



RUSSIA in GLOBAL AFFAIRS

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Contents

- No Lull in Sight *Fyodor Lukyanov* 5
- ### Transforming Russia
- An Exhausted Resource *Olga Kryshтанovskaya* 8
The Russian state itself became actually the only source for the modernization efforts. This is the major problem of modernization projects in authoritarian states: the government has to face social problems alone. Even with the tacit support from the public, it is difficult to address large-scale tasks in the absence of active civil society.
- Is There a Demand for Modernization in Russia? *Mikhail Afanasiev* 22
The consumer adaptive individualism and mutual mistrust within elites, together with the specifics of “sovereign democracy,” are a major obstacle to a normal political withdrawal from the crisis through the establishment of effective parties or factions within the ruling party.
- Russia’s Modernization: At Another Fork in the Road
Dmitry Badovsky 34
Solution to the problems of power and the destiny of modernization has been put off until the 2012 election, when the final choice of the parameters of future development could be determined by either Vladimir Putin’s return to the Kremlin or Dmitry Medvedev’s continued presidency.

- How to Overcome the National Crisis *Victor Kremenjuk* 48
The theory and history of international relations abounds in the misconception that the bigger a country, the greater its freedom of action. In reality, it is the other way around.

Resources for Development

- Energy Markets in a Turbulent Zone *Tatyana Mitrova* 58
The anti-crisis strategy is universal for all sectors of the economy – the main emphasis is placed on reducing costs. This is particularly important for the Russian oil and gas industry. The short respite given by the ruble devaluation is drawing to a close.
- Approaching the Far Away *Alexander Chepurin* 68
The presence of an influential and consolidated Russian community abroad meets Russia's national interests. A community interwoven and integrated in the public and political life of the country where it lives – rather than an assimilated or marginalized one – could make up a full-fledged part of the global Russian world.

Changing the Security Model

- Russia and the U.S.: Reconfiguration, Not Resetting 82
It would make sense for Moscow to offer its own package of ideas to Washington regarding the improvement of relations, and this package should be bigger than the one proposed by President Obama. The two countries must take a course towards a “big deal” based on the analysis of vital interests of the sides and their priority ranking. The parties should pledge respect for each other's interests in the areas where these interests are truly vital, while making concessions on secondary issues.
- Rethinking Security in “Greater Europe” *Fyodor Lukyanov* 94
The proposal to build a new European security architecture, which Russian President Dmitry Medvedev put forward in Berlin in June 2008 and which he followed up in November in Evian, was Moscow's first attempt in 20 years to formulate a coherent foreign-policy vision.
- Towards Legal Universalism *Boris Mezhyuev* 103
The very idea of reviving the intergovernmental dialogue on security in Europe reflects the legal universalism of Russian politics that has been characteristic of this country throughout almost all of its history since Peter the Great and that is typical of Medvedev's political style.
- Labyrinths of the Arctic Policy *Oleg Alexandrov* 110
The creation of a regional security system, such as a Baltic Union, would help to consolidate Russia's positions in Northern Europe and in the Arctic, as this system could be a prototype for a new, co-operative security system in Europe.

Solutions – Local or Global?

- The Return of Turkey** *Tigran Torosyan* 120
The Georgian-Russian war became a momentous event as it caused other countries to revise Russia's role in world politics, the practice of conflict management, and other factors. The war has produced a new situation, which requires a comprehensive analysis of the roles of other regional actors, above all Turkey.
- The Fundamental Conflict** *Yevgeny Primakov* 130
If Israel annexes the Arab territories it occupied in 1967, it will soon cease to be a Jewish state as the ratio between the Jewish and Arab populations in it will inevitably change in favor of the latter due to its birth rates.
- The Afghan Problem in the Regional Context** *Ivan Safranchuk* 141
Russia by no means is interested in a defeat of the international forces in Afghanistan, as it would create new security problems. But Moscow does not see prospects for a military victory. And if these prospects appeared, they would give a green light to "Greater Central Asia" infrastructure projects that would be economically disadvantageous for Russia.
- The Post-Crisis World: Searching for a New Framework**
Vladislav Inozemtsev 150
This century will be neither "American" nor "North Atlantic" – but neither the Americans nor the Europeans or the Russians are interested in seeing the 21st century becoming "Asian" and especially "Chinese." Today as never before all of them need unity.

The Living Past

- How Stalin and Molotov Wrote Messages to Churchill**
Vladimir Pechatnov 162
The available archival documents (especially those from the Stalin Fund at Russia's State Archive of Social and Political History) make it possible to reconstruct the way Stalin's letters to the British prime minister were written and see genuine motives and specific mind patterns of the great dictator.



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No Lull in Sight

Fyodor Lukyanov, Editor-in-Chief

There has been no traditional summer-time lull in Russian politics this year. The breath of the crisis is felt everywhere. In Russia, it forces the government to take preventive measures – many analysts predict a hot autumn prone with social problems. But in the international arena, new opportunities are opening up, which Moscow does not want to miss.

The main event of the summer was the Moscow visit of Barack Obama, who officially opened an era of a “reset” in U.S.-Russian relations. Almost all commentators agree that the Moscow negotiations were successful, although admittedly the Russian and U.S. presidents avoided thorny problems. A report prepared by a team of experts led by **Sergei Karaganov** and published in this issue focuses on ways to broaden and complement the new Russian-U.S. agenda. The authors say that the key to a real reconfiguration of relations between the two countries lies in coordinating their priorities, primarily with regard to regional issues.

Although the Cold War ended 20 years ago, there has not emerged a European/Eurasian security system that would enjoy the trust of all the partici-

pants. Meanwhile, the number of real or potential hotbeds of conflicts arising along the continent’s perimeter has been persistently increasing.

Boris Mezhuyev and the author of this article analyze the proposal Russian President Dmitry Medvedev made more than a year ago for building a new European security architecture. **Oleg Alexandrov** discusses the situation in the Arctic, which is now turning into an area of rivalry among adjacent nations. The expert believes that creation of a regional security system in Northern Europe could serve as a model for a pan-European security system.

Tigran Torosyan focuses on the role of Turkey as a rising regional power. Ankara has an increasing impact on developments in the South Caucasus, Southern Europe and the Middle East. This is evidenced – among other things – by a recent visit of Russian Prime Minister Vladimir Putin to Turkey, which has become a landmark event for relations between the two countries.

Ivan Safranchuk analyzes the Afghan conflict which the Russian and U.S. presidents discussed in detail in Moscow. The author holds that there exist possibilities for deepening cooper-

ation between the two countries in this sphere, but their interests do not fully coincide. Also, the Afghan problem can hardly be solved without the involvement of regional structures, above all the Shanghai Cooperation Organization. **Yevgeny Primakov** writes about yet another field of confrontation – the Palestinian-Israeli conflict. The author believes that the resolution of this conflict is crucial for ensuring stability on a vast territory from the Middle East to South and Central Asia.

Vladislav Inozemtsev analyzes the possible impact of the economic crisis on the balance of powers in the world. In his view, the West should make efforts towards cooperation with countries that found themselves outside of the Western world's orbit in the 1990s. This refers, above all, to Russia and Latin American states. Only such "Broader West" can counteract the challenges of the new century.

Is Russia prepared to face these challenges? A section of this issue devoted to Russia's potential for transformation discusses this question in detail. **Olga Kryshтанovskaya** analyzes the principles of Russia's authoritarian modernization in the 2000s and concludes that the potential of this model has been exhausted. **Mikhail Afanasiev** believes that Russian society has enough resources for systemic renovation; however, the state machinery is unable to use these resources properly. **Tatyana Mitrova** focuses on changes taking place on the world energy market. The

state of this market is vital for Russia's development. The scholar warns that Russia must be ready for serious and potentially unfavorable changes, which will require that it review its approaches. **Alexander Chepurin** writes about Russian resources of a different kind – he discusses possibilities that can open up for Russia from interaction with Russian communities abroad.

Victor Kremenyuk raises a broader issue – he calls for rethinking development priorities, which is imperative for an unbiased analysis of the past experience. **Dmitry Badovsky** writes that social therapy is more important than political liberalization for Russia's modernization project. This therapy includes the removal of the monetary peg from values, the elimination of corporate tendencies in society, the restoration of social mobility, and a return to the principles of public solidarity.

Vladimir Pechatnov turns to the history of World War II, which has been widely discussed both in Russia and the rest of the world of late. Correspondence between Joseph Stalin and Sir Winston Churchill from Soviet archives reveals interesting aspects of the relationships between the leaders of the Allied coalition.

Our next issue will be devoted to the sweeping changes in Europe and the world that were heralded by the fall of the Berlin Wall. Modern Russia's vision of developments over the past two decades differs from the view that prevails in Europe.

Transforming Russia



Ilya Glazunov.
Prince Igor and Oleg, 1972

“The sword is sort of short. Looks like a penknife,” Vladimir Putin said about the sword of Prince Igor. “As if it’s used to cut sausage,” he added. Admitting the fault, Ilya Glazunov said the picture would have to be remade and praised the prime minister’s straight eye. “I just keep an eye on details,” Putin remarked.”

Ilya Glazunov’s picture *Prince Igor and Oleg* was subjected to criticism by the Russian prime minister when he visited the artist’s gallery on June 11, 2009.

An Exhausted Resource *Olga Kryshтанovskaya*

8

Is There a Demand for Modernization in Russia? *Mikhail Afanasiev*

22

Russia’s Modernization: At Another Fork in the Road *Dmitry Badovsky*

34

How to Overcome the National Crisis *Victor Kremenyuk*

48

An Exhausted Resource

Authoritarian Modernization of Russia in the 2000s

Olga Kryshтанovskaya

The term 'modernization' is usually associated with the process of democratization. However, all political systems are exposed to evolution and monocentric states (i.e. states without real separation of powers, with a single decision-making center) are no exception.

Generally, political scientists call such societies authoritarian. Nowadays this term has a negative connotation; therefore, a more neutral expression which describes the same social phenomenon, 'monocentric state,' is more frequently used in Russian scientific literature.

There is no doubt that the Soviet Union was an example of an authoritarian state in which the rigidity of the state structure, which sometimes assumed a totalitarian character, varied in different periods. Massive state interference in society affected all levels and systems of life. The powerful political police, following up any signs of nonconformity and disobedience, was formed with the explicit purpose of realizing this complex task.

This rigidity in the state structure created many problems; with the lapse of time, ideology degenerated into hollow demagoguery detached from reality and the prestige of the ruling elite (with an average age of seventy), was crumbling. Furthermore, the lack of freedom of movement and the Iron Curtain created myths about heavenly life in the West. Just as an increase in pressure in physical systems inevitably leads to an

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explosion, in the Soviet Union the seeds of independence and civil initiative that had been forced to the underground eventually gave shoots and grew into dissident coteries with an activity so desperate in its protest that it could no longer be concealed from society.

Flexible materials bend when under pressure while inflexible materials break. It was the inflexibility of the Soviet system which caused its impetuous collapse.

In the spring of 2000, after a brief reflection, the new president of Russia, Vladimir Putin, and his circle decided to veer from the democratic way. The state was extremely weakened and it ceased to be an effective network of administrative links controlled by a single center.

The regional elites behaved more and more like feudal princes. The financial oligarchs placed demands on the authorities, forcing decisions that were advantageous for their businesses. The separation of powers formally registered in the Constitution never took root. The first attempts of the young parliament to oppose the Kremlin's decisions were repressed with tanks in 1993. The bureaucracy lost their bearings and the hierarchy of power was disturbed.

PUTTING THINGS IN ORDER

These huge problems could probably have been solved in different ways, specifically by continuing democratic reforms. However, the administration that came to power in 2000 chose a different path. Vladimir Putin, succeeding Boris Yeltsin in the post of President of the Russian Federation, concluded that Russia should be brought back to its traditional mode of life, order should be restored in the system, and modernization should be started only when he held tight all the controls.

Thus a new goal was formulated – to regain state control in all important spheres of life. What impeded them? The key hurdle was the existence of several centers of power competing with the Kremlin for the resources and controls. Potential danger was seen in the governors (especially those from rich regions), the freethinking and obstinate State Duma with a Communist majority, the oligarchs who got an idea of their own omnipotence, the independent mass-media, opposition parties, and public organizations not controlled by the Kremlin. These centers of power needed to be eliminated or placed under control.

The oligarchs. Putin tried to come to terms with the oligarchs by peacefully concluding the so-called “kebab agreement” in May 2000. The essence of the agreement was mutual noninterference: Putin would not interfere in the oligarchs’ businesses on the condition that the oligarchs would not interfere in politics. However, the self-assured businessmen who used to think that any political project could be realized with the help of money, took a skeptical view on the “kebab agreement.” The NTV channel owned by Vladimir Gusinsky persistently criticized the second war in Chechnya launched by Putin. As a result, Gusinsky’s activity was recognized by the authorities as most dangerous. The persecution of Gusinsky began in 2000 and resulted in his fleeing Russia, the crushing defeat of NTV channel and its subsequent transfer into Gazprom’s ownership.

Simultaneously, Boris Berezovsky who controlled TV Channel 1 (ORT) and TV Channel 6, was also put under extreme pressure. In spite of the vehement struggle, Berezovsky failed to retain his channels and had to flee to Great Britain to avoid prosecution. In 2002, the NTV and ORT cases were settled and both channels went under the control of the authorities.

In 2003, criminal proceedings were launched against another major businessman, Yakov Goldovsky, the chief of SIBUR. The General Prosecutor’s Office accused him of abuse of power. As a result, SIBUR was placed under Gazprom’s control.

In the same year, an attack was leveled at Gosincor which was headed by Boris Yeltsin’s friend and former chief of his administration, Yuri Petrov. Petrov was accused of having stolen 300 tons of silver in 1996 through the intermediary of Guta-Bank, of which his son, Alexander, was president. The case ended with Gosincor’s liquidation and Guta-Bank’s turning under the control of the state-owned Vneshtorgbank.

Finally, there was Mikhail Khodorkovsky. Not only did he control the Duma majority but he was also very active in establishing Open Russia, a non-governmental organization. The Federal Security Service sent numerous warning messages to the Kremlin: the ambitious oligarch had to be stopped immediately as Khodorkovsky’s ratings were rising and his representative offices in the regions were growing stronger. The Kremlin regarded it as preparation for the presidential bid. The obstinate oligarch didn’t compromise with the authorities and was imprisoned for 8 years.

The YUKOS case was the last straw that produced a real shock on the Russian business community. It became clear that there was no way to play games with Putin and that anyone testing the waters of politics would be bitterly suppressed. The businessmen understood perfectly well: the new rules of the game must be accepted, otherwise they will have to leave the country. Uneasiness and the awareness that the state would crush anyone who angered the Kremlin reigned in business. Now direct interference in politics, not only by business, but also through any social activity was forbidden. It was believed that even those engaged in charity were working to develop their image and could therefore represent a potential threat at the polls. The role of big business (if it wished to continue making money in Russia) was clear: keep silent and sponsor only those projects that are initiated by the Kremlin. Meanwhile, oppressive actions against the oligarchs increased President Putin's popularity, with approval ratings rising to over 70 percent.

The result of the war between the state and big business carried out during Putin's first presidential term was the suppression of the oligarchy. They gave up attempts to "play politics." At the same time a pool of private businessmen who actively supported state social and political projects was formed. Some of these businessmen belonged to the cohort of "Yeltsin's oligarchs," while others were closely linked to the new presidential team.

Yet the main outcome of the tough reforms in this sphere was that private business continued to exist, and this imparted a different tone to the further development in the country. Having taken a step back by curbing a number of democratic achievements of the 1990s, the authorities did not continue to tighten the screw. In fact, the presence of a free capital zone appears to be a source of modernization ideas in today's Russia.

The governors. The problem of the governors' independence was resolved with the help of the following reforms:

The summer of 2000 saw the formation of federal districts and the introduction of presidential plenipotentiaries who formed a layer between the Kremlin and the regions. The governors thereby automatically moved down one rung on the ladder.

Simultaneously, the procedure of forming the Federal Council was changed. The governors were ousted from the Council and therefore lost

a perfect platform for formulating a unified strategy. The State Council, an advisory body to the Head of State, replaced this function, with all the governors automatically becoming its members.

In autumn 2004 the election of governors was abolished.

As a result of these reforms, the governors were politically marginalized. They lost an open platform for discussions (sessions of the upper house of parliament) and a new layer appeared between them and the Kremlin in the form of presidential plenipotentiaries (75 percent of whom were military officers, largely from intelligence services). Governors were no longer guests on political TV programs; the proceedings of the newly formed State Council were not broadly covered by the media, while the President was the main character of the brief news reports.

Gubernatorial behavior changed: gripped by fear they no longer criticized the Kremlin or came out with populist declarations. Now they were not politicians but economic executives who knew their place and didn't dare argue with the federal center. Thus the authorities elevated the difficulties in controlling the once defiant regional elite. Regional governors were now fully dependent on the center's attitude towards them.

Despite these innovations, the Kremlin still perceived the regional elite as something alien. It feared that the regions might still spring a surprise – the majority of the governors were still holdovers from the Yeltsin era elite (as compared to the Presidential Administration which was mostly comprised of Putin's associates – about 70% of his key staff by 2003).

With time, the body of the governors changed, yet these changes were not abrupt but rather gradual. The new governors were in some ways similar to their counterparts in tsarist Russia while in other ways they bore some resemblance to the first members of the regional Communist Party committees in Soviet Russia. They were fully subjugated by the Kremlin; their role was reduced to showing loyalty and devotion to the center. The sword of Damocles threatened every governor with dismissal or criminal prosecution for abuse of the old system of sinecure.

At the end of 2004, a new reform was undertaken as the final step in this process. The new regulations changed the procedure for forming executive agencies in the constituent entities of the Russian Federation. The new federal law eliminated the election of governors by plebiscite. From now on the president would recommend a candidate for the governor's post who

would then be approved by the regional parliament. Thus the regional political elite were put under complete control of the federal center.

The year 2005 saw the launch of a new process – the enlargement of regions. A referendum on the integration of the Krasnoyarsk Region, the Taimyr (Dolgano-Nenets) and the Evenk Autonomous Districts marked the start of the integration process. The referendum showed that the residents of these regions favored integration, which was reaffirmed in the corresponding constitutional law. This procedure of integration was later used in the Perm Region and the Komi-Permyatski Autonomous District, the Kamchatka Region and the Koryak Autonomous District, the Irkutsk Region and the Ust-Ordyn Buryat Autonomous District.

The State Duma. Another important problem to be solved was subjugating the State Duma to the Kremlin and ousting bright and popular opposition members from it. During the 1999 elections Putin was not ready to tackle an issue of this magnitude, although the Presidential Administration did make an effort to form a central political party by bringing together devoted like-minded deputies. In 2003, Putin was prepared for the State Duma elections. The Kremlin dedicated significant resources to the United Russia party, which was by now consolidated both organizationally and financially. A large number of regional elite and civil servants joined the party supported by the president himself. Moreover, a new party called Rodina was formed on the Kremlin's initiative. The party was designed to deprive the Communist Party of votes in order to marginalize the Communists in the Duma.

The 2003 State Duma election campaign demanded incredible efforts on the part of the authorities but it proved immensely successful. Putin was able to secure a majority in the State Duma in excess of the two-thirds he needed. The Democrats were ousted from the parliament, making it possible for the Kremlin to carry out any desired reform. The Duma was completely managed by the Kremlin and ceased to be an independent arm of the government.

However, full restitution of a one-party system did not take place. The ruling party was put into a competitive environment. On short notice (acting upon directives from state authorities) new parties were formed to create “opposition” to the United Russia party. This kind of artificial competition between political parties gradually changed the

political scene of Russian elections. Now support from the Kremlin was no longer sufficient, each party had to learn how to earn it and use it proficiently. The mock-up political parties were thrown into real elections where they had to learn to survive, and win. Perhaps the results were already a foregone conclusion previously determined by the Kremlin, which was not interested in electoral upheavals or orange revolutions. The authorities needed legitimate elections and the newly formed parties had no other choice than to learn how to win.

The changes in the electoral legislation between 2004 and 2006 made the authorities' intention even more obvious: the urgent formation of larger parties which could be competitive at the elections. This was the only way for the ruling elite to escape overthrows, revolutions, or "hour-glass" elections that threaten sweeping changes and can turn the system upside down.

THE ELECTORAL SYSTEM

During the same period, the electoral system also underwent reform which increasingly normalized the political process. All unaffiliated charismatic leaders disappeared from the political arena; political parties became the sole instrument of political struggle, forming the only instrument of public politics. In 2001 the electoral legislation underwent its first reforms, increasing the minimum party size to 10,000 people. The process of enlarging parties was further strengthened in 2004, when the minimum size was increased to 50,000 people, thereby destroying a number of small parties. In 2005, further amendments were made to strengthen political parties. The mixed (majoritarian/proportional representation) electoral system was replaced with a proportional system (i.e. elections based on lists of candidates from the political parties), a minimum of 7 percent of the vote was required for election to the State Duma and electoral blocs were prohibited. The admissible portion of inauthentic signatures for any given political party was reduced from 25 to 5 percent.

These changes had a dramatic effect on the political process across the country. On the one hand, the reforms surely aimed to strengthen the multi-party system since they made it impossible for charismatic singletons to succeed politically. On the other hand, they led to the bureaucratization of political parties; they became the only platform from which to launch a political career. Also, there was now remarkable dif-

ference between old parties formed under Yeltsin and the new parties. The old parties either joined the opposition and became more radical, or left politics entirely under pressure from the authorities.

The mission of the new ruling parties was to become organizations that would endorse officials in power. The reforms were perceived by different elite groups as a signal: those who wanted to emphasize their loyalty to the Kremlin and the president began to join the ruling parties en masse. Interestingly, the safer the members of any given elite group felt, the less likely they were to join a given party. Therefore there are now very few party members among Kremlin officials close to the President and, at the same time, most of the sidelined governors are members of United Russia (see Table 1).

Table 1. The Portion of the Members of the United Russia in the Elite Groups

Elite groups	Group size	The number of the UR members	The percentage of the UR members in the group (%)
Governors	82	66*	80.5
State Duma deputies	450	315	70.0
Ministers	86	6	7.0
Kremlin officials	39	1	2.6

*As of June 1, 2009, the number of the governors-members of the UR increased to 72 people (the data of the UR Central Executive Committee).

This conclusion is supported by the data on the rise to power of key officials. Members of United Russia make up 85.7 percent of the heads of sovereign entities appointed or elected before the year 2000 while among “the Putin governors” who assumed office after 2000, the percentage of UR members was only 77.1 percent. At the same time, “the “sidelined made up a minority (less that 3 percent) among the officials of the Presidential Administration and the Security Council. This shows that membership in the party created a protective shield, especially for those whose loyalty was called into question.

United Russia further consolidated its position both organizationally and financially. A majority of the regional elite and officials became members of the party supported by the President himself. The 2003 State Duma elections were marked by the party’s impressive vic-

tory, which won more than two-thirds of the seats. The next two years were marked by further UR victories at the regional elections, which led to the party gaining the majority of seats in the legislative assemblies. On average, UR deputies got 62 percent in the legislatures, while in some regions this number exceeded 80 percent (Nizhni Novgorod and Omsk regions). This provided an opportunity for the ruling party to control gubernatorial appointments and the composition of the Federal Council.

The 2007 elections affirmed that for the first time since the dissolution of the Communist Party of the Soviet Union (CPSU), a party was formed capable of becoming the backbone of the state. It had all the features that made it similar to the CPSU – the wide network of regional organizations, discipline, methods of the agitation and advocacy, and the style as a whole. Like the CPSU, United Russia was under the patronage of the Kremlin. The regional officers of the party were directly managed by the governors, who were personally responsible for the party's position in the region and the election results. However, there are also some differences: United Russia was not an all-encompassing party. It did not have that same multidivisional structure and it did not enjoy the support in absolutely all social classes. It existed in a competitive environment, even though it had an upper hand during elections, financial superiority, the advantages in organizing public events and support from the media. Nevertheless, United Russia was a pro-state party, a party for the state, but never a party-state.

Thus, in spite of all reservations we have to admit that there was formed a multi-party system in Russia, and that United Russia had to prove its resilience in a competitive electoral struggle. There was one more important difference: it failed to become an ideological party. Its political creed was unquestioning support of the President. The ideology of “sovereign democracy” suggested by the Kremlin remained an unsolved puzzle for society, who could only make out that “Russia is not America,” and that “we will take our own path.” What was that path? The answer was left out.

These huge efforts paid off in the 2007 parliamentary elections. United Russia got 64.3 percent of the votes and won 315 seats in the Parliament, which exceeded the two-thirds majority by 15 seats.

THE POLITICAL ELITE

The vast majority (82.1 percent) of today's political elite were appointed after 2000, so they can be justifiably referred to as "the Putin elite." The group with the highest share of officials appointed after 2000 is to be found in the Presidential Administration (97.4 percent) and the smallest share, among the governors (59.3 percent). An analysis of career trends shows that, by and large, "Putin's team" was formed by 2003 (late summer 2002 is the average point of entry into service) when the inflow of new recruits gave way to slight rotation of resources and the bulk of the state authority was formed. From 2000 to 2008, the St. Petersburg contingent was growing steadily; they currently represent 25.6 percent of the top-level state officials.

The rotation of positions within the political elite goes along two distinct trends: the first is related to electoral activity, and the second to the designation to post. Movement within the elite unites members of the government with the Presidential Administration staff members who move within these structures and swap cadres. For instance, 51.3 percent of the top-level officials in the Presidential Administration came from the government, and 16.3% of the officials transferred in the opposite direction. At the same time, only a few members of these structures became deputies or governors (0.8 percent became governors, 4.8 percent became State Duma deputies, and 1.6 percent became members of the Federation Council).

The above suggests that the Russian political elite has split into two groups – bureaucracy (those appointed to their positions) and electocracy (those who are elected). These groups became institutionalized and came to exist independently without mixing much. The electocrats worked in political parties and engaged themselves in election campaigns, in drafting bills, and in public politics. The bureaucrats climbed the career ladder within the departmental hierarchy, making but rare appearances in public politics. The group of electocrats developed professionally by including more and more lawyers and legal advisors. Bureaucrats gradually moved towards management roles, becoming increasingly capable of running huge systems.

Yet the public opinion differentiates between them in a different way: the electocrats are labeled as demagogues and babblers, the bureaucratic officials are perceived as corrupted.

The style of work of the Russian establishment gradually changed, depending on how many of those who had “Soviet nomenclature experience” survived there. Whereas there were 38 percent with such experience during the first term of Putin’s presidency, by 2008 their share dropped to 34 percent. The highest proportion of the former bureaucratic elite can be found among the governors (56 percent of them held office in the Soviet bureaucratic system) and members of the Federation Council (48.2 percent). The lowest representation of this group is among the members of the Presidential Administration (12.8 percent only). This could be explained by the different rate of rotation: in the upper levels of the bureaucracy mobility was much speedier than in the regions – one can still find real sanctuaries of “Sovietism” there.

Table 2. Features of the Political Elite in 2008

Category of the political elite	Average age	Appointed after 2000, %	The average year of appointment
Top officials of the Presidential Administration and the Security Council	54.3	97.4	2003
Government (ministers, heads of federal agencies and committees)	52.0	89.5	2003
Governors	54.4	59.3	1999
Total	53.6	82.1	2001

An important feature of the Russian political elite today is the increased number of those officials who previously worked either in economic structures or had business experience; 39.8 percent of the elite fall into this category. Moreover, the younger an official is, the more likely it is that he has an association with private capital. The ratio between executive managers and owners in private business is now 1:8 in favor of the former; and 52.3 percent of all members of the government and 43.9 percent of the governors have experience of working in economic structures. It is clear that the piecemeal replacement of “Soviet-style executives” by “private entrepreneurs” in the Russian establishment will also affect the nature of the current reforms and the mindset of the ruling elite in this country.

By 2009, the share of security officials holding highest political offices reached 42.3 percent and the representation of business rose to 40

percent. The proportion of women, intelligentsia and youth has been declining while blue-collars have disappeared from the bodies of government altogether.

Changes in the political system in 2000 through 2008 went under the banner of Sovietization, elimination of alternative centers of power, and regulation and subordination of every element of the state machinery. This key trend in the political process was accompanied by the return to basic principles of state management that were characteristic of the late Soviet period in Russia's history and are now being revisited in a modernized and technocratic form. The elite that was accountable for all these transformations changed, too. Charismatic public politicians left the establishment and were replaced by "people of the system" who had relevant experience in government service, were loyal to their leadership and shared its political views. The state grew stronger and the statist became the dominant group within the political class.

STATE CAPITALISM

The 2004 to 2008 period witnessed another process, that of active penetration by the political elite into the management of economic structures.

During Yeltsin's tenure state companies were losing their significance. All commercially attractive enterprises were put up for auction and went private. The state owned only one oil company – Rosneft, the least profitable and most technically backward. The state also owned natural monopolies, military-industrial enterprises and unprofitable, yet socially important, enterprises. As a rule, their boards of directors included ministerial officials and members of the state property management committee.

Under Putin things began to change. State companies started to play an increasingly significant role in the economy, holding private entrepreneurs at bay in some sectors. Gazprom, Rosneft and other energy giants were getting stronger and stronger, while their boards were increasingly staffed by Putin's circle.

In January 2005, the government decided to bring a number of the largest Russian companies under the direct control of the Cabinet of Ministers. These companies can be divided into two groups (let's call them group A and group B). Group A includes 27 companies, while B

has 44 companies (in 2007 there were 41 companies in group B). These enterprises cover the main sectors of the economy: fuel and energy (including the electric power industry and the atomic industry), the military industrial complex, transport and communications, the banking sector, and the electronic media.

The more significant the company, the more ministers are likely to sit on its board of directors. This means that a company's status is correlated with the status of its board members. Members of the Presidential Administration on a board were an unambiguous sign of the company's special significance (see Table 3).

**Table 3. Elite Groups Represented
in the Boards of Directors of the Key State Enterprises**

Elite groups	Boards of directors, A-list companies*	Boards of directors, B-list companies
Total number of companies	27	41
Number of companies where elite groups are represented:		
RF President's Administration	23	6
RF Government	27	41
Security officials (minimum)	23	19
Other companies' representatives	10	12
Regional authorities' representatives	4	16
Top managers of the company	21	9

* The sum by column is more than 100% as one and the same person could be qualified both as a security, law-enforcement and defense officer (*silovik*), and/or as a member of another elite group.

Nowadays the boards of directors of large state-owned companies consist of government representatives (73.7 percent), members of the Presidential Administration (7.5 percent), and security officials (26.1 percent). Regional authorities do not have strong representation on the board of directors. They are on the board of less than 2 percent of the A-list companies and about 7 percent of the B-list companies. This suggests that local administrations are unable to influence the development of strategic companies or their power is rather limited. It is also worthwhile noting that the heads of the companies are rarely members of the board themselves. In the A-list they are represented in 21 of the 27 companies, and in B-list they are in the board of directors in 9 companies out of 41 (only 20 percent). This high-

lights the fact that top management is excluded from the decision-making process and is limited to exercising executive functions only.

THE OUTCOME OF THE AUTHORITARIAN MODERNIZATION

The result of the post-Yeltsin reforms was a profound modernization of the Russian state. Attempts to quickly switch to democratic practices created such a grave threat to the state that the government decided to scale back some of the democratic reforms, restore subordination and manageability of the system, and only then restart the modernization process and soften the regime.

The state itself became actually the only source for the modernization efforts. The authorities ousted opposition leaders from the media, and then from politics. The Kremlin's opponents were forced to leave the political scene. The radicalization of the democrats and the subsequent decrease in the number of their supporters eventually brought a loss in their electorate, who partly crossed over to Putin's side as they approved of his neo-conservative reforms.

Who supported the authorities in their modernizations efforts? It was the broad political class who had a mass party and also business people who were genuinely interested in the innovative path of the country's development. But those two allies could hardly be active. The supreme power itself was guilty of the fact that all those close to the party were afraid to take the initiative, as they knew all too well what the consequences could be.

This is the major problem of modernization projects in authoritarian states: the government has to face social problems alone. Even with the tacit support from the public, it is difficult to address large-scale tasks in the absence of active civil society. Innovations demand freedom, which is still lacking. For too long, those who dared to ruin the parade, stand out and act on their own, have been prosecuted. And Mikhail Khodorkovsky, who is still in detention, reminds everybody who strives for independence of what can happen when the state prefers "sovereign democracy" to simple democracy.

Is There a Demand for Modernization in Russia?

Sociological Research Evidence

Mikhail Afanasiev

According to widespread belief, the new Russian order conforms to the “sovereign” political culture of the country, which makes this order stable and irreplaceable. I believe this is a completely erroneous assumption and has harmful repercussions, which I am ready to prove.

In fact, both an institutional analysis of the government system and sociological studies show that the new Russian order is extremely unstable and has very little legitimacy in the eyes of the public.

REHABILITATION

OF THE RUSSIAN MAN IN THE STREET

Many would associate the causes behind the establishment of a parasitic state and the stupor of modernization in Russia with its national political culture: as the culture, so is the result, they would say. Understandably, those pleased with the result will find this explanation quite satisfactory. Yet it is amazing that the Russian public at large, who are very unhappy with the current situation, also complain for some obscure reason about “this special culture of ours.”

Here are some purely logical arguments against this “verdict” for Russian political culture.

First, political culture is a complex notion and therefore is not unequivocal. Any explanation of a political process using this notion is likely to be multi-layered, complicated and vague. So let us not rush to make references to political culture.

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Second, there are often multidirectional trends even within one political culture. The prevalence of one tendency over another may depend on the socio-historical situation and specific circumstances. In this event claims that the dominant tendency is an authentic expression of the national political culture may work as mere propaganda or political myth-making.

Third, any national political culture in the contemporary global world is a volatile and elusive phenomenon. Even the latest descriptions of political cultures are not suited for interpreting or predicting the future of nations.

Now we will move on from general judgments to specific assessments. Leading sociologists from the Levada Center – Lev Gudkov, Boris Dubin and Alexei Levinson – presented a sociological manifesto with a consistently critical view of Russian political culture in a series of interviews in *Novaya Gazeta* (2008, Nos. 23, 40, 46, 60, 63, and 82). The very name of this series – “A Composite Sketch of the Russian Man in the Street” – is symbolic, as it describes the results of sociological studies that bring multiple scientifically-proven accusations against the average Russian.

This individual, who learned to adapt to the political regime in the Soviet era, has adapted to a “repressive state” again. Of course, he does not want repression, but demands that the incumbent authorities deliver what the authorities of yesteryear provided – socialism. That is, this individual still seeks a paternalistic attitude from the government.

The Russian man in the street reasons as follows: “Even though my salary is not large, it is guaranteed, and my work is calm and not strenuous.” In general, Russians crave order, not freedom; they believe in a “special path” and reject Western values, which are alien to them. They support the incumbent political regime and their “loyal discontent” seems to be the only thing with which they can confront the government. This only strengthens the existing political system. Therefore, Russian public opinion “legitimizes and takes for granted the things that the Western community would find unthinkable.”

Many assessments presented by the Levada research – and other studies, as well – testify to a sad social reality: Russians do not trust each other and see no opportunities to influence social development outside

of their immediate milieu. Social unity is sustained not by the solidarity of Russian citizens, but by official agencies; patriotic values are largely declarative (when asked “What is patriotism?” 70 percent of respondents said: “It is love of one’s native country,” and only 20 percent associated patriotism with the wish to “do something for their country”).

And yet, the verdict is not final and it can be appealed. The Russian man in the street deserves rehabilitation. For the sake of consistency I will formulate the features – very popular and quite imprecise – of Russian mass political culture and comment on them.

