, Delyan Peevski, became part of the consortium that won the EPC contract for South Stream. As mentioned

usually plays the role of a king-maker party in parliament and has often been associated with corruption scandals, manipulation of public procurement tenders, and control of key sectors such as tourism, construction and agriculture (Conley, et al. 2016). VTB Capital's investment strategy intensified when it joined forces with the now-failed Corporate Commercial Bank (CCB), previously owned by the businessman Tsvetan Vassilev, to purchase Bulgaria's largest telecommunications operator, BTC, which also owns the country's digital relay network (Vladimirov and Stefanov, *Bulgaria: State capture unplugged* 2018). The government quickly approved the deal without exercising due diligence in vetting the new owners, who were hidden behind a chain of offshore entities.

VTB Capital also owned a 9.9% stake in CCB, which was the fourth largest bank in the country in 2014, controlling 8.4% of the bank's assets in the country before its collapse in June of the same year (Shentov, Stoyanov and Yordanova, *State Capture Unplugged: Countering Administrative and Political Corruption in Bulgaria* 2016). Conceived as a joint venture between the export-import banks of Bulgaria and Russia shortly after the collapse of the Soviet Union, CCB grew into a financial giant, investing in a large variety of businesses, including a wholesale and retail fuel suppliers, military producers, glass factories, agricultural holdings, telecommunications, media, real estate and tourism. Conservative estimates put the financial empire around CCB at more than EUR 5.3 billion at the beginning of 2014.<sup>9</sup>

The bankruptcy of CCB – after a falling out between Tsvetan Vassilev and his business partner in many of the associated investments, Delyan Peevski – brought on a fierce struggle over the related assets between different Russia-linked oligarchic networks. The most important asset was BTC, which initially seemed to end up in the hands of Vassilev and a little-known businessman with close ties to the oligarch Konstantin Malofeev under sanctions from the U.S. and the EU (24 Chasa 2015)<sup>10</sup>. However, the Bulgarian anti-trust regulator blocked the deal, which prompted BTC to default on its EUR 150 million loan secured by the 100% of the shares of the ultimate beneficial owner, the offshore company InterV Investment, registered in Luxembourg. The loan was syndicated by VTB Capital in 2013, which meant that the payment failure made VTB Capital the *de facto* owner of the telecom (Vladimirov and Stefanov, *Bulgaria: State capture unplugged* 2018).

VTB was later able to sell BTC in 2015 in a highly non-transparent auction won by a Bulgarian businessman who had links to Soviet-era nomenklatura in Bulgaria and had worked closely with VTB over the previous decade and was believed to be proxy for the Russian bank in Bulgaria. His EUR 330 million winning bid was secured without the financial involvement of VTB, with a loan of EUR 240 million, although, as expected, his participation was masked through a chain of offshore companies.

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above, their partner was the Russian company, Stroytransgaz, controlled by the U.S.-sanctioned Genadii Timchenko.

<sup>9</sup> CSD calculations based on data from the Trade Registry.

<sup>10</sup> Mr. Malofeev also used to be a major investor in the Russian telecommunications sector and, according to Russian media, a close associate of Igor Shegolev, the former telecommunications minister and adviser to the Russian president. In July 2014, Mr. Shegolev was also included in the list of Russian individuals under U.S. sanctions. He is also part of the conservative business elite close to the Kremlin, which has maintained that Russian influence could be recovered in Europe through cultural and political projects. Mr. Malofeev has denied his involvement in the Louvriev deal, as this could have been a breach of the U.S. and EU sanctions against him, but his subsequent actions in supporting pro-Russian organizations in Bulgaria, and allegedly acquiring a TV channel previously controlled by the former CCB owner, point to his continuing interest in expanding his corporate presence in Bulgaria.

### *Mining and Metallurgy*

Russian companies have also invested in metallurgical plants at a time when many Western European investors have been moving away to businesses with higher rate of return. Russian companies were looking to expand their domestic empires with strategic assets in Europe that would give them not only new market openings, but also diversification of investments, considering the fragility of their holdings in Russia, which are always vulnerable to changing political and economic tides. Russia-owned or -controlled companies have invested heavily in the region's mining sector in the past 10 years. This business expansion, however, has proved unsuccessful, as many of the companies have gone bankrupt or have been sold.

