



RUSSIA in GLOBAL AFFAIRS

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After the Empire

Fyodor Lukyanov, Editor-in-Chief

This year will mark 15 years since the breakup of the Soviet Union, a dramatic event whose aftermath will determine the course of world history for a long time. For Russia, the last of the great European empires, the disappearance of its traditional sphere of influence has come as a serious test. This process, however, was painful for all empires of the past. What is strange, however, is that Russia is only now beginning to experience what is usually described as post-imperial syndrome: in the 1990s, the shock accompanying the collapse of the Soviet Union was so great that the people focused all their efforts on survival in the new environment. Moreover, Russian society and its elite believed for quite a long time in an inevitable reunification of the former Soviet republics into a single state. Today, the problem of survival is not that acute, while developments in the post-Soviet space have dispelled any hope for reintegration. Time has come to rethink the new reality. Since time immemorial, the leaders of empires were convinced that

the laws of global development, which caused other empires to break up, did not apply to their own empire, argues **Alexei Arbatov** in this issue. History, however, has repeatedly refuted that self-assurance. In another essay, Portugal's ex-president **Antonio Ramalho Eanes** analyzes peculiarities of the post-imperial consciousness. However different Russia and Portugal may be, they have faced similar psychological problems. The experience of our "companion in distress" suggests an important conclusion, namely that a farewell to empire, however bitter, disappointing or unfair it may seem, is an inevitable stage in a country's development. Yet the life of a nation does not stop at that point; there is always a possibility to restore its influence and take on a new role in the world – sometimes independently, and sometimes by joining an alliance with other countries. But to take avail of this possibility, a country requires sober analysis. It needs the ability to look into the future, rather than

into the past, and to formulate clearly its prospects instead of lamenting its past glory.

In this issue, our contributing authors focus their analysis on how Russian society is coping with the challenges in this time of change.

Sergei Dubinin, one of the architects of economic reforms in Russia, analyzes the lessons of the Russian revolution, which has turned traditional life upside down without reaching its logical end. Social scientist **Lev Gudkov** raises the issue of nationalism and xenophobia, which often are a reaction to the collapse of the established national identity. Scholar **Sergei Gradirovsky** proposes a radical new strategy for Russia: instead of pursuing the traditional policy of “gathering together lands,” he suggests “harvesting new peoples” in order to revive the nation.

Alexander Arbatov, **Maria Belova** and **Vladimir Feygin** write about Russia’s hydrocarbon potential, which is increasingly projected as the main instrument for Russia retaining its great-power status in the 21st century.

Russian veteran politician **Yevgeny Primakov** comments on Russian-U.S. relations and describes as shortsighted those American politicians who “have excluded Russia from the list of great powers and

underestimate the dynamics and prospects of its development.”

The Russia-Belarus Union, proclaimed by the two countries in the mid-1990s, was considered by many as a prototype of a powerful future association that would again be centered around Russia. Belarusian economist **Leonid Zaiko** analyzes the present state of affairs in relations between the close allies.

Historian **Sergei Markedonov** focuses on one of the most sensitive problems inherited from the Soviet Union – breakaway entities on the territory of Georgia, Azerbaijan and Moldova. Political scientists **Vladimir Degoyev** and **Rustam Ibragimov** warn about threats to Russia’s territorial integrity, which stem from the difficult situation in the Caucasus.

Diplomat **Stanislav Chernyavsky** has contributed an extensive analysis of the situation in Central Asia and Russia’s chances to restore its former influence in the region.

Mikhail Margelov, a member of Russia’s Federation Council, comments on the strained relations between Russia and the Council of Europe. Russian scholar **Vladislav Inozemtsev** and British economist **Mića Panić** discuss in their articles various aspects of globalization.

Finally, our Personage section provides an interview with the leading U.S. social scientist, **Michael Walzer**.

Empire's Destiny



“ The Fourth Russian Revolution will remain incomplete since the ruling class and society as a whole will end up without political freedoms and guarantees of private ownership, thus setting the stage for a fifth Russian revolution – an extremely undesirable prospect. ”

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The Fruits of a Hundred Years Revolution

Sergei Dubinin

In the late 1970s-early 1980s, would it have been possible to imagine that by the late 20th century, all multiethnic federal states in Eastern Europe – Yugoslavia, Czechoslovakia, and the Soviet Union – would cease to exist, and that the disintegration of one of those countries would be accompanied by a devastating civil war? Which country? It is probable that practically everyone would have guessed the Soviet Union.

However, the worst-case scenario was avoided: local armed conflicts did not turn into a new Time of Troubles or an all-out war. Nevertheless, ongoing developments in the post-Soviet space do not offer an idyllic picture of a thriving democracy in the independent nation-states.

ASPIRATIONS FOR FREEDOM

Twenty years ago, the prevailing public sentiment was the aspiration for freedom. It was a political slogan and a common goal that united – even if briefly – very diverse groups of people. Their interpretations of freedom, however, were not simply different but oftentimes contradictory.

The ethnic republics – from the Baltic region to the Transcaucasus to Central Asia – gave priority to national independence and the creation (restoration) of nation-states. The har-

Sergei Dubinin is a Member of the Board and Finance Director of the Unified Energy Systems, former Chairman of the Bank of Russia. This article was published in Russian in the *Otechestvennye Zapiski* magazine, No. 3, 2005.

mony of their goals, however, only went as far as breaking away from Russia; after that, divisions opened up between them.

In Russia, the technical and scientific intelligentsia actively promoted a liberation ideology that created many illusions. These included, for example, the dream about yet another “bright future,” and wages “like in the United States.” At the same time, there was a strong public aspiration for genuine, as opposed to formal, democracy. The majority of the Soviet people understood freedom as the end of arbitrariness and injustice, and the lifting of ridiculous restrictions in their everyday lives. For example, why

was a person not allowed to sell agricultural produce that he had grown with his own hands? Why could a person not travel abroad if he had saved enough money? Finally, why did Russia still lack foodstuffs 40 years after a terrible and devastating world war, whereas none of the defeated countries had any such problems?

In the ethnic republics, there was also a pronounced aspiration for national self-assertion. It was the national idea of some futuristic free world that ensured moral compensation for the hardships of everyday life. In Russia, however, the breakup of the Soviet Union was seen as the collapse of a nation-state.

The position of the party and state *nomenklatura* (elite) is more difficult to appraise. Generally speaking, it was divided into a “liberal” social-democratic wing and a “hard-line” wing (traditional Soviet Communists). The latter were rather statist/nationalists as opposed to advocates of Bolshevik internationalism. In the republics of the Soviet Union, the CPSU elite easily shifted from the task of



upholding centralized imperial interests to nation-state priorities.

That process eventually accelerated and, following its own logic of development, subsequently grew into the new Russian Revolution of 1991-1993.

THE HUNDRED YEARS REVOLUTION

The observation that Russia's recent history is a revolution is not new. Actually, this author expressed the same idea both in conversation and in writing at the height of those events. The developments of 1991-1993 are reminiscent of the chain of events triggered by the 1905 Revolution. Today, we mark the centenary anniversary of the beginning of the democratic revolution in the Russian empire; its historical objectives have in large part been achieved. For example, a presidential republic and a Constitution based on the principles of parliamentary government have been established in Russia. Civil and human rights have been proclaimed as the ultimate goal of the welfare state. Ruling authority becomes legitimate only if it is based on direct and universal suffrage with the participation of all citizens. In other words, there has been a complete change in the power paradigm even though authoritarianism and a hierarchical system of social relations had been the accepted pattern of rule throughout Russia's history up until the early 20th century.

The 100-year history of the Russian Revolution fits neatly into the general logic of European civilization. The revolution begins with the crisis of agrarian society that is making a tortuous transition to industrial capitalism. The old political system (the monarchy) either adapts to the new reality or is destroyed. Déclassé masses concentrate in urban industrial centers, constituting a base for a political coup. The revolution results in the tragic breakdown of the established order. Today, nations and states across Europe and Asia have either accomplished the transition from the agrarian to industrial stage of development or are still in transition.

History provides two possible scenarios for overcoming a revolutionary crisis: in Russia, they could be conveniently described as the victory of either the February or October Revolutions of

1917. The former sees the establishment of a more or less stable democracy, the rule of law, and a market economy (although this does not rule out a subsequent relapse into dictatorship, as was the case in Italy and Germany). The latter scenario involves general turmoil and confusion, the disintegration of statehood, and the reign of warlords operating under all sorts of colors; the establishment of a dictatorship or totalitarian rule is usually necessary to overcome the chaos.

The disintegration of statehood does not automatically lead either to a country's seizure (whole or piecemeal) by neighboring aggressor states or its fragmentation into independent state entities. However, amidst the chaos and confusion, opportunities for both seizure and fragmentation are more likely.

It should be stressed that chaos, as a general rule, occurs in the most authoritarian, overcentralized states in which the breakdown of central authority causes the collapse of local authority. This pattern is observed in the early 20th century both in the Russian and Chinese empires; the juggernaut of state administration weakens and literally falls to pieces.

But in 1991, the people of Russia did not want a new Time of Troubles, pogroms or looting. Ditto for Ukraine, Belarus, and Kazakhstan.

Elements of civil society, self-respect and dignity had accumulated in Russia in the Soviet era as well. As a result, coercion and brute force were not essential requirements for maintaining order; a national consensus on the system of governance and social organization had begun to evolve. The Fourth Russian Revolution did not trigger chaos. Instead, it followed the 'February scenario,' thus laying the groundwork for democratic society in Russia.

What made the change in the form of governance imminent? How stable is a system built on democratic principles?

Admittedly, a democracy that emerges during the transition from an agrarian to industrial stage of development is a rather fragile thing. The 'February' (i.e., democratic) scenario is not a safeguard against a possible relapse into authoritarianism. In the intervening years between the two world wars, dictatorships were

imposed in practically all countries of the Eurasian mega-continent. In 1940, only the British Isles preserved a democratic form of governance, but even this was jeopardized by the threat of outside intervention. In the case of Switzerland, Sweden, and Finland, the German Reich deemed their occupation inexpedient – for the time being.

The Great Patriotic War that the Soviet Union fought against Nazi Germany and its allies showed that even the most totalitarian regimes had a reserve of public trust and support if they appealed to the nation's sense of patriotism. It was a matter of national survival and so the people rallied around their leadership. After all, they had more important things to think about than democracy.

Fifty years after World War II, appeals to national patriotism were used as a weapon against the Soviet Union. Activists from the various liberation movements throughout the Soviet republics strengthened their positions by appealing to national sentiments and vowing to provide high living standards in a separate nation-state. This line was most successful in the Baltic region. In Russia, however, such ideas played a relatively minor role. There were two historical parallels between post-Soviet Russia and imperial Russia: on the one hand, there was a sense of satisfaction from the re-establishment of the historical link and respect for the past; on the other, there was an element of bitterness concerning the loss of status as a world power. In the early 1990s, the former sentiment prevailed, whereas today nostalgia for the Soviet Union as the 'Red Empire' is far stronger than the satisfaction that derives from the re-discovery of Russia's historical roots. This is hardly surprising since the new socio-economic system has failed to live up to public expectations.

GAINS AND SETBACKS

So, what did Russia gain from the 1991-93 Revolution? Let us think back 15 years and ask the question: Were the Russian authorities at that time capable of pursuing a consistent nationwide course of action? In the Soviet Union, almost all levers of government

within the Russian Federation belonged to the Union level of administration. Thus, the disintegration of the Soviet Union meant anarchy for Russia. The Union principal security structures were reluctant to recognize the authority of the Russian President.

Neither the Russian President nor the Supreme Soviet had the advantage of real leverage to enforce their decisions. Amid the virtual anarchy, legislation, including presidential decrees, was reduced to calls for action and hollow declarations. This applies to the entire set of privatization laws that continues to stir up controversy to date.

In the early 1990s, industrial plants, factories, newspapers, shipping companies, and a mass of other enterprises ended up under the de facto control of their general directors – or ‘red generals’ as they were called in the Soviet era and as they are sometimes referred to today. One-half of the most high-profile oil magnates today are former Soviet-era general directors – Alekperov (LUKoil), Bogdanov (Surgutneftegaz) and Muravlenko (YUKOS), while the other half are representatives of the “new financiers” – Khodorkovsky (YUKOS), Fridman, Vekselberg (TNK), and Abramovich (Sibneft). The state nominally owned Gazprom, Rosneft, Transneft, and Unified Energy Systems, which de facto fell into the hands of the Soviet-era generation of managers.

Although they did not have formal property rights to fixed assets (machine tools, buildings, etc.), the ‘red generals’ effectively controlled money flows from sales proceeds or barter deals, while bearing no real responsibility for their actions. They had no incentive to invest in state-owned property.

During my stint at the Finance Ministry, I attended monthly conferences that were held at the Government House or the Energy Ministry; these meetings commenced on the initiative of the oil generals. These individuals were not property owners, or oligarchs, and so they considered it perfectly legitimate to demand aid for the oil industry from Russia’s meager budget by scaring the government with the chilling prospect of production stoppages. Those “civil servants” would fly in to Moscow on

company jets, arrive from the airport in posh Mercedes automobiles, and complain that they had no money to pay wages to their employees.

One worker from the Norilsk Nickel company, at that time still a state-controlled enterprise, who came to Moscow to demand that wage arrears be paid at once, told me that their 'red director' had yelled at them: "You wanted freedom? All right, here is your freedom – no money to pay your wages!" Meanwhile, the company continued to sell non-ferrous and precious metals on foreign markets at normal levels.

Unfortunately, as a result of privatization, the 'red generals' became the principal owners of their enterprises. Today, many people argue that those entities should have been sold at real market prices. But who could have paid \$5 billion to \$6 billion for Yuganskneftegaz, for example, in 1992? The answer is: Only a foreign company. That was in fact what happened in the former socialist countries of Eastern Europe; state-owned enterprises were either sold to foreign interests on the cheap or ceded as payment in lieu of state debt. However, how many people were actually ready to buy enterprises in an unstable country with rather corrupt law enforcement? Under such conditions, what was the real price of those enterprises? Factoring in all the attendant risks, the answer would have to be close to zero.

Members of the Soviet *nomenklatura* considered "financial wizards" little more than upstarts and often disliked them. Most notable amongst this group were TV magnates Boris Berezovsky and Vladimir Gusinsky who had turned television into a crude tool of blackmail. Meanwhile, the 'Old New Russians,' who had come to own huge chunks of property, saw their own status as perfectly legitimate. That perception existed not within a narrowly circumscribed group at the top, but within a very large class that came to be known as the 'New Russians' – even though most of them were quite old.

At that time, there were no easy, neat solutions for solving Russia's economic problems. I fought the financial crisis during

the eight years that I worked at various government institutions, including the Central Bank. The threat of famine, rising crime, and soaring inflation quickly devalued all savings and destroyed any incentives for accumulation and investment. Inflation came to be a product of a series of crises. There was a severe budget deficit on both the federal and regional level. Taxes were not paid. Financial settlements were made bypassing the state treasury. In 1997, inflation was down to 11 percent a year, but in 1998, the crisis returned with a vengeance in the form of the August financial meltdown.

The ‘Old Russians,’ who, incidentally, had done quite well for themselves in the division of state property, began to see the Yeltsin rule as a hostile, alien force. Their nostalgia for the Soviet era, including downright admiration for the Stalin regime, went hand in hand with a reluctance to observe the existing laws, including, most importantly, to pay taxes. What amounted to robbing their fellow countrymen thus received an “ideological” justification. They took satisfaction that “We have not given a cent to these ruling authorities.” Where the state was supposed to get the money from to pay teachers, doctors, pensioners, and the military was presumably a non-issue.