First Feature. *Russians have inherent paternalistic expectations and a considerable portion of the population (41 percent according to the Levada Center) is nostalgic about the Brezhnev era.*

This is not surprising. A majority of Russians supported the renunciation of the Soviet system, hoping for a better life and a larger income. Instead, they found themselves hit by a socio-economic downturn unprecedented in its intensity and duration. During the subsequent economic revival, the country never reached the pre-crisis economic and consumer level it had achieved during the Soviet era. On top of that, during both the economic slump of the 1990s and the revival of the 2000s, the gap between the very rich minority and the poor majority was rapidly increasing. Therefore, the argument that “life used to be better” is economically motivated and quite justified.

Is the Russian craving for real order in the country an obstacle to modernization? Not at all; on the contrary it facilitates it. For years Russians have persistently posed the question of national development before the progressive elite: Where is the government? Indeed, public opinion reflects a strategic lack of modernization in the country – a shortage of useful and developing statism, which can and should be an important conceptual element of Russian modernization. This does not imply backtracking to authoritarianism. The state must play a strategic, innovative and organizing role. Consider India’s experience; its tremendous effort to modernize and democratize a huge and disintegrating society would not have been possible without statism – the ideology and practice of the government’s constant developing impact on public life. Perhaps we should also go along this path of socio-economic modernization – by building a multi-ethnic nation-state?

Second Feature. Russians are known for a very high level of xenophobia, which allegedly exceeds Europeans' by an order of magnitude (the Levada Center reports that the increasingly popular slogan "Russia for Russians" is supported by more than half of respondents). Consequently, ultranationalists are likely to come to power in a genuinely free election.

But if we consider nationalist sentiments in the West, we will see that the electoral success of the ultra-rightists in Austria, Germany and France belie the low level of xenophobia in Europe. We should also keep it in mind that by comparing the mindset of Russians and Europeans before 2008, we would actually be comparing a deeply injured and split Russian society with a prosperous Europe, basking in economic and geopolitical success.

As to estimates, I will cite the opinion of Leonty Byzov, a leading Russian sociologist who sees a rather rapid growth of civil identity in modern Russia. "As many as 55.6 percent of those polled preferred to call themselves 'citizens of Russia;' 38.1 percent stated their nationality, including 34.2 percent who said they were Russians."

As for the radical slogan "Russia for Russians," the share of its supporters peaked at 17.1 percent in 2001-2004, but has not increased since, remaining at 10 to 11 percent.

Third Feature. The stable mass support that Vladimir Putin receives points to the monarchic mindset of Russians and the fact that they do not need democracy.

The monarchism of Russian political consciousness should not be overestimated or dramatized into a myth. Consolidation around the leader in transitional societies is an anthropologic law, not a national trait. The support for Putin as president rested on two socio-psychological factors – expectations for social stability and national unity. Putin's presidency met those expectations to some extent, which sharply contrasted with Yeltsin's rule that degenerated into painful phobias of social instability and of a disintegrating country.

By the end of Putin's first term sociological studies indicated that a majority of voters had no illusions about the outcome of his rule.

Table 1 shows the "balance" of public evaluations of Putin's successes and failures, based on an opinion poll conducted by the Levada Center in March 2004.

**Table 1. Putin's Achievements and Failures during His First Term
(% of all respondents)**

Priorities	Achievements	Failures	Balance
More optimism, hope for rapid improvement of the situation in the country	13	6	+7
Higher standard of living, pensions and wages	24	21	+3
Improvement of Russia's relations with Western countries	5	3	+2
Strengthening of Russia's international position	4	2	+2
Cooperation with CIS countries	3	2	+1
Defense of democracy and citizens' political freedoms	1	3	-2
Establishment of an acceptable economic and political environment for private business	2	4	-2
Enhancement of combat capability, military reform	2	5	-3
Restoration of order in the country, maintenance of a stable political situation	5	11	-6
Improvement of relations between various ethnic groups	1	8	-7
Economic development	10	18	-8
Improvement of morals	0	13	-13
Restraining oligarchs, limiting their influence	5	19	-14
Eliminating the threat of terrorism in Russia	1	25	-24
Fight against corruption	2	29	-27
Resolution of the Chechen problem	1	34	-33
Fight against crime	1	36	-35
No achievements/failures	15	2	-13
Undecided	6	9	-

Remarkably, Putin's achievements and positive opinions of his policy are associated with a higher standard of living and related optimism. With regard to all other Russian problems Putin has a negative balance of achievements/failures, and he scored the lowest when respondents were asked about the fight against corruption.

Tsarist illusions are retreating into the past. For example, halfway through Putin's second term the Kremlin began to leak information that Putin was considering a third term as president – and received quite discouraging feedback from opinion polls. An overwhelming majority (81 percent) of Russians opposed abolishing nationwide presidential elections and allowing parliament to elect the head of state.

More than half of those polled (67 percent) objected to making Russia a “parliamentary republic” in which the prime minister (that is, Putin) becomes the real head of state, and to abolishing the article of the Constitution which limits the president to two successive terms (54 percent). Russians also rejected the idea of Putin's transferring power to his successor with a view of coming back in one election cycle (49 percent opposed this option and 29 percent supported it).

There was a considerable gradual expansion of public demand for democracy during the Putin presidency. Despite efforts by the authorities to “guard” Russians from such “alien ideas” as open criticism of the government in the mass media and the need for a political opposition, these very ideas have been firmly established in the mind of the Russian public as a social norm. The Levada Center reported in 2000 that more than half of the Russians surveyed believed that criticism of the government in the mass media “benefits the situation in the country” (56 percent), while about one quarter of the respondents (27 percent) held the opposite view. In 2004, the share of the supporters of government criticism in the mass media increased to 65 percent, whereas the share of those opposing it dropped to 21 percent.

In 2000, the ratio between those who supported and those who opposed the idea that Russia needed a political opposition was 47 to 29 percent, respectively. In October 2004, 66 percent of the respondents agreed that Russia needed public movements and parties opposing the president and which were capable of influencing developments in the country. The share of those who believed otherwise decreased (21 percent).

The attitude of Russians towards a multi-party system has undergone radical changes as well: a system of two or three political parties looked increasingly attractive in 2000. Support for a one-party system decreased from 43 percent in 1999 to 34 percent in 2004. Also, the public was negative and sceptical about a decision to do away with the direct election

of governors and introduce a proportional electoral system that does not envision the election of local deputies in their constituencies.

The beginning of Putin's second term was marked by a barely visible, yet very significant, shift in public sentiment. A broad public demand emerged for real, systemic and socially-effective changes; it formed peacefully within the framework of the stabilization consensus.

THE DEMAND FOR QUALITY GOVERNMENT

According to the All-Russian Public Opinion Research Center (VTsIOM), the number of Russians who are confident that the country needs vigorous and radical changes (44 percent) almost matches those who call for stability and progressive reform (48 percent).

There is a prevailing opinion – both in Russian government circles and with the public at large – that the reformist potential of advanced groups of Russian society is close to zero, since representatives of the new middle class, a fortiori wealthy Russians, are interested more than anybody else in preserving the status quo under which they have advanced to more advantageous social positions.

To confirm or disprove this “verdict,” the author of this article, with assistance from the Liberal Mission Foundation, researched the Russian “development elites.” The target respondents were representatives of socio-professional groups, well-known in their regions and professional associations, with an established social status, prestigious positions and who perform important public functions (governance, defense, protection of law and order, jurisprudence, entrepreneurship, corporate management, healthcare, science and education, mass information and public expertise). We did not poll top government officials or heads of large corporations (i.e. the ruling elite).

The results of the research show that Russian elites, despite their cultural narrow-mindedness and weak public influence, have a potential for facilitating the development of society. The elites actually form a milieu for the creation and growth of public capital.

This positive trend manifests itself in the growing number of new public associations that bring together professionals, apartment owners, coalitions of people seeking to defend their rights and interests, and groups of volunteers working with children and young people.

A critical view of the established system of government and its effectiveness clearly prevails in development elites. The Russian ruling administration regards the “power vertical” built at the beginning of this decade as its major achievement and a token of social stability. However, an overwhelming majority of respondents believe that the strengthening of the “power vertical” has resulted in an excessive concentration of power and the bureaucratization of the entire system of governance, and thus has decreased its social effectiveness.

This turnaround in public opinion among the elites clearly reveals new important social circumstances. First, the advanced part of Russian society no longer regards the strengthening of the “power vertical” as a progressive concept of state-building: its viability for mobilizing the will of the nation and legitimizing the ruling regime is extremely low at present. Second, the main point of the social and political development agenda henceforth is *the quality of the government*.

The results of the poll show that Russian elite groups pointed to the “functional failures” of the incumbent government in the vital directions of social development back in the pre-crisis spring of 2008. The government failed to bridge the gap in incomes between the rich and the poor, resolve the problem of affordable housing, ensure the right to fair court hearings and improve health care. In addition, the prevalence of negative and very negative evaluations shows that the government has obvious troubles in ensuring free elections, developing education, establishing and maintaining uniform market rules, ensuring the personal safety of citizens, and protecting the right of private property. Also, elite groups are very displeased with the way the government determines and implements its national economic strategy.

Contrary to the widespread claim, an absolute majority of respondents in elite groups (in all groups with the exception of law enforcement) do not share the idea that the development of the Russian nation should rest upon the unquestionable primacy of the state in public and economic life. The Russian development elite has made a civilized choice, if it is understood as the choice of institutional principles of development. They are practically unanimous in the belief that the nation should evolve under two basic principles: the supremacy of law (including with regard to the authorities), and competition in the economy and politics.

The model of state capitalism, lobbied and implemented at the top level, by no means enjoys the support of the Russian development elites. A majority of them would prefer normal capitalism with common, genuinely state rules of the game, which benefit honest competition and the broad development of entrepreneurship.

An analysis of the sociological data helps reveal and formulate the pressing demand from the elite groups to the country's leadership for ***a new course of governance and national development***. Here we should first of all note the points of consensus within the elites, i.e. the *development priorities*, supported by an absolute majority in elite groups. These priorities include:

1. Government investments in the development of human capital;
2. Adjustment of the reform strategy in the housing and utilities sector;
3. Ensuring real political competition, separation of powers, openness and accountability of the government to society;
4. Bringing the party system to a decent form, worthy of the citizens of a free and civilized country;
5. Replacing the appointment of regional governors by the Russian president with a new procedure, based on public opinion and people's will in the regions;
6. Development of self-dependence for local self-government, including the right to own property and collect taxes, which would help perform self-government functions.

Along with the above points of elite consensus, we should highlight prevailing opinions in the following important ***imperatives*** of national development:

- systemic government incentives for private and corporate investment in fixed assets and technological renovation;
- a more open and competitive procedure for forming the government, ensuring a real discussion of alternative government programs and selecting the best ones;
 - enhanced parliamentary control over the executive branch;
 - reform of the judicial system that would ensure citizen (consumer) control, as well as honest criteria and procedures for corporate responsibility on the part of judges;
- an end to government control over the information policy of the mass media, while ensuring effective public, not bureaucratic,

control over the observance of public interests in the field of mass information.

Judging by the number of responses given by those respondents who stick to the old course, they are in the minority, comprising one quarter to one-third of all polled elite groups. *State security officers*, the main beneficiaries of the regime of the 2000s, are in fact the only elite group where the supporters of the old course dominate. But another part of the “security class” – *army officers* – does not favor the incumbent regime or its succession, and support changes instead.

Unlike state security officers, the *bureaucracy* is very much divided. Even in federal agencies, the supporters of the old course only make up slightly more than 50 percent, while regional officials, dissatisfied with the degree of their influence upon federal and regional affairs, are increasingly supportive of institutional changes aimed at the system’s liberalization. In all other elite groups, the number of supporters of the old course is quite small and never reaches one quarter of respondents.

The position of *the business community* deserves special note. Business people tend to believe that Russians have little capability for civil self-organization or discipline. On the other hand, many entrepreneurs are wary of the West, or, rather, the West’s policy towards Russia. While giving a very negative assessment to efforts by the ruling administration to establish and keep uniform market rules, most Russian business people come out against the concentration of economic advantages within a small group of state-owned companies, calling for the liberalization of economic and political life and for the development of self-dependence for local self-government.

It looks like “*the party of the old course*” has no consolidating ideas. The “power vertical” no longer inspires; the establishment of state corporations only aggravates the division and strife. The threat from the West is not obvious or serious enough, whereas the institutional insufficiency of the government system is quite obvious to everybody, even to the powers-that-be, not to mention economic or public groups.

The results of the study show that the share of *liberals* – i.e. those who stick to the principles of the supremacy of law and competition – in Russian elite groups is nearing half of all respondents.

Liberal views among the Russian elites are shared by almost every-fifth security official (more often an army officer than a policeman), every third

official, about one half of all entrepreneurs, managers, lawyers and doctors, and the absolute majority in science, education and the mass media. It is noteworthy that Russian liberals are active participants in public associations that enjoy the trust of society and bring together professionals, neighbourhoods, rights activists, parents of students, athletes, culture lovers – in other words, they are more active than others in creating public capital.

So what is the significance of these obvious trends presented by sociological studies? If the incumbent government system were more open and sensitive to public opinion, the consolidation of liberal preferences in economic, civil and – in a considerable portion of – government elite groups would end up with a replacement of the ruling administration and/or the political course. After all, it is for such an adjustment of government policy – preferably evolutionary and procedural – that political systems are needed. But the current Russian political system does not work. The “power vertical” was built in the 2000s with the sole purpose of reducing or eliminating the dependence of the ruling administration on the will or opinions of subordinates, including the elite groups.

Many experts have repeatedly warned that the powers-that-be are driving themselves and society into an institutional trap, because the bureaucratic mechanisms of systemic stability, when tested, may prove to be mechanisms of systemic inadequacy that only worsen the crisis.

The Russian institutional trap is the mechanism of the functioning of state and political organizations which is hard to change. Importantly, the established procedures determine, shape and adjust public conduct to a considerable extent. So when we speak about the opinions currently prevailing among Russian elites and their desire for change, we must have considerable reservations.

On the one hand, a majority of Russian elites share President Dmitry Medvedev’s program thesis that “freedom is better than non-freedom” and are ready to accept it as an ideological foundation for national consolidation. It is an extremely important sociological fact, as it provides the necessary condition for the beginning of change and its possible success.

On the other hand, Russian elite groups are not ready to launch public change on their own because they lack initiative; they are incapable of collective action and of determining the policy of the state. In modern

Russia, successful people mostly practice the strategy of individual adaptation; they shun public activity and are often prone to social cynicism.

This is not only a matter of fear for the authorities. People who profess consumer individualism – being focused on their own survival, adaptation and on competition amongst themselves – mistrust each other. The “horizontal” mistrust within elite groups is very strong and actually matches the mistrust of officialdom. Jealous mistrust of each other is the major factor that undermines the ability of “the best people” for public cooperation in general and collective influence upon the authorities in particular.

Thus, the consumer adaptive individualism and mutual mistrust within elites, together with the specifics of “sovereign democracy,” are a major obstacle to a normal political withdrawal from the crisis through the establishment of effective parties or factions within the ruling party. Yet an obstacle can be overcome. How long can the difference in potentials between the rather liberal Russian elites and the oligarchic system of bureaucratic capitalism build up? Presumably, it may take a long time. But this is not important any more, since the economic crisis that began in the autumn of 2008 has turned a change of government policy, something that used to be wishful thinking, into an issue of vital choice.

The key factor in the development of Russia at the beginning of the 21st century is the contradiction between resources (natural, technological, social and human) which are sufficient for modernization, and the inefficiency of the state which leads to a very ineffective use of the above resources (national resources in the first place), their insufficient development and even degradation. Russian public opinion has raised the issue of quality of government, putting it at the top of the national development agenda. This social demand cannot be ignored – particularly in conditions of the globalization of information, economic and human exchanges. There is broad public accord concerning the need to build an effective political system and modernize the state administration as the first crucial move in socially-effective changes.

Russia's Modernization: At Another Fork in the Road

Social Therapy or Political Liberalization?

Dmitry Badovsky

The need to modernize has become one of the most important topics in the internal political debate in Russia in the past year. Other important problems ranging from the quality of state governance, to corruption, to the depth of the economic crisis and to the prospects for democracy are discussed either as tied up with modernization or in its context.

The intensity of these discussions is easy to explain, as the state power has made a bid – at least verbally – to convert the idea of modernization into a national development project for the next ten to fifteen years.

FROM STABILITY TO DEVELOPMENT?

The Kremlin made an attempt to re-brand the mechanism for the transition and continuity of power during the 2008 presidential election. The term “stability” rapidly receded into the background in official rhetoric, although it did not fully lose its sense or meaning. Along with the very same continuity, stability turned into a required – albeit insufficient – condition for a successful and efficient transition of power and the further development of the country.

In addition to those phrases about a markedly new stage, calls for new challenges and tasks for the country began to sound louder and louder. A development program for the period up until 2020 was made public. It declared the customary goals such as economic growth and boosting economic prosperity, as well as new ones like diversification

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and structural reform of the economy along with social modernization and changes in the structure of society.

The ideologeme of the four I's – Institutions, Innovation, Investment and Infrastructure – and projects for improving the judiciary system, curbing corruption and eliminating “nihilism towards the law,” which Russian President Dmitry Medvedev stated as the priorities of his presidential term, do not have any close link to modernization rhetoric, yet they embody a de facto full list of the basic components of any modernization project.

It is not accidental, however, that we have to speak here about the re-branding of the power transition process, since in the first half of 2008 we witnessed only political declarations of the new course, but no practical action. The declarations about the importance of furnishing the country with a decade of rapid and uninterrupted development and the very architecture of the Russia 2020 program sent clear signals that a changeover to a modernization policy – if any at all – would be based on the pattern of a gradual, durable and compromise-orientated strategy to transform the former strategy of the maximum capitalization of opportunistic benefits gained during the first decade of the 21st century into a modernization plan.

Attempts are still being made to review this situation in the traditional categories of Russian red-tape and clan policies. There is a search for contradictions between Dmitry Medvedev and Vladimir Putin and the interest groups linked to them. No one can deny that such factors may indeed have an impact, and yet the surfacing of the modernization rhetoric in mainstream Russian policies and the use of this rhetoric by both Medvedev and Putin can hardly be explained exclusively by a new style of intra-elite political games.

It is very likely that Russia's ruling tandem took a pragmatic view of the very fact of the transition and renovation of power as a window of opportunity to launch essential social, economic and – to a much smaller degree – political changes. Along with this, Medvedev's first four-year term would be perceived as a “slow start” of the new policy unfolding amid favorable economic conditions and the continued accumulation of resources. As for the final solution to the problems of power and the future destiny and/or dynamics of modernization, it was put off until

the 2012 election, when the final choice of the parameters of future development could be determined by either Vladimir Putin's return to the Kremlin or Dmitry Medvedev's continued presidency.

However, two vital factors – the five-day war between Russia and Georgia in August 2008 and the ongoing economic crisis – have had an impressive impact on the logic of the “slow start” – which the Russian authorities must have initially put into the political planning of the state power – and have made it practically impossible.

In the new situation, the opportunities for modernization are viewed differently and the range of assessments is very broad. Some experts say that the process of forming a modernization coalition by the elite and the public at large has become irreversible and, consequently, the launch of the modernization project can and must be brought forward. On the other hand, people who claim that Russia has missed the opportunities for a real transition to modernization policies, which it had in 2008, have their arguments as well. They say the crisis and the new dangerous tendencies arising from it (the further spread and increase of the role of the state in the economy, the emerging prerequisites for a new repartitioning of property in Russia, etc.) may throw the objectives of modernization away. Thus it has been suggested that the window of opportunity, which is slightly open now, is not opening further and might be shut at anytime instead.

The discussion also includes other serious problems that affect the assessment of modernization opportunities and specific plans of action. Specifically, there are problems concerning the correlation of economic and political aspects in the modernization strategy, interconnection between and consistency of the economic and social change, and development of democratic political instruments. Of no smaller importance is the clarity on the issue that has a special significance for today's Russia: the correlation, volume and order in which the tasks of late industrial modernization (the re-industrialization and super-industrialization of the economy) and the post-industrial innovative transition should be solved.

Still, the most critical issue remaining on the agenda is whether the idea of modernization and its discussion (which unfortunately may turn out to be endless) can turn into a real and well-thought-out nationwide develop-

ment project for the next several decades. There is no doubt that such a nationwide project can only be initiated by the state. Simultaneously, it should rest upon a consensus inside the elite and in broad public quarters on two issues. The first is recognizing that Russia has fallen behind other countries and that this has to change, and that the competitiveness of its previous development course has decreased. The second is tapping realistic modernization objectives and the fair price that all social groups and sections of the population will be ready to pay for achieving them.

For Russia there are several vital clues to this basic and multi-dimensional problem.

20 YEARS LATER...

THE END OF THE POST-SOVIET ERA

Modernization as a search for new resources in order to achieve rapid economic growth, eliminate backwardness and become competitive has been a task for the Soviet Union and Russia for the past 30 or 40 years at least.

The Soviet Union succeeded in becoming industrialized in the 1930s, albeit in an inefficient, socially destructive and politically repressive way, but it shamefully missed the next economic and technological transition in the 1960s and 1970s. This resulted from many factors of the Cold War and the bipolar world. Coupled with the arms race and the Iron Curtain, these factors played the role of anti-modernization instruments in exhausting the country. Those were weighty factors indeed, and yet it was the Soviet system itself that made the choice in favor of the oil revenues curse that is typical of an economy that relies on exports of natural resources instead of moving towards modernization.

After the breakup of the Soviet Union, Russia spent the 1990s and the first decade of the 21st century conducting a long and painful test of numerous prerequisites for, scenarios of and limitations on transition to a modernization strategy.

The stimulating potential of values like freedom, democracy and the market that could be perceived as a resource for an accelerated social and economic transition at the end of the 1980s and the beginning of the 1990s was squandered rather quickly. The reason was not so much the depth of the economic collapse and the social crisis, but Russia's economy and policies in the 1990s that were defined as just a phase of a redis-

tribution of power and property, while strategic development goals moved into the background. Privatization and market reforms lost their social legitimacy quite rapidly.

In addition, an objective feebleness of the state, scattering tendencies, a real danger that the country could break apart and the importance of keeping up its integrity through bargaining with regional elites and the practical use of force in the North Caucasus all worked against the task of development.

Moreover, Russia did not have the two strategic policy lines or basic points of an intra-elite and social contract that were present in all Eastern European countries and in many post-Soviet states at the time, or else they looked totally different in Russia.

The Russians would perceive the breakup of the Soviet Union and the empire's disappearance as a painful collapse and not at all as liberation. Moreover, the idea of modernization as Westernization and a clear strategy for joining the West and the European Union could not prevail because of Russia's historical, socio-cultural and political factors.

The transition to new policies starting in 2000 had a profoundly echeloned social and political basis closely linked to the dominance of the ideas and values of strengthening unity and restoring the viability of the state. This transition envisioned limiting redistributive competition between elitist groups; "the pleasant revival of being a traditional superpower" on the international stage and identifying the start of rehabilitational economic growth and quality of life after the 1998 financial crisis that had summed up an entire decade.

Nonetheless, the nascent signs of a simultaneous return to the lime-light of the tasks of development and modernization (that were quite plainly seen in the so-called Gref program and resembled at a certain point an exotic "catching up with Portugal") became blurred. The idea of accelerating the rate of economic growth and doubling GDP remained the catchwords throughout the first decade of the 21st century, offering a supply of figures instead of a solution to a completely different task – understanding the problems of economic development.

This accelerated growth model gradually evolved towards the maximum benefits – in the political, economic and foreign relations spheres – inherent in a natural rent-orientated economy dominated by mineral

exports. Domestic policy and social environment factors (ranging from the start of a second wave of property distribution and control over revenue to the social and political risks of deep reforms) played a certain role here, as well as foreign policy and the global economy.

A combination of favorable developments on international commodity markets, a rapid global expansion of financial speculations, the “beefing up” of corporate capitalizations and the effects of energy geopolitics that intensified sharply after the start of the U.S. military operation in Iraq in 2003, set the scene for an increase in the government’s role in the Russian economy (above all in the fuel and energy sector). The same factors made it possible to accept the idea of an “energy superpower” as a development strategy.

In short, there was a revival of strategic thinking concerning development issues, but its formula remained bent on the maximum capitalization of dividends in the rent-oriented economy connected to mineral exports. This meant that there was a consolidation of social and political stability of the consumer society, the accumulation of reserves and an increase in the capitalization of national corporations. There was also a possible expansion to foreign markets and greater participation of state-run “national champions” and businesses close to the government in the rise of multinationals and the sharing of their profits; access to new assets and foreign technologies; and expansion of opportunities for political influence in individual countries and regions.

However, the economic crisis in 2008 has considerably changed views on the prospects for development. The elites now emphasize the low competitiveness of the economy, the failures in economic reform and diversification, and Russia’s strong dependence on foreign markets over the past decades. Taken per se, these factors do not make transition to a new development strategy and a modernization scenario mandatory, though.

Still, the current economic decline may mark a watershed that could bring an end to the long and intensive period of Russia’s post-Soviet development.

This period not only saw the downward slide of the economy into the pitfalls of the 1990s and its subsequent re-emergence, but also its shameful de-industrialization and an increase in dependence on imports and on

the export of raw materials. The opportunities of the rent-oriented model of development waned and a cycle of a rapid and sporadic democratization began in the political system. This was followed by a post-revolutionary reaction and restoration of state-controlled centralization. Transitional processes filled the social sector. They were marked by generational shifts in the elite and society and the exhaustion of reserves accumulated in education, public health and science back in the Soviet era. Russia became accustomed to living in the consumer and information society.

This period is over now and the very awareness that the Soviet phase of history has ended, while the exploitation of the tapped-out economic, social and even political resources of the past is not possible anymore, may play the role of an important stimulus for accepting the idea of modernization and working out a relevant national project. In this sense, the upcoming years will not be post-Soviet anymore, as they will determine Russia's development for decades in the future. Furthermore, they will furnish us with new definitions and characteristics of today's Russia that will not have the "post-" prefix.

THE POLITICAL CONTRACT FOR DEVELOPMENT

Many researchers believe that democracy follows in the footsteps of prosperity; that is, democracy matures and becomes steady once its per capita GDP hits a certain level.

Frankly though, this GDP-centric approach to modern economics and politics is losing some of its popularity among scholars today, since it is impossible to draw a direct and unequivocal line of dependence between a country's democratization and the size of its GDP per citizen. Nor is it possible to state unconditionally whether democracy speeds up or slows down economic growth. More than that, the so-called resource-intensive economies have a specificity which, according to economists Jeffrey Sachs and Andrew Warner, may put the brakes on economic and political development. In the final count, much depends on the stage of development when the country discovered the wealth of resources for itself and the type of political regime it had at that moment.

Still, there is an old thesis by Seymour Martin Lipset that a rich country has a better chance to build a stable democracy that will repro-

duce itself. Adam Przeworski and Fernando Limongi showed in a number of research works at the end of the 1980s and in the 1990s that democracy is rarely defeated in countries where per capita GDP is higher than \$6,000.

One way or another, the Russian authorities still find that this approach is twin to their own ideas. After all, for many years the country has lived under the slogan of doubling GDP and, as for political development, Russians have always believed in its natural slow pace and gradualness, saying the things that are destined to happen will happen anyway.

For instance, Russian policy has been sending out quite a few democratic signals, as measured improvements have been achieved in electoral and political party legislation. The authorities do not rule out that the vote threshold may be lowered in the future. Moreover, the fact that the political system should become more complex and rest upon high-quality institutions has both been recognized and declared as an objective. Russian officials stress that the rise of a rich information society (together with the vast penetration of the Internet and digital television) will boost the future technological expansion of democracy and freedom of speech.

Dmitry Medvedev's campaign statement that the country needs a decade of steady, rapid and unabated social and economic growth clearly stands behind this picture. If this turns out to be true, the Russia of 2020 would certainly be a democratic country with an annual GDP of around \$30,000 per capita, the middle class would account for 50 to 60 percent of the population, and Russia would have a diversified innovative economy, not one pegged to rent or resources.

So the only thing left to do was to wait and see the strategy materialize and genuine democracy flourish at the appointed hour owing to objective circumstances. Yet the financial crisis erupted right at the time when, according to the above-mentioned view on democracy, Russia was in a zone of uncertainty with its GDP at \$13,000 to \$14,000 per capita. It appears that even though an irreversible and steady democracy seems to be at the threshold, far from everything is preordained and the authoritarian tendencies may be fairly strong.

Moreover, it may take a long time to emerge from the crisis and the rate of economic growth will likely remain slow for quite some time,

while the uniquely advantageous market situation of recent years will scarcely be seen again for decades. All of this only means that Russia may have to stay in this zone of uncertainty for awhile. Quite understandably, however, it is much better to pass through such periods quickly or at least avoid getting stalled there, as stalling creates additional political risks.

The latter is even more important considering that the economic boom and an almost accomplished doubling of GDP in the first decade of the 21st century took place in the framework of the very same resource-intensive economy and rent-targeted/distributive policies that have a traditional tendency towards authoritarianism and create additional complications for translating modernization plans into action. From the political point of view the current situation in Russia reveals two key problems.

The first problem is fairly obvious. A part of the elite considers the upkeep of the previous rent-oriented model after the crisis as an acceptable and, more than that, a preferable development scenario. Before the crisis all the calls for modernization came up against impressive inertia. It is possible even now to emerge from the crisis by going astern and the ongoing discussion about the role of the state in the economy, state-run corporations, the priorities of economic modernization, the role of the energy sector and the future bolstering of innovations thus turns out to be a discussion of the future of democracy.

The second problem is closely linked to the first. The elite – and society in many ways, too – is split not only into ardent proponents of modernization who necessarily call for a democratic way of development, and strong advocates of natural resource revenue who abide by more authoritarian ideas with regard to the prospects for political development. One can find adepts of a tough authoritarian modernizing arm (an approach having a profound tradition and broad practice worldwide), as well as supporters of broad democratic procedures for redistributing natural resource revenue. It is the latter group that is quite capable today of speaking out in favor of rapid democratization because it has been pushed out of the crowd of fighters for the earliest possible access to the distribution of resources.

The presence of these two problems pushes to the foreground of public discourse the content of the so-called social contract as concerns the

prospects for Russia's development. This discourse started a long time ago, but it overshadowed the actual existence of two separate contracts.

The first one was indeed concluded between the powers that be and the population, or the so-called Putin majority. The parties signed it at the beginning of the 2000s, bypassing a large number of elite groups. It enjoyed mass support and had a high public ranking. The state (that is, supreme power) thus got a legitimately high rating so as to pacify the elite, the nobility of our time. In the light of it, the majority of the public took a generally encouraging stance on the infringement on the powers of regional elites and oligarchs.

A supplementary agreement to the contract concerned the country's growing prosperity. It was drafted in the recent fat years and it envisioned the exchange of political rights for a better standard of living. This is not surprising. Given the very low level of trust that Russian society has in market institutions, economic and political competition, the main demand to supreme state power remains a paternalistic one. It boils down to a high degree of nationalization of natural resources and their further public redistribution so that the elites would not have a chance to use the tool of "democratic dough-chopping" and thus deny the public access to profits from rent revenues. Whether or not much has changed in this sphere during the crisis remains an open question.

The second contract was signed by the supreme state power and the elites. Drawing on mass support from the people, the government demanded a high level of loyalty from the elites in exchange for giving them a free hand in the administrative market (representing a symbiosis of power and property held together by the corrupt practices of converting one into another). The contract opened the doors to the elites for grabbing, "dough-chopping" and "fronting for interests," thereby providing for their own prosperity.

Those who did not swear their loyalty or withheld it later destroyed their opportunities, while the rest of the lot – bureaucrats, businessmen and regional chieftains – continued to make their careers. Quite naturally, this went hand-in-hand with the redistribution of power and hierarchic positions. Take, for instance, law enforcement agencies – guardians and inspectors of loyalty – who clearly raised their status and felt pretty good in the markets of power and property.

All of this highlights the importance of revising, first and foremost, the intra-elite contract and uniting the supreme power and the elites in a new pact. Loyalty alone is not enough for modernization, as the latter requires a different degree of efficiency, competence and ability to act on the part of the elites. Furthermore, the paradigm of the convergence and permanent transfusions between state power and property creates a perfect environment for simple operations like addition, subtraction and division, but not multiplication, which means the creation of something markedly new and more qualitative.

However, this intra-elite contract should envision self-containment on the part of the elites, too. The latter can be discussed and reached in the form of a slow evolutionary movement (it stands in line with the idea of cultivating an “inner culture” in the elite, which Dmitry Medvedev has said on a number of occasions), or an amassed rapid “coercion of the elite.” This tradition has much deeper roots in Russian history than the former one. It has taken the form of Ivan the Terrible’s *oprichnina* (purges with the aid of the tsar’s personal bodyguards), Peter the Great’s forcible Europeanization or Stalin’s repressions. But the political and social costs of this approach are unacceptable today, while the evolution strategy may take too much time to implement.

It is obvious that a search for a compromise and the presence of a political resource for resolving the tasks of self-containment and tightening the rules and norms of life for the elites, as well as their responsibility and efficiency, has become a key problem in Russia’s changeover to the modernization strategy.

THE CLOSED CIRCUITS OF EVERYDAY SOCIAL ROUTINE

The question about the possibility of Russia’s modernization has, apart from the political aspect, a broader social dimension.

Today’s Russia is in many ways the land of triumphant bureaucracy. The bureaucratic state is revealing its corporative traits more and more boldly. It issues meticulous regimentations for everything. It builds hierarchies and verticals, actively intervenes in the economy and there are social redistribution mechanisms in the face of persisting huge proprietary and social imbalances.

The tradition of having massive state machinery that handles an enormous volume of issues is not new and has various explanations. Some of them allude to the traditions of statehood and political culture, thus leading to the idea that this state of things should stay intact here “for ever and ever.” This, in turn, entails a very narrow conception about the ways of and resources for further development. It would be rational therefore to look at the principles of reproduction that the system has in the social sphere.

Russians do not trust closeness much or society on the whole and its institutions (including market ones), or competition as such. It is no wonder then that “the big state” and its permanent meddling work towards preserving this situation. There are other factors as well, like the difficulties of the transition and the state of society over the past two decades.

Another important issue is the decreasing number of channels for social vertical mobility that underpin the current phase of society's development. Career-making processes are slowing down, the prospects are diminishing and the lifts taking social climbers up have been shut down because they are of no use. The slowdown of social dynamics after the profound social transformations of the 1990s is an objective factor, but this does not make life any easier for office workers or young professionals who represent socially significant trades, but which are currently discriminated against, such as scientists. This is especially true if the rules of the game suggest tough and inequitable career growth restrictions that have a proprietary, clan or corporate nature and are often sized up as being unfair.

In the face of the low level of trust in society the state has to constantly issue expansive regimentations for public and economic life, strengthen state-run distribution mechanisms and build a hierarchy of social groups and, speaking figuratively, their class rights. This is not a uniquely Russian situation however, as similar tendencies can also be seen in other nations that are properly developed, as Yann Algan and Pierre Cahuc have shown it in their works using the example of France.

The rent-related nature of wealth only intensifies corporate tendencies, inequality and the impression of unfair redistribution and the “rein of privileges.” Paternalism on the part of the state continues to erode the

opportunities for public cooperation and social solidarity and fuels mistrust. It makes different social groups (classes and corporations) engage in a struggle with the state and with each other in order to gain more privileges and bigger slices of the pie, rather than to achieve freedom, equal opportunities or justice.