One of Russia's most strategic investments was the privatization in 2005 of the Podgorica Aluminum Plant (KAP) and the Niksic bauxite mine in Montenegro, acquired by Oleg Deripaska, and his Cypriot-registered offshore company CEAC. By controlling KAP, Deripaska dominated close to a third of the Montenegrin economy and 50% of its exports. For a number of years, KAP's owners continuously demanded additional concessions from the government in the form of subsidized electricity (the main input for KAP's aluminum production) and state guarantees for the company's loans. The economic crisis after 2009 placed the mining plant in a very difficult situation, leading to several ownership restructurings, in which the Montenegrin state clawed back some of its shares, albeit at a hefty price: power debt forgiveness and EUR 135 million in loan guarantees.

The State Audit Institution (SAI) concluded in a 2013 report that KAP has received preferential state loan guarantees without backing them up substantially, which exposed the state to an enormous financial risk (State Audit Institution 2013). State auditors further determined that state guarantees to KAP lacked a detailed cost-benefit analysis of the company's financial status, as well as an analysis of the sustainability of its planned restructuring. When KAP failed to repay its commercial loans, the state took over the company and began bankruptcy proceedings. Deripaska has tried to reverse the process by launching successive court cases against the state. He has so far lost all of them. Deripaska has claimed that, following his significant and well-timed investment in KAP and the bauxite mine, the Montenegrin state undertook a series of hostile measures to expel him from the company's ownership (Center for the Study of Democracy 2018).

Governance deficits have also been widespread during the privatization of large mining complexes in Romania. Russian companies initially gained a smaller control (below 20% overall) of the country's steel industry, as the largest steel producer (SIDEX) was acquired by the Indian company AcelorMittal. However, most of the Russian footprint has been concentrated in the aluminum sector,<sup>11</sup> where Russian investors took over virtually all production (Bellu 2017). In 2002-2010, the Russian steel giant Mechel acquired four Romanian state-owned plants that produce steel, wire and reinforced concrete in privatization deals marred by irregularities and at a very low price.

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<sup>11</sup> Russia's Vimetco company, controlled by the businessman Vitaly Mashitsky and registered in the Netherlands, in 2005 took over 84% of Romania's largest aluminum producer, AlroSlatina. The same year, Vimetco consolidated its quasi-monopoly on the domestic steel market by acquiring one of its competitors, Alum Tulcea. Alro is one of the largest electricity, heat and gas consumers in Romania. It takes up around 6% of Romania's total energy consumption (as of 2016), or about 3 TWh/year (the energy consumption dropped by some 25% during the economic crisis of 2009). Most of the aluminum production is destined for export to Western Europe.

These firms took advantage of non-transparent and largely flawed privatization of state-owned companies to take over some of the largest plants in the country. The privatization process was quite controversial, as companies were sold at below scrap value to any interested strategic investor, Romanian or foreign, on questionable conditions. Privatizations were not always particularly competitive either, and few of the post-privatization terms were enforced. The companies' huge losses and arrears were cancelled or rescheduled, and several post-privatization terms of the agreements, such as the obligation to make additional investments and retain employees, were neither monitored nor enforced properly by the Romanian privatization authorities. According to investigative reports, for a few years, some of the plants exported their profits through transfer pricing schemes to an offshore shareholder by allegedly purchasing over-priced equipment and raw materials from companies favored by the Russian owner, despite the fact that the market demand for the end-products had declined substantially since the Russian acquisition.

Russian mining business interests have also established a strong presence in FYROM, where Jugohrom – an electricity and metallurgy plant owned by a chain of Cypriot- and Hong Kong-based offshore companies controlled by Russians Maxim Moskaev and Dimitry Agramakov – has become one of the country's biggest employers and among the top exporters. For years, Jugohrom's plant in Tetovo has been enmeshed in the violation of environmental rules, but with few repercussions for the company's operations (Center for the Study of Democracy 2018). Deripaska's Rusal holding is also related to the operation of the biggest copper and gold mine in the country, through the Swiss-registered firm Solway (Smith 2017).