The new elite, which apparently owed everything to the new era and the new political establishment, wanted to do the same — i.e., not pay taxes. The rationale “according to Berezovsky” was that all decisions in Russia can and should be made by the richest part of society. It assumed not only the burden of running the economy but also a multitude of purely state administrative functions, including the creation and maintenance of security services, paying the journalists, and so forth. Therefore, it is up to the rich to decide how much tax to pay, while all those government officials and Duma deputies should do what major businessmen tell them to.

Nevertheless, the 1998 crisis showed that much had been achieved by that time. Most importantly, Russian banks and companies had learned to operate in a free market environment. Economic incentives for work, consumption and accumulation

had kicked in. A free market economy had taken shape, and that was why the crisis was overcome so quickly. Economic growth had truly begun.

There is yet another aspect of the problem, however, and this involves the political angle. There is no need to indulge in guesswork as to how the country would have fared had there been no privatization in the 1990s. It is enough to consider developments in neighboring Belarus, which continued to have basically the same bunch sponging off the state. During that revolutionary situation, Boris Yeltsin used the window of opportunity to an advantage, whereas Stanislav Shushkevich did not. As a result, democracy never took off in Belarus.

A year after the default, in the fall of 1999, I visited many investment bank headquarters in New York as part of a Gazprom delegation. We studied the possibility of placing our debt paper on the U.S. stock market. The results were disappointing, in part because several U.S. experts — former Kremlinologists — had just issued a report predicting the imminent disintegration of the Russian Federation into smaller territorial entities. At that time — in the wake of the Basayev and Khattab-led incursion into Dagestan — that forecast did not look entirely fantastic. Therefore, no one wanted to invest in Russian securities. This case proves that a stable and viable ruling authority is a crucial political as well as economic matter. Without such stability, economic risks are unacceptably high.

Every revolution in Europe, including in Russia, ended in what Antonio Gramsci called a “historical compromise.” People are tired of transformations, the change of political regimes, the flashing of faces at the top, the strain and stress of survival, and, most of all, violence. Everyone feels that a return to normalcy is long overdue. The new ruling authorities may be liked or disliked, but the majority of the people are ready to live with them.

The revolution in Russia began to abate soon after Boris Yeltsin’s victory in the 1996 elections. The new class of property owners who had gained from the change of government and privatization sought the stability and preservation of the status quo. On the one hand, the new elite became more tolerant toward

“hangovers from the past;” on the other, those who had been in overt or covert opposition strove to adapt and cooperate with the “new establishment.”

Russia’s fourth revolution initiated a period of revision and stabilization that began in 2000 with the advent of President Putin and a new generation of politicians that rode into the Kremlin on his coattails. Putin advocated the search for “national accord” as Russia’s unifying slogan. It seemed that the new rulers had not expected to receive such overwhelming popular support for their programs.

POST-REVOLUTION REALITIES

The quality of governance. Today, President Putin’s priority is to strengthen the vertical chain of command. This is indeed the essence of the changes, yet there remains the unavoidable question about the general direction of state policy. In their statements and official documents, the Russian authorities have set the course for democracy, but their outward actions arouse serious concern. Once the ruling establishment is confronted with what it perceives as a serious challenge, it begins to look for simple solutions. Occasionally, this means in effect going outside the law. Democratic guidelines are conveniently forgotten “until the crisis has passed.” For example, in the crackdown on the “oligarchs” and their inordinate influence on society and the political establishment itself, the prosecutors and judges in the YUKOS case made no secret that it was politically motivated. Basic principles of justice (such as proof of guilt beyond reasonable doubt) were sacrificed to the “highest goal.” In a revealing statement, one high-ranking official said the idea had been “to teach a show lesson.”

The price of that lesson, however, proved to be too high. Society understands very well that every law has a loophole. Today, trust in the objectivity of the courts has been undermined. Capital flight has resumed with new intensity. There are also those who would like to continue settling scores with their opponents by repressive methods as opposed to political means. Administrative euphoria, or the intoxication with power, deprives such people of

an elementary sense of self-preservation. What will have to be sacrificed to the “highest goals” during the next crisis?

Democratic state institutions in Russia are not sufficiently effective, and this is obvious to practically everyone today. They are permeated with corruption, which arouses widespread indignation. How should Russia solve this problem? Implicitly or explicitly, different political forces are offering two possible models; we choose one or the other when we go to the polls. The first model calls for the scaling down of democracy and ceding all powers to the executive. The idea is to reduce the fight against corruption to purely police operations, which ultimately leads to the restoration of an authoritarian regime in Russia. The question is, who is going to enforce law and order in the country? Does anyone really believe that the security structures that are unable to control and purge themselves of corruption will be able to implement such a program on a nationwide scale?

The second model provides a democratic alternative. Today, there is a pressing need for a “clean hands” program in the country. Such a program should start with clean elections on the local level, which will eventually spread to city and regional legislatures all the way up to the national level (parliamentary and presidential elections). Democratic control over the bureaucratic machinery is only possible in strict accordance with the Constitution, and implemented through parliamentarians and democratically elected judiciaries.

It will take a long time for the ruling authorities to regain their trust. First, they will have to abandon the illusion that state intervention in all spheres of economic and public life will help quickly ensure law and order. So far the opposite has been true.

Francis Fukuyama has observed that there are strong and weak states. Strong states, as a rule, faithfully perform a limited range of obligations. Weak governments, on the contrary, assume a vast range of functions but are not in a position to implement them as necessary. The former model is exemplified by the United States, while the latter is characteristic of Brazil and many other less developed states.

Russia in the 1990s, as well as today in the 21st century, conforms to the weak power model with its infinite array of functions. Whereas in the 1990s a de facto transfer of real powers to large oligarchic structures accompanied the declaration of the government's numerous tasks and functions, today the state seems to be taking its revenge. Both processes are detrimental and counter-productive, doing little to make the Russian economy more competitive. Today, it is all but impossible to start any type of business without a nod from various government officials, which often comes at a price. Private business favors such alliances since they protect its share of the market from competition while the state apparatus, instead of looking after the interests of society at large, sinks to the task of serving private interests.

Corruption also weakens the ruling establishment politically as the state system gradually loses its credibility, authority and legitimacy in the public eye. Any threat of the forcible overthrow of the regime may cause a deep crisis. It should also be borne in mind that the modern Russian elite, the power system, and the country's socio-economic system are not sanctified by tradition; their overall effectiveness and value have not been proven by history. Any new serious crisis in the country's domestic or foreign policy could provoke a certain part of the elite to set new rules of the game. That was in fact the scenario in Germany in between the two world wars. The crisis of the 1930s caused German society to abandon what seemed to be a stable and effective democratic power structure in favor of dictatorship under revanchist slogans.

To ensure successful development, democracy in Russia should be revived and strengthened within the framework of its Constitution; otherwise it could turn into a weak state, or at best a medium developed state. Russia has not escaped the danger of getting stuck in the "Third World" for many decades.

Nation-building and nationalism. The 1991-1993 Revolution in the Soviet Union resulted in the formation of independent states within the boundaries of the former Soviet republics. This event marked the end of the era of national statehood and the abandonment of monarchic multiethnic and multifaith states of the agrari-

an period in Europe. The old political systems were built on the monarchs' "divine rights" to rule nations and the division of society into classes and by estates; new national systems needed legitimization, asserting themselves through the direct expression of the people's will. Recognition of the nations' right to self-determination, including secession, was a stage in the development of the world order. In creating the League of Nations, the victorious countries of World War I promised eternal peace if those rights were implemented. In fact, the right to self-determination served as a rationale in the struggle for the redrawing of borders in Europe and Asia in the 19th-20th century. Can these approaches be called "progressive"? Considering that the implementation of nations' right to self-determination caused two world wars and an infinite number of armed conflicts, this "progress" is dubious at best.

Armed interethnic conflicts in the former Soviet Union countries have not exploded into interstate wars only because the authorities restrict extremist pseudo-patriotic organizations. But within Russia itself, Chechen separatism, violence and terrorism has taken a heavy toll in terms of human life, primarily in the North Caucasus.

It is small comfort that on the ethnic issue Russia follows the same pattern as Europe. This is, in fact, a major source of concern. Nationalism in Europe remains a principal threat to human life and freedom (e.g., inside the former Yugoslavia), which may spark conflicts between neighboring nation-states thereby destroying democratic sovereignty in newly independent countries. The bloodiest dictators in Europe and Asia came to power under nationalist and Nazi slogans, hence the painful reaction both at home and abroad to the nationalist and jingoistic rhetoric of many Russian politicians.

Nationalists advocate revenge for the humiliating disintegration of the Soviet Union, which led to the country's defeat in the ideological battle with its Western and Eastern opponents; thus, Russia lost, as the argument goes, its unifying national idea. This faction attempts to present Russia's imperial ambitions and anti-democratic forms of government as a national ambition of the entire Russian people. Nothing could be further from the truth.

At the same time, an appeal to patriotism can also play a constructive role. The Russian people want Russia to be respected in the world. Respect, however, will not come automatically; it cannot be inherited from the Soviet Union together with a permanent seat on the UN Security Council. It is absolutely vital to understand that respect can only be gained through fair competition, above all in the economic sphere. This can be achieved by improving the quality of Russian goods and services, as well as the efficiency of Russian companies. At the same time, it is important to enhance the prestige of Russian education and healthcare, and maintain the stability of democratic governance.

* * *

This past decade has shown that it is possible for society to develop dynamically (consider Russia's economic growth rates) while still remaining stable. Nonetheless, there are growing indications that the Fourth Russian Revolution is far from complete; it needs finalization. If Russia's democratic political system is strong enough, this will not prove to be an insurmountable problem. Democracy will continue to strengthen through elections. Meanwhile, the elite will see through its "clean hands" operation without destroying democracy and suppressing freedoms and human rights.

If, however, under pressure from the proponents of nationalism and authoritarianism, the ruling establishment embarks on the path of repression, the "cleansing" slogan will only serve as a cover for the restoration of dictatorship and arbitrary rule.

In this last mentioned scenario, the Fourth Russian Revolution will remain incomplete since the ruling class and society as a whole will end up without political freedoms and guarantees of private ownership, thus setting the stage for a fifth Russian revolution — an extremely undesirable prospect.

Russia: A Special Imperial Way?

Alexei Arbatov

From a historical point of view, the development, prosperity, decline and collapse of each of the great empires was unique. Yet, all of them had one common feature. Witnesses to the collapse of empires, such as Anicius Boethius, a Roman historian and philosopher of the 5th-6th centuries, believed that all the other great powers fell naturally, while their own empires collapsed due to the accidental combination of circumstances, such as the incompetence of rulers, and malicious intentions inside the country and abroad. For reasons well understood, the breakup of own empire was viewed as the greatest tragedy of the times, whereas the fall of any other empire was portrayed as one link in a long chain of similar historical mishaps.

Such views are common in contemporary Russia, as well, which provides yet more proof that the Soviet Empire, for all its peculiarities, developed according to the same universal laws of social, economic, military, political, moral and psychological cyclic development, just as its many predecessors had done.

SOVIET EMPIRE: SIMILARITY AND DIFFERENCE
In some major aspects the Russian and Soviet empires differed from the great European empires of the 19th-20th centuries,

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such as the British, French, Spanish, Portuguese, Dutch, Belgian or German empires that exploited their colonies for the prosperity of the mother country and maintained the gap between Europeans and the aboriginal population of the colonies. Russia was never a typical economic empire; it was a military-political empire that obtained colonies in order to expand its security perimeter, build up its political and military might and enhance its role in the world.

The Russian (Soviet) ruling elite was open to elites from its colonial provinces. This “international *nomenklatura*” jointly and ruthlessly exploited, robbed and suppressed all the peoples within the empire; the imperial nation, i.e. ethnic Russians, was often more harshly suppressed than other peoples. Nevertheless, Russia, and later the Soviet Union, were full-fledged empires and similar to the Byzantine, Ottoman or Austro-Hungarian empires.

In order to redress such ill treatment of the largest ethnic group in the empire, the elite always lavished praise on the Russian people and placed it – if only in word – above all the other nations. The Soviet Union was often referred to as ‘Russia’ or even ‘Rus’ [a more poetic name for Russia], while its citizens were usually described abroad as Russians, much to the displeasure of other ethnic groups. In reality, however, the elite treated ordinary Russians with contempt, describing them as lazy drunkards and using them as cheap manpower and worthless “cannon fodder.”

Both the czarist and Soviet empires rested on the following four system-forming pillars, inseparable from each other.

The first pillar was the authoritarian or totalitarian, harshly disciplined corporate political regime that ruled by suppression and intimidation.

The second pillar was military might, which by far exceeded the country’s economic resources. It developed to the detriment of all the other functions of the state and the people’s wellbeing.

The third pillar was an centralized economy, which was run by the state and aimed, above all, at strengthening the power of the bureaucratic establishment and building up military might.

Finally, the fourth pillar rested on the messianic ideology, which intended to legitimize and justify the other three pillars of imperial might.

A belief about the security, secrecy and incessant struggle against external and internal threats and conspiracies was an inseparable element of this ideology. Initially it was based on harsh historical experience, but later it became a necessary condition for the regime's existence. The support and legitimization of this regime and the messianic ideology required continuous expansion of the empire's borders. This depleted the national economic and manpower resources, brought about new vulnerability and discontent inside the state, and evoked fear and hostility in surrounding countries. As a result, the fixed idea about external and internal threats became a self-fulfilling prophecy. The militant foreign and domestic policies, based on the supposition of conspiracies inside and outside the country, produced actual opposition in the country and confrontation abroad.

In this sense, the Soviet Union really was the successor to the Russian Empire. It inherited (after several years of civil war and political inconsistencies in 1921-1925) all its major economic and political features in their harshest and extreme forms, such as the Gulag, replacing only their outward attributes, the official religion, and the principle of succession to the throne.

Therefore, it is no wonder that contemporary Russian Communists, who have proclaimed themselves successors to the party that "led and guided" the Soviet people – the party that for 70 years sought to wipe out religion and any traces of monarchy – have turned into zealous followers of Russian Orthodoxy, not to mention imperial and monarchic traditions. Except for fringe fundamentalists, the majority of contemporary Communists, together with nationalists of every hue, embrace the idea of Russia's revival as an Orthodox, authoritarian and expansionist power. Their sacramental doctrine of restoring the U.S.S.R. could be described as being more of a neo-imperial mission than a Soviet-Communist one.

Yet, this factor does not change the essence of the matter. The Communist ideology is now based not so much on Marxism-

Leninism as on an anti-democratic, authoritarian and messianic state doctrine. Actually, it is only this doctrine that can assimilate many diverse peoples at different levels of social development – from the industrial economy to nomadic cattle breeding – and living on a vast space in a monolithic society, as happened before 1917 and in the next 70 years thereafter. This is yet another difference from the main European empires (except for authoritarian Portugal), which combined democracy in the mother country and suppression in their overseas colonies. As a result, they lost their colonies without the collapse of their own political regimes.

It is not surprising that, in view of the above distinguishing features, the Soviet Union's allies included, as a rule, the most authoritarian, despotic and militarized regimes – from Nazi Germany in 1939 to the Chinese, Cuban, North Korean, Ethiopian, Libyan and Iraqi dictatorships in the 1950s-1980s. The only exception was the short-term coalition of the Soviet Union and Western democracies in the struggle against Nazi powers in 1941-1945. However, generally speaking, the Soviet Union viewed democratic states as enemies or, at least, as “vassals against their will” (e.g. Finland).