Another important factor is the higher degree of “monetarism” found in social relations in today’s Russia. A lack of trust and value-related links in society makes it very difficult to maintain mutual understanding and interaction between various social groups, generations, subcultures and sub-systems of values. Money often happens to be the only equivalent of social relations or a surrogate substitute for a unified system of values that turns the price of the issue into an element of social communication of an overblown dimension.

The absence or insufficient development of efficient formal institutions in society does not at all mean that anarchy, the law of the sword or a war of everyone against everyone else reigns in society instead. On the contrary, informal shadow structures and practices (bribes, kickbacks, fronting and loopholes for private arrangements) come into play in lieu of formal visible ones. They ensure a certain level of trust and predictability and operate the technologies of competition, efficiency and communication.

The rampant corruption of the past few decades does not signal any deviation from or the corrosion of the system – it itself has been transformed into a system-building component. The system is functioning as a mechanism for the redistribution of resources, rent and status not only between the government and business, but also between various social groups. Money is instrumental in securing government support and, in addition, competitive advantages in society. Representatives of some professional communities use illicitly obtained revenues or the exchange of services to increase their status or living standards to a level that matches the social significance of their work, which is measured inadequately in their official wages or has been devalued by the market.

Corruption is an element of the social contract, too. For instance, having leeway in buying oneself off or evading the law often works as an important mechanism to justify society’s non-interference in government affairs. On the other hand, status-bearing elitist groups consider

the struggle against corruption in these circumstances to be an illegal competitive advantage.

We are witnessing a vicious circle; a system where the root causes have been mixed up with the consequences and where they reproduce each other with the vigor of a perpetual motion machine. The mechanisms for the everyday functioning of this broad-format social contract – and not only the contract between the state and society – appear to be the biggest obstacle in the way of the country's development today.

This proves again and again that Russia's modernization project depends not only (and often not as much) on political liberalization, but also on social therapy – the removal of the monetary peg from values, the elimination of corporative and class imbalances and inequality from social communication, the restoration of social dynamics and mobility, and a return of the principles of trust and public solidarity to the social contract.

This set of objectives brings up the importance of the role played by the quality and meritocratic principles of forming the elite and nurturing effective institutions for the protection of people's rights and property – above all an effective and independent legal and judicial system.

How to Overcome the National Crisis

Reflections on Russia's National Security Strategy

Victor Kremenjuk

Russia's National Security Strategy up to 2020 that President Dmitry Medvedev enacted by decree on May 12, 2009 is a document that will lay a conceptual foundation for the solution of crucial tasks.

It is meant to offer a clear vision of how state power in the broadest sense – the president, the cabinet of ministers and legislative agencies – plans to avert the further breakup of the territory of the former Russian Empire, which began with the disintegration of the Soviet Union at the end of the 1980s and the beginning of the 1990s.

On the other hand, this document sets out a vision of how Russia plans to ensure its national security in new conditions as the state that succeeded the Soviet Union.

REVISION OF NOTIONS

Unlike the traditional notion of state security borne out of the Soviet era, which primarily envisioned the defense of state ideology, institutions and interests, national security is much broader and far less aggressive – at least in countries like the U.S. where it appeared earlier. It includes not only (and not so much) the concept of state security – even though the latter is part and parcel of national security – but rather the notion of the security of a nation forming the state (its people, values, institutions, territory, the environment, etc.). In other words, the security of the things which the Soviet state security con-

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cept neglected and for which the Soviet Union eventually had to pay with its own collapse.

That is why it would be only natural to expect that the new Russian concept would keep the element of state security without attaching to it the dominant position it has had in the past. Considering the bitter experience of the Soviet Union, the Russian government should have realized that the country's security can be supported only by a broad set of measures aimed at consolidating the security of the entire nation, of which state institutions are but a part.

As regards the security of the nation, it is easy to break the notion down to a system of measures aimed at resolving the key problems of its existence – such as providing its people with inexpensive, high-quality food products, decent housing, an efficient transportation system, up-to-date systems of public health and education, jobs and a good quality of life. The solution to these problems would be the only factor to offer hope that the nation itself would actively counteract the tendencies of a further decay of *Pax Russica*, wherever they might originate.

According to this understanding, the system of priorities and the content of interests of Russia's national security should have passed an adjustment procedure. The experience of the Soviet Union highlighted the necessity of combining national security and national construction policies, as it is impossible to maintain security efficaciously without it.

These nation-scale tasks should have been solved with the aid of political mechanisms that would take into account international experience in the sphere of national security and the complexity of building a nation in critical circumstances. In other words, this means democratic mechanisms.

Even in light of these few considerations, the volume and complexity of national security tasks go beyond the boundaries of the routine bureaucratic procedure of determining the needs of state security and call for more sophisticated patterns that would help set adequate tasks, mobilize the nation's resources (not only the state machinery, but also the business community, intellectuals, political parties and movements) to keep up its integrity and stability.

However, the Russian intellectual community and state institutions have not devised a document that would contain an unbiased and pro-

found analysis of why the Soviet Union fell apart. We really need to come to terms with and understand why a militarily powerful state, a nuclear superpower controlled by a single mass party with a fairly advanced ideology and having a ramified party/state machinery and omnipotent secret services broke down under the pressure of destabilizing forces.

Had a high-quality document in this vein been prepared, it would have played a crucial positive role in formulating the concept of the country's security.

On the one hand, it could focus on the weak aspects of Russian statehood that broke down twice under the blows of crises over the past 100 years – in 1917 and 1991. On the other hand, it would help resolve one of the central problems of nation-building in today's Russia; i.e. the formulation of a Russian national idea.

THE SOURCES OF THE NATIONAL CRISIS

The very budding of this idea is linked in many ways to an understanding of why the country has not been able to break out of a crisis situation for over a hundred years and its national institutions have not been able to work out a valid form for its constitutional organization. Russia has had six constitutions beginning with the 1905 October Manifesto and there is still a feeling that a stable and steady constitution has not been formulated yet. Let us recall that the U.S. has had only one constitution – albeit appended with amendments – in the over 230 years of its existence.

That is why the core problem of Russia's national security is to identify the sources and parameters of the extended national crisis. This problem manifests itself in the unsatisfactory condition of the state and its political system, society and the classes that make it up, social layers and groups. The relationship between state and society appears to be deficient too, as it mostly rests on historical tradition rather than on law, religion or force (although force did underlie relations between government and society during Stalin's reign).

Leaning on the historical tradition undoubtedly makes Russia's statehood resilient, and puts restrictions on the opportunities for its modernization and reaction to crises. Thus, whenever the world's development demands adequate reaction to changes in the environ-

ment, Russia either irreparably falls behind others (the latter could be seen during the reign of Nicholas I and Leonid Brezhnev) or sinks into self-isolation.

In this connection the content of Russia's national security lies in its ability to develop in unison along with changes taking place in other developed countries – industrialization, computerization, the launch of hi-tech technology, scientific progress, etc. But whenever Russia does not make any headway or falls behind other countries (for different reasons – the spread of bureaucracy, the omnipotence of the secret services and the arbitrariness of legal agencies), it does not stand up to competition and develops a feeling of existing in a – real or potential – hostile environment. This entails a crisis of its institutions and social structure – a situation emerges that is fraught with the country's real disintegration.

This means that the content of the national security strategy is inseparable from Russia's reaction to global developments. Russia stayed in a benevolent self-isolation or even euphoria of the "Third Rome" until History could put up with this (until Peter the Great's reign). But as soon as the historical process put Russia in the face of stronger and more advanced neighbors, modernization and the assimilation of foreign experience began to determine the contents of its security policy.

The Communist ideology and the self-appraisal of Russia as the global political center (in essence, a revival of the Third Rome concept) warded off the sensation of a risk of defeat in competition for awhile, but the Cold War and the burden of expenses it bore regenerated the understanding that Russia should stop wrestling in vain with developed countries and should try to build a relationship of the type and amount that would be comparable to that of its membership in the Entente at the beginning of the 20th century.

The price of the understanding that came too late turned out to be quite dire – the disintegration of the Soviet Union. This phase of Russia's development should not be over-dramatized, as almost all empires fell apart in the 20th century. The Austro-Hungarian Empire and the Ottoman Empire did so after World War I, while the British, French and Portuguese Empires ceased to exist from the 1950s through the 1970s. Apparently, there is a sliver of truth in the supposition that the imperial

model of the state outlived itself everywhere in the 20th century and the nation state model came to dominate, as it helped integration in the international community with the aid of an array of international organizations and regimes. The disintegration of the Russian Empire, which began in 1918-1920 when Finland, Poland and the Baltic countries became independent along with the rise of national governments in Ukraine, the South Caucasus and Central Asia, was stopped by the Red Army, yet the inner prerequisites for it lived on, thus making the Soviet Union's departure unavoidable in many ways, in spite of the stressful emotions associated with it.

However, stating these facts should not calm us down or reconcile us to what happened. On the contrary, it should put us on alert, since it is very difficult to identify the moment when the disintegration of the Empire ends and conservation of the nation's core begins – the way it happened to Britain and France when they lost their overseas territories. Unless proper conclusions are drawn, the collapse – especially if one considers Russia's size and problems of government – may go on unabated. That is why a national security policy must rely on a combination of modernization objectives, increasing the quality of life, setting up efficient systems of governance (not only the much-trumpeted “state power vertical”), and Russia's further integration with the global market and world politics. These are the major parameters of the problem of Russia's national security.

THE EXTERNAL ASPECT

It should be noted that the new Russian national security strategy tries to look at this phenomenon from a different – comprehensive – approach. It says much about the social and economic aspect of this notion and the need to ensure society's consistent development.

Along with this the strategy gives extensive attention to the importance of defending Russia from external threats. If one considers the country's entire history and its Cold War experience in particular, this is not a bit surprising.

On the one hand, Russia has a huge territory and a wealth of mineral resources that other countries have always perceived as a challenge. On the other hand, Russia cannot stop its ongoing demographic decline,

which may result in an extremely low population density, especially in some parts of Siberia and the Far East. It is clear that the countries which view Russia's resources as an important element of global development may develop an idea for the "redistribution" of territories some day. This has happened on many occasions in the past and there are no grounds to think that it will not happen again in the future.

It is clear, therefore, that the defense of territorial integrity becomes a constituent part of a national security strategy, since it is a component of fighting the permanent national crisis in Russia, while the country's neighbors may harbor territorial claims against it. Yet the problem has one more aspect – How should it be settled?

One possible way is to use past experience and move along the "Fortress Russia" concept – that is, to erect massive barriers around the country using military preparations, struggle against foreign influence, hunt down spies and suppress intellectual dissent. This has happened many times in Russian history, although the country paid a heavy price for it each time; it remained impoverished and backward, lost competitiveness on the global market, turned into a pariah and became permanently dependent on exports of natural resources.

There is another way to resolve the problem that has been tried in the past as well. At the beginning of the 18th century, Peter the Great succeeded in ensuring – by opening a window to Europe and using very tough measures at times – that Russia, which looked pretty much like Turkey or Persia in the 17th century, made the governments of European countries take account of its interests and became a leading European power. There is no doubt that this method of ensuring national security bears a clear imprint of the leader's personality, yet it also has the traits of other ways that were used by other countries, like Japan, to eliminate backwardness. These methods include assimilating the experience of other nations, educating young generations of the ruling class abroad and allowing the free inflow of foreign capital and experts (including foreigners as commanders of Russian Army regiments and ships).

If one translates Peter's experience into modern terminology, one could say that his model of national security sought to get rid of fears about making Russia a full-fledged player in international politics and the world market at the expense of an inescapable infringement on the

rights of Russia's top feudalists (the boyars and upper bureaucracy) and by raising a new nobility and a merchant class. It was the solution of the latter task that would make Russian victories possible in the battles of Poltava, Gotland and Gangut. The pre-reform Russia would not have dared to even think about this. Russia's breakthrough into the realm of the makers of European history became possible due to the efficacious use of foreign countries' political, economic and technological experience.

Consequently, the essence of the external aspect of Russia's national security is not ordering the security services to guarantee its solution. We need to closely scrutinize the experience of other countries (in fact, the Russian Academy of Sciences and a number of other agencies are studying it quite successfully), form national non-government and state-run mechanisms for assimilating this experience, and create a favorable external environment that would have no smaller interest in the strengthening of Russian security than the Russians themselves.

The Russians have a generally poor knowledge about the outside world and its real attitude towards their country, and this is one of the most deplorable impacts that the Cold War ideological standoff had on how Russians think. Hostility, mistrust, suspicion and mere aversion dominate the public consciousness, propaganda and even the mentality of some responsible politicians. That is why they often consider the fairly explicable measures taken by other countries to support their national security on the face of Russia's still impressive military might and nuclear potential as tokens of malicious designs.

Moreover, there is a category of politicians and experts in the West whose origin (especially in case of Eastern Europe) or special circumstances have made them Russophobic (the same way that many Russians, and in particular those affiliated with radical nationalistic movements, dislike foreigners). It is their statements that Russian propagandists like to cite masochistically. But in the final run, it is not these people who determine the policies of developed and/or many developing nations towards Russia. There are plenty of competent leaders and specialists with a sense of duty there and they understand that Russia – as the world's biggest country in territory and in the amount of natural and mineral resources, as well as the largest nucle-

ar power – requires special attention and that it may become an invaluable asset in the current global system.

First of all, the nuclear sphere. One of the most dangerous topics in global politics in the early 1990s was the fear that Russia could lose control over Soviet nuclear arsenals. The ruling quarters in the U.S. and NATO did everything in their power to help Russia remain the sole owner of Soviet-era arsenals in the first place, and build an up-to-date system of storing and stockpiling nuclear warheads (the so-called Nunn-Lugar amendment). The soberly-minded Western political circles have a consistent and firm position on the issue, which suggests that Russia is the only country capable of ensuring efficient storage and utilization of Soviet nuclear arsenals, and an all-round assistance should be given to it in this sphere.

Another sphere is Russia's resources. The acuteness of the problem of resource supply for the global economy is common knowledge. This is especially felt in the energy sector. However, the situation is no less dramatic in other sectors where dependence on resources is high. Given its mineral wealth, Russia is an important player on the global energy market as it ensures that the market is balanced; and, if one considers international politics, Russia also ensures a global balance. Any shifts or re-division of territories or wars related to them are completely inadmissible, as they might fuel a global crisis. Thus, a rational approach consists in supporting Russia on this issue and helping it maintain its territorial integrity.

This means that those politicians and economic experts who understand Russia's importance for the global balance are its natural allies in ensuring its national security. In this light, identifying political and business groups that share Russia's security concerns and who are ready to become its allies must become an important element of Moscow's policy. This is a complicated process and the opponents of Russia's active ties with foreign countries often play on its complexity. However, their efforts make its importance even more obvious: the solution of the problem of ensuring Russia's national security lies in combining independent actions of its government, political parties and business quarters and the activity of its responsible foreign partners who share Russia's concerns for security, albeit for their own reasons.

Compared with many other countries, national security has a double or even triple significance for Russia. It is not a problem for the Russian Federation alone. It embraces a much broader scope of countries whose destiny depends – to a different degree – on the course of events inside Russia. The bigger the country and the higher its position in the global hierarchy, the greater the significance that its national security has for the outside world. In this sense it is very easy to make a mistake if one does not fully understand to what extent the country should rely on its real global role in ensuring its national security.

The theory and history of international relations abounds in the misconception that the bigger a country, the greater its freedom of action. In reality, it is the other way around. Small countries have the prerogative to resolve problems relying on their capabilities. A large country is simply obliged to observe the rhythms and vectors of global politics to build an independent strategy of action. Otherwise it may easily become an object of apprehensions – well-grounded or not – that may force other countries to form coalitions against it. NATO's expansion should have taught a good lesson to the Russian leadership in this sense.

The international community needs a stable and strong Russia that does not harbor hegemonic plans as the foundation for the functioning of a steady and dynamic system of international relations. In determining the priorities and structure of Russia's national security, it is essential that its legitimate interests in building a modern nation correlate with the equally legitimate interests of other countries if they do not contradict Russian interests. This task may look simple, yet it is one of the most complex and hard-to-resolve tasks of Russian national security policy.

Resources for Development



Arabian landscape through the eyes of a colonizer.
Krokodil magazine, 1957

“*In other words, Russia needs a comprehensive program to overcome the crisis in the energy sphere, which will enable it to fit into the new energy matrix naturally, using the main advantage of the crisis – the emergence of a certain timeframe to win new positions.*”

Energy Markets in a Turbulent Zone *Tatyana Mitrova*

58

Approaching the Far Away *Alexander Chepurin*

68

Energy Markets in a Turbulent Zone

Russia in Need of a New Strategy

Tatyana Mitrova

Analysts all over the world are anxiously monitoring the impact of the global crisis on the energy sector. Amid the variety of tensions of the current developments, few consider the fact that the energy sphere, ravaged by the crisis, will be facing the main trials after it is over. The crisis will completely reconfigure the world energy market.

The new energy order will set much tougher demands for its participants. That is why it is so important for Russia to discern through the obscure today an outline of the post-crisis tomorrow, and be ready for the new reality.

SURPRISES OF THE DEMAND

In the past 30 years, the policy of all world energy market players has been based on the idea of continuous increase in consumption. However, this paradigm might not work for many markets, and not just in the next few years, but also in a more distant future.

The slow, sometimes controversial and often unsuccessful, yet steady policy of energy conservation and development of alternative energy sources, pursued by the developed countries, is gradually beginning to pay off. Of course, we can hardly expect major breakthroughs here: what we can see is a gradual change in the lifestyle which starts with the replacement of a light bulb or fixing new windows. The countries of the Organization for Economic Cooperation and Development (OECD)

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are launching new energy effectiveness standards. These standards remain in force even if fuel prices plunge to their lowest level, when all stimuli for energy conservation seem to be disappearing, and the competitiveness of alternative energy sources is hardly worth talking about.

Whereas we might argue about the pace of progress in energy effectiveness, its result is obvious and inevitable – a decrease in the energy intensiveness of the economy. This means we might expect a decrease in the rate of growth (if not a decrease in absolute volumes) of the demand for fuels in OECD countries in the foreseeable future. According to estimates, even a partial fulfillment of Barack Obama's energy plan and Europe's 20/20/20 targets may stall the demand for oil and gas in the U.S. and Europe already in the medium term. Furthermore, both the United States and Europe view these measures as an important part of their anti-crisis packages.

Government subsidies for alternative power generation and energy-conserving technologies can in fact be regarded as a means to inject money into the economy in order to create competitive advantages and jobs and increase the load of production capacities.

If one adds to this the concept of energy supply security, which became popular at the beginning of this century, the desire of consumer countries to diversify sources of energy imports, as well as their efforts to develop their own energy production, it becomes clear that even after the crisis is over, the volumes of oil/gas imports by the developed countries will be markedly lower than was predicted in the past few years.

For example, Obama's energy plan gives priority to a dramatic reduction of the United States' dependence on oil imports by developing the production of biological fuel, enhancing energy effectiveness standards for cars, and resuming drilling in "closed" territories on land and in offshore zones.

The introduction of new standards and technologies will stabilize the consumption of natural gas in households and the industrial sector. Moreover, until very recently the demand for gas was expected to grow in power generation; however, the president, in his policy statement, named the stabilization of electricity consumption by 2020 a priority in the new U.S. energy policy. To this end, the U.S. government will allocate 130 billion dollars in investments. Another short-term priority is the

construction of a gas pipeline from Alaska with a view to reducing imports of liquefied natural gas (LNG).

The U.S. has been actively developing new technologies for shale gas production to improve the country's self sufficiency. Many years of investments in these development efforts began to pay off in 2007 and 2008, boosting aggregate gas production in the U.S. by 14 percent.

According to U.S. Federal Energy Regulatory Commission estimates, annual shale gas production in the country may reach 200 billion cubic meters in a decade. As a result of all these measures, the North American LNG market, which exporters regarded as the most dynamic and attractive just a couple of years ago, is shrinking dramatically.

Forecasts for gas consumption in Europe have been scaled back, as well. Estimates of Gas Demand-2020 have been cut by 180 billion cubic meters over the last decade, and import forecasts have been revised downwards by 135 billion cubic meters. The reductions are in line with the EU's new energy policy aimed at improving the energy effectiveness of the economy, developing alternative sources of energy, decreasing the impact on the environment, developing a competitive market, and improving EU energy security. Benchmarks for achieving these goals are:

- increasing energy effectiveness by 20 percent by 2020;
- reducing CO₂ emissions by 20 percent by 2020;
- increasing the share of renewable energy to 20 percent of aggregate energy consumption;
- ensuring the security of energy supplies (primarily by diversifying sources of supply).

These intentions are largely a political declaration, as most European experts are skeptical about their feasibility. For example, Cambridge Energy Research Associates noted in a study, conducted in early 2009, that the declared goals could only be attained by 10 percent. Yet even a partial implementation of the measures within the EU's 20/20/20 climate and energy package will result in a dramatic change in the demand for gas – it can stop at the present level. In the event of complete implementation of the designated goals, the aggregate gas consumption in the EU-27 will plunge to the level of the early 1990s, while the demand for electricity (the major gas consuming sector) may freeze at the current level.

Furthermore, the *EU Energy Security and Solidarity Action Plan: 2nd Strategic Energy Review*, published in November 2008, for the first time officially presented a scenario of a decrease in the import of natural gas.

The same trend is observed in Asian countries that are OECD members, above all Japan and South Korea. A decrease in the share of energy-intensive productions in the economy, and a steady increase in energy effectiveness standards against the background of the continuing economic stagnation will reduce the demand even in absolute terms. In Japan, the demand for petroleum products had been decreasing for several consecutive years before the crisis. The trend is so obvious that it is planned to shut down a number of refineries in the Asian-Pacific region because of the shrinking market.

The crisis has only intensified these trends, clearly indicating that the global demand for fuels can decrease, as well. The surplus of capacities in the oil industry and LNG production keeps growing. It is not critical and may be short-lived, yet it may bring about serious upheavals in the conditions of the strong financial pressure on market participants.

It has suddenly turned out that there is a large surplus of oil extraction capacity. The fall in demand, caused by the crisis, coupled with a large-scale commissioning of new oil production facilities in 2009 (as a result of investments made in the previous years of high oil prices), have increased excess extraction capacity in the world from 2.4 million barrels a day in 2008 to 6.4 million barrels a day. This is a record high level since 1988. Excess extraction capacity now accounts for 8 percent of the total demand for oil. There is a similar surplus in oil refining.

The LNG market, which has posted the highest growth rates in the past few years, is showing an even more pronounced surplus of production capacity versus the demand. In 2009, 19.3 million tons of liquefaction capacity was commissioned (up 10 percent from 2008), and again, the decisions on investments in these projects were made several years ago, amidst LNG shortages. In 2010, this capacity is expected to grow by another 31 million tons (16 percent more than in 2009, and 30 percent more than in 2010). This will be the largest increment in capacity in the entire history of the LNG market.

Despite the inopportune moment for the implementation of these projects, the owners of the liquefaction facilities will have to launch them

to pay on loans. A considerable part of the new LNG volumes (over 50 percent) has not been contracted and is likely to end up in spot markets which are most sensitive to the demand slowdown. The emergence of such a “gas bubble” on the market with a diminishing demand will inevitably result in a further price downfall. In addition, the surplus of cheap gas on the spot market may prompt consumers to insist on a revision of the price formula and the “take or pay” terms in long-term contracts, with a view to reducing the mandatory minimal level of payment.

THE BUYERS' MARKET AND THE SELLERS' MARKET

The crisis “cushion” of idling capacities and the falling demand are rearranging the already complicated producer-customer relations, strengthening the positions of the latter. Consumers, amid the excessive supply, begin to dictate their terms. For example, buyers in Japan, South Korea and Taiwan already insist successfully that they tap less gas, even under rigid “take or pay” contracts. Talks are underway to temporarily ease terms regarding gas volumes or to re-direct methane carriers to other markets. Consumers now have a wealth of options. In these conditions, a supplier who can offer the most attractive prices and flexible terms gets a competitive edge.

Of course, the domination of consumers will not last forever. The history of the hydrocarbon market proves that periods of excessive supply and low prices result in a slump in producers' investment activity and, eventually, in capacity deficiency. The fall in hydrocarbon prices has already forced all oil and gas majors to revise their investment projects.

According to the International Energy Agency, several dozen upstream projects with an aggregate output of 6.247 million barrels of oil a day and 90 million cubic meters of gas a day have been postponed, suspended or cancelled since the middle of 2008. Considering the long investment cycle in the industry, the demand for oil and gas will certainly start growing once the recession gives way to an economic upturn – if not in the OECD (for the reasons stated above) then in developing countries, primarily in Asia. The crisis-induced slump in investment activity will inevitably lead to a new shortage of hydrocarbons and price hikes. Producers and consumers will swap places again.

The comprehension of the cyclic nature of energy markets' development and the destructive power of fluctuations for both producers and consumers should help them find new forms of mutual interaction, because this "price swing" and the "built-in" instability of the markets prove to be too costly.

The need for a long-term balance of the interests of market participants is overdue. The existing system of international norms and tacit rules of trade in fuels is so obviously faulty that its replacement is inevitable. The problem is what upheavals will the world energy sector have to face before a new balance is found?

Hydrocarbon pricing is a particularly painful problem. The main paradox of the modern energy market is that prices on the most globalized and highly competitive oil market have lost touch with their basic indicators, while their volatility is disorienting real investors.

Oil prices have become a financial instrument: a mortgage crisis in the U.S. caused investors to seek liquid and reliable assets and they began to invest in oil and gold. Back in 2006, a U.S. Senate report, "The Role of Market Speculation in Rising Oil and Gas Prices," emphasized that the world price of crude oil was formed irrespective of supply and demand, and that it was controlled by a complex system of the financial market – hedge funds and key banks in the oil sector, such as Goldman Sachs and Morgan Stanley. A major role is also played by international oil exchanges of London and New York. In fact, it was the development of non-regulated international trade in derivatives in the oil futures sector in the past decade that created conditions for the emergence of the speculative oil price bubble.

A probe published in May 2008 by the Commodity Futures Trading Commission (CFTC) showed that in April 2007 up to 70 percent of oil futures on NYMEX were purchased by profiteers, as compared with 37 percent in 2000. The trade in contracts, structured as futures but sold on non-regulated electronic markets – with no restrictions on the number of open positions at the end of the day, has been steadily increasing in the recent years. In addition, starting from 2000, the CFTC has been gradually deregulating over-the-counter trade in oil futures.

In August 2008, after the report's publication, the CFTC imposed permanent limits on the size of speculative positions that investors may

open in exchange trade. The Commission also announced its plans to demand detailed accounts from all foreign exchanges trading in futures for supply of U.S. brands of oil, with the introduction of restrictions on these exchanges, similar to U.S. restrictions.

Major investment funds hurried to withdraw their capitals from the oil market, which provoked a collapse of quotations. Another factor behind the price dynamics was an objective decrease in demand – first, due to exorbitant oil prices at the beginning of the year, and then, starting in the summer of 2008, due to an economic slowdown in the developed countries.

The lack of an effective pricing model gave rise to a manipulative oil pricing system and excessive speculations on the oil market. Current oil prices still reflect the state of financial markets, rather than the actual supply-demand ratio; furthermore, due to the remaining pegging mechanism, the virtual nature of oil prices influences gas prices as well.

Obviously, periods of low prices evoke discontent among producers about the existing pricing system. They would prefer the more attractive “good old” mechanisms, such as direct bilateral relations between producers and consumers, or cost-plus pricing which takes account of the cost of production and transportation, the investment element and a profit margin. This system does not promise super profits when prices grow, yet it protects producers’ money when prices fall, and now it finds increasing support among them. For example, the president of Turkmenistan made a statement to this effect in April.

Multiple reductions in producers’ revenues (for many of them, oil/gas export revenues are a critical part of the national budget) and entry to export markets by suppliers with no contract history with importers (Iran, Turkmenistan and Azerbaijan) may consolidate the established producers outside the OPEC cartel, which has been demonstrating its complete loyalty to consumers in the last six months. For such producers, it is not a matter of profiteering but a matter of survival and social stability in their countries. Of course, this prospect does not add stability to energy markets. But if one keeps ignoring producers’ interests for too long, they will become increasingly assertive. It should be noted that in a crisis economic agents are often unable to work out long-term strategies – their priority is to keep cash flows at any cost.

The unprecedented scope of market globalization aggravates the instability of the situation: the extended chain of suppliers boosts the role of the transit of fuels, which has become an area of high risks capable of negating bona fide efforts of other participants. As the number of countries involved in any chain of energy supplies is growing, the reliability of these supplies increasingly depends not so much on technical but on institutional factors, above all on market regulation in individual states. Therefore, the bipolar model of producer-consumer relationships must be supplemented with a third – and highly problematic – link, namely transit countries. During crises, these states seek to raise transit fees, preferring short-term increases in revenues to long-term financial advantages.

The collision between these fundamentally different outlooks must produce a system of new international norms and rules for regulating the energy sector. Importantly, the formation of such a system is of critical importance not only to the industry itself but also to all economic and political agents. The case in point is not so much the adoption of preventive measures or local accords on certain aspects of fuel transportation, as the development of an entirely new, universal model and instruments of interaction in the global energy space. The old patterns that took shape three decades ago will fail to meet the new challenges.

RUSSIA IN NEED OF RESETTING

The world energy sector has entered a high turbulence zone: we will be facing serious upheavals and changes in rules of the game on this complex market at least during the next decade. The world should be ready for mounting confrontation between consumers and producers, who will have nothing to lose in this struggle. A revision of pricing models and a fundamental change of the legal and regulatory framework are quite likely. The geography of the demand will change too, causing a rerouting of supplies. The stagnating energy consumption will inevitably increase competition between producers – both at the level of countries and companies.

A new redivision of energy markets is very possible. Major transnational oil/gas companies, which earned big money during the “fat years” and which do not bear the burden of social commitments, will seek to

reclaim the positions that they have yielded to national companies with high state shares in the past seven to ten years. This is just a shortlist of the new conditions in which all market participants will find themselves, including Russia, one of the key players.

Considering the heavy dependence of the Russian economy on energy exports, it is difficult to overestimate the importance of adapting the external energy policy to the ongoing changes. Also, given the duration of the investment cycle in the energy sector and the need to create a transport infrastructure in advance, decisions have to be made today, in the conditions of tough budget cuts and frustrating uncertainty of the international situation.

A constant monitoring of the dynamics of the demand for fuels in major consumer regions remains critically important. It is necessary to watch for changes in their energy policies, especially in energy effectiveness, and develop alternative scenarios for the export of Russian fuels, while taking into account possible stagnation of the demand among the largest consumers.

The anti-crisis strategy is universal for all sectors of the economy – the main emphasis is placed on reducing costs. This is particularly important for the Russian oil and gas industry. The short respite given by the ruble devaluation is drawing to a close. Companies now have to take crucial organizational and technological measures to bring down costs in all the links of the chain of supply. Simultaneously, they need to re-evaluate and select the most effective investment projects and discard the rest.

Another imperative is to win clients' loyalty. Russia will have to build its relations anew on the traditional European market, where Russia has been cast in the role of a "dangerous" supplier of late. One can talk at length about the reasons behind this attitude, but it is more important to find ways to change the negative attitude towards Russia's "energy superpower" brand, at least to elevate it to the level of reasonable confidence. A considerate approach to clients, discounts, more attractive terms of contracts, and active marketing and trade will help preserve the market niche during the crisis. Since the guarantees of sales assume special significance, partnerships with companies with strong positions in the downstream sector are becoming highly useful (although it is obvious that in exchange, we will have to offer them really attractive assets or projects in Russia).

New markets can be gained through various exchange operations with other producer companies (swap deals), which will help optimize transportation costs.

In crises, the main competitive advantage is effectiveness, flexibility and adaptability. Russian companies that operate abroad will have to quickly adapt to changes in regulation and, if necessary, to rebuild their organizational structure to meet legislative requirements.

Considering the geographic shift in demand, Russia will have to learn to work effectively in the Asian region, with its peculiar pricing system. It has other price targets, and one should not expect profits there to be as high as in Europe. However, one can learn to derive reasonable profits on this market and, having gained a foothold on it, benefit in the future from large exports and a variety of supply routes.

In other words, Russia needs a comprehensive program to overcome the crisis in the energy sphere, which will enable it to fit into the new energy matrix naturally, using the main advantage of the crisis – the emergence of a certain timeframe to win new positions.

Approaching the Far Away

Russian Policy Towards Russian Communities Abroad

Alexander Chepurin

The next meeting of the World Congress of Russian Compatriots Living Abroad, scheduled to be held in Moscow on December 1-2, 2009, holds the promise of becoming a landmark event in the dynamically developing dialogue between the Russian authorities and Russian communities abroad.

The Congress should reaffirm the Russian government's all-round support for Russian compatriots living abroad and give an impulse to activities that have been unfolding in this field recently. The upcoming forum will work towards the consolidation of the Russian diaspora and will increase its prestige in countries where fellow Russians live.

THE EVOLUTION OF RELATIONS WITH COMMUNITIES ABROAD

There has been considerable progress in the two and a half years since the previous Congress (in St. Petersburg in October 2006) in establishing a closer relationship between Moscow and Russian compatriots living abroad, ensuring their rights, maintaining the Russian ethno-cultural space, and consolidating the Russian community.

However, we are still at the very beginning of the long road towards narrowing the gap between Russia's internal space and the Russian community abroad. It is important to have a clear understanding of where we are now and where we are moving.

In recent years Russia has reviewed its attitude towards compatriots living abroad, proceeding from the reality of the rapidly-changing world

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and the logic of its own development as a state adhering to democratic values and the upkeep of the global Russian ethno-cultural sphere. The pivotal factor is the recognition by Russia that Russians living abroad belong to the same cultural tradition, even though they have found themselves on the outskirts while Russia proper remains the center of the Russian language, culture and mentality. The 19th-century philosopher and poet Fyodor Tyutchev sounds very prophetic today, who wrote: “Although we’ve been split apart// By inimical fate,// We’re still one race, // The scions of a single mother!// That’s why they hate us!”

The presence of an influential and consolidated Russian community abroad meets Russia’s national interests. A community interwoven and integrated in the public and political life of the country where it lives – rather than an assimilated or marginalized one – could make up a full-fledged part of a global Russian world. A community of this kind that retains its ethnic identity, impulses for self-organization and connections with the historical motherland is able to wield fruitful influence on the outside world and act in the interests of raising Russia’s international status through the strengthening of ties with countries where ethnic Russians live.

Interaction with the Russian community living abroad is an important part of Russia’s foreign policy. The Russian Foreign Ministry chairs the Governmental Commission for the Affairs of Compatriots Living Abroad, the key state agency for coordinating Russian policy in the field of interaction with Russian communities in foreign countries.

A policy of declarations of support for the Russian community living in other countries gradually gives way to practical measures in this field that rely on three major principles:

- assistance for the communities’ consolidation,
- the maintenance of Russian ethno-cultural space,
- the consolidation of ties with historical Russia on the principles of partnership and mutual assistance.

A COMMUNITY, NOT YET A DIASPORA

The Russian community living abroad cannot be called a diaspora yet if one uses the traditional meaning of the word, although a 30-million-strong ethno-cultural group is a large ethnic formation (second only to the 80-

million-strong ethnic Chinese community). Standing next in line are the Hindus and the Poles with about 20 million people in each community.

The notion of “diaspora” implies an organized and structured community, but the Russian community is neither organized nor structured yet. One could describe Russians living abroad as a diaspora if one realizes, of course, that a “diaspora” is something more than just a group of people speaking the same language and having identical cultural and spiritual roots.