Many of the cases described above have shown that Russian investments in non-energy businesses do not necessarily follow a commercial logic. Instead they are predatory take-overs of undervalued assets through non-transparent privatization deals or M&As with local oligarchs. The primary motive is not to turn a loss-making company into a profitable business, but to siphon off funds through accounting tricks that take advantage of the enforcement gap in the work of state regulators. Although most Russian investments in the metallurgical sector, with the exception of the KAP deal in Montenegro, are not strategic or political in nature, they have negatively impacted critical economic sectors, with implications for employment and overall industrial competitiveness.

## CONCLUSION

Understanding Russian economic influence in Europe is similar to putting a puzzle together. Individual pieces do not make sense on their own, but produce a coherent image in logical combination with other pieces. This chapter analyzed the tools Russia has used to maintain its economic grip on selected countries in Central and Southeastern Europe in important sectors such as energy, banking, infrastructure and telecommunications. It not only estimates the Russian economic footprint based on objective economic criteria and publicly-available data, but also documents how the accumulation of economic power through the control of key institutions reinforces that same economic strength until it becomes a source of political leverage, including on strategic foreign policy decisions. The analysis showed that, while falling short of omnipotence, Russia's key role in strategic economic sectors has made

SEE governments vulnerable to political pressure. The chapter also opens the discussion about some of the mechanisms of state capture that render institutions ineffective in countering malign foreign influence. These governance gaps have been exploited systematically by Russia, which has developed patronage networks gravitating around energy projects and large-scale M&As. The Kremlin has sought to boost its economic influence in Central and Eastern Europe through consolidation of its dominant position in the energy sector, as well as through expansion into banking, construction, real estate, and manufacturing. Russia-developed oligarchic networks consisting of former and current security services officers on both sides have pressured governments into halting the construction of alternative energy transport routes that would create more competition. Meanwhile, traditional Russian energy suppliers have pushed the governments in the region to jump on the bandwagon of Russia-led large infrastructure projects without much economic logic and marred by severe corruption and state capture risks.

Understanding the depth and characteristics of the Russian economic footprint, as well as how it relates to other aspects of influence – such as soft power, intelligence, cyber presence, and military capabilities – is the first step in devising proper response mechanisms to address potential related vulnerabilities. A key policy takeaway is that malign Russian influence can be countered most effectively by redressing domestic institutional deficits. The deterioration of governance standards has benefitted from the growing allure of political illiberalism. Russia has nurtured this transition to authoritarianism because it makes it far easier for the Kremlin to meddle in national decision-making. Hence, the most effective counter-measures to the Russian threat are not counter-propaganda but a focus on the root causes: the exploitation of state capture practices, political patronage and the perpetuation of strategic economic dependencies that ultimately erode the country's sovereignty.

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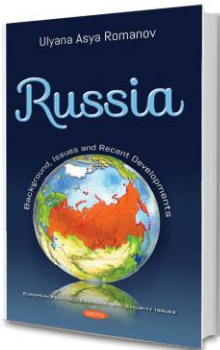
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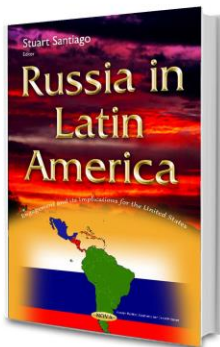
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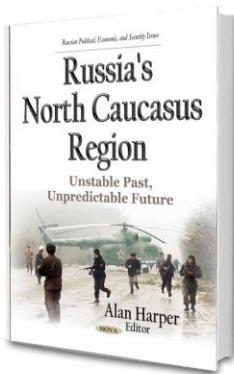
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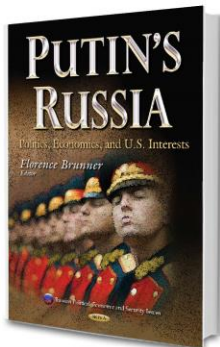
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