However, beginning in the mid-1950s, the Soviet empire put aside its ambitions for a Communist global victory and settled instead for the expansion of its own geopolitical influence and military might. Thus, it feared a global war and was ready to make pragmatic compromises for specific “traffic regulations” with the West in order to avoid a head-on collision. Hence, there arose agreements on the partial reduction and limitation of armaments, the establishment of international security organizations (the United Nations, the Conference/Organization for Security and Cooperation in Europe), and assistance in the settlement of some regional conflicts (the agreements on the Korean Peninsula and Indochina in the 1950s, and on Vietnam in the 1970s). At the same time, international organizations (most importantly, the United Nations), as mechanisms for resolving international conflicts, were actually paralyzed by the Cold War and served rather as propaganda forums on the world stage.

Today, against the background of a sharp weakening of Russia, together with an offensive disregard for its interests on the part of the West, many myths are surfacing about the Soviet Union's past military might and firm foreign policy. Actually, the Communist leaders were very cautious in estimating the correlation of opposing forces and feared a direct confrontation with the U.S. Characteristically, even when the global strategic balance of forces was much more balanced, the Soviet nuclear superpower withdrew its missiles from Cuba in 1962 and failed to prevent its Arab allies from a crushing defeat by Israel in 1967 and 1973 (although maintenance specialists from the Soviet Union serviced Soviet armaments in Egypt and Syria, Soviet pilots participated in air fighting, and a Soviet naval squadron ploughed the Mediterranean). Furthermore, in 1972, during the massive bombings of Hanoi and Haiphong, Leonid Brezhnev met with Richard Nixon to sign agreements on strategic armaments, as well as to receive loans for the purchase of U.S. grain.

The attitude of Soviet foreign policy to the supremacy of international law and moral standards with regard to Moscow's behavior on the international stage was very peculiar. Those rules were observed only if they met the geopolitical, military or ideological goals of the Soviet Union or if they could be used to justify its actions. Not a single member of the Soviet ruling elite was ever punished or even criticized for violating or disregarding those norms if that was done to meet pragmatic national interests. Disregard for law and reliance on force, practiced inside the country, determined its behavior in the outside world. As former Secretary of State Henry Kissinger aptly put it, "Empires are not interested in being within an international system; they want to be the international system."

This is the reason that relations between the Soviet Union and the West were always marked by antagonisms and incompatibility. The brief periods of *détente* in the mid-1950s, the early 1960s and the early 1970s were caused by the countries' mutual fear of nuclear war, but their search for rapprochement was always tactical and superficial. Furthermore, this rapprochement, which presupposed

greater openness and contacts with the outside world, threatened the internal breakdown of the Soviet regime, which provoked Moscow's quick retreat back to the Cold War. Only once, in the early 1990s, did the Soviet leadership refrain from following the habit of retrogression. The result of that decision is well known.

Certainly, U.S. and other Western leaders in general were not idealists in their domestic and foreign policies, as many foreign ideologists and their rather ignorant liberal adherents in Russia now portray them. The brutal use of military force, clandestine revolutionary operations, and violations of international law and morals were commonplace in Western policies during the decades of the Cold War. However, such was the cost of global rivalry, rather than a natural extrapolation of the internal behavior of the country onto the outside world. It was not uncommon that the disclosure of such excesses brought about public scandals, resignations, the fall of governments, and criminal proceedings against the guilty.

The termination of the global confrontation came into bitter conflict with the internal life of the Soviet empire, but the Western democracies got over it rather painlessly. This is the main reason why Western military and political institutions survived the end of the Cold War, while those in the East did not.

Ironically and yet quite naturally, after the end of the Cold War, when the West no longer had a powerful and guileful opponent, its foreign policy evolved as it began to borrow many of the unseemly principles and means of Soviet foreign policy.

After all, Russia's "special" features are not rooted in the "mysterious Russian soul," but rather stem from the social and political conditions of the country's historical development. Many similar features are found in various historical periods of Germany, Italy, Spain, Portugal, Greece and even France, yet the European nature of these countries is never called into question.

UNDER THE SLOGAN OF THE GREAT MISSION

Messianism is characteristic of all empires and mighty powers. The British and French empires, for example, suffered from megalom-

mania and justified their expansionism with “lofty aims.” Nazi Germany sought to establish a “Thousand-Year Reich” of the Nordic race. Italy, led by Mussolini, wanted to revive the Roman Empire in Europe. Japan used force to expand a “co-prosperity zone” in Asia under the salutary power of the Mikado. And the Soviet Union proclaimed the “victory of Communism in the whole world” as its final goal and supported the “triumphal march of socialism” and national-liberation movements across the planet.

American messianism was a special case in this respect. Having developed in a quite traditional way in the 19th-early 20th centuries, it acquired a unique nature after World War II. Fleeing the Communist expansion of the Soviet Union and China, and attracted by the American model of freedom and prosperity, the majority of European and Asian states voluntarily sought U.S. military protection and economic aid. At its peak, this protection covered about 40 countries around the world. There were, of course, exceptions to this rule (Cuba, Vietnam, Chile, Iran and Nicaragua), where American influence was imposed by force and/or where peoples fought this influence militarily. Furthermore, U.S. influence did not always bring prosperity to other nations; this refers both to the Third World and Europe (Portugal under Salazar, for example, and Greece under the military junta).

Nevertheless, most of the American alliances were based on the economic superiority and political attractiveness of the U.S., on a voluntary basis, and on the mutual interest of the parties. This is why these alliances survived the end of the Cold War and even began to expand in some regions (Central and Eastern Europe, Central Asia, and Transcaucasia).

However, in the mid-1990s, the United States began to suffer delusions from its grandeur, wealth and might. Having become the world’s only superpower, it began to consider itself master of the world. More and more often, the U.S. transgressed the fundamental border between global justice and American justice, between the search for international accord and unilateral actions, between the provision of protection and the imposition of

American will by force. Washington's policies in the Balkans in the late 1990s, and in Iraq since 2003, are the most illustrative examples of this malignant change. The extension of U.S. policy to other regions of the world would trigger fierce opposition and unite countries that do not wish to be done such a great favor by force. These countries include China, India, Iran, Russia, some countries in Western Europe, and Turkey. In the long run, America's policy will bring it much suffering and losses.

The "Russian idea," or the "Russian mission," was the result of the country's internal evolution and interaction with other peoples and states. The "Russian idea" was nonexistent in the Russia of the 9th century, while in subsequent centuries it had different faces – in the Russian state of the 17th century, in the Russian Empire of the 17th-19th centuries, and in doctrines of its advocates in today's Russian Federation.

Historically, the "Russian idea/mission" was in many respects the necessary psychological protection and support of the nation through centuries of bitter struggle for its very survival. This philosophy was partially typical of the colonial consciousness of a nation that extended civilization to peoples that were less developed socially, economically and technically.

The philosophy also partly served as consolation and compensation for a relatively low standard of living, actual deprivations, as well as the absence of many basic conveniences inherent to the European way of life. A psychological justification for the difficulties brought about by the centralized military economy and ineffective bureaucracy was required, above all, for reconciling in the minds of the Russian people their sufferings and eternal deprivations with the vast spaces, the colossal natural resources of their country, as well as the talents of its great people (as the saying goes, "The mind's unable to fathom Russia"). Finally, spiritual quests and metaphysical values were a vent for the nation's intellectual potential because the reactionary ruling regime rigidly limited the freedom of political activity or business.

A centralized command economy, authoritarian traditions, militarism, messianic ideology, expansionism and an ongoing con-

frontation with the West – these are not part and parcel of the Russian mentality or national character. Rather, these elements stem from the peculiarities of Russia's development and therefore can and must change together with the internal living conditions and external environs of the nation.

At the same time, these traditions may occasionally revive and receive public support as reforms fail, society becomes disillusioned about the possibility of developing along the path of European civilization, and the hardships and difficulties caused by the need to adapt to changes increase. The upsurge of such sentiments may be a reaction to the unjust and disrespectful attitude toward Russia by other states, and their attempts to exploit its weakness and make it accept a dependent and dishonored position. Meanwhile, as the Russian authorities continue to regress in their domestic and foreign policies, they may be tempted to conjure up these traditions. However, by doing so they risk turning them into self-sufficient forces that would prevent the country from achieving normal development. It would lead Russia down a blind alley of self-isolation, messianic fetishism, militarized authoritarianism, internal stagnation and external hostility. As the 19th century Russian historian Vassily Klyuchevsky said, "History does not teach anything, it only punishes people who do not learn its lessons."

WHO DEFEATED THE SOVIET UNION?

Like other empires, the Soviet Union had its moments of glory, together with times of disgrace and humiliation. For example, after Stalin's terror subsided, it ensured a high degree of stability, security and predictability within the guidelines of its strict regime. Furthermore, besides creating a colossal military power and a huge defense industry, the Soviet empire achieved a modest, yet very effective system of universal and equal healthcare, education, social safety nets, and housing conditions for the whole of its multinational population. It enjoyed monumental achievements – by the highest world standards – in culture, science and technology. But still, like all other empires, it collapsed in 1991 under the pressure of internal conflicts and the external imperial burden.

However, unlike the majority of other empires, including czarist Russia, the Soviet power in 1991 was not defeated or fatally undermined in an all-out war. Nor did it break up as a result of exhausting small colonial conflicts (despite the quagmire of the war in Afghanistan in 1979-1989 or the bloody conflicts in Georgia, Lithuania and Latvia in 1989-1991). In order to have a better understanding of Russia's present interaction with other post-Soviet countries and large global powers, it is extremely important to realize that the Soviet Union, contrary to the widespread view abroad and in Russia, was not defeated in the Cold War and did not collapse under the burden of the arms race. Many people are misled by the fact that the breakup of the Soviet empire coincided in time with the end of the Cold War. In history, however, "after" is not always equivalent to "because of."

The Soviet empire was created and built up for an arms race, confrontation and, if necessary, war with the rest of the world (Stalin's initial doctrine of industrialization provided for building socialism in one single country in the "imperialistic encirclement"). In reality, the Soviet empire could have existed for long after 1991 had it not been totally broken down by internal factors, such as the harsh political regime and its dogmatic and hypocritical ideology. It was also undermined by the inefficient centralized economy with its all-absorbing military-industrial Moloch set against the growing material, political and spiritual requirements of the population. Ironically, the latter were generated by the empire's policy of industrialization, universal education and the most advanced system of higher learning, which the Communist leadership pursued for the purpose of global imperial rivalry and for building up its military might, thus involuntarily nurturing its own demise.

The total mismatch between official ideological dogma on the one hand, and real life inside the Soviet Union on the other, generated disillusionment amongst much of the population, together with its alienation from the ruling regime, thus depriving the latter of social support. The established system of "natural" selection, with rare exception, replenished the ruling class of *nomen-*

klatura with personnel imbued with the spirit of cynicism, careerism and greed. They proved incapable of implementing reasonable reforms or erecting a resolute defense of the state system, taking instead a wait-and-see position at the time of its final disintegration in 1990-1991. (Later, the majority of the second and third echelons of the Communist Party and Young Communist League elite adapted fairly well to the market economy and painlessly evolved into the class of “New Russians,” as well as centrist, leftist and nationalistic political parties, while taking lucrative official posts in the new democratic government in the center and in the provinces.)

The collapse of the Soviet Union was precipitated by the scientific, technological and information revolution which entailed an exponential growth of contacts between the empire and the outside world in the 1960s-1980s. The Soviet empire was built as a fortress against an eternal siege; however, it did not have immunity against wide contacts with the outside world and this fortress collapsed once the siege was lifted. By the end of the 1980s, the Soviet Union had 60,000 battle tanks, 5,000 ballistic missiles and 300 submarines, yet it was unable to produce a single portable computer.

Mikhail Gorbachev brought democracy to Russian society and introduced *détente* in relations with the West out of his sincere wish to alleviate the internal conflicts of the Soviet empire, remove the threat of nuclear war, while gaining a respite for modernizing the Communist system. Instead, within five years the Soviet Union fell like a house of cards: first, the “outer shell” of its military occupation in Eastern Europe collapsed; in August 1991, the Communist regime in Russia broke down, and finally, the Soviet Union itself in December of the same year.

It was not the United States, NATO, or the Strategic Defense Initiative of President Reagan that demolished the dual phenomenon of the Soviet Union — as a state-political system and as an empire. Rather it was unintentionally destroyed by the Communist reformers of the Gorbachev era, and later by Russia’s democratic movement led by Boris Yeltsin. They removed the first

brick of the empire when they admitted, for example, to the horrors of the Gulag, the Katyn massacre, the dispossession of the kulaks, and triggered the collapse of the entire Soviet pyramid.

It was developments such as these that led to the end of the Cold War and the arms race, but not vice versa. The Soviet empire was defeated by *détente* and its attempts to carry out internal reforms, as opposed to the effects of external pressure. Gorbachev freed Eastern Europe in order to reinforce his political cooperation with the West, while the Russian democrats freed the remaining Soviet republics in order to put an end to Gorbachev's rule. In the end, it was Russia that emerged victorious in the Cold War, not the U.S. and its allies, which only gave Russia passive support in achieving this victory.

As for the burden of the arms race on the Soviet economy, the crucial point was not the massive resources wasted for military purposes instead of civil needs. Rather, the economic system – created for making those huge efforts – was from the beginning ineffective and wasteful. With the exhaustion of crucial resources for extensive growth by the end of the 1960s (e.g. the development of ever new lands and natural resources, together with the introduction of new manpower), the economy began to steadily decline (excluding temporary bursts of economic growth in the early 1970s owing to oil price hikes on the world market triggered by the 1973 embargo). The arms race per se was not a factor that undermined the Soviet economy; nor was it the cause of the Soviet empire's disintegration. The arms race was the central force of the entire planned economy and the core of the economic and technology-based system. This system lost its effectiveness and attractiveness for the people (mass consumers) by the end of the 1980s, together with numerous political and ideological dogmas, myths and claims that propped up the political system and the monopoly power of *nomenklatura*.

As subsequent developments proved, the loss of spending on the arms race in the 1990s failed to spark immediate economic growth; indeed, the loss only further aggravated economic problems as all defense-related industries collapsed. Furthermore,

there was no free movement of capital, labor and goods into the civil industries because severe militarization was a system feature of the Soviet economy, and this system experienced no far-reaching reforms after 1992 (as was shown by the complete failure of the program for converting defense industries to civil production).

Contrary to widespread belief, the acceleration of the arms race by Ronald Reagan, and most notably his Strategic Defense Initiative (SDI), did not deliver the final blow to the Soviet economy by increasing the arms expenditure burden on it. An “adequate and asymmetric response” by the Soviet Union to Reagan’s military-technological challenge of the early 1980s – from the point of view of the complete cycle of large defense programs, including research and development, production and deployment – would gain momentum (and achieve the peak of spending) not earlier than the late 1990s. But Gorbachev’s *détente* began 15 years earlier. The Soviet Union broke up in 1991 for quite different reasons, whereas the majority of the defense programs implemented in the early 1990s were the realization of decisions made in the 1970s.

There is yet another important point on this issue: unlike many of the former empires, the breakup of the Soviet economic and political system and its ideology preceded the collapse of the empire, and not vice versa. This is what makes the Soviet empire different from the Ottoman, Austro-Hungarian, Portuguese and German Kaiser empires. Nor was it similar to the British, French, Dutch and Belgian empires, whose disintegration did not bring about serious changes in the economic or political system of the mother countries.

The existence of the Soviet Communist Empire was made possible by its highly uniform economic, political and ideological system which was required to ensure domination over its vast spaces and multinational population and assimilate such diverse peoples as Turkmens and Estonians to a common denominator. Incidentally, the mother country was not isolated from its colonies by seas and oceans. The abovementioned factors taken together resulted in a mixed population in Russia and the other Soviet republics.