And what are the impediments to the formation of a full-fledged Russian diaspora?

First, government policies in some of the countries where ethnic Russians live. These governments try to assimilate or marginalize Russians. This approach can be seen both in the counties of the former Soviet Union and beyond, including in countries where ethnic Russians make up a sizable part of the population. More often than not, Russian communities are indigenous, autochthonous and have lived in those territories for centuries. The breakup of the Soviet Union provided grounds for analysts to describe Russians as a split nation – one that has found itself partially divided throughout various countries due to the cataclysms of history.

Second, anti-Russian propaganda and a desire to smear Russia’s image and its policies. This does not facilitate the shaping of a sense of Russianness among ethnic Russians. The deplorable role of some people from Russia, who have partly retained their Russophobic philosophy in contrast to members of other ethnic communities, is also noticeable. Evidence of this can be seen in many Russian-language media abroad, especially outside of the CIS.

Third, the historical waves of emigration from Russia and the extremely disparate make-up of the communities, from oligarchs to the very poor. These include both the Russian elite and those who had to leave the Soviet Union in a search for their daily bread. On the one hand, some émigrés are genuine friends of Russia but, on the other, some people benefit from fanning anti-Russian sentiments and criticizing the domestic and foreign policies of their former homeland.

The differences in the attitudes to Russia and its policies on the part of different categories of Russian émigrés or ethnic Russians stranded in

other post-Soviet countries after the Soviet Union's disintegration is a very specific feature that is not found in the majority of other ethnic groups in foreign countries. Although there is a general tendency today towards a more positive image of Russia, negative viewpoints still abound, and this could be seen in how the Russian-speaking media covered events in the Caucasus in August 2008, as well as in the comments they made about the Russian-Ukrainian conflict over the delivery of natural gas to European consumers in January 2009.

Add to this the multiethnic and multi-confessional nature of the global Russian community. Russians, Tatars, Circassians and people of Russia's other ethnic groups have their own ethnic communities, and there are also millions of Russian-speaking ethnic repatriates from the Soviet Union and the Russian Federation.

This situation pushes to the forefront the task of ironing out the differences that divide the global Russian community, of supporting the processes of consolidation on the basis of general interests and fostering a positive attitude among Russians living abroad towards their historical homeland.

THE CONSOLIDATION OF COMMUNITIES ABROAD

Naturally any consolidation takes time. Like today's Russia, the global Russian community living abroad is one of the youngest in the world, while intra-diasporal relations are formed over decades. Maturity comes over a span of many years, as experience is gained in smoothing out internal contradictions and the communities determine their place in the countries of permanent residence and formulate common platforms for defending their interests. It is important that the opportunities being opened now be used both by the Russian community itself and its historical motherland.

One important instrument for establishing ties and exchanging information is widening the Russian-language information sphere. Sporadic meetings of editors-in-chief of Russian-language publications, including the ones in the format of the World Association of the Russian Press (WARP) – the latest meeting was held in Lucerne, Switzerland in June 2009 – are unable to influence that sphere in any significant way in spite

of their usefulness. Discussions of the problem of the structure of the Russian community living abroad and protecting the compatriots' ethno-cultural interests are not very prominent on the pages of Russian-language publications in foreign countries, as their benchmarks lie some way off from the interests of both fellow Russians living abroad or their historical motherland.

The Governmental Commission for the Affairs of Compatriots Living Abroad has helped create some specialized publications, like *Shire Krug* (Broaden the Circle) in Vienna, *Yedinstvo v Raznoobrazii* (Unity in Diversity) in Almaty, and *Baltiyskiy Mir* (The Baltic World) in Tallinn, that offer space in their pages to compatriots discussing their problems. However, these publications have failed so far to win mass appeal and remain small. The same can be said about the Ruvek Internet portal, the *Russkiy Vek* (Russian Age) magazine published in Moscow, and the *Golos Rodiny* (The Voice of the Motherland) newspaper. Appropriate media support for contacts with compatriots living abroad requires special attention on the part of the Russian government.

Shoots of philanthropic support for ethnic Russian culture on the part of wealthy members of the Russian community have begun to sprout in recent years. The community will never grow into a diaspora without the self-sufficiency of economic foundations. What can be done to help Russian businesses based abroad to facilitate the development of Russian culture and education in the communities without fear of being persecuted by the local authorities? This problem demands a substantial and thorough scrutiny, including looking at the experience of the "old" successful diasporas.

The possibility of support for Russian communities on the part of Russian business operating in foreign countries is also high on the agenda. It might be worth expanding and intensifying sporadic sponsorship action undertaken by Gazprom, Lukoil and other large corporations. This activity should receive assistance from the Russian government and public opinion to become systemic and significant.

Next in line is the establishment of smooth relations between ethnic Russians and the authorities in the countries where they reside. Fellow Russians can become an important link in Russia's relations with those countries. Being citizens of and taxpayers in one or another country, eth-

nic Russians have every right to count on their governments' assistance in preserving their culture and language.

One more pressing problem is the leadership of Russian compatriots' organizations. The leaders must be active and oriented not at complaining, but at protecting the interests of ethnic Russians in the territories where they live; bridging dialogue with the local authorities; gaining support for Russian business; and elaborating clear-cut positions in protecting the ethno-cultural environment.

Moreover, many of today's leaders cannot always claim such authority. More often than not, the organizations are led by veterans or teachers in Russian-speaking schools whose interests are focused narrowly on resolving professional tasks and on the use of rather modest assistance coming from Russia.

There is a growing need for promising young leaders capable of strategic thinking and who are able to help resolve the problems of the global Russian community. It is important to make the maximum possible use of democratic principles while setting up coordination centers in different countries. These centers must acquire – to be frank – a lobbyist potential in what concerns the protection of ethnic Russians in the countries where they live. The task of maintaining the Russian world and preventing assimilation underlines the importance of the movement towards a self-organizing and viable diaspora; all the more so that other countries with sizable ethnic communities have gained some encouraging experience.

Serious efforts to consolidate the Russian communities abroad have been made with Russian assistance in recent years. The backbone of the organizational structure – coordination councils in more than 80 countries – has been set up. These councils try to elaborate a common platform reflecting the interests of communities, separate organizations and all compatriots. Special attention is given to preventing marginalization at all costs and to help integrate Russians into the societies of the countries where they live, along with maintaining their cultural and ethnic identity. Simultaneously, discussions – sometimes acute ones – and interaction between the communities are unfolding.

Regional conferences of Russian communities are organized annually in Central Asia, the South Caucasus, Ukraine, Belarus, Moldova, the

Baltic countries, Europe, the Americas, the Middle East, Africa, Asia and Australia. World conferences of Russian compatriots meet annually (the last one was held in Moscow in November 2008) and world congresses of Russian compatriots convene on a triennial basis. The Governmental Commission for the Affairs of Compatriots Living Abroad has helped streamline conferences and roundtable meetings of Russians living both in Russia and abroad, where people meet to discuss pressing problems of the Russian community abroad (the most recent such event, a roundtable meeting on Russian-speaking Ukraine that discussed the opportunities for and problems of consolidation, was held in Moscow in April 2009).

The World Coordination Council of Russian Compatriots was set up in 2006. It de facto took on the role of a central agency consolidating and representing their interests and ensuring permanent dialogue with the agencies of executive power in Russia, as well as Russian and foreign NGOs. It is the World Coordination Council that monitors contacts with coordination councils of individual countries.

PROTECTING ETHNO-CULTURAL SPACE AND THE RUSSIAN LANGUAGE

Some crucial elements of ensuring the viability of Russian communities abroad are the protection of ethnic/cultural identity, support for the Russian language and the languages of Russia's other indigenous peoples, as well as culture and traditions. The Russian language remains an instrument of science, culture and inter-ethnic communication. Although elites in many former Soviet countries ostentatiously distance themselves from Moscow, they frequently continue to speak and think in Russian. It is obvious that maintaining the territory of the Russian language and Russian culture is a task of paramount importance. In this light, efforts by some countries to oust Russian from the sphere of education, culture, social life and everyday communication cannot but cause concern. The development of national languages should not lead to restrictions in the field of culture, education and everyday life for Russian compatriots. In the meantime such instances abound.

The Federal Agency for the Commonwealth of Independent States, Compatriots Living Abroad and International Humanitarian Coopera-

tion (Rossotrudnichestvo, known as Roszarubezhtsentr before 2008) has traditionally managed the preservation and promotion of the Russian language abroad. It has recently been actively expanding the network of its centers, although it is clear that this is not enough. Russia's Education and Science Ministry continues practical steps under the federal program "The Russian Language in 2008-2010" that promotes the system of distance education and embraces Russians living abroad. Teaching aids, textbooks and multimedia programs on the Russian language have been produced, and a series of radio and TV programs have also been created.

The *Russkiy Mir* (Russian World) foundation began operating in June 2008 with substantial funding from the federal budget. The foundation's objective is to support the Russian language and culture abroad through a system of grants and in other ways. The task of maintaining the Russian language now involves the efforts of federal law and executive bodies, regional organizations, the mass media, and actually the entire cultural and scientific potential of Russia.

The Russian Foreign Ministry has taken some crucial steps, as well. It has supplied complete sets of books and materials for libraries (more than 200 in 2008) and Russian language study rooms (over a hundred in 2008), and provides retraining for teachers in Russian schools abroad (more than 1,200 teachers in 2008). It has also organized sightseeing tours of Russia for over 1,500 children of Russian compatriots as prizes for winning various academic competitions.

The problem of maintaining and strengthening the positions of the Russian language interweaves with another pressing problem – that of providing education for compatriots in Russia. On August 25, 2008, the government passed a resolution *On Cooperation with Foreign Countries in the Field of Education* that provides for a further increase – with the help of federal funding – in the admittance of foreign citizens and compatriots residing abroad (up to 10,000 people annually) to Russian colleges and universities, as well as for sending up to 300 teachers to universities in foreign countries.

The Education and Science Ministry is working intensively to open branches of Russian schools of higher learning abroad. Right now 36 branches of 29 Russian universities operate on Russian licenses in Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Tajik-

istan, Turkmenistan, Uzbekistan and Ukraine. The universities opened four branches abroad last year.

Another important document in effect now is the February 10, 2009 federal law *On Changes in Separate Legislative Acts of the Russian Federation Related to the Activity of Federal Universities*. It waives the requirement for compatriots in foreign countries to take Russia's Unified State Examination, which is a mandatory requirement for getting a high school diploma and for applying to universities and vocational training colleges. This provision has laid out a new procedure for admitting foreigners to Russian educational institutions, and it currently is in the process of registration at the Russian Justice Ministry.

On the whole one cannot help but admit that the Russian government has made sizable efforts in the past three years to support Russian culture abroad. A realization of "what's lying in the scales," as the Russian poet Anna Akhmatova said, has appeared. Still, we have also realized that, considering the experience of other countries, this is just the beginning of the process that will require dynamic development. A crucial move in this sense could be the rapid opening of Russian cultural centers in foreign countries and branches of such centers in major foreign cities.

DEVELOPMENT OF THE DIALOGUE BETWEEN RUSSIA AND COMPATRIOTS

Work with Russians living abroad is gradually moving away from paternalism with modest financial support to interaction along the principles of partnership. As a result, Russian communities abroad will become Russia's intellectual, economic, cultural and spiritual partners, while building up their ethnic/cultural identity.

However, this approach does not mean that Russia should relinquish its persistent support for the legitimate rights and freedoms of fellow Russians in any part of the globe where they may be encroached on. Support of this kind remains a key priority and this is clearly fixed in a new concept of Russia's foreign policy, which Russian President Dmitry Medvedev endorsed in July 2008. Fellow Russians in other countries should have confidence that their historical homeland will not let them down for one minute and will not permit any encroachments on their ethnic/cultural rights.

An interdepartmental workgroup set up by the Governmental Commission for the Affairs of Compatriots Living Abroad is actively considering proposing amendments to the federal law *On the Russian Federation's State Policy Towards Fellow Countrymen Living Abroad*, as the current law was adopted amid specific political conditions in May 1999 and contains a number of outdated provisions and unrealistic commitments.

The authors of the new draft put emphasis on a concrete definition for the notion of “compatriots living abroad,” specifying the roles of the World Congress and coordination councils, fixing the powers that enable Russia's regions to work in the field of support for fellow countrymen living abroad on a solid legislative basis. The paternalist pathos must give way to the spirit of partnership now, as this is what the majority of fellow Russians living abroad advocate.

Along with this, the authors take account of the remarks and proposals that compatriots voiced at national and regional conferences and at the World Conference of Compatriots (held in Moscow from October 31-November 1, 2008). Information on progress in this activity was presented at meetings of the Government Commission on December 24, 2008 and March 30, 2009.

Finding a concrete definition for the notion of “compatriots living abroad” has special significance, as the current definition is rather declarative and embraces the list of people who have had Soviet and pre-Soviet citizenship. This legal concept actually includes millions of people, including those from the so-called titular nations in former Soviet republics and, in addition to them, in Poland, Finland, etc. This contradicts today's reality and impedes targeted work with Russians living abroad.

A heated debate continues about the possible issue of a special document that would confirm a person's affiliation with compatriots abroad. Although the effective law envisions “issuing documents” to fellow Russians, no such identification documents have been issued in the past decade.

This is not a simple matter and it requires serious consideration, since if Russia issues IDs this might cause a negative reaction from governments in the countries where ethnic Russian live. Moreover, the very printing of such documents will require funding significantly higher than all the current allocations for support to Russian communities abroad.

Should this “documenting” become a substitute for compatriot self-identification? And should budgetary funds be spent on bureaucratic procedures instead of being used for real assistance to Russian veterans, organizations and cultural programs?

The endorsement of a system of moral motivation for compatriots living abroad in 2008 played an encouraging role in terms of strengthening relations between Russian communities and their historical homeland. A special ceremony by the Governmental Commission for the Affairs of Compatriots Living Abroad to award compatriots with honorary diplomas and signs of distinction took place as part of the World Conference of Compatriots. At the end of November 2008, Medvedev issued a decree to decorate a number of fellow Russians abroad with the Order of Friendship or the Pushkin Medal. This practice will continue in 2009.

The international experience of working with fellow countrymen abroad reveals three major models:

- Repatriation (resettlement to historical homeland);
- Paternalism (protecting the rights of compatriots and material aid);
- Pragmatism (employing the diasporas’ political, economic and lobbyist potential).

None of these models is ever used in its pure form in the world and the evolution of the approaches supported, for example, by Germany and Israel testifies to this.

The development of Russian policies towards Russian communities abroad has made it possible to combine these models. This became possible after the endorsement of a state program to assist the voluntary resettlement to Russia of compatriots living abroad. It was enacted by Decree No. 637, which the Russian president signed on June 22, 2006.

Time has shown that the program is popular, as more than 12,000 people have moved to Russia in the first 18 months since it was adopted. The majority of repatriates (about 80 percent of all those who applied for the program) come from Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan, Moldova and Ukraine. Small numbers of people have come from non-CIS countries: Germany (90 people), Israel, the U.S., and some other countries. A large group of Russian Old Believers living in South America are considering possible resettlement to Russia’s Primorsky Krai in the Far Eastern part of the country. Russian Old Believers from Georgia are

moving in compact groups to live in the Tambov Region. Resettling Russians most frequently (in 83 percent of the cases) choose the Baltic exclave region of Kaliningrad, as well as the Kaluga, Lipetsk and Tambov regions.

Since the program does not emphasize statistics for resettlement, there is no reason to compare any “target figures” or results. Given all the complexities and subtle aspects of organizing people moving to new places of residence, which quite often implies breaking up the traditional lifestyle, a discussion of “planned targets” would be inappropriate. What really matters here is a concrete person and a concrete family. The main thing is to provide fellow Russians with the opportunity for a civilized government-sponsored resettlement to their historical homeland. The significant factor is that the program is turning into an encouraging element in relations between Russia and the communities abroad.

Naturally, practical actions under the program have revealed some shortcomings. The main problem appears to be the lack of attractiveness of regional programs (housing, decent jobs).

The experience gained has helped work out additional measures to raise the attractiveness and efficiency of the state program. Provisions have been made, for instance, to include more categories of people – businessmen, students, and people coming to live with their relatives (should the latter have housing for the people who are resettling) in regions not listed among the territories for resettlement. Also, participants in the program who have not been issued with Russian passports yet can now get the status of resident taxpayers.

As a response to proposals from compatriots, a discussion has begun on possibly giving regional divisions of the Federal Migration Service the authority to issue a license of participation in the state program to compatriots who have already arrived in Russia legally and who are willing to join the program.

Establishing partnership relations between Moscow and the compatriot communities abroad is a vital prerequisite for the gradual formation of a consolidated and viable diaspora that would be resistant to assimilation.

THE CONGRESS AS AN OPPORTUNITY

The upcoming World Congress of Russian Compatriots in December is expected to gather over 500 representatives of organizations of ethnic

Russians from 89 countries, as well as Russian legislators, federal and regional government officials, public organization activists, and executives of foundations that interact with compatriots abroad. Preparations for the Congress were discussed by the Governmental Commission for the Affairs of Compatriots Living Abroad in late March and by the World Coordination Council of Russian Compatriots.

Apart from the plenary sessions, the forum will have from ten to twelve theme sections where discussions will focus on the consolidation of compatriots' organizations, maintaining the Russian-speaking community abroad, and the protection of the rights of compatriots abroad. The latter envisions, among other things, enacting the mechanisms of international institutions and NGOs, and providing opportunities for education in Russia and at branches of Russian universities abroad. This aspect presupposes a discussion of the role that constituent territories of the Russian Federation can play in providing assistance to Russians living abroad, the united spiritual community of the Russian world (in cooperation with the Russian Orthodox Church), Russia's historical heritage and refuting the falsifications of history, mass media problems, implementation of the state program for resettlement, etc.

A number of important meetings, as well as national, regional and international forums will take place in the run-up to the Congress. The objective of discussions there is to tap ways to resolve the most pressing problems faced by Russian communities abroad.

Whatever the skeptics may say, the system that was set into motion in the past two years or so makes it possible to streamline discussions and interaction within the global Russian community on the one hand, and to maintain the compatriots' regular dialogue with their historical homeland on the other.

It is quite obvious that Russia is just at the beginning of the road. Dialogue with compatriots should be imbued with new issues and it should take on a new scale over time. All of this will require substantial moral and material support on the part of Russia.

Changing the Security Model



From Vancouver to Vladivostok.
Canadian Siberian Expeditionary Force in Vladivostok, April 1919

“ *Russia’s desire to transform the Shanghai Cooperation Organization and the Collective Security Treaty Organization into viable regional structures should be viewed not through the prism of rivalry with NATO and the United States but as a contribution to the creation of an effective toolkit on the vast space “from Vancouver to Vladivostok” which Dmitry Medvedev mentioned in his Berlin speech.* **”**

Russia and the U.S.: Reconfiguration, Not Resetting

82

Rethinking Security in “Greater Europe” *Fyodor Lukyanov*

94

Towards Legal Universalism *Boris Mezhuhev*

103

Labyrinths of the Arctic Policy *Oleg Alexandrov*

110

Russia and the U.S.: Reconfiguration, Not Resetting

How to Broaden and Supplement Barack Obama's Proposals

The outburst of the global economic crisis that occurred in the fall of 2008 drew a symbolic bottom line under the previous twenty years of boisterous international changes. In essence, no one called the U.S. dominance into question over these twenty years, yet the context started changing long before the financial landslide of September 2008.

The financial and economic crisis is but a single manifestation of a general erosion of the regulatory functions. It testifies to the faults that the system of global governance has begun to make. The rise of new players who feel reluctant to embed themselves into an American-centric layout, the fast degradation of the nuclear nonproliferation regime, and the big powers' inability to control unfavorable cross-border and regional processes are but the most vivid showings of the deepening dysfunction of the international system.

The unipolarity that emerged after the Cold War failed to pave the way for an international system that would be based on America's "soft hegemony" and a ubiquitous proliferation of the American-style democracy and liberal market economy. The only superpower's attempts to rely exclusively on its own strength flopped.

The nature of the post-hegemony phase in international relations will depend on the character and quality of interaction among the key centers of power. The formation of a balanced economic order is impossible without an improvement in U.S.-Chinese relations. China is

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also important as a factor of stability in the field of global politics and security, but this stability is impossible without efficient relations between Moscow and Washington.

WHERE DOES THE CRISIS IN RUSSIAN-U.S.
RELATIONS STEM FROM?

Russian-U.S. relations deteriorated persistently over a period of several years and reached the lowest point over the past 25 years in the summer and fall of 2008, threatening to degrade into a systemic standoff.

The Cold War and the Americans' subsequent attempts to impose their domination in the world were echoed in a high level of mistrust between Russia and the United States, which is especially strong with Russia. The Russian political elite harbors the conviction that the U.S. intentionally used Russia's weakness in the 1990s and even tried to keep the country in such a state. It views the "proliferation of democracy" as a cover-up for creating conditions that would compel other countries to move in line with U.S. geopolitical interests. The past twenty years has caused the Russian political class to believe that Washington takes any attempts by Russia towards acquiescence and goodwill for granted and that they only stimulate Washington's appetite after being "swallowed up."

Bilateral relations deteriorated really rapidly at the beginning of the 21st century in the wake of the U.S. unwillingness to reckon with Russia's vital interests.

This concerns, above all, the evolution of the post-Soviet space as the chief target of Russia's foreign policy efforts. Cultural, historical, economic, and strategic considerations prompt Moscow to entice the majority of former Soviet republics to join the system of security oriented at Russia (the Collective Security Treaty Organization) and a Russia-led integration project (the Eurasian Economic Community). For instance, the maintenance and consolidation of Russia's presence in the energy sectors of other former Soviet republics is a guarantee of a smooth and efficacious functioning of what made up the united energy complex of the Soviet Union fairly recently.

Contrary to this, the U.S. is conducting a course that aims to tear the former Soviet republics away from Moscow through their involvement in military and political alliances or with the aid of bilateral partnerships in this field. Washington also actively resists the strengthening of Russia's

positions in the energy sectors of CIS countries, which threatens energy security in Eurasia.

The second field of primary concern is the transformation of the European security model, which has failed to take new contours after the end of the Cold War. Moscow expects the West to recognize Russia and the security system it is building in the framework of the CSTO as an equitable and integral geopolitical entity that would form a common Euro-Atlantic security space in cooperation with NATO.

Meanwhile, the U.S. seeks to be the main guarantor of NATO-based European security. This ideology is manifested in practical terms in the expansion of the North-Atlantic bloc to embrace an overwhelming majority of European countries, while the rest are offered the status of "junior partners." Besides an overt confrontational approach inherent in this ideology, doubts arise regarding NATO's ability to perform the functions the U.S. seeks to vest in it.

Last but not least, Russia and the U.S. disagree over the roles they should play in the international arena on the whole. While Russia views itself as one of the poles of a multipolar world, pursuing an independent course stemming from its own understanding of its national interests and its own development model, the U.S. global strategy boils down to tapping ways to restore a de-facto unipolarity or, in plain English, U.S. leadership.

Mutual disagreements show up in many areas.

First, the sides have differing views of the existing nuclear parity. Russia trusts that this parity is the foundation of its military security, a major instrument of influence in the international arena, and a major argument in favor of an equitable dialogue with the U.S.

Hence the controversies over U.S. plans to deploy elements of its national missile defense system in Europe. If the U.S. becomes invulnerable to nuclear missiles, the Russian arsenal will lose its deterring function. On the whole, the U.S. views nuclear weapons as a hindrance to achieving manifold superiority in force over any other state or group of states, and nukes are the only factor that does not let the Americans fully implement their huge preponderance in conventional forces.

Second, the sides differ in their interpretation of the outcome of the Cold War. Moscow does not view itself as a loser in any way and that is why it claims the right to take part in the formation of the post-Cold War world order on a par with the West. In contrast, the U.S. is confident it won the Cold War while Russia lost it.

Generally speaking, the interpretation of results of the ideological standoff in terms of winner/loser has had an extremely deplorable impact on both the U.S. and Russia. Triumphant sentiments in America and the allied countries, which showed up, among other things, in the willingness to use force at random, have caused a defensive and sometimes an excessively nervous reaction in Russia and have worked towards an accumulation of mutual mistrust and suspicions, hard enough to overcome now.

A WINDOW OF OPPORTUNITIES

Washington's proposal to "reset" U.S.-Russian relations is a positive factor. The new U.S. Administration understands that ignoring Russia, let alone launching a new standoff with it, would not only be unhelpful in resolving crucial tasks of the U.S. foreign policy but, on the contrary, would make their resolution even more problematic. One can only hail the U.S. readiness to discuss the two countries' interests with Russia and to consider a possibility of 'exchanges'.

Still, practical steps under the proposed version of 'resetting' may sow seeds of mistrust and fail to bring about an improvement in the final run (this concerns a sizable reduction of nuclear arsenals, in the first place). The 'resetting' has a narrow and very selective character and it does not embrace Russia's vital and top-priority interests. In particular, vagueness persists about medium- and long-term prospects for NATO's expansion, especially into the former Soviet territory, and other crucial issues in bilateral relations, among them the two countries' role in global governance, the nature of European security and Russia's place in it, and the geopolitics of the post-Soviet space.

If changes do not facilitate the implementation of Russia and America's vital interests, the window of opportunities will shut very soon. There is a negative interdependence between Russia and the U.S. on all issues, especially regional ones. Both parties have differing yet comparable potentials of doing reciprocal foreign-policy damage. Therefore, Moscow and Washington must overcome the negative experience in their mutual relations as early as possible and draw up a new, positive agenda for themselves. Its underlying principle could sound as follows: the policies of either side cannot pose a threat to the vital or significant interests of the other side, and their cooperation must help to fulfill these interests. The establishment of fruitful mutual dependence should be bolstered by the development of economic cooperation.

RUSSIA'S INTERESTS AND AMERICA'S INTERESTS

An analysis of the two countries' crucial interests shows that the biggest of them are found in the field of relations with third countries rather than in bilateral relations.

For the U.S., these are the problems of Afghanistan, Iran, Iraq, North Korea and the Middle East. For Moscow, a major interest lies in finding a mutually acceptable compromise on the post-Soviet countries and, in the first place Ukraine, and in defining Russia's place and role in the European security system.

In addition, important and even crucial interests of both countries embrace international problems, such as the nonproliferation of weapons of mass destruction, energy security, climate change, and the reform of the global financial system.

The broad spectrum of parallel, identical or close interests looks as follows:

- Prevention of the destabilization of international security and its degradation into a "war of everyone against everyone," above all prevention of wars between great powers;
- Restriction and prevention of the proliferation of weapons of mass destruction, in particular the prevention of Iran's acquisition of these weapons;
 - Maintenance of stability in the conditions of nuclear multipolarity;
 - Stabilization in Afghanistan;
 - Stabilization in Pakistan; prevention of an armed conflict between India and Pakistan;
 - Resolution of the North Korean nuclear crisis;
 - Resolution of the Arab-Israeli conflict;
 - Combating international terrorism, particularly prevention of nuclear terrorism;
- Prevention of a political and legislative vacuum in the field of nuclear arms control after the expiry of the START-1 treaty in December 2009;
- Stabilization in Iraq, especially after the withdrawal of U.S. troops from there; preclusion of a situation where it might turn into an oasis of international terrorism;
- Stabilization in the Broader Middle East; forestalling its degradation and radicalization;
- Maintenance of security in outer space;

- Counteraction to climate change;
- Combating drug trafficking, piracy and organized crime.

Remarkably, these interests have different degrees of importance in the hierarchy of the two countries' foreign policy priorities. Coincidences mostly fall on issues of secondary importance. Also, the Russian and American interests coincide in the above-said fields in a general outline only, while the approaches to their practical implementation reveal noticeable differences. In part, this concerns Iran, the Middle East peace settlement, and fighting with international terrorism.

A comparative analysis of vital interests shows that although they may partially overlap, for the most part they mostly lie in different domains or have a basically different importance for each side.

For instance, the list of U.S. vital interests includes, among other things, a dignified withdrawal from Iraq; preventing a defeat in Afghanistan and imposing stability there; and preventing the collapse of Pakistan and the loss of control over its nuclear weapons. And topping the list is preventing Iran from gaining access to nuclear weapons, as this would be fraught with a collapse of U.S. military and political positions in the entire Middle East. Russia has no interest in the destabilization of Afghanistan, the loss of control over Pakistan's nuclear potential, or in Iran obtaining nuclear weapons. Yet its interests in all these spheres are on a somewhat lower level than those of the U.S.

The realm of Russia's vital interests encompasses the maintenance of a de facto predominant influence over the territory of the former Soviet Union, and the prevention of the spread of other alliances, above all NATO, to these regions, as their expansion there may unleash a chain of conflicts or even a major war. This sphere makes up the bulk of the negative agenda of Russian-U.S. relations. Meanwhile, these issues (especially the enlargement of the North-Atlantic Alliance) are not viewed as vital (or simply as important) by the U.S. Administration from the angle of the country's national security.

Counteraction to the re-emergence of Russian dominance in the post-Soviet space is a traditional chapter of U.S. policies in Eurasia, but ways to implement this interest may vary widely and they do not necessarily provide for the CIS countries' joining military alliances oriented at the U.S. or their direct distancing from Moscow.

As regards bilateral relations, Russia has had importance for the U.S. so far mostly to due to its status of the world's only state capable of wiping

the U.S. out of the map physically. Yet the combat employment of the Russian nuclear arsenal, especially now that it is decreasing, is scarcely possible, and that is why America has never considered the establishment of a productive relationship with Russia as a goal in its own right.

The situation has begun to change, though. Building fruitful relations with Moscow still has a smaller value for Washington than the relationship with Washington has for Moscow, yet it falls into the category of America's crucial foreign policy interests owing to sweeping changes in the global context.

It will be impossible to keep in check or to put brake on the proliferation of nuclear weapons if the two countries do not maintain fruitful cooperation in this area. All the more so, the elaboration of a new multilateral nuclear deterrence regime, which is so necessary in the emerging nuclear multipolarity, is inconceivable without it. Foreign policy flops of the George W. Bush Administration objectively raise Russia's significance in matters pertaining to stabilization in Afghanistan and resolution of the Iranian nuclear problem, which the Barack Obama Administration has identified as chief priorities of its foreign policy. Moscow can also be helpful in untangling the North Korean nuclear crisis and the Middle East conflict. Finally, Russia's significance is growing as China is turning into a global power, thus challenging the U.S. superiority in the international system.

For Russia, normal relations with the U.S. are critical in the context of comprehensive modernization of the Russian economy and society, which is the top priority for development. Bad relations weaken Moscow's positions in global politics and economy considerably. For instance, close contacts and cooperation are vital for a final elimination of the aftermath of the Cold War in Europe or for laying down a system of European security that would meet Russia's interests.

The persistence of confrontational relationship between Russia and the U.S. would continue enticing post-Soviet countries to lead a policy of balancing between Russia and the West and playing on contradictions between them. This in turn would motivate the Americans towards giving more support to overtly anti-Russian forces in those countries.

Bad relations with the U.S. enfeeble Russia's positions with regard to the European Union and China.

Russia has as much interest as America has in preventing the final degradation of the nuclear nonproliferation regime and in working out a

multilateral regime for containing new nuclear countries. It also regards the prospects for Iran's obtaining nuclear weapons as a threat to its own security. Materialization of these interests (even though they are priorities of a lower order for Russia than for the U.S.) is impossible without fruitful interaction with the U.S.

Since the U.S. has global leadership in the field of high technologies and innovations, it may become a source of the most advanced technologies and quality long-term direct investment in the Russian economy. The expansion of Russia's access to many vital international markets (steel, nuclear fuel, defense products) and a growth of its influence in institutions of global financial and economic governance depend on the fruitfulness of cooperation with the U.S.

Sweeping changes that occur in the global context do not allow either Russia or the U.S. to settle many (if not all) of the key problems they are faced with without assistance from the other side. This creates a unique situation. Along with the persistent asymmetry of relations and power potentials of the sides, a "cross symmetry" is emerging in individual areas of Russian-American interaction, meaning that the sides may bring equally important benefits to each other.

WHAT SHOULD BE DONE ABOUT OBAMA'S PROPOSAL?

Slashing strategic offensive arsenals down to the lowest and even – in the long-term – zero level of nuclear stockpiles has been suggested as the backbone element of the 'resetting'.

The problem of nuclear arsenals is really important, since the START-1 treaty expires in December 2009. However, nuclear reductions are double-edged and they may produce more problems than solutions.

Russian and U.S. interests coincide in that both countries are aware of the need to rely on the "nuclear pillar" in today's rapidly changing and increasingly unstable world and to ensure international security. Counteraction to an uncontrollable proliferation of nuclear weapons, which raises the risk of their use, meets the needs of both countries.

The two sides essentially diverge in their vision of nuclear weapons with regard to national security. Moscow believes that it is inconceivable to ensure the country's security without reliance on a powerful nuclear factor.

On the contrary, for the U.S. slashing or even eliminating nuclear weapons with the secured technological and quantitative superiority in

conventional armaments in the foreseeable future is desirable and even beneficial.

Profound reductions of nuclear arsenals and, especially, full renunciation of nuclear armaments, proposed by Obama, would consolidate America's unilateral military superiority, would eliminate a strategic situation of mutual assured destruction in Russian-U.S. relations, and would furnish the U.S. with a position close to invulnerability – especially as the U.S. has not given up plans to build a global missile defense system. Nuclear cuts would drastically reduce Russia's nuclear deterrent potential, the main factor of this country's security and influence on the international political system.

Therefore, Russia would benefit from agreeing to a small reduction of nuclear armaments to levels slightly lower than the ones specified by the Strategic Offensive Reductions Treaty, signed in Moscow in 2002. The best possible option would be to limit the nuclear arsenals to 1,500-2,000 warheads. On the one hand, this would stand in line with Obama's proposal to go beyond the level of 2002. On the other hand, it would not envision a considerable and profound reduction of nuclear armaments and would preserve the possibility of mutual assured destruction, thus keeping up Russia's deterrent potential. Also, it would make sense to carry over into the new agreement the procedures of control, monitoring and verification envisioned in START-1.

The second part of the “resetting” scenario suggests an exchange of pledges – Washington would scrap its plans to deploy U.S. missile defenses in Poland and the Czech Republic in exchange for Moscow's cooperation in convincing or forcing Iran to give up its nuclear program. This proposal does not look acceptable in its current form, either. In essence, it offers Russia to act against its important economic and political partner, whose positions in the region are getting stronger, and to support a power whose positions in the region are weakening. In return, the U.S. promises a pause in the implementation of the missile defense project, whose destiny already has many vague aspects. What Obama's proposal does not contain is a legally binding obligation to renounce the plans to build a global missile defense shield.

In other words, Russia has been asked to make a concession on an important point of interest, namely the maintenance of fruitful relations with Iran. In return, the U.S. might – or might not – give up the plans that Obama proposed discarding long before moving into the Oval Cabinet. Considering the U.S. record of unfulfilled promises, Russia must demand legally binding guarantees in exchange for any concessions. In

the first place, it needs a feasible and legally formalized obligation on the part of the U.S. to annul the deployment of the third position area near Russian borders and without Russia's consent.

A "BIG DEAL"

It would make sense for Moscow to offer its own package of ideas to Washington regarding the improvement of relations, and this package should be bigger than the one proposed by President Obama. The two countries must take a course towards a genuine reconfiguration of relations and not just reset them, with a view to making a "big deal" based on the analysis of vital interests of the sides and their priority ranking. The parties should pledge respect for each other's interests in the areas where these interests are truly vital, while making concessions on secondary issues.

The "big deal" would require a number of steps on Russia's part, which could help the U.S. to implement its crucial interests, while not violating Russia's vital and important interests:

- All-round support of U.S. and NATO efforts in Afghanistan (except for direct military involvement in them);
- Coordination of policies towards Iran, including a consolidated package of political and economic stimuli and, possibly, sanctions (except for a senseless and even dangerous idea of a military invasion); and assistance in attracting China to join this policy;
- Support of U.S. efforts in resolving the North Korean nuclear crisis;
- Support of U.S. efforts in Pakistan and Iraq;
- Convergence of positions on the Middle East peace settlement;
- Renunciation of the use of force in restoring Russia's historical zone of influence (beyond Abkhazia and South Ossetia);
- True reactivation of cooperation in fighting with international terrorism; prevention of acts of nuclear terrorism;
- Assistance to U.S. efforts to involve China in the world economic and political order; assistance to making Beijing a constructive member of the new club of world leaders.

On the part of the U.S., the "big deal" would require a correction to its policy in the post-Soviet space and in the field of European security in line with America's own key interests, while allowing Moscow to implement its vital interests at the same time.

This correction may include a renunciation of efforts to encourage Russia's neighbors and partners – Ukraine, Georgia and others – to dis-

tance themselves from Moscow (for example, by involving them in military/political relations), and a renunciation of an overt anti-Russian policy. A correction of this kind would not encroach on America's important interests, as it would not imply a renunciation of dialogue with these countries or of support of their sovereignty and independence in general.

America's important or vital interests would be violated only if Russia made attempts to deprive the CIS countries of sovereignty *de facto* or *de jure* and to restore a zone of its undivided domination on former Soviet territory.

Consequently, it would stand to reason for Russia and the U.S. to come to terms on the rules of the game, including the rules of and limitations on competition in the post-Soviet space – in other words, to draw 'red lines', crossing which would be a threat to vital or important interests of one of the sides. Restraint in exercising policies on the former Soviet territory must be the main rule.

Russia has every right to expect from the U.S.:

- Renunciation of assistance to anti-Russian elites and regimes in CIS countries and of efforts to encourage anti-Russian policies;
- Renunciation of efforts to impede integration processes in the CIS that focus on Russia as a natural historical center;
- Resolution of 'frozen' conflicts (Transdniestria and Nagorno-Karabakh) on terms acceptable to Russia;
- Identification of a mutually acceptable formula for the development of energy projects and energy cooperation in the CIS.

Moscow needs support for its idea of a new pan-European treaty on collective security, which implies new universal rules of the game in the Euro-Atlantic space. The Russian Federation should be entitled to a decision-making right in resolving European security issues that Moscow regards as threatening its security. This would not violate vital American interests. These interests are now concern not so much the proliferation of the American security regime to all European countries as retaining U.S. military and political presence in Europe, bolstering NATO as the main security institution in Western and Central Europe, and eliminating threats to security in the Euro-Atlantic region. These threats mostly come from the outside (Afghanistan, Pakistan, Iran, Iraq and the Middle East), and removing them without Russia's participation seems to be highly improbable.

A historic compromise of this kind was not possible in the 1990s or in first decade of the 21st century. But today the probability of this compro-

mise is growing, given the scale of changes in international relations and the emergence of a symmetry of mutual damage and mutual benefit in a range of areas of Russian-American interaction, despite the general asymmetry of their relations. The more dangerous and ungovernable the world becomes, including for the U.S. itself, the more interested it will be in such a “big deal” with Russia. The continuing strengthening of China will be a major factor in encouraging the U.S. to make such an exchange or to reach a compromise with Russia on the two countries’ vital interests.

The “big deal” could be a step towards the establishment – in the long term – of a strategic Russia-U.S. alliance for addressing international security issues, in which both sides will continue playing a decisive role. In the first place, this concerns nuclear security, nuclear nonproliferation and multilateral nuclear deterrence, as well as strategic stability and the settlement of regional crises and conflicts, above all in Afghanistan.

Reaching a compromise and, especially, moving towards a Russia-U.S. alliance would give a powerful stimulus for a qualitative expansion of Russian-American cooperation in other spheres where the two sides objectively have identical or parallel interests but where their positive interaction is now hampered by a largely negative atmosphere of their bilateral relations. These spheres include cooperation in the energy sector and the termination of open confrontation in it; interaction in reducing the international terrorist threat; and cooperation on the problems of climate change, food security, and many other global problems.

Other important centers of power in the world – above all, China and the European Union (if the latter overcomes internal restraints and becomes a serious player in world politics) – might also join Russian-American cooperation in many of these areas.

There are some spheres where progress and positive experience of cooperation are achievable in the near future and where the sides will not have to sacrifice any considerable interests:

- Interaction on Afghanistan;
- Interaction on North Korea (Russia can easily support U.S. actions here and make efforts towards convincing China to take a favorable and constructive position on this issue);
- Resolution of the Transdnistria conflict on the basis of recognition of Moldova’s territorial integrity and legal status as a neutral country staying outside political and military blocs (a compromise on this issue will not require any concessions on the sides’ vital interests, either).

Rethinking Security in “Greater Europe”

Why Russia Is Seeking a New Architecture

Fyodor Lukyanov

The proposal to build a new European security architecture, which Russian President Dmitry Medvedev put forward in Berlin in June 2008 and which he followed up in November in Evian, was Moscow’s first attempt in 20 years to formulate a coherent foreign-policy vision.

In this sense, Mikhail Gorbachev could be described as a precursor of Medvedev. Gorbachev’s “new political thinking,” most vividly expressed in his speech at a UN General Assembly session in December 1988, was a comprehensive world development concept, based on the rejection of a Marxist class approach and on the recognition of global challenges. From the point of view of the Soviet leadership, this concept created an ideological and political basis for making the end of the Cold War into a “joint venture” of the two superpowers. This would have helped to avoid a win-lose situation, which is always fraught with psychological complications.

The breakup of the Soviet system, which was caused by internal reasons, prevented Gorbachev’s plans from materializing. However, subsequent developments showed that the use of the win-lose logic in ideological confrontation, which prevailed after 1991, had a fairly negative impact on the policies of both the “winners” and the “losers.”

Since then, the Kremlin has made no effort to produce a foreign-policy conceptual document. After the collapse of the Soviet Union, a

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viewpoint prevailed in Russia for some time that it did not need to rethink global and regional realities independently, as this country was joining the community of prospering democracies and, therefore, would share their visions. This naïve view changed very soon, but Russia's foreign policy became plainly reactive. Russia simply responded to external challenges, with more or less success.

Of course, the idea of a European Security Treaty is less ambitious than what Gorbachev proposed. But from the perspective of maintaining global stability, the formation of a stable system of relations in the Northern Hemisphere (which is the goal of the idea's authors) is of crucial importance. Although the economic and political role of the world's South and East is growing, the course of global developments still depends on the West at large (Russia included).

GOOD REASONS

Medvedev's initiative reveals a desire to refute the widespread view that Russia's foreign policy of the transition years is like a swaying pendulum. In an interview with Reuters, which the Russian president gave also in June last year, he spoke about the foreign policy line which the Russian Federation "has painstakingly developed over these last two decades. Adjustments might be made here and there, but the essence of our foreign policy remains unchanged." In other words, circumstances and conditions may change, but Russia's basic views of the world order remain intact.

It was not accidental that in his Berlin speech Dmitry Medvedev referred to previous eras. His words about "the integrity of the entire Euro-Atlantic space – from Vancouver to Vladivostok" reanimated the ideas of Mikhail Gorbachev's times, while his proposal to "draft and sign a legally binding treaty on European security" – a kind of a "new edition of the Helsinki Final Act" – was a transformation of proposals of the 1990s. In those years, in a bid to prevent NATO's enlargement, Russian diplomacy pressed for giving more powers to the Organization for Security and Cooperation in Europe. Moreover, the president directly referred to that initiative: "An organization such as the OSCE could, it would seem, embody European civilization's newfound unity, but it is prevented from doing so, prevented from becoming a full-fledged general regional organization."

Of course, there were also practical reasons for the emergence of the idea of a European Security Treaty after the new president came to power. Vladimir Putin's presidency ended at a very low level of trust and mutual understanding between Russia and key Western powers. For various reasons – both objective and subjective – the former formats had exhausted their potential. The system of interaction institutions, which shaped in the 1990s, did not develop but, on the contrary, degraded.

The lack of a common conceptual basis and of a shared system of views prevented the implementation of cooperation projects, some of which were of a breakthrough nature. For example, the almost revolutionary idea of Putin about the integration of Russia and the European Union through the exchange of strategic, above all energy, assets produced the opposite result – strong alienation instead of rapprochement. Profound economic interaction in “Greater Europe” proved impossible in the absence of a system of military-political security that would embrace all the parties and that would enjoy their trust.

This is why there emerged a need for an updated “track” for dialogue, which would mark a new chapter in Russia's approach but which, at the same time, would preserve the continuity of the previous policy.

The idea of a European Security Treaty is interesting, above all, as the quintessence of the foreign-policy experience accumulated by Moscow over the 20 years of sweeping changes in Europe and the rest of the world.

After the collapse of the Communist system, the issue of building a “Europe without dividing lines” was put on the international agenda. Until the mid-1990s, the answer to the question of how this could be achieved remained open. The scale of the geopolitical shift on a vast space that embraced the whole of Europe and much of Eurasia proved too large. However, in 1994-1996, the leading Euro-Atlantic states formulated their own views on the nature of future changes. They began to expand institutions of the Western political system, above all NATO and the European Union, and to gradually extend the scope of their responsibility to adjacent territories.

The issue of limits for the expansion was not raised then; yet there was an inner understanding of where Europe ends. Lord Ralf Dahrendorf in his book *Reflections on the Revolution in Europe* (1990) gave a very

clear definition of that: "Europe is not just a geographical or even cultural concept, but one of acute political significance. This arises at least in part from the fact that small and medium-sized countries try to determine their destiny together. A superpower has no place in their midst, even if it is not an economic and perhaps no longer a political giant. The capacity to kill the whole of mankind several times over puts the Soviet Union in different company from Germany and Italy, Poland and Czechoslovakia, and even the nuclear powers Britain and France."

"If there is a common European house or home to aim for, it is therefore not Gorbachev's but one to the West of his and his successors' crumbling empire. [...] Europe ends at the Soviet border, wherever that may be," Dahrendorf pointed out.

The Soviet border disappeared a year-plus after the publication of this book, but the qualities which Dahrendorf thought stood in the way of the Soviet Union's integration into Europe have been inherited by the Russian Federation. Admittedly, the depth of the changes that took place in Russia came as a surprise to many; most importantly, during the first few years after the Soviet Union's breakup, Russia quite unexpectedly and consistently expressed, in quite plain terms, its desire to become part of united Europe. Nevertheless, the Partnership and Cooperation Agreement, which Russia and the European Union signed in June 1994, marked the choice of a different model – namely, a course not towards EU membership for Russia (even as a long-term goal) but towards coexistence based on rules and norms established by the European Union.

Russia's relations with NATO were built according to a similar model, although, for understandable reasons, they have always been more emotionally colored. Moscow opposed the expansion of the alliance even in those years when Russian foreign policy was largely pro-Western. The signing of the Russia-NATO Founding Act in 1997 was viewed as a compromise: a new quality of ties between Russia and the alliance in exchange for its expansion to the East. NATO's war against Yugoslavia in the winter and spring of 1999 made Russia change its view of the alliance, but not in the way this had been planned. Moscow began to view NATO as a real source of threat, which predetermined the further evolution of relations between the parties.

As a result, by the mid-2000s, after the large-scale enlargement of NATO and the EU, there emerged prerequisites for a new division of Europe along the same line that Lord Dahrendorf wrote about. However, the line was not fixed due to the emergence of a new *Zwischeneuropa* between the Russian Federation and the European Union/NATO. These countries, of which Ukraine is the main and strategically the most important one, have become objects of keen geopolitical competition. This competition is driven by a combination of several factors.

First, Russia has never found a niche for itself in the new European system after the end of the Cold War. Therefore, the preservation of prerequisites for the creation of a system of its own acquires major significance for Russia.

Second, NATO has been experiencing an identity crisis after the end of the ideological confrontation, and its attempts to go beyond its Euro-Atlantic area of responsibility will most likely fail. Therefore, the alliance is persistently seeking to consolidate its role as a universal European security system, which provides for its maximum enlargement. Without that, NATO's meaning and purpose would be unclear.

And **third**, the European Union has never become a strong and unified actor on the world stage, and its economic and demographic might and soft power potential are in stark contrast to its geopolitical influence. Problems with the formation of a pan-European political identity are the main obstacle. This has become obvious against the backdrop of an ever-increasing number of external challenges, to which the EU has to find responses. The EU foreign policy is still reduced to its traditional model – that is, gradual extension of the EU legal and legislative frameworks to adjacent territories, and the creation of a “predictability belt” along the EU borders. As neighboring countries adapt to the European model, the EU's further enlargement would be a logical follow-up.

However, the EU will need a long time yet to “digest” the previous enlargements. In addition, both the EU and NATO have exhausted their potential for “light” expansion. Both organizations have entered an area of open rivalry, where they will inevitably meet with opposition from Russia.

All these factors are creating a zone of imbalance and tension in Europe. The situation is aggravated by the fact that not a single country in the former Soviet Union, including Russia, can say for certain that its

borders are historically justified, natural and, therefore, inviolable. In the early 1990s, everyone was relieved to see a relatively peaceful and quiet disintegration of the Soviet Union. Yet it is too early to think that challenges brought about by the breakup of the giant empire, which had for centuries structured a vast space in Western and Central Eurasia, have been overcome.

In addition to the weakness of many of the states that have emerged in place of the former Soviet Union (and not all of them can be described as finally viable), there is a problem of divided nations, of which Russians are the largest one.

On the one hand, this factor impedes nation-building in states with large Russian diasporas.

On the other hand, it stimulates pro-unification sentiments in Russia and, consequently, tempts Moscow to use irredentism in its foreign policy.

The Russian leadership has largely been refraining from taking an irredentist approach and is aware of the dangers it poses. However, the country and society are going through a period of painful formation of a new national identity, in which nationalistic factors inevitably play a role. In these conditions, the Russian leaders themselves would be interested in backing their non-revanchist policy with a major international agreement that would help to channel the public mood into a less destructive course.

I would agree with those who say that the idea of a European Security Treaty, especially the way it was presented at the World Policy Forum in Evian, is actually a repetition of the ideas contained in the Helsinki Final Act of 1975. This cannot be described as a forte of this proposal. Anyone familiar with the basics of diplomacy knows that an attempt to re-establish principles that were already adopted some time in the past does not strengthen but weakens them. Yet the Kremlin's logic is understandable.

The last decade was marked by a deepening conflict between international rules, which no one seems to have called in question yet, and the principles that countries were guided by in their practices. After the end of the Cold War, institutions – organizations and legal norms – almost did not change. Yet, even though formally still in force, they became deformed. Many fundamental notions, such as sovereignty, territorial integrity or criteria for the use of force, were eroded.

There emerged new concepts (for example, humanitarian intervention or the “responsibility to protect”) which served as political instruments but which were not provided for by classical international law. The party that took the initiative after the Cold War began to revise the practice of international relations, but the majority of countries in the world opposed such an approach. Therefore, a formal change of the rules of the game was impossible, and the gap between the letter and the spirit grew.

This gap between legal norms and real politics has produced a situation where principles have to be legitimized anew. The Old World has changed beyond recognition over the last few decades. And all the three baskets that served as the foundation for the Helsinki Accords – the military-political, economic and humanitarian baskets – now need to be filled with new content – especially as the present set of challenges faced by Europe is very much the same that it faced in those years.

First, the matter at issue is military-political balance and confidence in the field of security. Russia’s attempt in 2007 to discuss the issue of the CFE Treaty within the frameworks of the OSCE failed: its partners did not want to do that, because the organization in fact has long lost this aspect of its activities.

Another pressing problem, mentioned above, is borders. Since the signing of the Helsinki Final Act, which reiterated their inviolability, the European map has been repeatedly redrawn.

Second, the economy of Greater Europe also needs to be rethought. The experience of recent years has demonstrated that the European political and economic climate is a complex phenomenon, and it is impossible to separate economic cooperation (especially in the energy field) from the situation in the security field. The economy is being politicized by all the parties, which reflects the general low level of trust in the world. The economic crisis has only exacerbated all inner problems that have piled up in Greater Europe.

And finally **third**, there are things to discuss with regard to the humanitarian basket, as well. The protection of democracy and human rights is an outstanding achievement of the pan-European process. And it would be only good if many of the parties to the OSCE, including Russia, reiterated their adherence to these principles. But the democratic idea should be protected not only against authoritarian encroachments

but also against attempts to make it instrumental in the name of geopolitical purposes. And this is exactly what happened in the process of the "democracy promotion."

GOOD CHANCES?

What are the chances that the idea of a European Security Treaty will materialize?

Since Dmitry Medvedev came out with this idea, two major crises have taken place in Europe – the war in the Caucasus in August and the gas conflict between Russia and Ukraine in January. These developments served as one more proof of the dysfunction of existing institutions in both the military-political field and in the sphere of energy security. For example, the OSCE simply fell out of the context of the Georgian war, while Ukraine's membership in the Energy Charter Treaty did not help to solve the problem of gas transit to Europe.

These events have had a dual effect on discussions about a European Security Treaty.

On the one hand, as the awareness of the problems has increased, interest in Russia's proposals has grown as well, and Moscow has begun to make efforts (albeit obviously insufficient yet) in order to fill them with concrete content.

On the other hand, the general atmosphere of the discussion is not conducive to achieving the desired results. The quantity of mutual complaints that piled up over the last few years has transformed into quality. As a result, there is a kind of "presumption of guilt" in Russian-Western relations now – each party has a negative view of whatever the other party does. As the United States and the European Union see no need to revise the rules of the game in the security sphere, it is necessary to expand the space of dialogue, so as to shift the focus from the revision of the present system to a search for responses to new challenges. This approach can be facilitated by the change of administration in the United States, which has already resulted in a marked change in Washington's priorities.

There are spheres where Russia can certainly ensure an "added value" in the security field. Serious threats are piling up and becoming increasingly dangerous in Central Eurasia, and it is not accidental that

the U.S. administration is shifting its attention more and more to that region. Unlike Europe, where the issue of a collective security system and ways to settle regional conflicts has always been on the agenda (albeit with mixed success), there has been no such approach in South, East or Central Asia. The danger of crises in Afghanistan, Pakistan and Iran has gone far beyond regional frameworks, and averting this danger requires institutional interaction among great powers – especially as the security of Europe and Eurasia is closely intertwined for many reasons. These include energy problems, drug trafficking, the growth of fundamentalist sentiments and, in the longer term, possible border conflicts over resources (for example, water wars in Central Asia).

In this context, Russia's Foreign Ministry has proposed holding in 2010 an official meeting of the heads of five international organizations (the OSCE, the Collective Security Treaty Organization, NATO, the EU and the Commonwealth of Independent States) that operate in the Euro-Atlantic region. The organizations would "discuss their security strategies and work out coordinated approaches with the aim of forming an indivisible security space in the region." It is not quite clear why the Shanghai Cooperation Organization (SCO) was not mentioned in this context. It seems that this organization, which includes China, has particularly good chances to become the most influential force. In addition, the SCO offers the only chance to cause Beijing, which avoids any commitments, to assume its share of responsibility for stability in the region.

Russia's desire to transform the Shanghai Cooperation Organization and the Collective Security Treaty Organization into viable regional structures should be viewed not through the prism of rivalry with NATO and the United States but as a contribution to the creation of an effective toolkit on the vast space "from Vancouver to Vladivostok" which Dmitry Medvedev mentioned in his Berlin speech. Actually, Russia proposes not revising the results of the Cold War but rethinking the notion of "European security" in order to bring it into line with the realities of the 21st century.

Towards Legal Universalism

The Origins and Development of the Medvedev Initiative

Boris Mezhuyev

Russian President Dmitry Medvedev made a proposal in June 2008 in Berlin to organize a conference on a new European security treaty. The key ideas of this initiative clearly reflected the principles that govern Russia's position on the international stage as formulated in Russia's National Security Concept and confirmed by the president. These principles include: commitment to the peaceful resolution of disputes; the use of force as a last resort and as permitted by international law; and the commitment to bring international disputes in line with uniform legal norms.

The very idea of reviving the intergovernmental dialogue on security in Europe reflects the *legal universalism* of Russian politics that has been characteristic of this country throughout almost all of its history since Peter the Great and that is typical of Medvedev's political style. Russia has long been critical of the so-called double standards in international politics. Such standards occur when, for one reason or another, a concert of great powers denies one nation the rights that are granted to others. The Russian idea of "pan-Slavism" came about in protest against such double standards; in the final period of its existence those behind this ideology in tsarist Russia considered it necessary to apply its principles to Poland, which had been divided by three empires. Also, Russia has always sought to limit the use of force by great powers; it conceived of legal foundations that would reduce arbitrary decisions motivated by the self-inter-

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ests of great powers and their imposition on other states. The disarmament and peace-keeping initiatives of Nicholas II in 1899 were a graphic example of Russia's efforts to expand legal norms in a sphere hitherto governed by pure force. Such initiatives laid the foundations for international legislation concerning the principles of modern warfare. In this context Medvedev's proposal is a consistent attempt to restore Russia's lead in asserting the supremacy of law in international life.

THE MOTIVES BEHIND THE INITIATIVE: EXTERNAL FACTORS

Medvedev's initiative rests on awareness about *the incompetence of the Organization for Security and Cooperation in Europe* (OSCE), an institution founded in 1975 within the framework of the Helsinki Accords. This fundamental document was signed – along with European countries – by the Soviet Union, Canada and the U.S. and fixed the basic principles of peaceful coexistence in Europe, including the inviolability of state borders and respect for uniform human rights. It became a sort of a prototype of a hypothetical Greater Europe – “from Vancouver to Vladivostok” – that would stand above military blocs such as NATO and economic unions such as the EC, which eventually transformed into the European Union.

However, the activities of the OSCE caused clear dissatisfaction among Russian politicians for several reasons. First and foremost, the OSCE turned out to be a weak and politically ineffective organization that was deprived of any real mechanism for upholding the principles fixed in the Helsinki Accords.

Second, in Russia's opinion, OSCE representatives were too preoccupied with the third – humanitarian – set of issues of the Helsinki Accords, to the detriment of the first two, which concerned military and economic security.

The third reason for Russia's dissatisfaction with the OSCE came from the previous one: contrary to the letter and spirit of the Helsinki Accords, the borders of European countries continued to change, and not always as a result of an agreement by the two sides on a civilized separation, but rather due to support for the demands of separatists. The national sovereignty of states and their territorial integrity were thus no longer secured. The graphic example is Yugoslavia, where the region of

Kosovo was practically sawn off by force and transformed into an independent state.

Finally, since the end of the Cold War, Russia's leaders have openly accused the OSCE of partiality and of turning into an instrument of control for the "victors" (that is, the countries of the West) over the "losers" (Russia and its allies in Europe). Russia came to the conclusion that, instead of counterbalancing the "bloc mindset," the OSCE in fact added to that same imbalanced construction that took shape after 1991 – a world divided into NATO, the EU and all the rest, with the OSCE virtually turning into a kind of EU agency to deal with "the rest."

If the rationale behind Medvedev's initiative had boiled down exclusively to Russia's dissatisfaction with its position in Europe, then we could expect that the EU would easily ignore both Russia's complaints and proposals. However, the point is that Medvedev's initiative is also based on recognizing the vacuum in international law that Europe has found itself in since the collapse of the Soviet Union and Yugoslavia. The most obvious signs of this vacuum are the double standards used by Russia and Western countries alike with regards to the so-called unrecognized states. The year 2008, when Medvedev announced his initiative in Berlin, saw the recognition of an independent Kosovo by a majority of Western countries, as well as the recognition of an independent South Ossetia and Abkhazia by Russia and a few other non-European states. Meanwhile, the bases for the recognition in both cases were actually the same: genocide by the ethnic majority against the minority, acts of armed aggression, and the unwillingness of an insurgent enclave to live in a single state with the nation that had been subjecting it to mass slaughter. And yet the likelihood that the EU will recognize the independence of the two Caucasian republics is as difficult to imagine now as Russia recognizing the independence of Kosovo.

There are no clear-cut legally-binding recommendations about how international society and the OSCE should act in the event of, say, Moldova's attempting to take control of Transdniestria by force; or in the event of an armed conflict between Greek Cypriots and the Turkish Republic of Northern Cyprus. In the absence of a solution to these fundamental issues international law hangs in mid air, for it is unclear what it protects – the current state formation, the tight ethnic community, or the rights of every single individual.

Thus Medvedev's initiative sets a wider range of international relations issues – namely, the problem of state sovereignty and the right to use force against sovereign states. With both Russia and the West, the solution to these problems has often been affected by political considerations. Experts would fiercely defend state sovereignty whenever the threat to this sovereignty came from the opposite side. And they would fiercely assert the need to reconsider the principles of the Westphalian system when it was their country or its allies that were behind the threat. For example, the Bush administration's decision in 2002 to intervene in Iraq quickly activated the PR activities of a group of neoconservatives, who insisted that defending all of the principles of international law worked in the interests of "dictators" opposed to "humanitarian intervention." Earlier, during U.S. interference in the conflict in Kosovo, the concept of "liberal imperialism" became widespread in the U.S. and Europe. According to this concept, imperial intervention in the affairs of "problem" Third World countries should be an imperative for both the U.S. and an expanding Europe.

In the same way, Russia's intervention in Georgia was used as a pretext for political conceptions that called for a reevaluation of the Westphalian model of state sovereignty. Several influential experts began to say that the time of unconditional recognition of sovereignty had come to an end and that Russia should finally adopt the European approach towards national statehood and the priority of the rights of ethnic and other minorities.

These ideas, as it happens, did not gain popularity in Russian society, nor among the ruling class. In his speech on October 8, 2008 at the World Policy Conference in the French town of Evian, Medvedev proposed five principles which Russia regards as fundamental for the future security treaty. The first point that would define international security was "respect for the sovereignty, territorial integrity and political independence of states; respect for all other principles, which follow from the UN Charter." In such a way, the Russian leadership defined its principal view on not only security in the Euro-Atlantic region, but also what it saw as an acceptable world order. In this world order, the territorial sovereignty of nation-states should retain the utmost importance.

It goes without saying that many Western experts saw Medvedev's initiative as the perfect chance to expose Russia as the only guilty party to have broken the Helsinki Accords. Stephen Sestanovich, a well-

known American expert on Russia, said that accepting Medvedev's initiative would play into the hands of Washington and its policy of containment towards Russia. He wrote in the recent article *What Has Moscow Done?*: "It is not easy to imagine a European security conference, now or in the future, in which Russia would not be isolated due its own behavior. Would anyone but Russia oppose the principle that all states are free to join alliances of their own choosing?" (*Foreign Affairs*, Nov/Dec 2008).

Yet firmly insisting on the respect of the third principle put forward by Medvedev would help avoid the conference turning into yet another tribunal aimed at condemning Russian policies. This principle suggests reducing the role of NATO and other blocs in guaranteeing European security. According to the proposals put forth by Russia, it is necessary to adhere to three "no's": not to seek one's own security at the expense of that of others; not to allow actions by one or another military union or coalition that would weaken the unity of the common security space; and not to allow the expansion of military unions at the expense of the security of other participants in the Agreement. Medvedev emphasized the necessity of reiterating in the Agreement the idea that no state (including Russia) and no international organization may have the exclusive right to enforce peace and stability in Europe. In other words, according to the president of the Russian Federation, should both sides agree that the territory "from Vancouver to Vladivostok" be free of military blocs (including both NATO and the Collective Security Treaty Organization) capable of using force in Europe without consulting with the other participants in the proposed Agreement, Russia will not have to fear the transformation of "Helsinki II" into a trivial anti-Russian political instrument. Russia will also renounce the right to unilateral action in Europe, provided a similar renunciation comes from its European partners.

Finally, the least immediately pressing, but by no means the least important aspect of Medvedev's initiative, is the European energy security issue. At the EU-Russia summit held in Khabarovsk in May this year, the sides – following Russia's proposal – again addressed the question of signing the Agreement. This was necessitated by the ineffectiveness of existing international legislation in guaranteeing Europe's energy security while taking into account the interests of both energy pro-

ducers and consumers. The EU insisted – not for the first time – that Russia ratify the Energy Charter, which would guarantee energy supplies to consumer countries by producer countries. In Moscow's opinion, European energy security should be considered in a wider context, reconciling the interests of all the participants in the deal. Russia is concerned, above all, about persistent attempts by some European countries to secure energy supplies for themselves in bypass of Russia. It is also concerned about the unreliable behavior of transit countries, which have been profiting from their geographical situation. Therefore, Russia considers it necessary to create a new document in addition to the Energy Charter. Here Russia has again succeeded in gaining certain political advantages by turning the discussion into the legal domain and by pointing out that the solution to political disputes lies not in unilateral actions, but in the confirmation of mutually acceptable norms.

INTERNAL FACTORS

After the break up of the Soviet Union and Russia's realization of her position as the "loser" in the Cold War, two "parties" – for want of a better word – emerged in Russia's social and political space among intellectuals. Both "parties" tried to formulate a new code of behavior for Russia in the "post-Malta world," in which the stakes were definitely made to her disadvantage.

The first "party" insisted that Russia adapt to the existing world order in view of its pre-eminence, or considering – a more frequent and easier to justify view – Russia's own weakness. At first, discussions would center on Russia's acceptance of the legal standards of the existing world order, but subsequently, after Yugoslavia and Iraq, it became clear that those who considered themselves to be the victors in the Cold War did not intend to respect these standards themselves. At that point, the followers of the adaptation concept had to choose between two options: either demand – along with radical Westernizers – that Russia not only accept a certain standard of political behavior on the international stage, but also agree to recognize the right of other, more powerful players to have their own personal "double standards" (which meant that Russia agrees to accept Israel and India into the club of nuclear powers yet exclude Iran, legalize the independence of Kosovo, but refuse

to recognize Transnistria and Nagorno-Karabakh, etc.), or, alternatively, they could take a moral rigorist attitude towards their own country, and demand that it act according to its own conscience (or rather, according to the letter and spirit of international law), while ignoring the behavior of others. While such an attitude may be very commendable in private life, in state politics this rigorist moral stance looked unconvincing, to say the least.

Staunch supporters of strong national statehood had a tough response to the adaptation concept. They demanded that Russia completely disregard international norms in planning its policies and exclusively pursue its own national interest, or, more precisely, national egoism. Consequently, since it is in Russia's interests to recognize South Ossetia and Abkhazia, it should recognize them without regard for legal considerations, all the more so that its Western partners are not acting any better themselves. The supporters of this position often condemned Russia's foreign policy for its reactive "legitivism;" attempts to respect the norms of international law even if doing so was of no advantage to Russia. If the position of the first "party" politically disorientated Russia, the second "party" was pushing the country into an inevitable political deadlock. By demonstratively rejecting any clear foreign policy motivations and interests, Russia inadvertently facilitated a severe rebuff to her actions by a coalition of powers that were equally uninterested in strengthening Russia's position as a revisionist power.

In some way, Medvedev's Euro-Atlantic initiative disarmed the internal conflict between these two equally ineffective Russian foreign policy lines. It highlighted the need to work out a new legal framework to resolve disputes in Greater Europe. Russia refused to passively accept the rules that were widely used in the world, and even more so to follow others in their double standards that are essentially alien to Russia. At the same time, Russia showed that using the current legal vacuum for its own self interest is not a strategic priority. In doing so, Russia has sketched out a new field in which political battles should be held – new, adequate norms of intergovernmental interaction that agree with 21st-century realities and form the basis of the legal order in Greater Europe.

Labyrinths of the Arctic Policy

Russia Needs to Solve an Equation with Many Unknowns

Oleg Alexandrov

The North and especially the Arctic have been a priority in Russian foreign policy since the early 2000s. This is due to many factors, above all a stronger emphasis on the energy aspect of this policy. This includes building export pipelines and implementing transport projects in northern and northwestern Russia, ranging from the Baltic Pipeline System (BPS), launched in 2001, to the Nord Stream gas pipeline, which will be laid along the bottom of the Baltic Sea. Interest in the Arctic increased after the publication of reports about the enormous natural resource potential of the region. Those reports sparked an unprecedented interest in the region among the leading countries of the world, as well as among major oil and gas companies, and caused Moscow to increase the pace of delimiting the borders of its northern possessions.

Experts estimate oil and gas deposits in the Russian part of the Arctic at 25 percent of the world's hydrocarbon reserves (approximately 15.5 billion tons of oil and 84.5 trillion cubic meters of gas). At present, Russia is already extracting up to 90 percent of the nickel and cobalt in the Arctic, 60 percent of the copper, 96 percent of platinoids and 100 percent of apatite concentrate.

ARCTIC FEVER

Expert estimates suggest that rapid climatic changes, which have affected the Arctic region as well, will make it possible to start geological

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prospecting and commercial development of some areas already in 2020. Simultaneously, it is becoming possible to further develop strategic transport routes, of which the most promising ones include the Northern Sea Route and cross-polar flights. Norway is more cautious in estimating the prospects for the economic development of the Arctic. According to Norwegian Foreign Minister Jonas Gahr Støre, the Arctic Ocean could be ice-free for a large part of the year by 2040, which would make it possible to open new transportation routes. At the same time, many questions will inevitably arise concerning sovereignty over these areas.

Yet the resumed demand for hydrocarbon resources has exacerbated the problem of the international legal status of the Arctic and the need to resolve long-standing territorial disputes and establish a multilateral political dialogue among all the Arctic states – Russia, the United States, Canada, Norway and Denmark.

The institutional and legal structure of the Arctic region is still taking shape. Back in 1996, Denmark, Iceland, Norway, Sweden, Finland, Russia, the U.S., Canada and several non-governmental organizations established the Arctic Council. The Council has proved to be an important platform for discussing key issues relating to the region and protecting the unique Arctic environment. But politically it was overshadowed for a long time by the Barents Euro-Arctic Council, as its activity was largely limited to environmental issues and the Arctic countries did not co-ordinate their policies.

Things changed in spring 2008 when the five countries that border the Arctic Ocean – Russia, Canada, the U.S., Norway and Denmark – met in Ilulissat, Greenland, for the first international Arctic Ocean Conference. Interestingly, Arctic Council members that do not have direct access to the Arctic were not invited to the conference.

The conference discussed Arctic climate change and its possible impact on the Arctic ecosystem in light of the forthcoming development of Arctic resources. The conference was held because of a Russian Arctic expedition in 2007 that made a strong impression on surrounding countries and which caused them to step up their own policies in the region. Thus, the outgoing George W. Bush administration unveiled its own Arctic doctrine in January 2009 and expressed a desire to join the UN Convention on the Law of the Sea (1982).

The high conflict potential of the Arctic region is one of its main characteristics. Disputes between Russia and the U.S. over the delimitation of their Arctic possessions and economic zones in the Bering Sea have still not been settled (Russia has not recognized the U.S.-Soviet Maritime Boundary Agreement signed by Secretary of State James Baker and Soviet Foreign Minister Eduard Shevardnadze, and the Russian parliament has not ratified it). Norway and some other states, including Russia, have different views concerning the Svalbard archipelago and the limits of an economic zone around it. There are also unsettled territorial disputes between Canada and Denmark, between Denmark and Russia, and between Russia and Canada. Meanwhile, Canada and Denmark are actively drilling deep water wells and mapping their Arctic sectors.