The Communist economic, political and ideological system was a bonding factor that kept the empire together. It was only after that system collapsed that the empire fell. It did not even require a defeat in war, which was improbable anyway given the specter of nuclear weapons. (This is why all present-day appeals by Russian Communists to restore the Soviet Union, and by nationalists of every hue to revive the czarist empire presuppose a return to the authoritarian or totalitarian regime and are incompatible with democracy or the market economy.)

THE COST OF THE BREAKUP

Whatever the reasons for the Soviet empire's breakup, for millions of people it meant the catastrophic loss of their state and national identity, as well as a separation from their relatives and friends who were suddenly living in a foreign country. In some of the former Soviet republics, millions of people had overnight become defenseless, second-rate citizens deprived of their civil rights. The sincere internationalism – once the natural basis of everyday relations between ordinary people of all nationalities, who for decades had lived and worked side by side, served in the army and fought in wars, entered into intermarriages, brought up children and overcome difficulties during times of war and peace – suddenly gave way to militant, occasionally frantic, nationalism. This emerged as a complete shock.

The situation was aggravated by the fact that many borders throughout the Soviet republics had been drawn and redrawn by the Soviet regime quite arbitrarily, without taking into account historical aspects, ethnic backgrounds or economic ties. Once they became state borders, they immediately turned into sources of tension, territorial claims, nationalistic speculations and transborder crime.

A large part of the population harbored negative attitudes to that coup because the people could not really understand why the Union was liquidated to begin with, especially considering that the circumstances behind the collapse differed greatly from those of other empires. The attitude of the other former Soviet republics to

the collapse of the Union varied, as well. Republics that were the most advanced economically, socially and politically – for example, the Baltic republics, Ukraine, Armenia and Georgia – showed the strongest desire for independence, irrespective of how ethnically or economically close they were to Russia or whether they had enough resources of their own. For other republics, such as Azerbaijan, Kazakhstan and the republics of Central Asia, the Belovezha Forest agreements came as a total surprise.

As a matter of fact, ethnic closeness ranks only second to economic and socio-political factors in the disintegration of empires. The first large colony lost by Britain at the end of the 18th century as a result of a lost war was the North American States, populated largely by descendants from England. Meanwhile, British colonies in Asia and Africa, populated by ethnically alien peoples that were completely different socially and culturally, remained under the rule of the British crown for another two hundred years.

As with many other cases before, in the course of the disintegration of the Soviet empire the disillusionment and confusion of the population aggravated the following developments: economic decline (above all, in Russia due to the failure of economic reform), social conflicts, the disruption of traditional ties and communications, instability and bloody conflicts in former Soviet republics and in Russia itself, and the loss of modest yet guaranteed material benefits. Finally, there existed the dishonorable behavior of the new state leaders in their own country and abroad, mixed with the feeling of national humiliation as a result of the loss of influence in the world and constant setbacks in foreign policy.

These factors created fertile ground for the reanimation of Russian nationalism, the search for a national identity or a uniting idea, and attempts to revive traditional concepts and values under the new conditions.

And yet, today's Russia is basically different from the Soviet Union, although it is its successor as a great power with a huge army that is a permanent member of the UN Security Council. It inherited the larger part of its defense industry from the Soviet

Union, as well as thousands of nuclear munitions, and tens of thousands of tons of chemical weapons.

Indeed, Russia has inherited 76 percent of the territory and 60 percent of the economic potential and population of the former Soviet Union. Furthermore, the majority of the Russian population lives where it always has, while most Russians grew up under the Soviet system. Thus, the population has successfully preserved its centuries-old national traditions and character.

At the same time, however, the Russian Federation of 1999 differs from the Soviet Union of 1991 in terms of territory and borders; in the number, ethnic composition and structure of the population; in natural resources and communication networks; in the essential principles of the economy and the financial and tax systems; in the political system; in ideological and moral values; in the constitution, the federative structure, the legal system, and the criminal code; and finally, in the name of the state, the national flag, the state emblem, and the national anthem (after 2000, the Russian national anthem differs from the Soviet one at least in words, while the musical score is the same). According to all objective indices, today's Russian Federation is a completely different country.

Russia's rise is unrelated to historical fortuity, conspiracy, or some mistake of leadership. Rather, it is due to an objective course of events over many years, whereas the coming of Gorbachev to power, the rise of Yeltsin, and the failure of the August 1991 coup attempt were merely subjective catalysts of profound and long overdue changes. Therefore, there can be no return to the past – however much one would like that to happen.

The setback of many democratic norms and institutions in Russia in recent years is in line with the formation of a state-monopolistic model of the country's economic development, oriented to the export of raw materials and encouraged by high oil prices. As a result, neo-imperial motives with regard to the post-Soviet space are becoming increasingly manifest in the sentiments of the political elite, if not in practical politics.

It is a question of paramount historical and contemporary political importance whether a military empire is a normal form

of existence for Russia. Or, on the contrary, has such a model finally become obsolete after twice bringing this great country to collapse? Is it time for Russia to search for another paradigm? History, as always, provides no unequivocal and final answer; it abounds in facts and events that can prove many different points of view.

In light of the events, however, it seems that the military-imperial path is a blind alley fraught with yet another, third, collapse (following the ones in 1917 and 1991), after which Russia may never rise to its feet again. This is especially relevant considering the economic and military challenge from the West (the enlargement of NATO, for example, and the European Union) and the Islamic ideological and terrorist challenge from the South. Furthermore, in the future it may meet a military and economic challenge from the East. Finally, there exists the threat of the disintegration of Russia itself, as well as a forced division of the post-Soviet space. In that case, Russia will follow in the footsteps of the former continental empires of Europe – albeit with the more serious consequences that our technological era can bring.

This possibility can be avoided only if Russia goes over to an innovation-driven economic model, which provides for the extension of democratic institutions and norms and the construction of a civil society. Russia's vastness, together with its raw-material resources east of the Urals, are not the eternal core of its economy, but rather an invaluable resource for diversifying the economy and attracting domestic and foreign investment in high-tech industries.

The reorientation of economic (and, consequently, political) ties from Europe to Asia – a subject in vogue these days – is a way to preserve Russia's model of economic development, oriented to the export of raw materials, together with its authoritarian-oligarchic political superstructure, albeit in democratic disguise. Asia does not need a high-tech Russia; it needs Russia as an exporter of raw materials (as well as armaments and nuclear reactors – at least, for the time being). An authoritarian political system is not an obstacle here, but rather a kind of advantage.

Western politicians have different views as to what kind of Russia would be best for them. However, it is absolutely obvious that their integration with a raw-material adjunct is out of the question. The West would just take Russia's oil and gas, while taking care to avoid a monopoly dependence on it. Furthermore, it will fence itself off with a military-political firewall from the unpredictability and instability of the authoritarian regime.

* * *

It is now up to Russia to make its choice. Its transition to an innovation economy and, as a necessary component, a well-planned democratization of the political system, will inevitably and naturally bring about the issue of consistent rapprochement and, in the long term, integration of Russia with Greater Europe. The specific forms, timeframe and conditions for this process will be determined with time.

This is the main path of Russia's postindustrial development, which alone can spare it from the unenviable role of an underdeveloped and dependent supplier of raw materials for the 21st century economic giants. Only in this way will Russia obtain socio-political stability, reliable modern defenses and a security system that will be compatible with the most advanced powers of the world. At the same time, however, it is only together with Russia that Greater Europe can play the role of a global center of force in the new century; a power that would enjoy economic, political and military-strategic influence stretching beyond the continent, to Africa, Asia and Latin America.

The only optimistic variant for Russia's future is not in the form of an authoritarian military empire, but as a great democratic European power.

Portugal: In Pursuit of Bygone Caravels

Antonio Ramalho Eanes

For over five centuries, empire was the collective way of life and the essential part of the mentality of Portugal. Since the seizure in 1415 of Mohammedan Ceuta, a town on Morocco's Mediterranean coast, and until the liberation of its African colonies after the 1974 Carnation Revolution, Portugal, a strip of land in the westernmost part of Europe washed by the Atlantic Ocean, was proud to be ranked as a world power. Empire left a deep imprint on the nation's consciousness and formed its contemporary outlook in many ways.

Every world power has a unique destiny, yet the Portuguese lessons may be relevant for other peoples who were also destined to live through a post-imperialist transformation.

EMPIRE AS A CONSEQUENCE OF WEAKNESS
The motives that prompted Lisbon to opt for the imperial path differed greatly from the colonialist ideology espoused in London or Paris.

In August 1385, during the Battle of Aljubarotta, the Portuguese showed that they rejected the idea of being integrated

Antonio dos Santos Ramalho Eanes, a general, was President of Portugal from 1976 through 1986. He served in the colonial troops in Angola and joined the Armed Forces Movement (MFA) after the Carnation Revolution of 1974. The MFA ousted the dictatorial regime that had ruled the country for almost half a century. After squeezing the radical leftwing out of leadership in the MFA, Eanes won the first democratic presidential election in July 1976.

in Castile and fought instead for their independence. That decision led to the necessity of finding answers to two extremely difficult questions: First, Portugal had to overcome its economic weakness and, second, oppose the Castilians' aggressive unification ambitions around the Pyrenees.

Attempts to solve the first problem predetermined the willingness to create an empire. Portugal rushed together an army of 19,000 soldiers, 1,700 sailors and 200 ships and seized Ceuta from Arab control. Given Portugal's limited demographic resources and financial reserves, this testified to how serious its plans were. The crusading zeal, explained by efforts to disseminate the teachings of Jesus Christ, were only a guise for the true goals that Lisbon sought to achieve in the course of conquests. This explains why the common people, not to mention the clerics and knights, supported the first imperial undertaking.

For 500 years, Portugal enjoyed a general consensus from its people concerning its colonial possessions; the government never had problems finding human resources for its overseas territories, both from among the rank-and-file resettlers and aristocratic administrators.

The outcome of the Ceuta campaign of 1415 failed to live up to Lisbon's hopes for economic growth, but it paved the way to solving the second problem. The Portuguese responded to Castile's ambitious plans by pushing for expansion into the ocean and making important overseas discoveries; these moves impress one by their geopolitical intuition. Portugal was far behind other European nations in terms of its objective parameters, and still it managed to even the scales and blaze a trail that others would follow for centuries ahead in the race for carving out spheres of influence. Portugal was the first to make great geographic discoveries on the western and eastern coasts of Africa, followed by India, the Malay Peninsula, Timor, Japan, and Brazil.

Since then, Portuguese imperialism was mostly the product of growing maritime trade and a means of trans-oceanic exploitation. Communications with the newly discovered peoples were main-



Peasants in Brazil.
Illustration from *The Picturesque Voyage to South and North America*, St. Petersburg, 1839

tained mostly within the format of market relations and under conditions of relative equality. Military force came into play when Portugal ran into competitors (like in the East) or when it encountered resistance in its attempts to land on shore and establish trade outposts.

Naturally, Britain and France also made use of imperialist methods for expanding commerce, but the rise of their empires did not stem from economic necessity. London and Paris established their colonial realms as a strategic method for maintaining domination in Europe.

IS THE BELL TOLLING FOR PORTUGAL?

The dismantling of Portugal's empire put the nation to a severe test, and the globetrotting country slid into a deep crisis after Brazil declared independence in 1822. "The bell is tolling for Portugal," writer and economist Joaquim Pedro de Oliveira Martins exclaimed. "Intellectuals are coming to the conclusion



Residents of Sao Paulo.

Illustration from *The Picturesque Voyage to South and North America*, St. Petersburg, 1839

that the finale is close at hand,” he wrote. Portugal’s most important 20th century poet, Miguel Torga, commented retrospectively on the historical path of his nation: “From the economic point of view, Brazil formed the basis of the Portuguese’ life [...]. The people viewed it as a manifestation of their greatness that we would refer to in order to justify our poverty and insignificance.”

Nevertheless, Portugal’s willingness to maintain its overseas territories began to fade some time during the last century, especially after World War II. Imperialism was replaced by a desire to join the rich nations of Europe as the people gradually came to the realization that the colonies were a heavy burden. The authoritarian regime of Antonio Salazar [Salazar was Prime Minister of Portugal from 1932 to 1968 – Ed.] could have granted freedom to the colonies painlessly, while maintaining harmony between the interests of Portugal and the African countries, but it was reluctant to do so.

As for the citizens of Portugal, they were powerless to make demands on the government that could have solved the problems in the colonies. The country lived amid autarchy, and most of its population did not notice the powerful changes sweeping the world. The public's collective consciousness continued to cherish the empire as "the last object of pride," while attaching great significance to the seas, "the arena of our heroic feats."

Yet the idea of decolonization was gradually taking hold, instigated by moves to modernize Portugal. The nation began to turn toward the outside world in the 1960s. It embraced growing tourism, as well as the mass emigration of the Portuguese to European countries, while the activities of the Communist Party and other opposition forces fermented anti-colonial sentiment. The call to revolt was getting louder among university students, as well as in particular Christian associations that had become imbued with the spirit of renovation due to the Vatican's new course. Even the younger members of Salazar's bureaucracy began to feel increasingly dissatisfied with their positions. Even long-time ally Britain turned away from Portugal. The political elite and top economic groups suffered from the country's isolation and eyed new opportunities for themselves in the wealthy Europe. One noteworthy development was known as the Captains' Movement of 1974, which largely consisted of officers of the colonial army and laid the groundwork for a democratic turnover.

Portugal's drawn-out and increasingly futile war on three fronts with Angola, Mozambique and Guinea-Bissau depleted the power and money it needed for modernization. Furthermore, due to its procrastination with events in the colonies, armed liberation movements arose; these became convenient pawns in the political games of superpowers. The overall situation left little hope for a normal decolonization and for establishing mutually beneficial relations with former colonies. As a consequence, the empire collapsed in a dramatic way, as half a million ethnic Portuguese returned to their historic homeland. However, these numbers integrated rather swiftly.

THE SNARE OF NOSTALGIA

The Portuguese Empire emerged as a means of asserting national will and occupied an important place in the minds of the people. Torga described the idealization of colonialist policy as a phenomenon of self-justification. “For some time, we rightfully believed ourselves to be citizens of the world and advocates of some particular humanism,” he wrote. “We discerned virtues in our follies. We achieved miracles even in our spiritual wanderings that we were unprepared for [...]. Each of us found in himself the best of everything that was embedded in his intellect, instinct and heart, and each of us hoisted it to the surface of consciousness – in wisdom, beauty and holiness.”

Quite possibly, this mystified perception of empire made the Portuguese believe that the search, challenge and ultimate success lay somewhere beyond the boundaries of their homeland. Evidence of their strong faith in this idea can be found in heroic maritime exploits and the subsequent march of emigration. While all of this was happening, however, Portugal remained in the grips of inactivity and harmful detachment. It did not have the courage to change the course of its present into the future. The Portuguese spared no efforts to produce miracles “over there,” but they calmly waited for a miracle to occur at home of its own accord.

Longing for the gardens of a mythological Eden suppressed their ability to tackle problems bravely and wittingly, or to make use of new opportunities. In other words, it doomed them to nostalgic inactivity. Torga drew a vivid comparison between the Portuguese and the people “who are perched on a rock, looking at alien ships that cruise afar and extolling fatality to the accompaniment of a guitar.” While doing this, they “forget that sailing vessels of the day, not the illusionary caravels of the past, could have unmoored from somewhere near their rock.”

Many believe that Portugal’s present problems take root in its imperial past. The reasoning goes something like this: we squandered the best of what we had for our colonial possessions. We exported the most enterprising people and wasted money to

develop overseas lands. And the revenues of the colonial era made us think above the limits of real opportunities that working at home makes affordable.