Against this background, the 2007 Russian Arctic expedition has had a political and propagandistic effect rather than a scientific and practical one, as Moscow has not yet started drilling wells in the claimed Arctic sector nor begun drafting detailed maps. The troubled political situation in the region has been exacerbated by Greenland's plans to change its autonomous status within Denmark and seek political independence. Broader self-government by Greenlanders rests on a solid foundation as the government of Denmark has transferred to Greenland the ownership of oil and other resources that may be present in the Greenland shelf. Several Danish opposition parties have protested the move.

Meanwhile, an increasing number of countries have said that they have a right to participate in the division of the Arctic pie. In the early 2000s, Britain came out with a surprise statement that only two nations have the right to the Arctic – Canada and Russia. Many analysts took this statement as London's desire to get a piece of the Arctic pie via Ottawa, which is an active member of the Commonwealth. Finally, several countries that do not have direct access to the Arctic can influence the course and results of the Arctic race via existing international structures. For example, Iceland, Sweden and Finland, as member states of the Arctic Council, participate in the discussion of long-term plans for the region's development.

PREPARING FOR BATTLE

The division of the Arctic into national sectors began in 1909 when the Canadian government declared its sovereignty over the territory between the North Pole and mainland Canada. Soviet Russia followed suit and in 1926 it unilaterally demarcated the borders of its Arctic possessions, which extended from Norway's Svalbard in the west to the Bering Sea in the east, and from the North Pole to the southern coasts of the Barents, Kara, Laptev, East Siberian and Chukchi Seas. But that delimitation of Arctic water areas did not apply to the continental shelf, as the bottom of the Arctic seas was declared indivisible. In 1997, Russia ratified the 1982 UN Convention on the Law of the Sea, which later became a tangible obstacle to its Arctic ambitions. From then on, Russia could claim only a 200-mile economic zone which, in exceptional cases, could be extended to 350 miles.

Russia opened a new chapter in its Arctic policy in 2001, when Moscow made an official submission to the UN Commission on the Limits of the Continental Shelf, asking that its continental shelf be expanded to include 1.2 million square kilometers of Arctic territory. Russia argued that the underwater Lomonosov and Mendeleev ridges are extensions of the Eurasian continent (the Siberian Shelf). If Russia proves its claim, it could raise before UN experts the issue of extending its influence to a Murmansk-Chukotka-North Pole triangle, which contains enormous oil and natural gas deposits.

To substantiate its position, Moscow launched an Arctic expedition in 2007, during which two bathyscaphes, Mir-1 and Mir-2, took soil samples. In a symbolic gesture, Russian explorers planted the Russian national flag on the seabed below the North Pole. It was the symbolism of this move that sparked angry reactions from other Arctic countries. Particularly harsh criticism came from the Canadian foreign minister. An outraged Peter MacKay said: "This isn't the 15th century. You can't go around the world and just plant flags and say 'We're claiming this territory.'"

Overall, the reaction of Western countries to Russia's activity in the Arctic ranged from indignant and alarmist (the U.S., Canada and Denmark) to restrained and pragmatic (Norway). In response to the Russian polar expedition, the government of Canada made several harsh statements and decided to establish a permanent army reserve of about 100

soldiers in Yellowknife, in northern Canada. The Canadian defense minister said the reserve unit would “cover an enormous amount of land mass and they will also work closely with the Canadian Arctic Rangers.”

The U.S. expressed surprise at the Russian expedition and announced plans to build new icebreakers. A nervous reaction came from Brussels. The EU High Representative for the Common Foreign and Security Policy, Javier Solana, said in a March 2008 report that European countries should prepare for conflicts with Russia over Arctic energy resources. Norway was the only country that, in the person of its military experts, expressed understanding of Russia’s motives and agreed to a permanent deployment of an Arctic military force by Russia.

However, Norway’s former foreign minister, Thorvald Stoltenberg, struck a somewhat different tone at a Nordic Council meeting in February 2009, where he proposed setting up a joint Nordic deployment force within the framework of the Nordic Council’s foreign and defense policies. This force would ensure security in the Arctic region. Nordic foreign ministers supported the Stoltenberg plan. The deployment group is expected to include well-trained and well-equipped Air Force and Naval forces from Norway, Sweden and Denmark, which will permanently patrol air and sea borders and monitor the Arctic. Judging by this plan, Nordic Europe, along with the U.S. and Canada, seems to see itself and Russia on different sides of the barricades in the struggle for the Arctic. Thus, it calls into question prospects for interaction between Russia and Nordic countries within the framework of a renewed Northern Dimension policy. This project, launched by Finland in the late 1990s, was conceived as a way to harmonize the interests of countries in the region, with the European Union playing the leading role.

The contraposition of rivalry for the Arctic versus cooperation within the Northern Dimension frameworks only seems far-fetched at first glance. The outwardly spontaneous nature of the Russian Arctic expedition raises the inevitable question about the coherence and integrity of the “northern vector” of Russian foreign policy, if it should imply a combination of three aspects – Baltic and Northern European ones and the Arctic aspect proper. The Northern Dimension, a recently renewed regional format for interaction, intended to harmonize the interests of

the partners in this program – the EU, Russia, Norway and Iceland, can unite these three aspects. The territorial frameworks of the Northern Dimension go beyond the borders of the participating countries and cover a large Arctic sector.

In fact, the interests of only two Arctic countries – Canada and the United States – remain outside the Northern Dimension initiative; however, NATO's enlargement and the extension of its military and political infrastructure to Nordic countries and the Baltics gives these countries an additional opportunity to control political processes in the Arctic region. For example, Reykjavik, Iceland, hosted a seminar in January 2009 that was attended by NATO officials and which discussed security prospects in the Arctic, the exploration of Arctic resources, and the need for a proactive Arctic policy aimed at protecting the national interests of Arctic states.

A NATO summit in Bucharest raised the issue of turning the Alliance into an energy security instrument, which would reinforce the potential role of the North Atlantic bloc in solving the Arctic puzzle. The U.S. traditionally displayed the toughest approach among NATO members as it made it clear that it would not remain an impartial observer to Russia's actions, which Washington views as a seizure. However, the U.S. has limited possibilities for opposing Russia's plans at the state level, as the United States is the only Arctic country that has not signed and has not ratified the UN Convention on the Law of the Sea.

RUSSIA'S INTERESTS AND OBSTACLES IN THE WAY

The consolidation of Russia's claims to a large part of the Arctic shelf may cause strife in Russia's bilateral relations with other Arctic nations and fuel a revision of some projects that are being implemented within the frameworks of the Barents Euro-Arctic Council. For example, the idea of joint development of the Northern Sea Route, codified in documents of this sub-regional forum, may result in the loss by Russia of part of its sovereignty over this transport route. This refers, above all, to Moscow's ability to regulate legislatively the navigation regime in the Arctic zone of Russian interests and in the immediate vicinity of Russia's state borders.

Obviously, the internationalization of Arctic areas located outside the 200-mile zone north of the Russian borders does not meet Russia's interests. The ratification by Russia of the UN Convention on the Law of the Sea in 1997 and, especially, its use for the international legal regulation of actions by states in respect of Arctic territories, in particular for identifying the borders of national Arctic sectors, looks rather ambiguous in this context. It would be useful therefore to study the Canadian experience of fixing the boundaries of the country's Arctic sector, which was done on the basis of national legislation. The Russian authorities could use the Canadian experience as a precedent in the event of similar actions.

A similar situation is taking shape with regard to the Nord Stream project. More and more of Russia's partners in the Northern Dimension have been joining the opponents of this Russian-German energy project. Sweden, Poland, Latvia, Lithuania and Estonia have declared their open opposition to Nord Stream. Swedish experts argue that the project, which is intended to diversify energy supplies to the European market, is threatening regional stability in the Baltic Sea region, is sowing discord among Europeans, strengthening the positions of an "authoritarian" Russia, and reducing the Baltic States' opportunity to participate in ensuring the security of the Northern Dimension region. Moscow will hardly agree with this assessment of its policy in the region. However, Russia is finding it increasingly difficult to reach a compromise with its Western partners on both Arctic and energy security issues.

The situation is worsening as Brussels and Washington are becoming new centers of decision-making with respect to the Northern region. Russia reacts nervously to discussions about the possible admission of Sweden and Finland to NATO, realizing that the lack of consensus within the Northern Dimension frameworks on a wide range of military-political issues will also impede economic cooperation in Northern Europe. This, in turn, will create an undesirable situation in the context of disputes over Arctic resources, since all the countries in the region, except for Russia, will be integrated into European and Euro-Atlantic structures.

Despite having the status of a Northern power and partnership within the frameworks of the renewed Northern Dimension, Russia remains

a largely non-regional actor with regard to Northern Europe and the Baltic region due to its weak interaction with the European Union and NATO, which oversee economic and military-political processes in the region. The position of a non-regional actor offers some advantages, the main one is that Russia's hands are not tied and it can conduct a flexible multi-vector policy and form alliances with other interested parties. However, this status implies limitations as well, first of all the need to promote one's interests on one's own, without support from regional countries. Earlier, Russia already had to uphold the expediency of the construction of new port facilities on the Baltic coast at the Council of the Baltic Sea States, and to discuss with EU candidates possible solutions to the problem of transit to the Kaliningrad region.

The creation of a regional security system, such as a Baltic Union, would help to consolidate Russia's positions in Northern Europe and in the Arctic, as this system could be a prototype for a new, co-operative security system in Europe. Discussions about the possible admission of Sweden and Finland to NATO, actively encouraged by Washington, mark the opposite trend. Sweden fully sided with the U.S. and shared the latter's assessments of the August 2008 events in Georgia and South Ossetia. Swedish Foreign Minister Carl Bildt condemned Russia's recognition of the independence of Abkhazia and South Ossetia and compared its actions to protect peacekeepers and Russian citizens living in South Ossetia to the occupation of Czechoslovakia by Hitler in 1938-1939. Earlier, Russian-Swedish relations became strained after Stockholm refused to extradite to Moscow several people suspected of terrorist activities in Russia.

At the height of the "Arctic boom" in September 2008, Russian President Dmitry Medvedev instructed the Russian Security Council to turn the Arctic into a resource base of Russia and to fix the borders of Russia's continental shelf as soon as possible. At the same meeting, the Security Council approved the *Fundamentals of the State Policy of Russia in the Arctic in the Period Until 2020 and Beyond* and announced Russia's plans to resubmit a claim to expand its continental shelf with the UN Commission on the Limits of the Continental Shelf in 2010. Russian General Vladimir Shamanov reiterated the Russian Armed Forces' readiness to ensure the protection of the claimed Arctic sector. Plans

were announced to set up an Arctic military force based on units of the Leningrad, Siberian and Far Eastern military districts.

These developments inevitably bring up the issue of a future development model for this vast region, its new geographical boundaries and international legal status, and the need for a multilateral consensus and the search for adequate ways to govern those vast territories. All these factors sow uncertainty with regard to the renewed Northern Dimension and serve as a test for the “Northern vector” of Russia’s policy in new geopolitical realities. The economic crisis has already caused Russia to amend and partially suspend its plans. In particular, the filing of the Russian application concerning new outer limits for its continental shelf has been postponed until 2012; geological prospecting in the Arctic has been frozen; and the deployment of an Arctic military group is still a dim prospect.

Therefore, building the “Northern vector” of Russia’s policy is a problem with many unknowns. Depending on changes in the situation in the region, Russia may either try to fully integrate into a multilateral cooperation system, which is being created in the region on the basis of the renewed Northern Dimension, the Arctic Council or other institutional structures, or put an emphasis on selective cooperation, presupposing the solution of the most acute problems on a bilateral basis. Sooner or later, Russia will have to choose its priorities for the “Northern vector” of its policy and find a way out of the Arctic labyrinth.

Solutions – Local or Global?



A Soviet Afghan War memorial in Yekaterinburg

“ *The monopoly of NATO and the United States on the solution to the Afghan problem seems to be drawing to a close. Russia’s proactive policy is not aimed at undermining U.S. positions. Moscow simply wants the Afghan problem to be resolved comprehensively, in the interests of all.* ”

The Return of Turkey *Tigran Torosyan*

120

The Fundamental Conflict *Yevgeny Primakov*

130

The Afghan Problem in the Regional Context *Ivan Safranchuk*

141

The Post-Crisis World: Searching for a New Framework

Vladislav Inozemtsev

150

The Return of Turkey

Ankara in the South Caucasus after the Russian-Georgian War

Tigran Torosyan

The South Caucasus graphically illustrates the theory of the cyclic development of history. Once every 100 years, the region becomes a scene of clashes between great powers that seek to change the alignment of forces there. For example, at the beginning of the 19th century, St. Petersburg [Russia's capital at the time – Ed.] took control of the region and incorporated it in the Russian Empire. At the dawn of the 20th century, Russia neutralized the British Empire's efforts to extend its own influence to the South Caucasus. Finally, in the 2000s, Moscow has been opposing similar attempts of the United States. The active phase of the revision of the boundaries of zones of interest usually lasts 20 to 25 years.

The five-day war in the Caucasus in August 2008 was the culmination of a long period of heightening tensions – not only between Russia and Georgia but also, as many believe (not without reason), between Moscow and Washington. The war has produced a new situation, which requires a comprehensive analysis of the roles of other regional actors, above all Turkey.

A NEW GEOPOLITICAL SITUATION

The Georgian-Russian war not only gave rise to open manifestations of the positional struggle between Moscow and Washington for influence in the Caucasus (suffice it to analyze statements of Russian and U.S. high-ranking officials during and immediately after the conflict). Also, the war became a momentous event as it caused other countries to revise

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Russia's role in world politics, the practice of conflict management, and other factors.

Paradoxically, the outcome of the fighting can be viewed as advantageous to all the participants in the events.

Georgia has "disburdened" itself of Abkhazia and South Ossetia, as the unsettlement of the dead-end conflicts with them stood in the way of its NATO membership. In the eyes of many, Tbilisi has become a symbol of self-sacrifice for the interests of the West, and thus it has enlisted international support for itself as a victim of "Russian imperialism." Whatever the attitude of the world's capitals towards Mikheil Saakashvili personally, they cannot now deny Georgia their assistance for either political or moral reasons.

As a result of the armed conflict, Russia has "acquired" Abkhazia and South Ossetia and has laid a claim to a new role in global processes, while the destruction of Georgia's military infrastructure has significantly postponed its admission to the North Atlantic Alliance.

Finally, the United States has "obtained" a Georgia that is no longer overburdened with "frozen conflicts" to establish itself in the South Caucasus.

Of course, formalizing the new geopolitical status quo will require some time and effort. In particular, one will have to find an acceptable compromise between statements about respect for the principle of territorial integrity and the actual application of nations' right to self-determination by the superpowers; but this seems to be feasible.

After the August war, Russia's relations with Armenia, Azerbaijan and Turkey developed in an interesting way. Russian Foreign Minister Sergei Lavrov gave a landmark interview in this respect to *Rossiiskaya Gazeta* (October 7, 2008). Immediately after Russia recognized the independence of Abkhazia and South Ossetia, he hastened to say that the Nagorno-Karabakh conflict should be considered separately, as in case of Abkhazia and South Ossetia ethnic cleansing, war crimes and attempted genocide took place.

The minister certainly remembers about the Nagorno-Karabakh war, unleashed by Azerbaijan, and about pogroms and ethnic cleansings. He also knows that, unlike Georgia and Azerbaijan, Armenia is a member of the Collective Security Treaty Organization. But after Russia's

and the United States' attitudes to the practice of proclaiming new states made a U-turn within just a few months between the recognition of the independence of Kosovo and then Abkhazia and South Ossetia, such metamorphoses are not surprising.

After the "loss" of Georgia, Russia's hypersensitivity to Azerbaijan is understandable, because in case of a "loss" of Baku Moscow will lose not only the ability to control the transportation of Azerbaijani energy resources but also the chances to extend its influence south of the Caucasus. A similar situation may also arise if Armenian-Russian relations change, but Lavrov apparently views such a turn of events as incredible, since "Armenia is having big difficulties in communicating with the outside world."

The minister emphasized that there are "few geographic and political options" in the current situation. "As soon as the Nagorno-Karabakh settlement becomes a fact, Turkey will be ready to help Armenia establish normal ties with the outside world," Lavrov said. He pointed out that there remain two or three unresolved issues which need to be agreed to settle the conflict, above all the Lachin corridor issue. The hint, coming from the mouth of the seasoned diplomat, is more than clear: Address these two or three issues in a way acceptable to your neighbors and you will get a lifeline from Turkey.

But why is the Russian foreign minister pushing Armenia into Turkey's arms? Does he really believe in the Ankara's "traditional policy line towards ensuring the right of countries in the region to an independent search for solutions to problems of the Caucasus and adjacent regions"? Or does he believe in the future of Turkey's Caucasus Stability and Cooperation Pact? Not at all. Moscow certainly knows that this is much the same bluff as the program of proliferating the Communist ideology in the East through Turkey in former times.

The idea of curtsying to Ankara is fairly simple. Turkey has unresolved problems with Armenia which is greatly influenced by Russia. Russia has serious interests in Azerbaijan which is greatly influenced by Turkey. The solution of Turkish problems does not run counter to the interests of Russia, and the solution of Russian problems does not run counter to the interests of Turkey. In other words, Russia and Turkey have a real opportunity to find common ground based on mutual interests.

These frameworks of relations harmoniously combine the July agreement to sell Russia Azerbaijani gas, a simultaneous proposal to Ankara for participating in Russia's South Stream gas project, and the demand of Turkey – as a transit state – for a fair share of gas from the Nabucco project (an alternative to South Stream). Although Ankara has finally given up its claim to 15 percent of Nabucco gas (that would have made the project unprofitable and hardly feasible), the gas sharing issue has not been resolved and promises great difficulties in the future.

A disruption of the balance in the region would obviously pose a real threat to the deepening of Russian-Turkish relations. For example, it could hamper the settlement of the Nagorno-Karabakh conflict in the near future, as either party (Armenia or Azerbaijan) would remain dissatisfied with any outcome, which would cause it to seek closer relations with the West (“Georgia-2” model). It is not accidental that the U.S. does not conceal its strong interest in settling Armenian-Turkish relations and the Nagorno-Karabakh conflict. The fact of the conflict's settlement or at least a break from the status quo would be much more important for it than the mechanism or outcome of this process.

The continued U.S. presence, an unprecedented activeness of the EU, and another Russian-Turkish rapprochement – these are the main components of the process of redrawing the strategic landscape of the South Caucasus.

THE PLANS AND ROLE OF TURKEY IN THE REGION

Turkey has never concealed its desire to dominate the South Caucasus. As a columnist of the Turkish newspaper *Today's Zaman*, Mümtazer Türköne, wrote on May 22, 2009, the Turkish Army played a crucial role in shaping the current borders of Azerbaijan. In 1918, when Turkey itself struggled for the preservation of its statehood, it sent an army, led by Nuri Pasha, not only to Baku but also to Nagorno-Karabakh in order to bring it under Azerbaijan's control by force. Turkey also played a decisive role when the future of Nakhichevan and Nagorno-Karabakh was decided in Moscow in 1921. Turkish politicians understood very well the importance of Nagorno-Karabakh for the distribution of zones of influence in the region.

Immediately after the collapse of the Soviet Union, the first attempt by Ankara to broaden its geopolitical presence in Central Asia and the South Caucasus failed. The failure in Central Asia was due to Turkey's limited economic potential, whereas in the South Caucasus it was due to the crude methods used by Turkey. For example, during the Nagorno-Karabakh war (the early 1990s), Turkey tried to exert pressure on Armenia by moving its troops close to the Armenian border several times. The threat did not produce the desired result, and in 1993 Turkey joined the blockade of Armenia by Azerbaijan, which continues to this day.

Another attempt at an "offensive" was prepared more thoroughly and included actions on several vectors.

The first vector was European integration. Taking avail of the new stage in the EU enlargement, which involved countries of Central and Eastern Europe, Turkey tried to implement its dream of the 1960s and achieve rapprochement with the EU. Although the European institutions have repeatedly emphasized the importance of relations with Ankara, the principled position of some EU members (especially France) has become an insurmountable obstacle, and Turkey remains outside the EU enlargement. In addition to many formal criteria, the EU has announced a set of painful conditions that Turkey must fulfill to join the European Union – these concern the reunification of Cyprus, the recognition of the Armenian Genocide in the Ottoman Empire, and the lifting of the Turkish blockade of Armenia.

The second vector was active participation of Turkey in all significant regional economic projects. Turkey has markedly improved its relations with Georgia and has been making great efforts to develop and implement oil and gas projects, specifically the Baku-Tbilisi-Ceyhan oil pipeline, the Baku-Tbilisi-Erzurum natural gas pipeline, and Nabucco. Ankara has also played a major role in attracting funds for the economically unjustified Kars-Akhalkalaki-Tbilisi railway project.

By the beginning of the August war, Ankara had already prepared solid ground for basically new political initiatives. When the war began, Turkey proposed a Security and Cooperation Platform for the region. Interestingly, Turkey demonstratively held the first discussion of this idea with Russia, without prior consultations with the United States.

Theoretically, the Platform is attractive in terms of regional stability and the security of the transportation of Caspian energy resources to Europe. However, it is unfeasible in practice, as Georgia has refused to participate in the discussion of this idea before its relations with Russia are settled and because of Washington's cold attitude towards the idea that problems of the Caucasus should be addressed by the states of the region, i.e. without U.S. participation.

The idea has no prospects, primarily because it lacks principles and values that would unite the countries of the region. In addition, Turkey's sincerity about the settlement of regional problems raises doubts as it has serious problems in relations with Armenia. On the other hand, Turkey has a gift for implementing unfeasible ideas.

ARMENIAN - TURKISH RELATIONS

After Turkey joined the blockade of Armenia by Azerbaijan in 1993, it set preconditions for establishing diplomatic relations with Armenia and opening the border with it. To this end, Yerevan needed to do the following:

- give up seeking international recognition of the genocide;
- recognize the borders of Turkey;
- withdraw its troops from Nagorno-Karabakh and return to Azerbaijan territories adjacent to the Nagorno-Karabakh Republic.

For 15 years, Armenia's position was steadfast: diplomatic relations must be established and the border must be opened without any preconditions, after which the parties could discuss any issues. Several attempts to bring the parties' positions closer at confidential meetings failed. In summer 2008, the newly elected president of Armenia, Serzh Sargsyan, made an unusual move – he invited Turkish President Abdullah Gul to visit Armenia to watch a qualifying football match between the two countries for the 2010 World Cup finals. The invitation was accepted a few days before the match, in late August.

Many analysts pointed out, not without reason, that the Turkish president accepted the invitation due to the aggravation of the situation in the Caucasus following the Georgian-Russian war, and to Ankara's desire to promote the above-mentioned Security and Cooperation Pact for the region.

The visit won international attention and approval, despite its modest results – the two presidents only made a statement on the need to normalize bilateral relations. However, Ankara immediately began to use Gul's visit to Yerevan, which lasted only a few hours, as the main argument in its proactive foreign policy in all major areas. It used the situation to enhance its role in the region, to consolidate its positions on the world stage (in particular with regard to elections of non-permanent members of the UN Security Council, the EU enlargement, etc.), to improve its relations with Russia and the United States, and to prevent new cases of recognition of the Armenian Genocide.

It was certainly clear that real success in settling the Armenian-Turkish relations could be achieved only by overcoming obvious differences in the parties' positions. There followed meetings of the countries' foreign ministers and confidential discussions of outstanding issues at the level of working groups. Simultaneously, Yerevan repeatedly declared that the negotiations were conducted without preconditions, whereas Ankara used flexible role-distribution tactics.

Turkish Foreign Minister Ali Babacan made optimistic statements; President Gul spoke about Ankara's determination to overcome regional differences, including those in Turkish-Armenian relations; while Prime Minister Recep Tayyip Erdogan repeatedly said that the differences would be settled after the settlement of the Nagorno-Karabakh conflict. A skilful combination of these tactics with information leaks and the organization of public unrest in Turkey and Azerbaijan over the settlement process let Ankara show both signs of progress at the negotiations and its determination to preserve the "pre-football match" positions. Another factor that played into Turkey's hands was that Armenia actually froze its efforts to seek international recognition of the genocide.

This process lasted seven months until the morning of April 23, 2009, when the foreign ministries of Armenia and Turkey and the Federal Department of Foreign Affairs of Switzerland made a joint statement in Geneva.

ROAD MAP – THE END OF THE FIRST STAGE

Every year, on April 24, Armenia and many other countries honor the memory of the victims of the Armenian Genocide in the Ottoman Empire

(1894-1923). It has long been a tradition for U.S. presidents to address Armenian-Americans with a statement condemning those events.

When a senator, Barack Obama repeatedly used the word “genocide” when speaking about those events. During his presidential campaign, he promised to Armenian-American voters that he would not change his assessment after his election as president; so his 2009 statement was expected with a special interest. During Obama’s visit to Turkey in early April, one of the American journalists who accompanied the president asked him a question about Armenian-Turkish relations, using the word “genocide.” The U.S. president said that he had not changed his point of view on those events and that he hoped for a settlement of Armenian-Turkish relations.

A day before the Remembrance Day, on the eve of Obama’s statement, the Armenian and Turkish foreign ministers made the aforementioned statement, which says that Armenia and Turkey “have agreed on a comprehensive framework for the normalization of their bilateral relations in a mutually satisfactory manner. In this context, a road map has been identified.” The statement and the two countries’ decision not to publish the road map caused mistrust for this process in the two countries and heightened tensions in Armenia’s relations with the Armenian diaspora. While the holding of secret discussions and negotiations is understandable and acceptable, a decision not to publish the agreed documents is contrary to the protocol and tradition. Contrary to the expectations, President Obama did not mention the word “genocide” in his Armenian Genocide Remembrance Day statement.

The April 23 joint statement by the Armenian and Turkish foreign ministers marked the end of the first stage in the regional redistribution of roles. During that period, Yerevan performed the function of an indispensable partner playing up to Turkey (the initiation of the “football diplomacy,” agreement to participation in the discussion of Turkey’s Security and Cooperation Platform which has no prospects, the ignoring of Prime Minister Erdogan’s statements that clearly ran counter to the purpose of settlement, etc.). But Armenia has received nothing for that.

In contrast, for Turkey, which has extensive experience in using simulation processes, this stage ended with significant achievements:

- the process of recognition of the Armenian Genocide was frozen;

- the newly elected U.S. president did not use the word “genocide” in his April 24 statement;
- relations between the Armenian authorities and the Armenian diaspora are marked by unprecedented tensions;
- Turkey has been elected a non-permanent member of the UN Security Council;
- Turkish influence on regional processes has markedly increased;
- Turkey’s relations with Russia, the United States and the European Union have improved dramatically.

The appointments of Foreign Minister Ali Babacan and Chief Advisor to the Prime Minister on foreign policy Ahmet Davutoglu to the posts of Deputy Prime Minister and Foreign Minister, respectively, were a symbolic ending to the first stage in the redistribution of roles in the region. It immediately became clear that the differences in public statements of the prime minister, the president and the foreign minister were used to simulate the role of the creator of a regional security and cooperation system.

PROSPECTS

Now, from these new positions, Turkey is entering the second stage in the strategic redrawing of the South Caucasian political landscape. Ankara understands that the region is of strategic importance for the Turkish statehood, and that its absence in it, as was the case in the times of the Soviet Union, would be a serious challenge in the future. Therefore, Turkey is now seeking to diversify and upgrade its instruments of influence on processes under way in the South Caucasus and other regions, where Russia and the United States have dominant interests.

There are now good prerequisites for achieving this goal. Turkey has been elected to the UN Security Council, which has added political weight to it. Also, it can use differences among the EU member states over its EU membership prospects to receive huge “compensatory” benefits. Turkey’s participation in competing energy transportation projects (Nabucco and South Stream) gives it room for maneuver. Finally, its attempts to mediate in the Middle East settlement are very noticeable, considering the impact this conflict has on global politics.

However, Turkey will have to accomplish difficult tasks in order to effectively use its achievements.

First, an excessive rapprochement between Azerbaijan and Russia is not in Ankara's interests, because it may reduce its role in the two countries' relations.

Second, Turkey will tacitly support efforts to prevent an early settlement of the Nagorno-Karabakh conflict according to the U.S. scenario, because its settlement would narrow Ankara's range of influence.

Third, Turkey is interested in maintaining the stagnant state of the process of "settling" relations with Armenia for as long as possible in order to neutralize negative components of its own foreign-policy image.

The Erdogan government is faced with difficult problems beyond the South Caucasus region. There is a growing discontent among Turkey's top military brass about the domestic policy of the pro-Islamic government. Ankara has not yet resolved the Kurdish issue, exacerbated by the existence and development of a prototype of Kurdish statehood in Iraq. This means that prospects for the extension of Turkish influence to the South Caucasus are unclear.

Much will depend on the positions of the two superpowers which have strategic interests in the region – Russia and the United States. So far, Moscow and Washington have been encouraging Ankara. For example, Russian Foreign Minister Sergei Lavrov said in early July after a meeting with his Turkish counterpart Ahmet Davutoglu: "Turkey and Russia are playing the most active roles in the South Caucasus." At about the same time, U.S. Deputy Assistant Secretary of State for European and Eurasian Affairs Matthew Bryza, responding to a request by Greek Cypriot officials to put pressure on Ankara, said: "We can't do that, they are super power in the region. We could do that in the 70s, 80s, and the beginning of the 90s, but now we can't."

The Fundamental Conflict

The Middle East Problem in the Context of International Relations

Yevgeny Primakov

Research in the field of international relations and world economics would be untenable without an analysis of regional conflicts, among which the Middle East one takes a special place. This is, perhaps, the longest regional conflict in the world. It has already surpassed other conflicts in the number of states involved and the frequency of its evolving into the crisis stage – large-scale armed clashes. Yet this is not all there is to determine the impact that the Middle East conflict has on the dynamics of the international situation.

THE THREAT OF GLOBALIZATION OF THE MIDDLE EAST CONFLICT

The Middle East conflict is unparalleled in terms of its potential for spreading globally. During the Cold War, amid which the Arab-Israeli conflict evolved, the two opposing superpowers directly supported the conflicting parties: the Soviet Union supported Arab countries, while the United States supported Israel. On the one hand, the bipolar world order which existed at that time objectively played in favor of the escalation of the Middle East conflict into a global confrontation. On the other hand, the Soviet Union and the United States were not interested in such developments and they managed to keep the situation under control.

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The behavior of both superpowers in the course of all the wars in the Middle East proves that. In 1956, during the Anglo-French-Israeli military invasion of Egypt (which followed Cairo's decision to nationalize the Suez Canal Company) the United States – contrary to the widespread belief in various countries, including Russia – not only refrained from supporting its allies but insistently pressed – along with the Soviet Union – for the cessation of the armed action. Washington feared that the tripartite aggression would undermine the positions of the West in the Arab world and would result in a direct clash with the Soviet Union.

Fears that hostilities in the Middle East might acquire a global dimension could materialize also during the Six-Day War of 1967. On its eve, Moscow and Washington urged each other to cool down their “clients.” When the war began, both superpowers assured each other that they did not intend to get involved in the crisis militarily and that they would make efforts at the United Nations to negotiate terms for a ceasefire. On July 5, the Chairman of the Soviet Government, Alexei Kosygin, who was authorized by the Politburo to conduct negotiations on behalf of the Soviet leadership, for the first time ever used a hot line for this purpose. After the USS *Liberty* was attacked by Israeli forces, which later claimed the attack was a case of mistaken identity, U.S. President Lyndon Johnson immediately notified Kosygin that the movement of the U.S. Navy in the Mediterranean Sea was only intended to help the crew of the attacked ship and to investigate the incident.

The situation repeated itself during the hostilities of October 1973. Russian publications of those years argued that it was the Soviet Union that prevented U.S. military involvement in those events. In contrast, many U.S. authors claimed that a U.S. reaction thwarted Soviet plans to send troops to the Middle East. Neither statement is true.

The atmosphere was really quite tense. Sentiments both in Washington and Moscow were in favor of interference, yet both capitals were far from taking real action. When U.S. troops were put on high alert, Henry Kissinger assured Soviet Ambassador Anatoly Dobrynin that this was done largely for domestic considerations and should not be seen by Moscow as a hostile act. In a private conversation with Dobrynin, President Richard Nixon said the same, adding that he might have overre-

acted but that this had been done amidst a hostile campaign against him over Watergate.

Meanwhile, Kosygin and Foreign Minister Andrei Gromyko at a Politburo meeting in Moscow strongly rejected a proposal by Defense Minister Marshal Andrei Grechko to “demonstrate” Soviet military presence in Egypt in response to Israel’s refusal to comply with a UN Security Council resolution. Soviet leader Leonid Brezhnev took the side of Kosygin and Gromyko, saying that he was against any Soviet involvement in the conflict.

The above suggests an unequivocal conclusion that control by the superpowers in the bipolar world did not allow the Middle East conflict to escalate into a global confrontation.

After the end of the Cold War, some scholars and political observers concluded that a real threat of the Arab-Israeli conflict going beyond regional frameworks ceased to exist. However, in the 21st century this conclusion no longer conforms to the reality. The U.S. military operation in Iraq has changed the balance of forces in the Middle East. The disappearance of the Iraqi counterbalance has brought Iran to the fore as a regional power claiming a direct role in various Middle East processes. I do not belong to those who believe that the Iranian leadership has already made a political decision to create nuclear weapons of its own. Yet Tehran seems to have set itself the goal of achieving a technological level that would let it make such a decision (the “Japanese model”) under unfavorable circumstances. Israel already possesses nuclear weapons and delivery vehicles. In such circumstances, the absence of a Middle East settlement opens a dangerous prospect of a nuclear collision in the region, which would have catastrophic consequences for the whole world.

The transition to a multipolar world has objectively strengthened the role of states and organizations that are directly involved in regional conflicts, which increases the latter’s danger and reduces the possibility of controlling them. This refers, above all, to the Middle East conflict. The coming of Barack Obama to the presidency has allayed fears that the United States could deliver a preventive strike against Iran (under George W. Bush, it was one of the most discussed topics in the United States). However, fears have increased that such a strike can be launched

by Israel, which would have unpredictable consequences for the region and beyond. It seems that President Obama's position does not completely rule out such a possibility.

TERRORISM: THE DANGER OF A CLASH OF CIVILIZATIONS

Another aspect of the highly negative impact of the Middle East conflict on the international situation is the 21st-century challenge – terrorism. The Middle East, or rather the Arab-Israeli conflict, has become an incubator of international terrorism. Many extremist and terrorist organizations and groups, including Al-Qaeda, have emerged and develop under the influence of this conflict. Military actions taken by Israel to oppose terrorists, which often are disproportionate and which cause suffering to the civilian population, not only fail to narrow the scope of terrorist activities but, on the contrary, broaden it.

The danger of this “vicious terrorist circle” can be seen in the theory of the “clash of civilizations,” which has become widespread in the West. Humankind has hardly recovered from the ideological confrontation between Capitalism and Communism, which divided it, when a new division of the world is now predicted – this time along religious and civilizational lines. This theory is particularly full-blown in works by American political scientist Samuel Huntington. He views clashes of civilizations as the basic conflict of the present and argues that such clashes are inevitable. The popularity of this theory is seen in the frequency that Huntington's works are cited in various publications, including monographs on geopolitics.

Unfortunately, the works by Russian scholars are lacking proof of the invalidity of Huntington's theory. Meanwhile, there is a dire need to study the impact of globalization on various civilizations and analyze the effects of the convergence of not only their material parts but also cultures and the dialectics which does not negate the individuality of the civilizational development of nations when such convergence takes place.

Tensions between the Western and Islamic civilizations do exist, and it is no use shutting one's eyes to it. But these tensions stem not from the essence of these so-called “irreconcilable antagonists” but from the crisis of dialogue between them, which has been replaced with confronta-

tion and even armed struggle. The Middle East conflict plays a special role in this context, which certainly increases the price of its settlement.

The Arab-Israeli conflict has one more important dimension, as it has a destabilizing effect on the entire Middle East region, which has 68 percent of world oil reserves (not including Arab North Africa, which has also been affected by the Middle East conflict). One will hardly see a recurrence of the events of 1973 when Arab states stopped oil supplies to the West. Yet the U.S. military operation against Iraq, which accounts for almost 10 percent of the world's oil resources, has already placed this country outside the list of major oil exporters for years.

Despite the development of alternative energy sources, oil and gas will continue to be primary energy resources for the next few decades. Therefore, stability in the Middle East is and will be of paramount importance, especially at a time when the main consumers of Middle East oil start overcoming the present recession. The jocular saying "The energy crisis has made the light at the end of the tunnel go off" is in fact not that jocular.

I would also like to emphasize that the Middle East region, which has been least hit by the global economic crisis, will be of special value in the post-crisis period as an object of foreign investment. Huge financial resources accumulated in the Gulf area provide good prerequisites for that.

AN ALL-EMBRACING SETTLEMENT OR SEPARATE SOLUTIONS?

What capabilities does the international community now have to settle the conflict in the Middle East? What does history teach us in this respect?

First of all, it must be said that the Middle East conflict cannot be settled militarily. This was confirmed, yet another time, by Israel's latest major military operation in the Gaza Strip against the Palestinian Hamas movement. Interference from the UN Security Council made Israel stop combat actions and withdraw its troops from Gaza. This time, the United States departed from its usual practice of vetoing Security Council resolutions critical of Israel. There are grounds to believe that the U.S. will continue to abide by this position with regard to

Israel's military offensives because of a possible reaction from the Islamic world. In any case, the United States, along with the other permanent members of the Security Council, will oppose a military solution to the Arab-Israeli conflict.

The use of force is unproductive from the point of view of the objective interests of Israel itself. It has military advantages over Arab countries, but it has very limited capabilities to use these advantages in order to annex occupied Arab territories – not only because of the absence of international support. If Israel annexes the Arab territories it occupied in 1967, it will soon cease to be a Jewish state as the ratio between the Jewish and Arab populations in it will inevitably change in favor of the latter due to its birth rates. There are grounds to believe that not only the leaders of Israel but also the bulk of its political class are aware of this.

The impossibility of a military solution to the Middle East conflict emphasizes the need for its all-embracing settlement. Back in Soviet times, there were two contrasting approaches: the Soviet Union stood for a comprehensive settlement, while the U.S. favored separate agreements between Israel and individual Arab countries. As a result, Israel signed peace treaties with Egypt and Jordan. Was the Soviet Union right in its approach? In retrospect, some authors support the American policy line. I do not belong to them. Obviously, the ability to reach an all-embracing settlement was simply ignored during the preparation of the agreements with individual Arab countries. Moreover, it was not even provided that those would be interim agreements paving the way to an overall solution.

Aware of the complexity of the process and the impossibility of achieving settlement overnight, the Soviet Union never opposed intermediary measures leading to a clearly defined and mutually agreed goal – all-embracing settlement. At the same time, the Soviet logic was dictated by the fact that the conclusion of separate agreements removed one Arab country after another from the settlement process and thus complicated the solution of another issue – the settlement of Israeli-Palestinian and Israeli-Syrian relations. Both these “tracks” involve basic territorial problems. And it is not accidental that, despite the Egyptian-Israeli and Jordanian-Israeli peace settlements, endless armed clashes have been going on in the region for more than 30 years now, including

two Israeli interventions in Lebanon – in 1982 and 2007. Both interventions were comparable in scale and the number of casualties with the wars of 1967 and 1973, which took place before the conclusion of the Egyptian-Israeli peace treaty.

Without an all-embracing settlement, it is impossible to put an end to the state of hostility between Israel and the Arab world in general and to guarantee stability of what has already been achieved in Israel's relations with Egypt and Jordan. Without an all-embracing settlement, radical Islamist forces have good chances to destabilize the situation in the region, especially in key Arab countries like Egypt and Saudi Arabia.

The foundation for an all-embracing settlement of the Middle East conflict was found in the following formula: the territories occupied by Israel in the course of the 1967 war in exchange for peace in Arab countries' relations with Israel. This implies not only the recognition of the Israeli state but also the establishment of full-scale diplomatic and other relations with it. This formula, established at the Madrid Peace Conference (1991), meant universal recognition of the undeniable truth that Israel's withdrawal from Arab territories, on the one hand, and guarantees for Israel's security, on the other, were the only way to achieve settlement in the Middle East. I would like to emphasize: the assent of all Arab states and the Palestine Liberation Organization to the "Madrid formula" means their absolute waiver of the demand that Israel withdraw into the borders originally defined for it by the UN General Assembly. (As a result of the first Arab-Israeli War of 1948-1949, Israel's territory was largely expanded.)

CREATION OF A PALESTINIAN STATE AS THE CORNERSTONE OF SETTLEMENT

The settlement of the Palestinian issue implies the solution of several problems, the main of which is the creation of a Palestinian state, as was provided for back in 1947 by the UN General Assembly's decision on the partition of Palestine into separate Jewish and Arab states. There is now a global consensus on this issue, which includes the United States and the European Union. The previous Israeli government, led by Ehud Olmert, also recognized the need to create a Palestinian state. I do not think that the negative position of the incumbent Israeli prime minister,

Benjamin Netanyahu, on this issue is final, although he is likely to make his consent to the establishment of a Palestinian state conditional on some concessions from the latter. The process of creating a Palestinian state involves difficult negotiations also on such issues as borders of this state, the rights of refugees, and the future of Jerusalem, which must become the capital of the two states.

I do not share the point of view of those who think that all these problems are insoluble, as they can be solved if Israel renounces its practice of establishing settlements in the occupied West Bank. The expansion of existing Israeli settlements and the establishment of new ones is done notwithstanding UN Security Council resolutions and the negative attitude to this practice from a majority of states, including not only Russia, China and European countries but now also the United States.

Borders. They could be defined by means of a minor rectification of armistice lines and even an exchange of some territories.

Refugees. The right to their return does not mean that all refugees will want to return. Most of them may choose financial compensation, which will let them give up living in Palestinian camps and settle in the future Palestinian state or in some other Arab country. The separation of the issue of refugees' right to return from the issue of a mechanism for implementing the return, including compensation, was discussed at informal talks between former Israeli minister Yossi Beilin and member of the PLO leadership Yassir Abd Rabbo. The two parties reached an understanding.

Jerusalem. It was none other than U.S. President Bill Clinton who proposed dividing Jerusalem into Israeli and Palestinian sections in his settlement plan.

As regards the Israeli-Syrian track, success in this field depends entirely on Israel's consent to Syria's sovereignty over the Golan Heights, occupied by Israel since the war of 1967. Damascus has expressed its desire to enter into negotiations with Israel. Factors that make such negotiations possible include the position of those in the United States who are not interested in a further rapprochement between Syria and Iran, which would inevitably happen if a Syrian-Israeli settlement is not reached. The new Israeli government is divided over this issue. Foreign Minister Avigdor Lieberman has publicly reject-

ed a possibility of returning the Golan Heights to Syria. Defense Minister Ehud Barak, who represents the Labor Party (Avoda) in the government, occupies a different position.

Success in the Syrian-Israeli peace process would also help to solve Israeli-Lebanese problems.

WHY THERE HAS BEEN NO CONTINUITY OF THE SETTLEMENT PROCESS

Attempts to achieve a Middle East settlement have been made in three forms: direct Arab-Israeli negotiations, an intermediary mission by the United States, and an international intermediary mission by the U.S., Russia, the European Union and the United Nations – the present Quartet on the Middle East. The past experience has demonstrated the futility of two of these three forms: attempts by the conflicting parties to come to agreement on their own, without the involvement of outside forces, and the monopolization of an intermediary mission by the United States.

Recent examples of that include the termination of the Israeli-Palestinian negotiating process after the Netanyahu government came to power in Israel and the failure of the promise given by former U.S. president George W. Bush to achieve a peace settlement in the Middle East before his presidency expired. The White House did not confine itself to words. U.S. Secretary of State Condoleezza Rice actually moved the Quartet aside and spent more time in the Middle East in 2008 than in any other region of the world. It was not fortuitous that the White House named the U.S. city of Annapolis as the venue for a Middle East summit, intended to mark the start of the home stretch for settlement.

I would like to mention just one of the factors for the failure of the process started at Annapolis. In order to ensure the broadest possible Arab participation in that meeting (including Syria, of course), Rice said that the Annapolis summit would be followed by an international conference on Middle East settlement in Moscow. This implied the continuity of the process, with the active participation of Russia and other members of the Quartet. Given all that, Moscow decided to support the American initiative to convene an international meeting in Annapolis. President Vladimir Putin, Foreign Minister Sergei Lavrov, his deputy Alexander Saltanov, and other Foreign Ministry officials played the main role in that.

I too took part in the settlement efforts. Shortly before the Annapolis summit, on behalf of President Putin, I met with Palestinian Authority President Mahmoud Abbas, Israeli Prime Minister Olmert and Israeli Defense Minister Barak, Syrian President Hafez al-Assad, Egyptian President Hosni Mubarak, and Arab League Secretary General Amr Moussa. In Damascus, I also met with the head of Hamas's political bureau, Khaled Mashaal. The keynote of all those meetings was the idea of continuity of the Middle East settlement process, which the planned Moscow peace conference was to ensure several months after the Annapolis meeting. For example, President Assad of Syria linked his consent to send a Syrian delegation to Annapolis to the idea of holding a follow-up conference in Moscow. His position was shared by the other officials, with whom I talked.

However, the Moscow peace conference never took place. It was repeatedly postponed throughout 2008. Then it was announced that the conference would be held in the spring of 2009. The main reason why the Moscow conference was not held as scheduled was the unwillingness of the United States, which quoted the opinion of Israel, while Israeli leaders, in turn, quoted Washington's unreadiness.

In view of the changes in the political leadership of Israel and the differences among Palestinians which have divided them into supporters of the Fatah and Hamas movements, I think holding a peace conference in Moscow in the present circumstances and without thorough preparations would be counterproductive.

But this conclusion does not mean that headway in the Middle East settlement process is now impossible. Despite the enormous difficulties and obstacles that have piled up on this way, chances for success do exist.

First, there is reason to believe that U.S. President Barack Obama, concerned over the situation in Afghanistan, Iraq, Iran and Pakistan, will take the Middle East settlement problem much more seriously than his predecessor. Washington can exert a decisive influence on Israel to press the Netanyahu government to solve problems with Palestinians and Syrians. Naturally, the strong pro-Israeli lobby in the United States will stand in the way of the White House's resolute measures to influence the Israeli leadership, but today this lobby has somewhat lost its strength as many former supporters of Israel's radical measures now feel the need

for a peaceful settlement. Another encouraging factor in this regard is that President Obama has not let neo-conservatives, famous for their anti-Arab lobbying, into his team.

Second, Arab countries, above all Egypt and Saudi Arabia, have taken a constructive position and have a positive impact on Palestinians.

Third, before Israel attacked the Gaza Strip, Tel Aviv and Fatah had come closer to each other on some sensitive issues – in any case, the refusal to discuss them had given way to exchanges of views.

Finally, Moscow's role and policy can be a very important reserve of settlement. In contrast with the other Quartet members, Russia has established good relations not only with Israel, Iran and Syria, but also with Fatah, Hamas and Hezbollah.

Using the experience gained, the Quartet could work out a compromise plan on all major settlement issues. This plan should be handed over to the conflicting parties as a collective decision of the United States, Russia, the EU and the UN. Let us remember how Israel was created. Didn't the international community dictate its decision on the partition of Palestine and the creation of Israel and an Arab state in Palestinian territory then?

The proposed plan should include the establishment of a nuclear-free zone in the Middle East. This problem is exacerbated still further today. Israel's nuclear armaments and concerns about the possession of nuclear weapons by Iran encourage nuclear ambitions among other countries in the region. Israel opposes the establishment of a nuclear-free zone. But its position may change if an Arab-Israeli settlement is linked to a verifiable renunciation by Iran of nuclear weapons.

Of course, the path to a Middle East settlement is difficult. This task cannot be solved overnight. But active efforts in this field must be made.

The Afghan Problem in the Regional Context

Russia and SCO Take a More Active Role

Ivan Safranchuk

After 2001, when the Taliban suffered a military defeat, lost its grip on power and retreated to defensive positions, the international coalition failed to achieve any noticeable success in Afghanistan. On the contrary, the Taliban has been consolidating its positions militarily and politically all the recent years.

The development of the situation can hardly be predicted due to the influence of a variety of different-directed factors, such as the interests of forces acting in the country, the conduct of neighboring states, and the policy of outside players. The United States and its main allies are likely to change their policy and switch from efforts to suppress the Taliban by force to a tactic of reconciliation with some of the Talibs. The Barack Obama administration has several scenarios, but each requires cooperation with Afghanistan's neighbors.

Meanwhile, the neighboring countries can no longer rely solely on the United States. They are seeking a more active independent policy in addressing Afghan problems, which would meet their interests and ensure their security under any developments.

DILEMMAS OF THE RUSSIAN POSITION ON AFGHANISTAN

Moscow's position on the Afghan issue has been mixed in the recent years.

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The Russian Foreign Ministry said in its 2007 foreign policy survey: “If the Afghan campaign ends in failure and the U.S. and NATO leave, the Central Asian countries and Russia will be left face to face with the consequences of the aggravated Afghan problem, primarily the drug and terrorist threat, with an upsurge of fundamentalist sentiments and the destabilization of the region.”

This statement suggests that Russia had doubts about the success of the military operation in Afghanistan back in 2007. The year 2008 did not add any reasons for optimism. Rather, the doubts returned full force.

But let us assume that there is a possibility for a decisive victory of the Western coalition and stabilization in Afghanistan. This would remove the main obstacle to the implementation of infrastructure and transport projects that would help integrate Central and South Asia within the framework of so-called “Greater Central Asia.” The term has been rarely used recently, but the idea lives on. These plans aim to link Central and South Asia by a common energy and transport infrastructure, which would give former Soviet Central Asian republics access to the Indian Ocean. But without a stable Afghanistan (and now we should also add “without a stable Pakistan”) that would be impossible. Yet, something is being done even now – border-crossing points are being modernized, and new roads are being built.

Therefore, Russia by no means is interested in a defeat of the international forces in Afghanistan, as it would create new security problems. But Moscow does not see prospects for a military victory. And if these prospects appeared, they would give a green light to “Greater Central Asia” infrastructure projects that would be economically disadvantageous for Russia.

In these conditions, the Russian Federation has been sitting on the fence. But the worsening of the situation in Afghanistan requires a more coherent approach. In 2007-2008, all Central Asian states grew increasingly concerned about the strengthening of the Taliban. They criticized U.S. and NATO actions but, on the other hand, they showed a growing readiness to help them. At the same time, they grew increasingly dissatisfied with Moscow’s policy. In 2008, the author repeatedly heard critical remarks in Central Asia about the Russian policy towards Afghanistan.

There emerged a situation when the United States and NATO could exploit “the Afghan fears” of Central Asian capitals and meet with more and more understanding there. Traditionally, Washington sought a

broader access to the military infrastructure in the region and more active political contacts, which would consolidate the positions of Western countries in general. In other words, by helping the U.S. and NATO to resolve the Afghan problem, the countries of Central Asia recognized their leading role in Afghanistan. In effect, this would imply the extension of U.S. security services to the Central Asian region.

There was one more circumstance that appeared in 2007-2008. The international forces began to experience more and more difficulties with the deliveries of cargoes to Afghanistan. Their main flows always ran through Pakistan. However, several years before, deliveries via the Karachi-Quetta-Kandahar route had stopped, while in 2007 there emerged serious problems with the Karachi-Peshawar-Jalalabad route, as pro-Taliban groups in the territory of Pakistan stepped up their attacks on cargo convoys, destroying or stealing them.

The dependence on the Pakistani transit route can be reduced in several ways. NATO might send more cargo by air directly to Afghanistan, but this would be too expensive. The volume of shipments through the Caucasus and Turkmenistan has increased. The most sensible solution would be to increase transportation by rail through Ukraine (or Belarus) or through Latvia's port of Riga and farther on to Russia, Kazakhstan and Uzbekistan. The only railway line to Afghanistan runs from Uzbekistan.

Russia and NATO reached a principled accord on railway transit at the 2008 NATO summit in Bucharest, where the parties exchanged letters on the possibility of such transit. However, it was impossible to implement it at that time. NATO refused to negotiate with the Collective Security Treaty Organization, so it had to conduct separate talks with each member country. This is what NATO Secretary General's Special Representative for the Caucasus and Central Asia, Robert Simmons, was doing during 2008. However, the coalition succeeded in re-routing shipments of the most vulnerable cargoes bypassing Pakistan, even without opening railway transit. In 2008, fuel purchases increased in Kazakhstan, Turkmenistan, and Uzbekistan.

Moscow found itself in a difficult situation. Assistance to the United States and NATO in Afghanistan implied consent to the spread of U.S. influence in Central Asia. But Russia, which has invested billions of dollars in infrastructure projects in the region, does not view it as an attractive prospect.

It is within the framework of this dilemma that one can consider Moscow's position on the U.S. base in Manas, Kyrgyzstan. On the one hand, Russia is ready to help NATO with deliveries to Afghanistan. But on the other, Moscow was involved in the shut-down of the base, which was part of the coalition's logistics.

It should be noted that the existence of the Manas base was an even larger irritant to China. China has deployed nuclear missile launchers in its western area, and the flight time from Manas to these strategic targets would only be 30 to 40 minutes. Also, it was from Kyrgyzstan that intelligence was gathered on Chinese nuclear tests in 1996. So, Beijing is very suspicious about U.S. military presence near its borders. In 2005, China called for shutting down a U.S. military base in Uzbekistan. In case of Manas, China's role, although not publicized, must have been great, too.

Russia is seeking to organize its interaction with NATO in such a way on the Afghan and other issues as not to allow this interaction to have a "false bottom." The alliance needs access to Afghanistan. Russia is ready to cooperate, but in that case there is no critical need for the Manas base. Washington's desire to keep it by all means or find alternatives in neighboring countries is interpreted as proof that Afghanistan is only a pretext for U.S. military presence in Central Asia.

Having expressed its readiness to participate in railway transit, Russia has shown that it by no means undermines the U.S. and NATO's military efforts in Afghanistan. Moreover, Moscow has placed no formal conditions for the beginning of transit. Russia is really interested in providing assistance to the international forces, which meets the interests of its Central Asian allies, as well. Yet, it cannot be ruled out that Moscow is beginning a larger, long-term game, which may evolve in two directions.

First. If the volume of transit through Russia becomes more or less significant, it will make NATO dependent on Moscow for the first time. Russia does not need to set terms for the transit: once it starts, NATO and the U.S. will proceed from the need to keep it going. If Russia encounters an unconstructive position of the partners on the issues it regards significant, there is always a possibility to suspend the transit.

Second. Transit through Russia, Kazakhstan and Uzbekistan makes these countries larger players. Moscow is stepping up its policy based on

the concept that Afghanistan needs not only a military victory but also the solution of a complex of socio-economic problems. It has to tackle drug trafficking in the first place. The main role in the solution of these issues should be assigned not to the U.S. or NATO but to the UN and other international organizations.

Russia believes that countering the drug threat from Afghanistan must become a priority in international efforts. During the presence of the coalition forces in the country, the drug threat not only has not decreased but has multiplied instead. In effect, the international coalition is buying the loyalty of the Afghan population, closing its eyes to drugs: "Grow poppy, trade in opium, but don't take up arms." It is a vicious circle. Part of the drug money goes to the Taliban, which has helped the Talibs to recover after the 2001 defeat. Besides, it turns out that Russia, Iran, Central Asian countries and EU states pay for the partial solution of the security problem, because almost all of Afghan heroin is consumed there.

A more stable Afghanistan in exchange for larger drug trade is a very dubious transaction. Why should it be welcome in the countries to which Afghan heroin is smuggled, with all the ensuing social and criminal problems? In essence, the drug situation should serve as the criterion of success of the international coalition's actions in Afghanistan.

Power methods alone (the destruction of opium crops, etc.) would not eradicate the drug threat but would only bring about a confrontation with the local population. Therefore, only a complex strategy must be applied – a combination of force and efforts to overcome the social and economic backwardness in the country.

THE SHANGHAI COOPERATION ORGANIZATION STEPPING UP EFFORTS

All Afghanistan's neighbors, except Turkmenistan, have the status of members or observers at the Shanghai Cooperation Organization. It is therefore quite natural to use this format for discussing the Afghan problem and work out an independent SCO position and policy, especially as things have not been going smoothly in Afghanistan.

A SCO-Afghanistan Contact Group has been set up, and on March 27, 2009, Moscow hosted an international conference on Afghanistan under the aegis of the SCO to discuss documents proposed by the Group. Russian

Deputy Foreign Minister Alexander Borodavkin said in closing remarks at the conference that “efforts by the international community in stabilizing Afghanistan need rethinking. In this regard, the SCO Conference has constituted an important stage of the commencement of this work.”

The Shanghai Cooperation Organization is not a structure open to all. Therefore, the conference on Afghanistan, to which a broad circle of participants was invited, including those previously barred from SCO events, should be viewed as a positive trend. The SCO has shown it is going to play an increasingly active role in Afghan issues and promote an agenda of its own, while cooperating with other interested countries.

Of course, some diplomatic verbal fencing still takes place. For example, the Statement by the Shanghai Cooperation Organization Member States and the Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime said in its introductory part: “Attaching great importance to the efforts made by international and regional organizations including the United Nations (UN), the Shanghai Cooperation Organization (SCO), the Commonwealth of Independent States (CIS), the Collective Security Treaty Organization (CSTO), the Organization for Security and Cooperation in Europe (OSCE) and Conference on Interaction and Confidence Building Measures in Asia (CICA) to combat the threats of terrorism, illicit drug trafficking and organized crime...” There is no mention of either NATO or the European Union here. Later, however, the document corrected the omission, as the closing paragraph stated: “We express our commitment to enhance cooperation with all relevant States and international and regional organizations, namely UN, EU, CIS, CSTO, OSCE, NATO and CICA on matters of common interest ...”

The final document, titled “The Declaration of the special Conference on Afghanistan convened under the auspices of the Shanghai Cooperation Organization,” begins thus: “The participants in the Conference welcomed the Shanghai Cooperation Organization (SCO) initiative to organize this forum, expressed their satisfaction with results and noted that the outcome was in line with the efforts of the international community, namely the United Nations, North-Atlantic Treaty Organization, European Union, Organization on Security and Cooperation in Europe, Collective Security Treaty Organization, Organization of Islamic Conference and Conference on Interaction and Confidence Building Measures in Asia, other interna-

tional and regional organizations and individual states to counteract threats of terrorism, drug trafficking and organized crimes.”

The discussions on Afghanistan within the SCO framework encompass three main areas, which are often referred to as ‘baskets’: fight against terrorism, drug trafficking, and cross-border crime. The SCO has worked out a range of measures for each area. They are listed in two documents circulated at the Moscow conference – the Statement by the Shanghai Cooperation Organization Member States and the Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime, and the Plan of Action of the Shanghai Cooperation Organization Member States and the Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime. The SCO thereby demonstrates that it has a specific plan of work, open to other states.

It is within the frameworks of these three “baskets” that the SCO has proposed creating “security belts,” mentioned in the Statement. It said, in particular: “We call for joining the efforts of all States and organizations concerned aimed at creating the ‘anti-drug and financial security belts’ in the region.” Russian Foreign Minister Sergei Lavrov noted in his speech at the Moscow conference that “in this spirit – through joint work with Kabul, not by creating any ‘sanitary cordons’ – the SCO and CSTO suggest creating antinarcotics, antiterrorist and financial security belts.”

The grouping of Afghan issues into three ‘baskets’ is already yielding fruit. Yet, there is one void that needs to be addressed. The above documents clearly stated the necessity to achieve the solution of Afghanistan’s socio-economic problems. Lavrov emphasized: “We are convinced that to stabilize the situation a comprehensive approach is needed which combines the military suppression of terrorists, extremists and drug dealers with a wide-scale program of economic and social rehabilitation.” However, social and economic issues do not fit into any of the three ‘baskets’ and have to be mentioned separately, “on the sidelines.”

The Plan of Actions says at the end – and outside the main text of the document – that “The SCO Member States will further develop their bilateral trade and economic cooperation with Afghanistan, engagement in international efforts to provide assistance in its economic recovery, and will explore opportunities for implementing joint projects aimed at social and economic rehabilitation of this country. In this regard, the SCO Member

States will consider the proposal of the Republic of Tajikistan to sponsor an international conference of Ministers of Economic Affairs in Dushanbe.”

The documents of the conference and the Russian minister’s speech promote the Afghan authorities’ role in addressing problems in their territory. “Russia is in solidarity with the people and government of Afghanistan in their efforts to ensure security and put an end to terrorist activities and attempts by extremists to control individual areas of the country and create parallel power structures there,” Lavrov said. Russian and SCO officials consistently emphasize that Afghanistan is an independent country with a capable government and that the international community’s task is to “assist the Afghan government.”

Phraseology like this clearly expresses support for Afghan President Hamid Karzai and sets frameworks for international efforts, i.e. helping the legitimate president of Afghanistan. It implies that actions that have not been agreed with him do not meet the spirit of the international operation.

The final document of the Moscow forum underscored the importance of “sustained international efforts” which should be “comprehensive” and proceed “under the leadership of Afghanistan and the central role of the UN.” The document also stressed the need for closer coordination of operations with Afghan authorities “in consultation with the Government of Afghanistan.”

DRUG THREAT IN FOCUS

The Afghan drug threat and the necessity to step up efforts to combat it were the main subjects at the Moscow conference. Sergei Lavrov directly linked the issue of security in Afghanistan to drug trafficking: “Of special significance is the fight against the traffic in drugs, from which the proceeds go to finance terrorist activities.” “Afghan drug trafficking has become a major security threat for the countries of Central Asia and the Russian Federation. Efforts that are being made to combat this evil are so far insufficient” he added.

The conference actually placed responsibility for failures in combating drug trafficking on the coalition forces, rather than the Afghan government. The final document “acknowledged the progress of the Afghan government in reducing the cultivation of poppy, despite limited resources at its disposal.” This wording implies that the Afghan authorities are doing their best, whereas there may be complaints about the coalition’s efforts.

The Russian foreign minister pointed to the need “to substantially enhance the effectiveness of external support for the efforts of the Afghan authorities to combat illegal drug production and smuggling.” Lavrov expressed hope for “the practical realization of the decisions to increase ISAF [International Security Assistance Force in Afghanistan] antinarcotics operations, adopted by the NATO countries’ defense ministers in Budapest in October last year.”

The Statement by the SCO member states and the Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime sent a clear message to international forces: “We welcome the fact that ISAF in cooperation with the Government of Afghanistan joined the fight against drug production and proliferation in Afghanistan and support its wide-ranging participation in multilateral efforts in this area. We consider it important that the UN Security Council takes this into account when discussing the ISAF mandate next time.”

The wording of the final document of the Moscow conference is softer. Yet, it repeatedly mentions terrorism, the production and trafficking of narcotics, and organized crime. That is, it points to a link between security problems and narcotics, as well as to the need for the ISAF to step up its efforts to combat narcotics trafficking in cooperation with the Afghan authorities.

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The monopoly of NATO and the United States on the solution to the Afghan problem seems to be drawing to a close. In the past six years, it has failed to bring the desired result. If the current trends persist, a situation similar to that in the Middle East may develop in Afghanistan and Central Asia: no chance for settlement, while the hotbed of tensions generates a demand for U.S. security services.

NATO and the U.S. should continue to bear responsibility for providing basic military security in Afghanistan. But the solution to the complex of socio-economic problems should be found in a broader international context, with the direct participation of Afghanistan’s neighbors. Russia’s proactive policy is not aimed at undermining U.S. positions. Moscow simply wants the Afghan problem to be resolved comprehensively, in the interests of all.

The Post-Crisis World: Searching for a New Framework

Reflections on 21st-Century Conflicts and Alliances

Vladislav Inozemtsev

It became commonplace to say that the world changed beyond recognition after the terrorist attacks on New York City and Washington D.C. on September 11, 2001. Experts began to speak of a “new geopolitical reality” and even described the “war on terror” as “World War IV.” The United States, which took up the mission to fight the omnipresent, yet invisible enemy, seems to have restored, if not a leading, then at least a dominant role in the world. The closing point for “the long 20th century” was defined, and supporters of the end-of-history theory fell into disgrace.

However, this new geopolitics rested on the same foundation as did the Cold War system, namely the economic domination of the Western world, above all by the U.S. America remained the absolute economic leader in the world until the first decade of the 21st century. The U.S. accounted for 24.8 percent of global GDP in 2001; the value of U.S. public companies stood at 34.7 percent of the combined capitalization of all stock markets; U.S. investment in R&D made up 38.4 percent of the global figure; the U.S. defense budget accounted for 46.2 percent of all global defense spending, and 70.7 percent of all central banks’ reserves were denominated in U.S. dollars.

America’s share of global GDP and of global industrial production did indeed decline, but, together with European Union, the “Atlantic World” controlled about one half of the global economy – just as in the early post-World War II years.

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However, the situation began to change in the new century, something the U.S. and its future allies in the “coalition of the willing” have decided to ignore for now. The changes took place in two directions.

A SYMBIOSIS OF RISK

On the one hand, there emerged a group of economies within the Western world that chose an expansionist – and therefore risky – financial policy. The prerequisites for this policy had taken shape back in the 1970s-1980s when the U.S. abandoned the gold standard while developing countries resorted to heavy borrowing on the global capital markets, as they believed their natural resources, sold at record high prices in those years, would guarantee their financial stability for ever.

The 1980s did not bring a collapse of the U.S. economy under pressure from the Third World, but quite the opposite. In the first half of the 1980s, the United States launched a brave battle against inflation, which resulted in appreciation of the dollar, a decline in commodity prices and sweeping defaults by the countries of the South on their debts. Further developments, including the continued financial difficulties of the global periphery (ranging from the collapse of the Soviet Union and the Mexican default of 1994 to the Asian financial crisis and the defaults of Russia in 1998 and Argentina in 2001), brought the U.S. government and its allies to the conclusion that the financial system based on the U.S. dollar was stable. This point was backed by the rapid growth of stock markets in all developed countries in 1997-2000 and by the steady strengthening of the dollar over the same period. All these encouraging developments finally led to a large-scale liberalization of the financial sector and to the repeal of the Glass-Steagall Act in 1999.

The performance of Western economies was impressive. According to the World Bank, the ratio of stock market capitalization to GDP in the U.S. and Britain grew from 62 and 78 percent, respectively, to 145 and 171 percent between 1995 and 2007. Over the same period, the net corporate and household debts increased from 138 and 142 percent of GDP to 228 and 249 percent. The average house price in the U.S. and Britain soared by 138 percent and 164 percent. Entirely new sectors of the financial market appeared, including the derivatives market, with the nominal size, according to the Bank for International Settlements,

increased from \$40.1 trillion to \$683.7(!) trillion. Coincidentally, 43 percent of this market at the beginning of 2008 was controlled by British, and 24 percent – by U.S. financial institutions.

The “wealth” of the Western world grew rapidly, yet it was largely fictitious as real production kept moving to less prosperous countries. Far from hailing or blaming such a policy, I would like to point at its most important feature: the U.S. and the United Kingdom (and to a lesser extent Spain with its experiments in mortgage loans; Ireland and Iceland with their banking patterns; and Italy with the largest governmental debt among European countries) became a group of countries that may be labeled as *risk-producers*, or *risk-makers*. This had to emerge at some point.

On the other hand, many things have changed in Third World countries, as well. After a long period of uncertainty, which began with debt crises of the 1980s and ended with emerging from the Asian meltdown in the late 1990s, almost all “victim states” have dramatically changed their financial policies. They gave up massive foreign borrowing in favor of increasing their trade surpluses and accumulating hard currency reserves. Factors that made this possible included the rapid economic growth in China and mounting energy and commodity prices.

These factors brought about dramatic changes in trade balances. For example, exports from China in 1996 did not exceed Belgian exports (\$172 billion), whereas in 2008 Chinese exports reached \$1.46 trillion, the second highest figure in the world. Also, oil exports from the Gulf region in 1998 stood at \$67 billion, while in 2008 this figure amounted to \$539 billion.

At the same time, foreign direct investment poured into fast-developing East Asian economies and oil producing countries, boosting their currency reserves (which were reinvested in government securities of developed countries, primarily of the U.S.). As a result, developing countries in East Asia, oil-producing Gulf states, as well as Russia, increased their total hard currency reserves between 1999 and 2008 by more than \$4.9 trillion (from less than \$600 billion in 1998).

Those countries, by buying U.S. Treasuries, financed almost 54 percent of the U.S. budget deficit. Meanwhile, U.S. companies and banks lent less and less money to their own government: as the average return on the T-bond fell from 6.2 percent in 1999 to 2.1 percent in 2007-2008, U.S. banks reduced the share of T-bonds in their assets

from 9.7 percent in 1995 to 1.3 percent in 2008. As in the first case, I am not prepared to comment on such a policy conducted by developing countries, but it is obvious that these nations and their state institutions, investing in Western (mainly U.S.) economies, became global *risk-consumers* or *risk-takers* and thus contributed to the “risk economy” of the first decade of the 21st century.

Thus the world divided into two economic camps. Some countries “blew” financial bubbles, which increasingly departed from economic realities. Others dampened the situation by buying dollar assets. Regions that remained outside this “risk economy” included Continental Europe (with its own currency and an almost zero trade balance), Latin America (which focused on the creation of a common market and had a relatively cool attitude towards the U.S.) and Africa (which was simply not involved in the global economy). But this economic picture is not interesting per se; it is notable from the point of view of the policies conducted today by global risk-makers and risk-takers.

An inclination towards risk in the economy has now transformed into a willingness to make risky decisions in politics as well. It was hardly pure chance that it was the U.S. that took a decisive initiative in building a new world order, and that Britain, Spain and Italy formed the backbone of this coalition, whose members followed the U.S. into Iraq “without fear or doubt.” The sense of omnipotence created by financial fictions evolved into a willingness to risk one’s political influence.

At the same time, China, Russia, Arab nations and some other countries, among them Venezuela, which thought they were powerful geopolitical actors – mainly because of their integration into the Americanized world (like China) or because of speculative price increases on commodity markets (commodity exporters), began to talk about the need to change the global political and economic configuration and establish a “multipolar” world.

This “multipolar” world, which has not become a reality yet, may turn out to be far more dangerous and unpredictable than the “unipolar” world of the turn of the century or even the “bipolar” Cold War world. The trends in the last decade show that the new geopolitics is becoming “geopolitics of risk;” as Europe withdraws from the global political game, risk-makers and risk-takers are behaving more and more decisively.

The U.S. has over the past ten years intervened militarily in Serbia, Afghanistan and Iraq and until recently demonstrated willingness to use force against Iran.