Following the loss of empire, Portugal should have looked into its own past and recognized its own identity; it should have witnessed the achievements it had scored and the goals it must still seek. Yet there was no time left for that. Portugal plunged into political and social battles, and when that period was over, it quickly grasped a new objective – the European project proposed from the outside – without reconsidering its past.

Illustrative in this regard was the attitude of the Portuguese when it returned Macao, an overseas territory that Portugal controlled since the 16th century, back to China in 1999. The very act was greeted with a mixture of nostalgia and relief at the same time.

On the one hand, that exclave represented Portugal's last remaining thread with its five centuries of imperial history, during which it evidenced glorious triumphs. On the other, Macao was decolonized under formal conditions, which helped the Portuguese to forget the bitter feelings that the landslide liberation of the African colonies had presented them. Our country managed to guarantee the protection of Macao's specific traits; we also maintained our cultural presence there, as well as in the entire booming Asian region.

HERITAGE NOT TO FEEL ASHAMED OF

A one-dimensional approach can never show a picture in its entirety. In spite of the problems mentioned above, empire helped the Portuguese to attain national unity and strong traditions. It prompted us to stand upright in the face of a strong Spain, and to show our capability for outdoing ourselves if we are united and driven by a common goal. Moreover, colonial rule was, on balance, beneficial for the former colonies: Portugal left behind a united Brazil, a fairly well developed Angola, and a picturesque Goa, boasting a unique mix of European and Oriental cultures.



Antonio Ramalho Eanes (right) at the final negotiations on the future of Macao with Chairman Deng Xiaoping of the People's Republic of China. Beijing, 1985

Unlike Spain's Latin American possessions, Brazil avoided fragmentation. The colonial era laid down Brazil's economic infrastructure and built the foundations of its identity that allows for a peaceful coexistence between many races and cultures. Guinea-Bissau, Angola and Mozambique retained their territorial integrity along with ethnic diversity. The armed struggle that flared up in Angola after that nation obtained its independence was much more a product of the contentions between the two superpowers at the time, the Soviet Union and the U.S., than any ethnic strife or poorly delineated borders.

Today, there is much debate as to whether a former metropolitan nation must bear responsibility for its former colonies. I believe independence means an irreversible recognition of the fact that full responsibility for the destiny and future of the newly independent nations is now vested entirely in the former colonies themselves. However, 500 years of contacts with our former colonies produced an invaluable resource of relationships with different nations and a wealth of knowledge

needed for the efficient functioning of the new states. Therefore, we must share this knowledge with them. This unique experience must also get application in the European Union, which would benefit greatly from employing the historical advantages of the separate member-nations.

Former metropolitan countries must not interfere in the affairs of their former colonies without requests on their part or international mandates for doing so. Such interference contradicts the interests of the expatriates living there — unless, of course, a situation arises that poses a direct threat to them. Take, for instance, the intervention in Guinea-Bissau during its period of instability. Lisbon pursued the goal of evacuating all of the Portuguese and other foreigners stranded there.

Lisbon set an example of correct conduct when it supported East Timor's struggle against Indonesia's occupational forces that invaded the territory soon after the Portuguese pulled out of the region. The people of East Timor showed a resolve to maintain their national spirit and not to succumb to "Indonesianization." They fought, with the support of the Roman Catholic Church, with arms in hands or offered civic resistance. Portugal did everything in its power to create conditions to guarantee the natives of East Timor the expression of free will. Lisbon pressured international institutions, including the UN, to support the fulfillment of their obligations. Our efforts paid off and we were able to inform public opinion and civil societies in the democratic countries on the situation; they subsequently worked to make their governments take adequate steps. The campaign was crowned with success.

LUGGAGE FOR EUROPE

The inhabitants of the Old Continent are making new history as they broaden integration and work to eliminate the consequences of the past at the same time. Ultimately, this process aims to create a European civil society: a truly multi-ethnic and multi-racial society that will step over the moribund nation-state. Events of the past few months show, however, that this process lacks the much-desired simplification.

Today's Europe is nothing more than a huge market with a single currency. It still cannot establish a relationship of social solidarity, design and support new joint development projects, or formulate and put into action a coordinated foreign policy.

The world is growing increasingly globalized, and if the Europeans fail to build a viable union in the immediate future, the Old Continent will lose its voice and weight in international politics. Then, Europe will be doomed to social and economic decay. It will be a mere protectorate of the U.S., querulous but unable to initiate real change.

The present political and economic situation is highly unfavorable for a breakthrough. The Europeans worry about an economic slowdown and their vulnerable social system; they see irreversible globalization as if it were a menace, not a hopeful opportunity. The system of government dominated by party bureaucracies has discredited itself. Thus, the rank-and-file people shun politicians and the representative democracy where those bureaucracies prevail.

Alexis de Tocqueville, a 19th century French writer and statesman, said that situations of this kind produce the temptation to turn one's back on the future and accept time-tested old models that seem to make life stable and more or less secure. It is this mentality that nationalism draws on. It has an easy psychological explanation but is highly dangerous in rapidly changing times where missed opportunities never return. Only those people that recognize the challenge of our times and tap the methods of answering it will get control of the future. The answer must be similar to the one that our ancestors found: They were open to the world and built the glory of their nations, unafraid of stepping over national borders and stereotypes.

Harvesting New Peoples

Sergei Gradirovsky

Throughout Russia's history, its primary goal and geopolitical strategy has been centered around the idea of "gathering together lands." This strategy would manifest itself in a sweeping territorial expansion, ensuing in the social and cultural adaptation of the new people from the new territories. Russia's rise was tightly linked to the absorption of lands, as well as to the achievements and failures in the integration and assimilation of foreigners.

This strategy involved all aspects of the country's organization and life: the structure of Russian statehood, the hierarchy of the country's social structure (enslavement of all its strata, from top to bottom, together with its gradual emancipation) and the various centers of opposition to state power (for example, the Cossacks' defiance, the mid-17th century schism, and other ways of fleeing from government yoke). The expansionist policy also determined the relationship between the state and the Church and between the state and the business community, the system of social institutions and geographic self-identification, as well as priorities in developing transport and defense.

AN ALL-OUT STRATEGY

Russia's geopolitical strategy produced a state where the size of its territory and natural resources would far exceed that of any

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other country on today's map. Russia also dominated in terms of its population, where it only ranked behind two countries – China and India.

Another most important result of this strategy was that Russia proved to be the only country outside Western Europe that never fell into its colonial realm, even for a short time. Russia defended itself at all times, even during the times of turmoil – something that the Islamic countries, or the populous and sophisticated civilizations of China and India proved unable to do.

This means that the strategy of “gathering together lands” proved its feasibility.

It was an all-out strategy. Russian historian Vassily Klyuchevsky (1841–1911) wrote that Russia's entire history was a history of colonizing new lands. As a result of colonization, the Russian people matured into a super-ethnos (a term offered by historian and philosopher Lev Gumilyov [1912–1992]). This became possible due to their unbending ability for assimilating other cultures, openness, tolerance and cultural inquisitiveness. The policy of gathering together new lands gave birth to a socio-cultural alloy, which Dostoyevsky called “universal.”

However, after Vassily Klyuchevsky's death, Russian history was not always a history of colonization.

In the 20th century, Russia experienced both triumphs in its expansionist policy as well as several large-scale geopolitical disasters. It ceded lands and let whole countries and regions go; that was the case with Poland, Finland and Kars. Russia fought separatist-nationalist movements, yet still offered benevolent gifts, such as the handover of the Crimea to Ukraine. At the same time, it sought to grab lands that it could not possess in principle, for example Afghanistan.

Russian philosopher and publicist Boris Mezhuyev mentioned more than once that Russia was the only empire in the 20th century that eliminated all kinds of discrimination (ethnic, racial or religious) and gave equal electoral rights to all of its subjects. This occurred as early as the time of the Provisional Government (March to November 1917). The origins of this

policy go down to the provisions of the 1906 law on election to the State Duma that granted franchise to the non-Orthodox population of the Russian Empire.

To quote Boris Mezhujev, “The explanation for the ease of that decision was that Russia, unlike Britain or France, was very reluctant to consider itself as a colonial power. Virtually the entire Russian society, from monarchists to the extreme leftwing, shared that stance in the early 20th century and especially during the standoff with Britain at the end of the 19th century. That is why our fellow countrymen still look at declarations on political equality of all ethnic groups in the Empire as an absolutely normal act,

The essence of Russia’s new geopolitical strategy should be a cultural revolution aimed at markedly changing the attitude toward man.

a kind of compensation for the impaired historical justice – a move that even French Socialists did not venture to take when the Popular Front controlled state power in the 1930s.”

In the middle of the 20th century, at the peak of its might following World War II, Russia chose – for the first time ever – to implement a totally alien method of organizing controllable space: instead of absorbing new lands and peoples and proliferating its right over them, it began to build a security belt of geopolitical favorites (i.e. Socialist Community Countries) and timidly shielded itself behind an Iron Curtain.

The pivotal change in the Kremlin’s policy at the end of the 1940s apparently became an overture to *radical change*.

Soon after, in the 1960s, the centuries-old colonization trend came to an end. The Russian people began to move back to its historical center, Muscovy, while that part of the nation that had developed cultural affiliations with the West (this factor that did not enter into limelight until the 1990s) began to shift westwards. The Soviet authorities kept the facts about that tendency strictly confidential, as if it were classified information on nuclear missiles. However, the Kremlin’s traditional secrecy could not eliminate the snowballing process.

Also in the 1960s, the net rate of the population's reproduction level dropped below zero. This tendency persisted (except for a brief period from 1986 through 1988) and has not changed since then. In other words, the replacement of the population receded into the negative figures, as each new generation became numerically smaller than the previous one.

The same years witnessed an unexpected relapse in male mortality rates, which began increasing after a long period of decline. The trend continues today: half of Russia's male population now dies before reaching retirement age of 60 years old.

Last but not least, in the 1960s Russia opted for a self-conservation (remarkably, this happened at the time when its ideological foe was going through a cultural revolution) and soon found itself among the countries that were moving rapidly through the 'second phase of epidemiologic transition' [the growing rate of CVD diseases in the developing countries that has a tremendous effect on mortality rates – Ed.]. As a result, the "shaping of a new attitude toward man and man's new attitude toward reality," proclaimed as the country's goal, simply did not take place.

It is little wonder those processes ended in the geopolitical collapse of 1991.

CHANGE OF BASIC STRATEGY

Our historical stance on space and population calls for a dramatic revision. Why? Because we no longer have a demographic surplus. Russia can no longer generate colonization waves that move from the center toward the periphery and that are based on the discharge of the indigenous people. The historic colonizing potential of the Russian nation had a solid backing in the form of its birthrates. Unbelievable as it may seem, in the late 19th and the early 20th centuries Russian, Ukrainian and Belarusian families had a much higher birthrate than families in other nations, while peasants in central Russia had more children than peasants in Central Asia and the Caucasus. Quite naturally, the country was bursting with energy at that time and could afford colonization projects of any scale and size. The cynical phrase that declared,

“Why spare the people when the women will bear new ones,” had some definite logic in it. Indeed, the demographic explosion in Russia at the turn of the 20th century was so powerful that it solved the geopolitical task of increasing the population on the huge open space from the Carpathian Mountains to the Pacific Ocean. This is now a thing of the past.

Today, Russia can no longer continue with its extensive assimilation of immense spaces, to say nothing about using the methods devised in the Gulag system (researchers often called attention to the fact that the map of the Gulag camps coincided in many ways with the map of the Soviet Union’s industrialization).

Nor can Russia act according to agrarian policy by putting colonizers on new land plots (as the Russian government did in the Far East at the beginning of the 20th century). Times have changed and the share of the agrarian population will continue to steadily decline to a degree of insignificance.

This country will never again be able to plug the breaches, which appeared as a result of managerial errors, with seemingly cheap and inexhaustible human resources.

This means that a change of Russia’s geopolitical strategy, which dates back five centuries, is now imminent. It is equally apparent that Russia has the possibilities for making this change, first of all, owing to a great geocultural periphery reaching out farther than the post-Soviet space, which we still control despite the Kremlin’s increasingly frequent foreign policy blunders.

Russia remains the world’s number one country in terms of the size of its territory and natural resources, which furnishes it a unique energy potential and an enviable share of the world’s energy balance.

Meanwhile, Russia has been perpetrating the growth of “anthropologic deserts,” that is, formerly high-populated areas where traces of human existence are now fading away. Russians are facing a drift of people resettling from east to west in huge numbers; this is turning the country into a transit zone in the system of a global exchange of the population. Russia is also experiencing demographic pressure from its eastern and southern neigh-

bors. Simultaneously, Western civilization is determinedly wheedling scientists and talented young specialists from Russia.

All these processes reveal the necessity for a prudent new geopolitical strategy that would consider increasing global tendencies, together with the achievements Russia scored in the course of its history; these factors will provide it insight for opening opportunities.

That is why Russia should focus on the change of its geopolitical strategy from gathering lands to *gathering together peoples*.

SUPPORT FOUND IN THE PAST

Russia is still capable of avoiding a geopolitical catastrophe, in spite of the following facts:

– Russia lost lands along its western and southern borders in 1991, together with the people living there; this cut down its numeric strength by one half. (Remarkably, Russia lost almost everything in the west and south, but retained the Kaliningrad exclave and the North Caucasus. Excluding the sale of Alaska and the Aleutian Islands it practically retained all of its eastern territory except for several small islands on the Amur River which it recently ceded to China. And yet it is in the east that Russia faces its greatest geopolitical threat.);

– Russia lost the simple reproduction of its population – to say nothing of extended reproduction. Due to this factor, coupled with the insufficient development of lands to the east of the Urals and demographic pressure of its overpopulated, worker-excessive neighboring countries, Russia appears unprepared to address the aftereffects of a global demographic transition;

– While unfolding the greatest project for new social relations and the creation of a new type of man in the 20th century, Russia found itself with a poorly organized social structure, its social institutions destroyed and the prospects for their reinstatement vague – at least over the short term;

– While stunning the world with an unprecedented pace of industrialization, Russia proved unprepared for a post-industrial breakthrough (Russia has very limited time for making the transi-

tion, as it is being drawn into an alien global economy network where it is apportioned the role of a perennial resource supplier);

– Russia lost the Cold War, and now, like the loser of any war, it must pay reparations to the victor who largely predetermines the guidelines of its cultural policy. The result is that the rights of the Russian people to and individual opportunities for capitalization are determined not within the country, but by the world at large – personified by Western civilization.

And yet Russia does have a chance for keeping a place for itself in history.

The project for gathering together peoples can only be successful if we devise an ideological pivot around which a *nation* – or the New Promised Land, if we may borrow terminology from Christian mythology – will begin to form. ‘Nation’ here does not mean an ethnic and cultural unity or the flesh and blood, but rather the spirit and language embodied in unassailable political principles. This should be a new universal project that highlights eternal values, such as the past projects of building the Third Rome or Communism, or more contemporary projects formulated by the elites of full-fledged actors in the historical process – by intellectuals initiating the creation of a united Europe, politically oriented followers of Islam, and neo-conservative Protestants in the U.S, for example.

Whether this country will be able to exist in the future as Russia (not in terms of ethnic denomination but in terms of its cultural heritage) depends on which peoples this country will bring together, how big their numbers will be, and what geocultural project will be chosen. Or – as Dmitry Zhitin, a researcher from St. Petersburg, put it – will this country follow in the footsteps of Rome, which eventually became inhabited by barbarians and turned into another chapter in history textbooks?

AWAITING CULTURAL REVOLUTION

Many things will have to be changed in Russia. We are standing on the threshold of a genuine social and cultural modernization process that exceeds that of Peter the Great. From a historical

perspective, it is comparable only to the transformation in space, peoples, society and culture during the times of the Mongol yoke. The radical turn that awaits this country has much the same importance as the historical Muscovy Rus once had.

The main thing that the country will have to change is its attitude toward man. There should be genuine humanization of all spheres of life and activity – the armed forces, the penitentiary system, relations between the people and government, education, upbringing of young generations, and common patterns of reproductive behavior.

Russia will never become attractive for millions of new citizens and raise the living standards of its current citizens unless it launches a humanization policy.

Therefore, the essence of Russia's new geopolitical strategy, whatever its actual form, should be a *cultural revolution* aimed at markedly changing the attitude toward man and doing away with the brutal decision-making process on vital issues by the powers that be.

Xenophobia: Past and Present

Lev Gudkov

The wave of media reports about the growing number of attacks against foreigners by the “politically motivated” Russian neo-Nazis, skinheads, anti-immigrant activists and other riff-raff have failed to stir up a public discussion about their causes. Predictable exclamations such as “Enough!” or “Nazism is advancing!” are of little use here. The regional authorities make half-hearted attempts to justify themselves by pretending that the problem does not exist, while the federal authorities keep silent, knowing how closely this problem is connected with the general state of affairs with federalism, the war in Chechnya, the situation in the Caucasus, and their failing immigration policy. Expert opinion is less and less represented in the media, as the educated public is becoming desensitized to the problem of growing social aggression. The media (to be more exact, a very small part of it since intolerance and hatred affect all media organizations) focuses only on extreme manifestations of radical nationalism or Nazism.

Meanwhile, the general level of ethnic hatred in Russia is two to three times higher than in the majority of other European countries (excluding of course the zones of recent ethnic wars and ethnic cleansing in former Yugoslavia). But this has not always been so.

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PRIMITIVE SOLIDARITY

In the late 1980s, shortly before the breakup of the Soviet Union, the general level of ethnophobia in Russia was appreciably lower than in the majority of other Soviet republics, especially those that were going through national consolidation (as shown by first countrywide polls conducted by the Yuri Levada Center, before 2003 the All-Russia Center for the Study of Public Opinion on Social and Economic Questions, or VTsIOM). In 1989, about 20 percent of the Soviet population showed signs of xenophobia, with 6 to 12 percent displaying aggressive ethnophobia. Amid the general expectation of change, the illusion that the country would soon become a “normal, civilized state,” and the realization that after decades of being enmeshed in the Cold War and confrontation with the rest of the world, the Soviet Union had ended up in a historical deadlock, the overwhelming majority of the population (53 percent of Russians) believed (with good reason, it seems) that the country’s problems were of its own making, and not caused by “foes.” A considerable proportion of respondents were completely indifferent to the problem of interethnic relations since they did not come up against immigrants in their daily lives (mostly relevant to residents in rural areas, elderly and poorly educated people). Only 13 percent of the respondents identified the “country’s foes” – for example, the United States, the CIA, the West, Jews, Muslims, the mafia, Communists, Nazis and separatists – or other especially antipathetic ethnic groups and nationalities. Until 1994, the index of ethnic hatred and latent hostility toward foreigners in Russia was substantially lower than, e.g., in Poland, Hungary, the Czech Republic (in the latter country, xenophobia was directed mainly against Gypsies), East Germany or even Austria, which featured traditionally high levels of anti-Semitism and strong anti-immigration sentiments. However, whereas the success of reforms and subsequent social changes in the East European countries caused a reduction in xenophobia, their failure in Russia produced the opposite effect.

Between 1989 and 1992, there was still a considerable level of resistance to all forms of ethnic aggression and violence, as well

as ethnic discrimination. In 1990, more than one-half of Russia's population condemned any manifestations of hatred, ethnocentric claims by ethnic-republic elites, pejorative attitudes toward specific ethnic groups, and so forth. The officially enforced "Soviet" rather than "ethnic" or "native" identity, which proclaimed the equality of all ethnic groups in the Soviet Union, was still very strong.

The collapse of the socialist camp and the subsequent disintegration of the Soviet Union undermined that self-identity and introduced more primitive (archaic) perceptions and mechanisms of ethnic solidarity based on separation and alienation. Amid the mounting crisis of chaotic instability, the focus on ethnic affiliation was gradually becoming a routine expression of social and group barriers, collective privileges, rights and claims. That was not a uniquely Russian phenomenon: the "peaceful" disintegration of totalitarian systems everywhere was accompanied by a growth in nationalism and ethnic solidarity as a natural substitution for the collapse of (Communist) ideology. It was another matter that nationalism in the East European countries was tinged by a strong orientation toward the West, together with efforts to institute a political system that would prevent state-sanctioned terror and violence.

Russia took a different path. The state of frustration and shock from the ongoing changes, the feeling of insecurity and fear of the future aroused a wave of ideological neo-traditionalism (nostalgia for the empire, super-power status, law and order, national pride, the glorious past, etc.) and conservative, reactionary nationalism. That nationalism manifested itself in the rise of anti-Western sentiments and isolationism, on the one hand, and widespread, diffusive xenophobia and hatred of strangers, on the other. These attitudes were triggered by a primitive solidarity in opposition to strangers both inside and outside the country.

IMMIGRANTS AND LOCALS

Whereas in 1991 almost 60 percent of Russians agreed that the country should "follow the Western path," by 1994, 42 percent of

the country's population believed that "other countries have always treated Russia with hostility," with the latter proportion rising to 66 percent by the early 2000s. The same two-thirds of the population saw the influence of Western culture on Russian life as utterly negative. In February 1994, 56 percent of respondents believed that reforms and privatization programs would make Russia politically and economically dependent on the West (the opposite view was held by 44 percent of respondents). Those respondents, whose financial and social status had, by their own admission, declined, reported the greatest fears and concerns.

The rise in reported levels of isolationism and anti-Western sentiments was matched by a commensurate rise in xenophobia. In June 1990, a relatively high proportion of respondents (27 percent) said they did not object to refugees moving into areas where they lived, while 34 percent had no opinion on the matter. However, 30 percent were highly negative toward the idea. At that time, a refugee's ethnic background was not a problem since the absolute majority of the country's population identified themselves as Soviet citizens, not citizens of the republic where they lived (the exception was the Baltic republics). The majority of respondents (52 percent) said ethnicity did not matter.

In 1993, about one-third of the respondents were convinced that non-Russians were to blame for all of Russia's social woes. The view that non-natives had "inordinate influence in Russia" was shared already by 54 percent (vs. 41 percent who did not share that view); interestingly, there were basically no variations within the different socio-demographic groups. By the mid-1990s, the proportion of people who held such a view rose to almost 75 percent. Meanwhile, the pattern of migration had also changed.

The visible part of migration at the end of the Soviet era was generally viewed as a flow of refugees or displaced persons who had fallen victim to inter-ethnic clashes, conflicts, pogroms or violence (mainly in Central Asia or the Caucasus). Or this flow of migrants was seen as intolerance on the part of the indigenous population that had sensed the weakness of the ruling authorities. Thus, the majority of Russians at that time believed

that the state should provide assistance to refugees coming from ethnic conflict areas.

As economic growth began in Russia, the flow of economic migrants increased considerably. By that time, emerging labor and housing markets opened opportunities for entirely new forms of professional activity and therefore employment, such as private enterprise, retail trade, services, small-scale production, etc. Residents had few if any advantages over immigrants in entering new economic spheres. Meanwhile, immigrants demonstrated stronger motivation. Unlike the local population, they had no hope of obtaining guaranteed social security benefits. (Experience of all modern countries shows that first-generation immigrants display far greater initiative, fitness for work and ambition to get on than the locals, striving not just to fit into the local community but also to show that they have achieved success and accepted all of its basic values.) In many instances, cultural and traditional factors played an important part: the sense of adventure, enterprise, survivability, the lack of professional hierarchy, the irrelevance of traditional forms of state paternalism, and so forth. In such a situation, immigrants quickly filled vacancies in the service sector, retail trade, construction sector, and public utilities, while emerging as a significant social factor. They also worked in small- and medium-sized businesses. At the same time, they became convenient targets, scapegoats, especially among that part of the population that had failed to adjust to the new environment (at different periods of the crisis, this number accounted for between one-third and one-half of Russia's total urban population).

By late 1995 (according to an October 1995 poll, N=2,400), almost one-half of respondents (47 percent) believed that immigration had become a "major problem" in Russian society, 26 percent said it was an "insignificant problem," while 17 percent saw it as a non-issue. By the end of Putin's first term in office, however, the majority of Russians shared the view that "there are too many immigrants around." This conclusion was borne out by a recent poll (November 2005). Answers to the question, "What is your attitude toward immigrants from the North Caucasus,

Central Asia or other southern countries who live in your city/region?” were broken down as follows: “respect” (2 percent), “sympathy” (3 percent), “irritation” (20 percent), “dislike” (21 percent), “fear” (6 percent), and “indifference” (50 percent); (only 2 percent of respondents said they “did not know”). Overall, 47 percent of the population had a negative attitude toward immigrants (as compared to 5 percent of those with a positive attitude).

A HIERARCHY OF FOES

Although ethnic prejudices have remained basically the same during the last 15 years, the intensity of certain phobias and aggressive attitudes with regard to foreigners has been changing under the impact of external or internal developments. The most disliked ethnic groups, according to statistics, are Chechens (since the outbreak of the first war in Chechnya) and Gypsies; the runners-up are immigrants from other North Caucasian and Trans-Caucasian republics (the level of latent antipathy toward representatives of these ethnic groups is 40 to 45 percent, going up to 50 to 55 percent with regard to Chechens, especially in the past several years), whereas antipathy toward such ethnic groups as Tajiks, Uzbeks, Jews, Estonians, or Tatars does not exceed 15 to 20 percent, declining to a mere 6 to 7 percent in relation to Moldovans, Ukrainians, and Belarusians. Under the impact of high-profile media campaigns and aggressive rhetoric by some influential populist politicians, the level of dislike toward certain ethnic groups can increase substantially (for example, in relation to people from the Baltic region during the celebration of the 60th Anniversary of V-Day or toward Ukrainians in the wake of the Orange Revolution), but these antipathies are as a general rule short-lived, with xenophobia returning to its “normal” level once such “hate campaigns” are over.

There are good reasons to say that ethnic phobias and anti-immigrant attitudes are a response to real or perceived threats in a situation where the local population has what it sees as limited survival resources and opportunities to defend its positions or interests. The sense of danger or anxiety increases not only due to immigrants but also because of the inefficiency of the ruling authorities, the sense of

insecurity and the general distrust of the establishment and social institutions. This is a reaction by a closed, insecure society to the development and differentiation of the social structure. Such attempts at conservative self-defense arise from fundamental perceptions about the natural hierarchic structure of society, specifically its division into ethnic groups that have unequal social and political rights. It is not difficult to see that the general drift of public sentiments in this case will be the demand for the ruling authorities to tighten immigration policy even further (see Table 1).

Table 1. How Should Russia's Immigration Policy Be Constructed? (%)

Answers	July 2002	August 2004	August 2005
Limit migration	45	54	59
Do not limit migration, but use it for the benefit of Russia	44	38	36
Undecided	11	7	5

2002 and 2004, N=1,600; 2005, N= 1,881

The xenophobic mood prevails not among the marginalized fringe elements, but “ordinary people” (according to their level of education, income, values and political views): above all, skilled workers and technical specialists, as well as general workers without training qualifications. Businessmen are by far the most tolerant toward immigrants, while police, blue-collar workers, and pensioners make up the most intolerant group. However, the differences between various groups of respondents are on the whole insignificant. Strange enough, it is in fact the immigrants’ assimilation, integration into the life of local communities that provokes the most irritation, especially within those social groups that do not directly compete or have any contacts with immigrants in the first place. Military and police officers are most concerned that immigrants “are taking away jobs” from the locals; pensioners, that they “live off natives;” company executives and housewives, that “they corrupt police;” unemployed people, that “there are too many of

them around;” college and university students simply dislike immigrants because they are “impudent,” and so on and so forth. Xenophobia among those with a higher social status, who have to observe the proprieties and maintain respectability, surfaces as irritation, whereas among people with a low social or financial status it comes through as fear and the demand of social guarantees for themselves and greater restrictions for the immigrants.

Just over one-third of respondents (November 2002, N=1,600) believe that no one should be banned from doing business in Russia (35 percent), the only qualification being that this should not extend to “civil servants or elected officials” (36 percent). Some 14 percent, however, said that people from the Caucasus should be forbidden to do business in Russia; 10 percent said such restrictions should apply to Chinese, Vietnamese, Koreans, and other immigrants from Asian countries, while just as many said that the rule should be extended to all non-citizens. Furthermore, a certain proportion of respondents demanded that private enterprise be denied to all Muslims (4 percent), Jews (3 percent), and citizens of Western countries (about 3 percent). There is a similar pattern with regard to immigrants’ access to civil service: 27 percent of respondents believe there should be no restrictions for people who would like to enter civil service (45 percent took exception to people with a criminal record). At the same time, some respondents believe that civil service should be off limits to people from the Caucasus (15 percent), Muslims (10 percent), Jews (8 percent), businessmen (6 percent), and non-Orthodox (5 percent). Thus, almost one-half of respondents (45 percent) consider it necessary to limit access to positions of power for “strangers” — ethnic or social. Between 43 and 47 percent categorically object to any immigrant presence in Russia.

The level of antipathy and hostility toward immigrants is predicated on the social value of status or property in question. All of this shows that the underlying motive is not so much competition for financial or social benefits, jobs, etc. as symbolic resources and status.

The proportion of those sharing the “Russia for Russians” idea (see Table 2) began to increase slowly with the outbreak of a new

war in Chechnya and the general drift toward Russian traditionalism, as marked by Putin's advent, coupled with a weakening immunity to immorality and chauvinism. General antipathy to "strangers" in Russia is visibly growing, contingent on the perceived threat to traditional values such as the family, the home, etc. While there are some group differences over the prospect of cohabitation with "non-natives," on the issue of marriage to non-Russians all such differences disappear: the level of antipathy and hostility in various social groups reaches the maximum. In this case, ethnic barriers turn into racial barriers.

Table 2. What Do You Think About the "Russia for Russians" Idea? (%)

Answers	1998	1999	2000	2001	2002	2003	2004	2005
Support it; the idea is long overdue	15	13	15	16	16	16	16	19
It makes sense – within reasonable limits	31	30	34	42	38	37	38	39
Total number of approvals	46	43	49	58	54	53	54	58
Reject it:								
This is sheer Nazism	32	30	27	20	26	24	25	23
This does not bother me	10	14	12	11	9	11	12	9
I have never thought about this	7	7	6	6	8	7	5	7
Undecided	5	6	6	5	3	5	4	3

N=1,600

* * *

Xenophobia is symptomatic of a stagnating society that lacks moral guidelines and hopes for the future. This is why xenophobia is impervious to doubt and criticism. Any head-on attempts to "enlighten the dark, prejudiced masses" are utterly ineffective. Therefore, today, the task should be not to eliminate the xenophobic mood but to reduce it to some socially acceptable, manageable forms.

Soviet Legacy



Joust, Caucasian-style. Abkhazian horsemen.
Ogonyok magazine, 1950

“To ensure the smooth functioning of the corrupt administrative machinery, the ethnocratic regimes do not pull any punches. They seek to convince the Kremlin that they are irreplaceable in this kind of situation. And that is why “this kind of situation” is bred artificially.”