On the other hand, Russia responded harshly to Georgia's "anti-separatist" operation in South Ossetia – it went into Georgian territory and recognized the independence of two breakaway Georgian regions. China has already become the world's second largest defense spender; it is building military bases along the entire perimeter of the Indian Ocean and has deployed troops in Sudan and Myanmar.

Risk-makers and risk-takers are equally negative about the majority of recent humanitarian initiatives, be it the Mine Ban Treaty or the International Criminal Court. The U.S. and its allies – even at the level of experts, not policymakers – are saying more and more openly that China and Russia are the main sources of obvious challenges, if not clear dangers, in the 21st century. The two countries have responded in kind, strengthening the Shanghai Cooperation Organization, which they view as a "natural counterbalance" to the "center" of the contemporary world.

THE U.S. AND CHINA – DIVIDING THE WORLD BETWEEN THEMSELVES?

What can result from the increasing confrontation between risk-takers and risk-makers? And is it fact at all? What if it is a figment of the imagination, and the U.S. and China are the Group of Two that will become the core of a new world order?

Undoubtedly, the U.S. and China are gradually forming one of the most important (although somewhat hypertrophied, with emphasis on trade and finance) economic and trading links in the world of today. FDI between the two countries totaled \$70 billion in 2008; their aggregate trading transactions amounted to \$409.3 billion; while the value of U.S. Treasuries held by Chinese financial institutions exceeded \$760 billion. (For comparison, the U.S. and the European Union have "reverse" indicators of their economic interdependence – the Europeans hold Treasuries worth \$460 billion dollars; U.S.-EU trade stands at \$675 billion; and total U.S. and EU investment in each other amounts to \$2.6 trillion.)

At the same time, China is not a democracy – a factor viewed by U.S. leaders as an obstacle to political rapprochement with that country.

The Chinese economy has become increasingly statist in the past five years; defense spending in China has been growing by an average rate of 12 to 15 percent a year; while Beijing's foreign-policy preferences have been straying farther away from Washington's. In addition, the U.S. and Chinese economies differ in structure and quality, in contrast to the economies of European countries; yet they supplement each other. This implies that each of the parties can view itself as dependent on the other party (maybe even too dependent), which may exacerbate conflicts between them.

China will not likely pose a real threat to the United States in the near future, yet there are some obvious signs that China's "peaceful rise" makes the world less comfortable for the U.S.

First, the U.S. has never dominated politically in a world where it was not an economic leader. Today all the prerequisites are in place for the U.S. to lose its economic and financial dominance in the near future, and China will surely become the new "number one." This factor may increase the aggressiveness and unpredictability of the United States, rather than China, as Washington would naturally want to keep the status quo.

Second, China, already viewed as a "second pole" in a new multipolar world, will certainly build its foreign-policy identity on moderate anti-Americanism (or, rather, skepticism towards the United States).

Third, and far from final, both the United States and China, which have recently been demonstrating a cool attitude towards the formation of a more binding world order based on European approaches, are therefore less predictable political actors than EU countries.

Frankly, I do not believe that the U.S. with its messianic ideology and 20th-century history will be able to calmly and impartially watch the rise of China; its becoming the largest economy in the world; the strengthening of the Shanghai Cooperation Organization (which I think is unlikely, but you never can tell); the formation of a Chinese zone of influence in South Asia and the Indian Ocean; and other developments of this kind. Moreover, the current crisis will accelerate the formation of a "post-American" world and Washington's concern will only increase.

In addition, speaking frankly again, I do not believe that China does not pose an economic or political threat to Russia today, nor that Russia

is interested in consolidating its subordinate position in an alliance with a non-democratic nation and in becoming a raw-material appendage of a state that itself serves as a industrial appendage for the Western world. This is why – from the point of view of both Europe and Russia – there is nothing positive in the formation of a new bipolar world centered on Beijing and Washington.

A very primitive *Realpolitik* will return to this world and allies of both parties will become bargaining chips in their geopolitical games. At the same time, the emergence of China as a new center of economic and political power, alien to the West, can change world politics for the better and make the 21st-century world more cohesive and better organized.

A NEW WEST

The rise of the new Eastern giant could prompt Western nations to rethink their place and role in the world, which would be very timely. French political analyst Dominique Moisi wrote in *Foreign Affairs* in 2003 that the end of the Cold War marked a transition from a “two Europes, one West” world to a “one Europe, two Wests” world.

For as long as the idea of the “end of history” seemed viable in the 1990s, competition between the two models of Western civilization looked, if not natural, then at least admissible. But today, after a drastic drop in the political and now economic “authority” of the U.S., the existence of “two Wests” is a luxury in a world where a “new East” is taking shape, which is much more “Eastern” and much more powerful than the one that confronted the West during the Cold War.

Rethinking the nature of Western civilization is very important today – not only because ties between the U.S. and the EU need to be strengthened, or because the EU’s positive experience in involving ever new states in its stable and democratic development needs to be mastered and followed up. Another reason for this rethinking is that in the 1990s–2000s the West – deliberately or due to errors in its political calculations – alienated many countries that are an organic part of it.

During the 1990s, the U.S. and Europe made no attempt to integrate politically, economically or militarily Russia and the majority of other post-Soviet countries in the European part of the former Soviet Union, which in the early 1990s were ready to join the Western world. By the

early 2000s, Russia was almost lost for the West, as it came under the control of moderate authoritarianists favoring a state-controlled economy and unlimited sovereignty. The same thing happened in Latin America in the first decade of the 21st century where discontent with the U.S. in the second half of the decade resulted in landslide victories for demagogic nationalist forces that hid behind ultra-leftist slogans.

Meanwhile, both Russian and Latin American societies are built on Western culture, whose positive identification has evolved in recognizing their individual differences from other versions of European civilization. The greatest mistake that the Western world could make now is not to try to reverse Russia's gradual drift towards China, which is equally dangerous for both the West and Russia itself. A similar mistake would be to watch silently and with apparent indifference the strengthening of China's economic positions in Latin America.

The rise of Beijing inspires hope that the West will formulate a more responsible geopolitical agenda for the first half of the 21st century. Without creating a global anti-Chinese alliance, the U.S. and the European Union might try to expand the boundaries of the Western world, while its potential and benefits of cooperation with it continue to be an attractive factor for the governments and peoples of countries gravitating, in one way or another, towards the West.

Implementing this strategy requires innovative solutions and radical actions. NATO, as a U.S.-European military alliance, could be transformed into PATO (Pan-Atlantic Treaty Organization) and invite Russia, Ukraine, Mexico, Brazil and Argentina to participate in it. Moreover, it could declare itself to be open to all countries of Eastern Europe and Latin America. The U.S., EU, Russia, Mexico, Brazil and Argentina could be the founders of a new economic organization that would repeat in its main features the economic structure of the European Union and that would promote the proliferation of free trade, introduce common rules for protecting investments and developing competition, and expand the application zone of common standards and common rules for regulating labor and social legislation.

The priority objective of these measures would be the integration of the United States – militarily the strongest, but economically and geopolitically a less and less predictable nation in the world – into the

framework of an association that could become the “center of attraction” for the rest of humanity.

“The Broader West” could become an international economic and political actor of an unmatched scale. Simple calculations show that its total population could amount to 1.65 billion people and that its share in the Gross Global Product would vary from 68 to 71 percent, in world trade to about 76 percent, and in the export of capital to more than 80 percent. Countries in this new bloc would account for almost 35 percent of men under arms in the world, for 78 percent of global military spending and over 94 percent of all nuclear weapons on the planet.

The superiority of “the Broader West” in technology and innovation needs no comment. And most importantly, the involvement of human and natural resources of Russia and Latin America would make it an absolutely self-sufficient economic bloc independent of the import of labor, minerals and energy resources from outside its own borders. It is only within the frameworks of such an association – stretching from Anadyr to Hawaii and from Bergen to Tierra del Fuego – that Europe, the United States and Russia would feel safe and would enjoy all the benefits of the free movement of goods, capital and people across half of the Earth’s inhabitable land.

Such an alliance would be advantageous to all its members.

First, it would breathe new life into the former North Atlantic alliance, which can be undermined by the United States’ gradual financial and economic decline even more than by reckless U.S. actions in the Middle East.

Second, it would set a clear vector for the development of Russia, which now is unable to independently modernize its economy and become a country that would be at least relatively comparable to China in economic terms.

And **third**, it would help integrate the fast-developing Latin American continent into the Western world’s orbit, as the formal “Westernization” of Mexico, Brazil and Argentina, which already are in the sphere of Western influence, would essentially change the balance of forces in Latin America and would ultimately bring about the fall of populist regimes in countries like Venezuela and Bolivia.

In fact, this would be a Eurocentric structure, European in spirit, which – paraphrasing NATO’s task formulated after World War II – would make it possible to “keep America in, and China out.”

At the same time, one must realize that the main objection to these plans (along with the difficulty of their practical implementation) is the reaction of China, which will certainly view the emergence of such a structure as the construction of a “cordon sanitaire” around it. Beijing is already sensitive to the desire of the West – which so far is losing the economic competition to China (although both parties do not always play fair) – to prevent China from regaining its “natural” place in the world economy and politics.

Therefore such a policy could bring about more dangers and threats rather than help overcome them. This possibility actually exists and one should not ignore it; but it is much better to be aware of the danger in advance and to prevent a situation where this danger becomes obvious and immediate than to lend oneself to “appeasement” ideas, which have never been successful.

It must be emphasized again that it is not very likely that the reunification of the West will translate into an anti-Chinese alliance, primarily because none of the participants would be interested in a military confrontation with China (and if someone tries to move in that direction, he will be stopped by the other members of the bloc). In addition, the association of such diverse countries will require a rethinking of the values and principles that are now considered to be “Western” and will thus inevitably reduce the criticism leveled at China now for its “limited liberalism.” And finally, with the exception of Russia, members of the new union will not include countries that China views as its potential “zones of influence” (Central Asian states) or as “potential rivals” (India and Japan).

While economically China is now one of the main actors in the international arena, it remains a strong regional power both militarily and politically, building its policy on assessments of its relations with Japan, India, Russia, Pakistan, Myanmar and Southeast Asian countries. Many experts say that Asia is a region where there is a very high risk of conflict (partly because of China’s rise). The formation of the new community, which will undoubtedly be the most powerful military and political player in the world, could significantly reduce the risk of crises caused by the desire of individual countries to become equal geopolitical actors – just because this task is simply unfeasible.

* * *

Philosophers have been discussing the decline of the West for centuries; yet it is only now that this theory has begun to receive clear confirmation. For the first time since the 17th century (and for the first time ever, if we view the world as a united entity), the center of economic power is shifting from the North Atlantic to Asia, and this is occurring amid continuing globalization. Also for the first time, internal rational ideologies, formed within the framework of Western civilization, no longer govern the world. Moreover, rationality itself is in crisis, yielding popularity and influence to religious beliefs that overemphasize the division of mankind into groups and civilizations and that seek to expand by exploiting people's emotions and prejudices.

These changes make the world increasingly ungovernable and basically different from the times when Europeans could easily exercise political and military control over the larger part of the globe. International alliances and organizations set up in the 20th century are now unable to even maintain the illusion of order that they were meant to consolidate. The growing variety of cultural and political traditions is gradually emasculating the very idea of progress as seen by the Europeans, replacing it by the anything-goes principle, which may prove very dangerous.

The traditional North Atlantic "West" is unable to reverse this trend. Talk that the 21st century will be as "American" as the 20th century was does not sound convincing – just like any linear predictions in an epoch of change. This century will be neither "American" nor "North Atlantic" – but neither the Americans nor the Europeans or the Russians are interested in seeing the 21st century becoming "Asian" and especially "Chinese." Today as never before all of them need unity – not in order to create a military or political alliance hostile to some country, but, realizing the commonality of their cultural and historical roots in the face of something "genuinely different," to try to make the world a better place. If this attempt succeeds, the current financial and economic crisis will not herald the decline of the West, but it will become a turning point towards the restoration of its historical role.

The Living Past



"Yalta" souvenir cup

“We are unaware of how the governments in Belgium, France, Germany, etc. are organized. No one consulted us, although we don't say we like one or another of these governments. We didn't interfere because this is the zone of operations of British and American troops!” It looks like the People's Commissar remembered the cry of his heart: we don't interfere in your zone of influence, so why do you pry into ours? ”

How Stalin and Molotov Wrote Messages to Churchill

Vladimir Pechatnov

How Stalin and Molotov Wrote Messages to Churchill

Following Stalin's Archives

Vladimir Pechatnov

The famous correspondence between the Big Three leaders during World War II has long been a classical original source of materials about the history of the Allied coalition and diplomacy, yet little is known about how these messages were written, except for the correspondence between Franklin Delano Roosevelt and Sir Winston Churchill, whose letters have been studied minutely and commented on by the well-known U.S. historian Warren F. Kimball. “The Soviet side” of this epistolary triangle – the ins and outs of Stalin’s correspondence with Roosevelt and Churchill – remains obscure.

The author of this article touched upon some aspects of the correspondence between Stalin and Roosevelt in a previous publication, yet the underlying circumstances of Stalin’s dialogue with Churchill have remained unstudied for the most part, although the two personalities and their complicated relationship draw immense attention worldwide. However, the available archival documents (especially those from the Stalin Fund at Russia’s State Archive of Social and Political History) make it possible to reconstruct the way Stalin’s letters to the British prime minister were written and reveal genuine motives and specific mind patterns of the great dictator. They also provide a more accurate picture of his personal contribution to this historical correspondence.

There was always an invisible “third person” in Stalin’s dialogue with Churchill – Soviet People’s Commissar for Foreign Affairs Vyacheslav Molotov. He co-authored – that is drafted – most of Stalin’s letters. Also, the marks on the documents suggest he would sometimes get his deputy

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Andrei Vyshinsky and chief of the Foreign Affairs Commissariat's Second European Department, Kirill Novikov, help him in this extremely confidential activity. They would prepare draft letters on issues of secondary importance. In important cases, the Kremlin's master was likely to give verbal instructions to Molotov, who would then submit to Stalin drafts with the agreed points. In any case, the commissar sent all the drafts to the author with the note: "To Comrade Stalin for approval"; and Stalin returned them with "Accepted" or "Accepted with amendments" resolutions. Quite frequently, Stalin would add whole paragraphs, and in exceptional cases he would write or rewrite the entire text himself.

In London and Washington, letter writing procedures were roughly the same but for one exception: both Roosevelt and Churchill had more aides and would rarely amend ready text copies. Molotov, himself an experienced editor (he previously worked as a chief editor with the party newspaper *Pravda*), had learned Stalin's style and way of thinking over many years of working side by side with him. Yet even this knowledge did not save his letters sometimes from radical amendments by the "USSR's Chief Editor." As we will see below, Stalin's amendments were never accidental and they always had a big, meaningful and tonal charge.

"CHURCHILL IS KEEPING TO HIS GOAL
OF DEFEATING THE SOVIET UNION"

Churchill's first letter to Stalin, which chronologically falls out of the official Soviet edition of the correspondence between the Big Three, was dated July 1, 1940. In it, Churchill, shocked by France's defeat by the Nazis, offered to forget old feuds and begin talks on joint action to prevent Germany's dominance in Europe. Specifically, he proposed dividing the spheres of responsibility in the Balkans. Stalin must have taken this offer as yet another attempt by Churchill to push the Soviet Union into a confrontation with Germany, so he politely evaded the proposition while talking with British ambassador Cripps. Nor did Stalin answer Churchill's next letter (dated April 19, 1941) in which he warned Stalin that Germany was moving armored divisions from Romania to Poland.

A regular exchange of letters between the two leaders began in the summer of the same year at Churchill's initiative. Most typically, the messages would be transmitted in the form of encoded telegrams via the embassies

and handed to the addressee in the original language. In Moscow, British ambassador Archibald Kerr would hand them to Molotov or Vyshinsky, while in London the authoritative Soviet ambassador Ivan Maisky would often deliver Stalin's letters to Sir Winston Churchill personally. Remarkably, in his very first (dated July 18, 1941) letter to Churchill, Stalin raised one of the key questions that would be discussed throughout their entire correspondence – the opening of a second front in Europe.

It is well known that this issue had taken center stage in Molotov's talks in London and Washington in May 1942 when promises to open the Second Front same year were made by both Roosevelt and – with some reservations – Churchill. Instead, Roosevelt succumbed to pressure from the British prime minister and only agreed to Operation Torch, the invasion of North Africa. In August 1942, Churchill decided to meet with Stalin on the way back from Cairo as he undertook an uneasy mission to explain why he had broken his promise. "Churchill said that he would like to meet somewhere in the south but he made it clear, too, that he might come to Moscow if absolutely necessary," Maisky wrote from London in a note attached to Churchill's letter to Stalin. "For some reason, he would be especially happy to meet in Tbilisi." But Stalin insisted on Moscow and Churchill had to take a flight to the Soviet capital on a mission that, in his words, felt like "carrying a large lump of ice to the North Pole."

This mission has been widely described in literature. The publications present the minutes of Churchill's conversations with Stalin and the various emotions Churchill experienced during his stay in Moscow – first upon sensing Stalin's coldness and then after being enchanted by the Kremlin leader's hospitality during their famous overnight meeting at Stalin's apartment. Churchill is also said to have been deeply impressed by Stalin's ability to momentarily grasp the essence and the strategic advantages of Operation Torch. Most sources claim Stalin bid a friendly goodbye to Churchill, as his respect for the man had grown after their first personal meeting.

However, archival documents suggest the opposite. It seems that in spite of his superficial hospitality, Stalin's mistrust of Churchill as a covert hater of the Soviet Union harboring the most malicious designs only grew. Those suspicions were enhanced by the critical deterioration of the situation around Stalingrad (Stalin himself wrote to Churchill about it in a message on October 3), and by a story about missing Bell

P39 Aircobra fighters that were supposed to have reached the Stalingrad front, but instead were redirected to the Americans on Churchill's secret order to bolster Operation Torch. Stalin openly mentioned "the stealing of Cobras" by Churchill in a conversation with L. Wendell Willkie, a visiting U.S. politician, and a telegram he sent to Maisky in mid-October read: "We get the impression here in Moscow that Churchill is keeping to his goal of defeating the Soviet Union so as to strike a deal later with Germany's Hitler or Bruening at this country's expense." Furthermore, Stalin doubted the success of Operation Torch as he wrote about it to Maisky in the next telegram dated October 28, 1942.

However, Operation Torch was a success and Stalin congratulated Churchill in November on the first victories in North Africa. Churchill responded to this by pointing out the "ever glorious defense of Stalingrad." A deal with Admiral Darlan, the commander of the Vichy army in North Africa, contributed to the Allied success in North Africa. Darlan reciprocated the British-U.S. recognition of himself in this capacity by allowing their troops to land. Since Churchill mentioned this deal with "the rogue Darlan," Molotov drafted a reply rebuking the treacherous Frenchman: "As for Darlan, I find suspicions concerning his personality quite justified. At any rate, solid solutions in North Africa should rely on the people who can play fair in the irreconcilable struggle with Hitler's tyranny rather than on Darlan and the like, and I am sure you agree with this."

Yet Stalin disagreed with this. He crossed out Molotov's rancorous phrase as inappropriately fastidious and replaced it with his own: "I think the Americans have made skillful use of him to facilitate the occupation of North and West Africa. Military diplomacy should know how to use not only the Darlans for military goals, but even the devil and his grandmother."

Stalin made two more amendments to the same letter. In response to a vague mention by Churchill of "continuous preparations" in the Pas de Calais and new bombing raids on Germany (that were of "exclusive importance" according to Molotov's draft) he wrote: "That, I hope, does not imply a renunciation of your Moscow promise to open a second front in Europe in the spring of 1943." As one can see here, Stalin did not miss a chance to remind the Allies of their promises as he did not know at the time that they were already prepared to break them. The last change in the text concerned the Battle of Stalingrad. Since Molotov preferred to stay

away from the problems of military planning, Stalin added a spacious phrase regarding the situation near Stalingrad and “active operations on the central front (near the town of Rzhev)” that he said were aimed at “tying up the enemy and preventing him from moving forces south.”

However, the Allied relationship became complicated in early 1943. Churchill’s letter of March 11 aroused Stalin’s suspicions that the Allies might go back on their promise to open a second front in France in the summer of 1943, as Sir Winston spoke of launching that operation “in case the enemy should weaken sufficiently.” Stalin underlined the phrase twice and put a big question mark near it in the margin. His suspicions quickly turned to Molotov, who made a draft reply urging Churchill to clarify the uncertainty of his statements that “caused anxiety” in the Kremlin. But Stalin decided to soften the tone of the message for awhile – he added a reconciliatory sentence suggesting that he recognized the problems the British and Americans might run into during this operation.

“ANYTHING BUT DIVORCE”

In late March 1943, Roosevelt and Churchill decided to suspend northern convoys to Murmansk and Archangelsk because of heavy losses inflicted by the German submarines that tracked them. Churchill finally summoned up the courage to report the news to Stalin in a message dated March 30. The next day he received Maisky, who delivered a new letter from the Soviet leader, and was ready for the worst. This probably explains his very emotional response to the short message in which Stalin sent warm greetings to him about the success of the Allies in Africa and his impressions of the documentary film *The Desert Victory*, a gift to Stalin from Churchill that depicted the North African campaign against the German troops commanded by Field Marshal Erwin Rommel. “It splendidly shows how Britain is fighting, and skillfully exposes those scoundrels – we have them in our country too – who allege that Britain is not fighting, but watching from the sidelines,” Stalin wrote.

Maisky, who closely watched Churchill’s facial expressions, reported later that “a strange twitch ran across his face.” “He closed his eyes in great excitement and when he opened them tears were welling in them. He was not acting. Churchill, who was artistic and emotional, was clearly stirred very deeply by Comrade Stalin’s letter. He said I had never

before brought him a message as pleasing as this one and he expressed his heartfelt thanks to Comrade Stalin.” Churchill remembered the remark “Just don’t be afraid of the Germans” that Stalin had flung in his face the previous August. That is why a compliment from Churchill’s military ally was especially precious to him. Strictly speaking, the heartfelt thanks should have been addressed to Molotov, as Stalin had made only one significant change in the draft letter – he added the scathing word “scoundrels” that made the phrase more expressive and candid.

When Churchill had composed himself, he told Maisky about the decision to suspend the convoys, wishing to test the Soviet reaction to this news. “I decided to tell Stalin frankly how things stand. We should never mislead our allies. We are fighters after all. We must have the courage to face the most unpleasant news.” “But do you think this can lead to a rupture of our relations?” he then asked, clearly worried. “I can’t speak for Comrade Stalin. He will say everything himself. I’m only certain that the suspension of convoys will surely arouse deep emotions in Comrade Stalin.” “Anything but divorce,” Churchill kept repeating.

The Kremlin read this agitated dispatch from Maisky on April 1, the very next day after Churchill’s letter arrived, and so Stalin had an opportunity to send a reply on April 2 with due account of Churchill’s fears. This may partly explain why his message was so terse: “I regard this unexpected step as a catastrophic drop in the delivery of strategic raw materials and munitions to the Soviet Union by Great Britain and the U.S.A. [...]” Still the story did not turn into a divorce. The Allies found themselves on the brink of divorce later, in June 1943, when Roosevelt and Churchill informed Stalin about yet another delay with the second front.

It is noteworthy that Stalin answered each of them in a different manner. His letter to Roosevelt was brief and reserved, while the letter to Churchill, the main perpetrator of the great deceit, was detailed and sharply worded. Stalin reminded him – quoting the Anglo-American statements – of all the broken promises in the past. Churchill’s excuses were subjected to resolute and well-grounded criticism. Stalin inserted a tough phrase at the end: “I must tell you that the point here is not just the disappointment of the Soviet government, but the preservation of its confidence in its Allies, a confidence which is being subjected to severe stress. One should not forget that it is a question of saving millions of

lives in the occupied territories of Western Europe and Russia and of easing the enormous sacrifices of the Soviet armies, compared with which the sacrifices of the Anglo-American armies are insignificant.”

Another dispatch from Maisky kept for posterity Churchill’s stormy reaction to Stalin’s irate message of July 24. “In the course of the conversation, Churchill would often return to Comrade Stalin’s phrase about ‘the preservation of confidence in the Allies.’ This point certainly kept him nervous and confused.” Churchill even called into question further correspondence, as he said it only brought about friction and reciprocal annoyance. He even wondered if it would make sense to start corresponding again via standard diplomatic channels.

Maisky calmed Churchill down by reminding him of the Soviet Union’s huge sacrifices and the importance of maintaining trustworthy relations among the leaders of the Allied countries at critical moments during the war. He indicated that “Churchill’s tone began to soften” and he began justifying his own actions. “Although Comrade Stalin’s letter is a skillful polemic document, it doesn’t fully take account of the real state of things,” Maisky recounted Churchill’s remarks. “When Churchill made promises to Comrade Stalin, he believed quite sincerely that they were feasible and hence there was no deliberate throwing of dust in Moscow’s eyes on his part.” “We aren’t gods; we commit errors, too, and the war is full of unexpected moments,” Churchill added. It looks unlikely that these excuses could win Stalin over, yet correspondence between them continued.

“FACTS WHICH INSULT SOVIET CITIZENS”

Preparations for the Tehran conference were a special topic of the correspondence. Interestingly enough, Stalin wrote the letters personally, carefully building the line of arguments in favor of holding a meeting near Soviet borders. His main argument suggested that the supreme commander-in-chief must keep control of the combat operations of his troops. Even as the conference was drawing closer (and quite possibly, precisely for this reason, since Stalin might want to force the British and Americans to retreat to a defensive position) he did not miss a chance to put down the British and Americans whenever he saw the slightest infringements on Soviet interests. Churchill got the most of it, since the Kremlin

knew from intelligence and diplomatic reports that he continued to persuade Roosevelt to put off the land invasion across the English Channel.

A letter that Stalin sent to Churchill on October 13, 1943 is especially notable. He made a critical amendment that stiffened Molotov's style. Instead of expressing gratitude for the reports on commissioning several additional northern convoys, he put in a phrase saying that the report is "depreciated" by Churchill's statement that sending the convoys was a manifestation of good will on Britain's part rather than a fulfillment of its obligation. Also, he adds more weight to the reprimand of British servicemen in Archangelsk and Murmansk by pointing to their "impermissible behavior" when they sought "to recruit certain citizens for intelligence purposes." Molotov's opaque phrase about the "lures of material affluence" and "the incidents brewing on these grounds" was replaced by a bitter condemnation: "Facts such as these, which insult Soviet citizens, naturally give rise to incidents [...]."

The Tehran conference, which finally resolved the uncertainty around the Second Front, brought a warming in relations among the Big Three. In his first post-conference letter to Churchill and Roosevelt dated December 10, 1943, Stalin even concluded his letter with a frivolous friendly phrase that was not typical of him – "Privet!" [roughly equivalent to the French "Salut!" – Ed.] But already in January he removed Molotov's post-Tehran sentiments from a message to Churchill and crossed out the last phrase that read: "Your reports on the extensive work you are doing to secure your success on the Second Front inspire hope. This means that the enemy will soon understand how big a role Tehran has to play in this great war." But Soviet-British relations were about to deteriorate again, this time over the Polish problem.

"POLAND! WHAT A BIG DEAL!"

The Polish problem was sparked by rumors in the British press about Moscow's irreconcilable stance over the London-based Polish government in exile, which was ostensibly involved in Churchill's correspondence with Stalin. On March 1, 1944, the Kremlin master himself wrote to Churchill accusing the British of "violating secrecy." Churchill's reply not only contained an attempt to apportion all the blame for the leak to the new Soviet ambassador Fyodor Gusev, but also stated firmly that Bri-

tain had relations with the émigré Polish government and refused to recognize any “forcible transferences of territory” (an obvious hint to the annexation of Western Ukraine and Belarus by the Soviet Union in 1939).

Stalin could not leave this double escapade unanswered. On March 25 he wrote to Churchill about an inquiry he had personally conducted, which proved that the embassy staff and Gusev in particular were completely innocent of leaking secrets to the press. The letter ended with a phrase personally written by Stalin: “Gusev is willing for any investigation to prove that neither he nor any member of his staff has had anything to do with divulging the contents of our correspondence.” A letter that the Kremlin co-authors sent to Churchill two days earlier attacked Churchill for his Polish position. Stalin chose to sharpen the already stern tone of Molotov’s draft. He had been especially angered by Churchill’s qualification of the Red Army’s actions in 1939 as a forcible seizure of Polish territory. That is why he made the following changes in Molotov’s draft (italicized): “As I see it, you make the Soviet Union appear as being hostile to Poland, and virtually deny the liberation nature of the war waged by the Soviet Union against German aggression.” The letter also accused Churchill of reluctance to bring “the Londoners” to reason, and to make them acknowledge the legitimacy of Soviet demands. The letter ended with an expressive and meaningful warning that “[...] the method of intimidation and defamation, if continued, will not benefit our cooperation.”

Two harsh reprimands coming one after another in just three days was more than Churchill had expected. He preferred not to answer them. Instead, he gave vent to his emotions to an old acquaintance of his, U.S. ambassador in Moscow, Averell Harriman, who was on a stopover in London. Harriman wrote in his diary with irony that the prime minister had said that his great personal achievement was his success in persuading Stanislaw Mikolajczyk’s government to recognize the Curzon Line at least as the Polish provisional state border in the east. Harriman wrote that Churchill only received insults from Stalin in return.

The Allied successes in Italy in May 1944 and final preparations for the Normandy invasion pushed the disagreements between Moscow and London to the background for a while, although Stalin continued to cool off Molotov’s pro-Alliance enthusiasm until the very launch of Operation Overlord. For instance, in a draft letter of congratulations to Churchill (June 5) on

the seizure of Rome, he replaced the word “enthusiasm” in the phrase “The news has caused great enthusiasm in the Soviet Union” with “satisfaction.” And he simply crossed out Molotov’s last phrase that read “the taking of Rome inspires Allied troops for new victories in the West and the East.”

However, the success of Operation Overlord left a deep impression on Stalin. On his part, he fulfilled his promise to support the Allies with a new Soviet offensive on the eastern front. He openly named its date – June 10 – in a message to Churchill dated June 9 (Molotov offered a vague phrase “in the next few days”). Churchill brightened with joy when he sent the reply the same day: “The whole world can see the Tehran design appearing in our concerted attacks upon the common foe,” he wrote. “May all good fortune go with the Soviet armies.”

Probably the highest-ever compliment made by the Stalin-Molotov tandem about the military successes of the Allies is contained in Stalin’s message to Churchill dated June 11, which Russian authors do not quote too often. It said outright: “[...] this is an enterprise unprecedented in military history as to scale, breadth of conception and masterly execution.” The draft copy of this unusually euphoric message preserved in Stalin’s archives does not make it possible to identify the author. It does not contain any noticeable corrections in Stalin’s handwriting and hence it can be attributed to Molotov. On the other hand, it matches almost verbatim an interview with Stalin published in Pravda on June 14 and the contents of his conversation with Ambassador Harriman at the time. Quite possibly, Stalin used the parts of Molotov’s text that he liked. However, one cannot rule out that the People’s Commissar jotted it down from Stalin’s words, since they most obviously had discussed this crucial and long-awaited event.

Yet the Polish issue remained the biggest problem even in that relatively trouble-free period. Stalin was very active on that issue and his amendments almost always sharpened the tone of Molotov’s texts as regards both the assessments of London-based Poles and Armia Krajowa [also known as the Home Army] and the Allied stance on the issue. “Those people are incorrigible,” he adds to the message dated January 7, 1944. Stalin crossed out on November 9, 1944 Molotov’s expression of satisfaction with Britain’s position on the issue of the Curzon Line.

Passions flared up again in August in connection with the Warsaw Uprising. It is well known that Stalin refused to support that “risky venture.” He

played down the role and capabilities of the revolting Poles. A weighty phrase was added to the message dated August 5: "The Home Army consists of a few detachments which are wrongly called divisions. They have neither guns nor aircraft nor tanks. I cannot imagine detachments like those taking Warsaw, which the Germans are defending with four armored divisions, including the Hermann Goering division." As the scale of the Warsaw tragedy became clear, Stalin began to express his sympathy for its victims, whom a "handful of power-seeking criminals" "abandoned practically unarmed [...] to German guns, tanks and aviation." From the final version of this message of August 22 he also ruthlessly crossed out Molotov's phrase that Stalin must have thought was too emotional and where Molotov stressed a readiness "to help our Polish brothers liberate Warsaw and take revenge for the sanguinary crimes the Nazis committed in the Polish capital." Stalin's terse version turns "Polish brothers" into "internationalist Poles." This might have sounded like gobbledygook to Churchill, but one could make out which Poles Stalin had in mind. The Polish problem continued to spoil the Allied relationship to the very end of hostilities in Europe.

As the war entered its final phase, Stalin would rarely intervene in writing messages to Churchill. This might be the result of the stress and fatigue typical of the last months of an exhaustive struggle. However, he continued to discuss with Molotov correspondence with the British and Americans in crucial cases even at the end of April and the beginning of May 1945, when Molotov visited the U.S. For instance, he informed Molotov about the most recent message from Roosevelt and Churchill regarding Poland, saying the letter was "mild in tone but devoid of any signs of progress in content." To all appearances Molotov helped him answer the Allied appeal even while in Washington. The key phrase of Stalin's message sent on April 24 reproduces – in diplomatic form – the handwritten working notes found in Molotov's archive and dated mid-February 1945. Stalin's message contained a reminder that Washington and London did not consult Moscow when installing governments in Western Europe and now they were meddling with the imposition of a Polish government friendly to Moscow. "Poland! What a big deal!" Molotov sarcastically jotted down in his draft. "We are unaware of how the governments in Belgium, France, Germany, etc. are organized. No one consulted us, although we don't say we like one or another of these governments. We didn't interfere because

this is the zone of operations of British and American troops!” It looks like the People’s Commissar remembered the cry of his heart: we don’t interfere in your zone of influence, so why do you pry into ours?

“THANK YOU FOR YOUR ‘SALUT’! J. STALIN” Churchill’s correspondence with Stalin on political issues naturally stopped after he was defeated in the July 1945 election, but they continued to exchange private letters despite a drastic cooling off in Soviet-British relations following the London session of the Council of Foreign Ministers. Churchill’s regular birthday wishes to Stalin in December 1946 were more reserved than his previous wartime missives. However, the next year – marked by Churchill’s speech at Fulton and an anti-Churchill campaign orchestrated by Stalin – the former prime minister’s telegram of congratulations referred to Stalin as to a wartime comrade, while Stalin replied to this with expressions of “wholehearted gratitude.”

Churchill sent an even more heartfelt message to Stalin in early February 1947. It was a reply to the Generalissimo’s greetings conveyed through Marshal Montgomery who had visited Moscow. “I always look back at our comradeship together, when all was at stake, and you can always count on me where the safety of Russia and the fate of her Armies is concerned,” Churchill wrote. “I was also delighted to hear from Montgomery of your good health. Your life is not only precious to your country, which you saved, but also to the friendship between Soviet Russia and the English-speaking world. Believe me, Very sincerely yours, Winston Churchill.” This was a really emotional outcry, even considering Churchill’s artistic and emotional nature.

The last message from Churchill found in Stalin’s archive is dated November 4, 1951 and in it Churchill said that he was again head of the British government and wanted to answer Stalin’s farewell telegram from Berlin in August 1945 with a “Salut!”. Two days later the Soviet embassy in London received an express telegram from Moscow: ““To Winston Churchill, Prime Minister of Great Britain. Thank you for your ‘Salut’. J. Stalin.” Please report on the delivery of this message immediately.” Stalin himself wrote this last message. He could not have any help from Molotov whom he dismissed from the Foreign Ministry in 1949.

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