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Unrecognized Geopolitics

Sergei Markedonov

Unrecognized geopolitical entities (most importantly for our discussion, Nagorno-Karabakh, South Ossetia, Abkhazia and Transdnestr), if viewed from a formal, legal point of view, do not exist for the international community. Yet the “virtual” existence of those states does not prevent them from being real participants in the “Big Game” in the post-Soviet space. Many momentous events in Eurasia are connected in some way with political stratagems concerning ‘frozen conflicts’. The Americanization and Europeanization of the post-Soviet space was largely caused by the desire of the internationally recognized post-Soviet states (Georgia, Azerbaijan, Moldova) to regain military and political control over territories they had lost (unrecognized entities). The emergence of GUUAM (originally comprised of Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova, and now known as GUAM after Uzbekistan withdrew from the organization in 2005) and the Community of Democratic Choice, which comprises nine countries from the Balkan, Baltic and Black Sea regions, as alternatives to the CIS was a reaction to Russia’s support for the unrecognized states.

The problem of unrecognized states is often reduced to the formal, legal format. Meanwhile, the issue is not simply a matter of complex legal cases. The conflicts between recognized and unrecognized states are not the usual interstate disputes. Unrecognized

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states as a phenomenon cannot be studied and understood exclusively in terms of formal jurisprudence. The very creation of unrecognized states and the beginning of the struggle for their recognition are facts of emotional, symbolic, social and cultural nature. Failure to take these facts into consideration makes impossible any effective settlement of ethnic conflicts that are an inevitable concomitant of these special state entities. The problem of unrecognized states is the best subject for research on the balance between legal and actual aspects of state-building (or nation-building, political legitimization). The 19th-century German writer and politician, Ferdinand Lassalle, spoke of two kinds of constitution – “formal” and “actual.” Analysis of the nature of unrecognized states would yield better results if made from the position of “actual” constitutional law.

Let's start with the definition of the term “unrecognized states.” If it implies non-recognition by the international community, we must remember that today the international community itself, as an institution, is suffering a deep political, juridical and axiological crisis. Thus, both recognized and unrecognized states appeal to the international community, but they can hardly expect an intelligible answer. In the epoch of global postmodernism, which began after the collapse of the Yalta-Potsdam world system, the contours of the new world order are not clear yet; this hinders the development of criteria for the recognition of geopolitical entities as independent states.

What must be taken as the basic principle for an entity to be recognized as an independent state? Is the answer found in there being a single sovereignty over the given entity's territory? But in that case, Georgia and Azerbaijan should not have been recognized as states because at the time of their official recognition neither exercised a single sovereignty over their entire territory. By 1991, Azerbaijan had actually lost control over the larger part of the territory of its Nagorno-Karabakh Autonomous Region (NKAO), and in 1994 it lost control over another seven of its administrative districts. In 1992, the Republic of Moldova lost control over the self-proclaimed Moldavian Republic of

Transdnestr. In the same year, Georgia lost sovereignty over the larger part of its South-Ossetian Autonomous Region. In September 1993, Abkhazia proclaimed its independence from Georgia. In late 1991 to early 1992, and again in September 1996, Russia could confront similar problems when Chechnya left Russia's legal and political space.

Incidentally, not all of the self-proclaimed states can ensure sovereignty over their territory. The boundaries of these states and those of the former Soviet autonomies (where the unrecognized states emerged) do not always coincide. In 1991, for example, the

Russia, the European Union and the U.S. could act as guarantors to prevent the re-division of property and power in the unrecognized states.

self-proclaimed Nagorno-Karabakh Republic (NKR), in addition to the territory of the former NKAO, included the Armenian-populated Shaumyan District. Presently, the NKR Self-Defense Forces do not control this district, as well as parts of the Mardakert and Martuni

Districts of the former NKAO; hence the demands that Azerbaijan stop "the occupation of the territory of Nagorno-Karabakh." The unrecognized sovereignty of Abkhazia does not apply to the Kodori Gorge (Abkhazian Svanetia). The administrative control of the unrecognized republic over the Georgian-speaking (or rather, Megrel-speaking) Gali District is very weak. South Ossetia does not actually control enclaves in the region populated by ethnic Georgians (for example, the Tamarasheni Village which in 2004 was visited by Georgian President Mikhail Saakashvili's wife Sandra Roelofs), while Transdnestr only partially controls the city of Bendery.

Political scientists and journalists often describe unrecognized entities as "self-proclaimed." However, as political consultant Modest Kolerov reasonably remarked, this definition is not quite correct, because all major states in the contemporary world are "self-proclaimed."

Perhaps it would make more sense to take the 'credibility' of a state as the main criterion for statehood? But then it will be obvi-

ous that state institutions (the army, police and bureaucracy) of the Nagorno-Karabakh Republic, for example, are much more effective than those of Azerbaijan. The same can be said for Abkhazia, whose state institutions are much more effective than Georgia's (at least during Eduard Shevardnadze's presidency), while Transdniestrian state institutions are no weaker than those of Moldova's. In the opinion of German political scientist Stefan Troebst, the 'credibility' of unrecognized states is the main obstacle to proclaiming them as bandit enclaves; such enclaves do not need state symbols, or pretensions to legitimacy and, most importantly, connections to myths of state history. Meanwhile, the ideological systems of unrecognized states in the post-Soviet space are historical through and through. It would not be an idle question to ask: Which have more qualifications of a state – Afghanistan, Somalia and Liberia, which are nothing more than flags on the lawn in front of the United Nations headquarters, or the Nagorno-Karabakh Republic, Abkhazia or Transdniestr?

The biggest problem for the international community is that unrecognized states have been recognized by their citizens. One may accuse (and with good reason) the politicians of the NKR, Transdniestr, Abkhazia or South Ossetia of extremism, but their extremism rests on the mass support of the citizens of these states that do not officially exist. Any peace-making initiative aimed at settling disputes between the recognized and unrecognized states must take this extremism into account, otherwise the consequences may be grave.

Also, using such a criterion as 'democracy' to determine the legitimacy of a regime does not always work against the unrecognized entities. Authoritarianism and unrecognized entities are not synonymous. In the NKR, the head of the republic has already been elected three times (the last election was held in August 2002), and a precedent has been created for the transfer of the supreme republican power. The latest elections to the republican parliament were held in 2005.

Another example involves the UN-recognized mayoral elections in Yerevan, Armenia, which are only provided for by a pack-

age of constitutional amendments. By comparison, Nagorno-Karabakh has already held three elections to fill the posts of the local self-government bodies (in September 1998, September 2001, and August 2004). During the latest elections, Eduard Agabekyan, the leader of the oppositional Movement-88, was elected mayor of Stepanakert [the administrative center of the NKR]. Unlike internationally recognized Azerbaijan, the Nagorno-Karabakh Republic will never come out with an “Operation Successor” plan for the transfer of power from father to son, nor will it even discuss such a scenario. The unrecognized states of Abkhazia and South Ossetia have also created precedents for the transfer of supreme power through election procedures (noticeable from the transfer of power from Vladislav Ardzinba to Sergei Bagapsh, and from Ludwig Chibirov to Eduard Kokoity, respectively). At the same time, in internationally recognized Georgia all the post-Soviet presidents left their posts under coercion (the armed overthrow of Zviad Gamsakhurdia, and the revolutionary dismissal of Eduard Shevardnadze). The OSCE ignored the latest parliamentary elections in the Moldavian Republic of Transdniestr (December 11, 2005). Meanwhile, the new Election Code of Transdniestr provides for the obligatory presence of the “Against All” option in the ballot and clearly formulated procedures for recalling parliament deputies. In contrast to the recognized post-Soviet states, Transdniestrian laws provide that the invalidation of signatures in support of a candidate must be documented. Moreover, the chairman of an election commission of any level must sign all reports about violations (!).

Thus, the absence of formal international recognition of these contentious territories does not prevent them from being major political actors in the post-Soviet space.

Before we are able to solve the problem of unrecognized states, it is necessary to determine the reasons for their mass emergence in the early 1990s, which, in our opinion, involves an international and an internal factor (the latter is largely a socio-cultural one). This article does not analyze the reasons that led to the collapse of the Yalta-Potsdam system of international relations. Yet, sever-

al important aspects should be named. Two opposing processes usually explain the “funeral of the Yalta system:” the reunification of Germany and the breakup of the Soviet Union. However, it would be more correct to view the reunion of Germany’s “Ossies” and “Wessies,” and the disappearance of the superpower that occupied one-sixth of the planet’s landmass from the world’s political map, as a consequence. A more significant reason for the collapse of “the Yalta Peace” was the inner fundamental conflict within the “Yalta-Potsdam” international system – the conflict between the principles of territorial integrity and inviolability of the postwar international borders, on the one hand, and the right of ethnic minorities to self-determination, on the other. Both principles are fixed in all fundamental declarations and pacts of the United Nations.

The Yalta Peace was drafted by friends and rivals at the same time (the Versailles Peace did not know such a radical breach between recent allies) and was inevitably based on checks and counterbalances. In 1975, a summit meeting of the Conference on Security and Cooperation in Europe in Helsinki sealed the results of the Second World War and solemnly proclaimed the postwar international borders inviolable.

At the same time, the International Covenant on Civil and Political Rights of the United Nations (adopted on December 16, 1966, and entered into force on March 23, 1976) says, “All peoples have the right to self-determination... In no case may a people be deprived of its own means of subsistence.” The Covenant legally sealed the right of a people to “its” territory and to the natural resources located within it. “Nothing in the present Covenant shall be interpreted as impairing the inherent right of all peoples to enjoy and utilize fully and freely their natural wealth and resources.”

This conflict opened up opportunities for double-dealing in international affairs. The Soviet Union, protecting the sacred right of ethnic minorities, appealed to freedom fighters for “national liberation” from the “colonial legacy,” while the U.S. and its allies were ready to defend “human rights” and the “val-

ues of freedom.” As a result, the two pillars of the Yalta Peace, who were at the same time the two “poles” of the international system, continued to strengthen through their actions the move toward ethno-separatism and, consequently, terrorism, in their struggle against each other.

In special cases it is possible to plead the need to preserve territorial integrity. Thus, the Soviet Union was right in suppressing various national movements in 1989-1991, including those in Georgia (the events of April 9, 1989) and Armenia (“Operation Ring” of the Soviet Union’s Ministries of the Interior and Defense in 1991 to disarm Armenian *fedayeen* units). In another case, this justification derived from the support of the ‘young democracies’ that had thrown down the gauntlet to the imperial regime. From the point of view of the Soviet Union’s need to protect its territorial integrity and state unity, one can agree with Abkhazian historians and political scientists who justify the position of the Abkhazians who sought to protect the territorial integrity of the Soviet Union against Georgia’s separatist efforts (in a March 17, 1991 referendum, Abkhazians voted for the preservation of the U.S.S.R.).

In any case, the defeat of the Soviet Union and the Warsaw bloc, together with the breakup of the external and internal Soviet “empires” (the liberation of Central and East European countries from the Soviet Union’s political control and the destruction of the Union itself) opened up the flood gates for the free navigation of ‘young democracies’ which built their ideologies on the principle of ethnonational self-determination. The new sovereign states of the former Soviet Union overtly or covertly converted the principle of nations’ right to self-determination into the principle of territorial integrity. Thus, ‘checks’ and ‘counterbalances’ were sacrificed for the cause of ‘nation-building.’

This volte-face resulted in ethnopolitical conflicts, which in some regions (especially in the South Caucasus) grew into armed hostilities. In the opinion of the president of the Georgian Foundation for Strategic and International Studies, Alexander Rondeli, these developments occurred because the elites in the newly independent states of the South Caucasus

were unprepared for modern state-building. “The South Caucasus was a periphery of the Russian Empire; yet, it was more organically connected with the outer world than post-Soviet Azerbaijan, Armenia and Georgia, which turned sovereign states overnight, are connected now...” After the collapse of the Communist theory and practices in the ethnic republics of the Soviet Union, the idea of ‘internationalism’ was discarded, and the ideological vacuum was replaced by an idea supporting the ethnic ownership of land.

This new concept is centered on the idea of ‘one’s own’ land principle. The native land is viewed as a sacred thing, as something completely independent of its economic or geopolitical value. The Abkhazians are being offered a plan for the return of Georgian refugees to the Gali District where they used to make up an overwhelming majority. This is countered by an argument over Abkhazia’s ancient principality of Samurzakhano, which was one time populated largely by ethnic Abkhazians.

The Abkhazian elite is accused of carrying out ethnic cleansing against over 200,000 Georgians in 1993 (before the war, ethnic Georgians represented the largest ethnic group in Abkhazia, comprising more than 45 percent of its population). Abkhazia responds by citing statistics suggesting that in 1992, at the beginning of the armed conflict between Georgians and Abkhazians, Georgia had dominated the population of Abkhazia as a result of “Georgianization” of the Abkhazian territory, carried out by the leadership of the Georgian Soviet Socialist Republic. Abkhazia argues that Tbilisi’s coercive approach to the solution of the Abkhazian problem is unjustified, while Georgia reacts by saying that Abkhazia has always belonged to and been populated by the people of Georgia; thus nobody except Georgia, goes the argument, has the right to establish one’s will there. Similarly, Armenia argues that ethnic Armenians settled on the territory of present-day Nagorno-Karabakh earlier than the Azerbaijanis, while Azerbaijan insists that Azerbaijanis had states on the same territory (the Erivan, Nakhichevan and Karabakh khanates).

Given such approaches of the conflicting parties in the Caucasus, their socio-political “images” of the world will never coincide. For Georgians, for example, the struggle for South Ossetia will be the protection of Georgia’s Samachablo (the land of the Georgian princes Machabelis) or Shida Kartli (“Internal Kartli”), whereas for Ossetians this will be a struggle against the ‘smaller empire.’ Armenian “historiosophy” will focus on the anti-Armenian pogroms in Sumgait and Baku, while Azerbaijani “historiosophy” will place emphasis on the killings of Azerbaijanis at Khodjaly. Georgia will remember the ethnic cleansing of 1993, while Abkhazia will never forget the forced Georgianization, together with the invasion by Georgia’s State Council troops in August 1992.

As an ideological concept, ‘one’s own land’ presupposes the priority of ethnic collective ownership; the ethnos alone can be the supreme proprietor and manager of the land. As distinct from the substantiation of ownership rights in civil law, the ideology proclaiming the right to ‘one’s own land’ is interpreted arbitrarily, on the basis of historical presentism, without taking into account the real facts of the past. The fact that the constant application of the principle *jus primae occupationis* finally depreciates the concept of ‘one’s land’ is usually ignored. The leaders of the national movements do not perceive this as a logical contradiction. Indeed, if one follows this logic, Greeks will have the same right to Abkhazia as the Abkhazians or Georgians, while the Udis, an ancient Caucasian people, could also be recognized as an “interested party” in the conflict over Nagorno-Karabakh.

The legitimacy of power in the new post-Soviet states was founded on the basis of the “blood principle” under the slogan of creating ‘one’s own’ states expressing the interests of ‘one’s own’ land. The implementation of this principle, however, ultimately planted a time bomb under the legitimacy of the new states and national entities. This legitimacy should be understood not only as the perception of power as legitimate, but also as the power expressing the interests of the citizens.

‘One ethnos, one state’ is not the best approach for ensuring the legitimacy of power in multi-ethnic and multi-confessional

countries where there are many different ways to interpret the meaning of ‘one’s own land.’ Hence, the wish of the unrecognized states to build ‘their own land.’ These entities already have many attributes of actual statehood – state symbols, Cabinet, parliament, national budget, army, police and security agencies – and they have laid the foundation of their national ideology. However, born as a result of the “flight” from the illegitimacy of the recognized entities of the Commonwealth of Independent States, the unrecognized states now find themselves in the same trap. Abkhazia has proved to be alien to Georgians, just as Nagorno-Karabakh is alien to Azerbaijanis. It is a case of a vicious circle. Democracy Karabakh- and Abkhazian-style has proved to be ethno-democracy, that is, freedom for the ‘titular ethnos.’

However, it would be a serious mistake to interpret the expectations of the recognized and unrecognized entities in the post-Soviet space merely as utopias and illusions. After all, there is a thousand-year historical experience behind these utopias. Once the former Soviet republics gained their political freedom, these societies began to save what was most dear to them – their ethnic identity. However, while recognizing this fact one should not run into another extreme and overemphasize the civilizational and culturological “uniqueness” of the respective local mentalities.

If this “uniqueness” received impulses in an isolated geographical (geopolitical) space, that space could be recognized as a special ethnographic territory. But under the modern conditions of globalization, “challenges” deriving from the unrecognized states affect the interests of not only neighboring countries, but also European countries and the U.S. Hence, from pragmatic considerations, there is a need for international cooperation among the leading countries to ensure legitimacy in the post-Soviet space.

Russia’s support of seats of instability in the post-Soviet space has not brought it the predicted dividends. The pro-Armenian turn in Russian policy, together with Moscow’s support for the Nagorno-Karabakh Republic, backfired on Russia and resulted in the creation of the Cultural Center of the Chechen Republic of Ichkeria (January 1995) and the Office of the Plenipotentiary of

Ichkeria in Moslem Countries in Baku (1999). “Azerbaijan provided an invaluable help to us in accommodating refugees,” the head of the “Foreign Intelligence Service” of separatist Ichkeria, Hozh-Akhmed Nukhayevev, said in an interview with the Baku-based *Zerkalo* newspaper in January 2000. Moscow’s efforts to correct the vector of its policy toward Baku in 2000-2001 led to the extradition of some Chechen separatists from Azerbaijan, together with the emergence of the *Open Letter of Chechen Refugees* to Azerbaijani President Heidar Aliyev. The letter lashed out at the Azerbaijan authorities for their “anti-Chechen policy.” In a separate event, Russia’s pro-Abkhazian policy backfired with the events in the Pankisi and Kodori Gorges in 2001-2002.

At the same time, it is obvious that the citizens of the unrecognized states pin their hopes for the solution of their social, economic and ethno-political problems on Russia. Simply “surrendering” them would be as inexcusable a mistake as was Moscow’s unilateral support in the early 1990s. The “surrender” of South Ossetia and Abkhazia would entail the destabilization of the ethno-political situation in North Ossetia, Adygea, Kabardino-Balkaria and Karachay-Cherkessia. Unilateral concessions from Russia in solving the Karabakh problem would prompt a strong negative reaction from the Armenian diasporas (the world’s largest, wealthiest and best structured).

How can the problem of unrecognized states be solved? First, for lack of mutual confidence and resources for the fulfillment of any guarantees, it is obvious that this problem cannot be solved through negotiations between these states and the countries from which they have broken away. This fact requires candid acknowledgement as opposed to politically correct hush-ups. Second, the solution requires pragmatic, rather than romantic, peacemaking. Otherwise, one can “let the inevitable occur” and resort to the “last argument of kings.”

Obviously, a “fatalistic scenario,” if implemented, would only bring about large-scale destabilization in the CIS. Thus, there is no alternative to pragmatic peacemaking. But pragmatic peacemaking will require giving up any speculative humanitarian plans,

like an immediate return of refugees and granting special status to the breakaway unrecognized states. It must be understood that refugees are not “old men and small children,” but owners of commodities and property that was taken from them by other people long ago.

The introduction of refugees also means a change in the ethno-demographic situation and the inevitable question: “What was the use of all that struggle?” Obviously, questions like this are best left alone if one truly desires the interethnic conflicts to be settled. However, the refugees must be compensated, of course, for their material and moral damage, and international financial institutions must help fund their settlement in a new place.

However cynical such projects may seem, they offer the only chance to avoid a new redivision of property and spheres of influence, and an aggravation of interethnic relations in Abkhazia, Nagorno-Karabakh and, to a lesser degree, in South Ossetia and Transdniestr.

Alas, the results of ethnic cleansings of the early 1990s will have to be recognized in order to prevent new interethnic excesses and cleansings. The experience of Kosovo and the Republic of Serbian Krajina must be a lesson and a warning for post-conflict settlement in the post-Soviet space, while the Dayton Accords model can be used as a guideline. Russia, the European Union and the U.S. could act as guarantors to prevent the redivision of property and power in the unrecognized states. Obviously, the present elite of the unrecognized states, which enjoys its position due to military successes, will agree to its existence in a nested recognized state (according to the Dayton Accords model) only if it is given guarantees that the resources (and administrative rents) it has gained will be preserved.

The North Caucasus and the Future of Russian Statehood

Vladimir Degoyev, Rustam Ibragimov

Protracted discussions over particular “failed” states in the post-Soviet space overshadow the fact that this very same word has become fully applicable to the North Caucasus; but the price of this “failedness” is much higher for Russia.

Terrorist sorties, unparalleled in audacity and scale, have acquired a tenacity and regularity in that region. Events that were at one time confined to Chechnya are now found all across the North Caucasus. These events seem to have formed a systemic process with deep-lying sources of reproduction.

The attractive and optimistic theory that recent developments in the North Caucasus are nothing more than a residual, sporadic reaction to the suppression of organized Chechen separatism and chaotic acts of revenge seems rather doubtful.

Nor is there enough clear proof in favor of the pessimistic theory that points to a natural and irreversible historical evolution, which ostensibly dooms Russia and the North Caucasus to a bitter divorce.

We know practically everything about the immediate and tentative causes of the current situation in the region. In an attempt to explain the current developments, the experts have a tendency to

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give some of their aspects a speculative and ideological nature. These have remained unchanged for several years, although real life shows that many things change spontaneously and without warning.

The real objective here is not at all to draw up a catalog of logically arranged causes of the crisis. It is much more important to find effective answers, especially to the challenges whose origins are fairly well known. The possibility to identify those challenges, however, does not make them either simple or unequivocal. Destabilizing factors in the North Caucasus are intertwined in a complicated and chaotic way, often making it hard to identify the primary and secondary, as well as the logical and haphazard, elements.

Since other experts have, in a professional and comprehensive manner, exposed the root causes and nature of threats to Russia's security in the North Caucasus, let us simply sum up some plainly obvious facts.

Let us be blunt and call a spade a spade. Since 1991, Russia has been slowly but surely losing sovereignty over the North Caucasus. The region is *de facto* pulling out of the legislative framework of the Russian Federation along two synchronized directions, which can be described as "sporadic" and "deliberate." The sporadic element of this highly explosive evolution springs from the realities of everyday existence that dissuade the population from observing Russian legislation. The latter is widely looked at as a source of profiteering for some and a source of losses or animosity for others, not as the primary institution of the nation. This means that the natural pace of events is wearing away Russia's legal sovereignty, so to speak.

Public opinion associates legislation and all of its basic functions with the names — or colorful nicknames — of the local "guardians of the law" who have the final word on all decisions.

As those individuals holding the reins of power "privatize" federal law, they recklessly tear the regions entrusted to them out of the framework of Russian statehood, while inflicting moral damage on the country's image and reputation in the eyes of its compatriots, not to mention the international community.

Yet chaotic tendencies cease to be chaotic where and when they form a social, political, economic, ideological, cultural, and psychological environment that gives broad leeway to individuals with highly specified interests. These may coincide or conflict with one another or serve to compromise solutions. Whatever the case, such interests always inflict damage on the man in the street – on his welfare, security or moral health. Herein lies the major and most ominous threat of a total loss of control over society, driving it to the verge of a social and political collapse, and not only in the North Caucasus.

The very nature of corrupt power cancels out its strength. Being fully aware of this, it goes to great lengths to rally Moscow's support in a standoff against contentious society. It has inflated the staff of the security agencies, while building partnerships with local oligarchic (i.e. criminal) groups. It bribes – overtly or covertly – clan leaders, religious authorities, notable intellectuals, or generally anyone in the regional political arena who presents a challenge and is hence dangerous.

To ensure the smooth functioning of the corrupt administrative machinery, the ethnocratic regimes do not pull any punches. They seek to convince the Kremlin that they are irreplaceable in this kind of situation. And that is why “this kind of situation” is bred artificially. The local political and economic elites have an interest in stability on a theoretical plane only. Stability implies a commitment to law and this may mean heavy losses for those people who are accustomed to playing by the existing rules. An array of tools comes in handy to maintain those rules. People of clout try to aggravate tensions in all spheres of social relations, never allowing them to rise to the point of exploding, nor permitting them to completely disappear. So far, efforts to manage these “ballistic” processes have been successful, although very costly.

Local power desperately needs emergency situations as a way of proving to the Kremlin its importance, which makes the federal government turn a blind eye to the administrative and judiciary arbitrariness in the region as it continues to pay off the loyalty. The North Caucasian feudal princes address their motto “don't rock the

boat” primarily to Moscow, and the latter gladly repeats it, without noticing, apparently, that it covers up outright blackmail.

Even those who avoid conspiracy theories are astonished by the bizarre methods that local authorities and security services use in fighting with gangsters and terrorists. Many of the latter do not fear anyone, while their audacity grows day by day. They apparently recognize that no one will touch them for a number of weighty reasons, but most importantly because someone needs them safe and sound. No doubt, it is important to make demonstrative ritual sacrifices to the altar of Themis, the goddess of law and justice, but they are made selectively and cautiously.

The real problem is: How long can all of this continue?

Social and political tightrope walking on the part of local authorities disrupts control over the general situation instead of consolidating it. The strategy of reigning in the region, which boils down to trivial self-preservation, is profoundly vicious. Yet it cannot be otherwise given the presence of vulnerable underbellies, from which the thriving atmosphere of immorality has stripped off its protective covering.

It has become customary to describe the North Caucasian crisis as systemic. Moscow’s interpretation of ‘system’ argues that factors generating the crisis are positioned in a horizontal relationship and play more or less equally destructive roles. This explanation of the principle of a system furnishes the federal and regional authorities with a number of advantages, as they find it convenient for explaining what is happening, or not happening, in the Caucasus.

Apportioning of equal blame for tragic events in the region to objective – or haphazard – factors deflects criticism away from the people who must bear the brunt of responsibility for it.

The main blame cannot be placed on the terrorists because they are simply doing what they should be doing by virtue of their heinous trade or inherent pathologies. Rather, it is power as a system that often fails to do even the most elementary things it has been supposed to do since the beginning of time.

Competition or, rather said, warring for access to control over one or another region in the North Caucasus, involves individuals

that have grabbed big wealth but are still yearning for more. Remarkably, no one gives a thought about ensuring the safety of what was grabbed. This seems to be taken for granted. Big owners have no fear of losing their property, at least they do not receive threats from the federal and legal centers. Each owner is the state and law unto himself, and a bullet fired by an assassin seems to be the only restraint on his permissiveness.

Regional election campaigns often get an absurd as much as a bloody taint, and instead of conceptual programs they witness a contention between individuals with big money who have a total deficit of everything else.

This system, however, will exist as long as the federal center and the ruling class of the North Caucasian provinces, which live by the same corporate norms, have an interest in maintaining it.

The numerous factors fueling and deepening the crisis in the North Caucasus have also a vertical structure, i.e. they have a hierarchic organization. The question of what is at the top or at the bottom of that hierarchy is hard to answer and is of secondary importance. The main thing is that room at the top of that pyramid belongs to only one factor, yet it is a super-factor and pertains to the ongoing collapse of the system of local government. Anything else, including terrorism, is a product of that process in the final count. This is a process that is dangerous beyond comparison and that may prove lethal for Russia's statehood.

We are purposefully using simplified images to portray the situation since a very simple yet dramatic dilemma – the survival or demise of the Russian Federation – lies at the root of the problem. The alienation of the North Caucasus (de facto and, more importantly, de jure) and the subsequent reshaping of borders would mean that a country named Russia in its present form would cease to exist. This is not a Cassandra hypothesis; this is a tough prognosis of the foreseeable future that will occur as inevitably as a cyclical natural phenomenon if we allow the current tendencies to develop according to their natural logic.

Powerful forces outside that region and outside Russia have a great interest in either preserving the present situation in the

North Caucasus or aggravating it further. The region has long been entangled in a great game of chess now being played within modern international politics, but however strongly one might feel inclined to use the word ‘conspiracy’ in this case, it would be totally out of place. There is no place for guesswork here, since everything is clear as daylight. What we are witnessing is a normal, strong and somewhat decent struggle for geopolitical, cultural, civilizational, and religious re-partitioning of the world, correlating with the leading powers’ potentials that changed after the end of the Cold War. And let us be sure that no one will try and stop us from losing the battle if we really want to lose it.

Now we arrive at the eternal Russian question: What to do? Everyone knows the answer, yet everyone from bottom up refuses to mention it for a variety of reasons. In the meantime, the voice of the people is heard quite distinctly in the North Caucasus. Indignant crowds on the streets of Beslan, Vladikavkaz, Nalchik, Makhachkala or Maikop are asking in frustration: For how long? What more must happen for the government to become Real Power and to begin acting on its commitments to the people and to society? The question is addressed not to the local presidents who have never been trusted, but to the President of Russia, who still has the trust of the people.

The resource of this trust is becoming depleted, however, because everything and everyone remains in their old places. People in power continue acting in their petty interests with no benefits for society. More problematic, the regional elites expertly exploit the generally justified postulation that “fish rots from the head backwards.” When someone asks them about particular subjects, they answer rhetorically: “Well, what do you want from us when God only knows what’s happening in Moscow?” The tactic of “kicking it upstairs” often works well. At the very least, it teaches public opinion to discern the Kremlin’s silent blessings in the perverse policies of the regional leaders.

One might think the Kremlin has its own trump cards. It may cite a classical Soviet aphorism that says, “I don’t have any other writers in store for you,” but this will not help save the situation.

If there are no others in store – which is doubtful – it is important then to make the existing “writers” work. It is important to tap and activate vital stimuli that will change the philosophy and conduct of the ruling class dramatically. Furthermore, if need be, one must implement an array of non-economic and economic methods of coercion.

As a rule, the powers that be do not have any other goal and super-objective than self-preservation and self-regeneration. This is neither bad nor good. This is reality growing out of the nature of politics as such. However, since this is the nature of the beast, it would be senseless to try and overpower it; better to try and use it. Caring for people’s security and welfare must become a beneficial, prestigious and mandatory task for politicians.

Heaps of articles, analytic reviews and books have been written about terrorism, religious fundamentalism, ethnocratism, clan-based mafias, corporate cover-ups, and the merger of government agencies with criminal groups. The study of those factors that are injecting increasingly negative dynamics into regional processes goes along the same line. Numerous official organizations give enthusiastic support to analysis in that vein. But by doing so, they willingly or unwillingly prevent intellectual powers from working on more important factors behind the regional developments. This work requires that researchers use different methods of analysis of the North Caucasian reality, and make other conclusions and other recommendations for practical policy.

Everyday allusions to the “hard times of change” that have befallen Russia have obviously inspired those who have carved attractive niches for themselves in these very times and hesitate at lifting a finger to bring about other times. On the contrary, they attempt to prolong this “moment of sweetness” and sabotage – quite openly – any attempts to change our common life (not their corporate life) for the better. To put at ease the less sanguine Russians, they argue that such moments of difficulty are unavoidable at abrupt turning points of history. It’s sort of unassailable logic, you see.

In the meantime, the unassailable element will remain unless the people in power have common sense, willingness for action,

and morality. It is the latter three categories that have always determined everything in this country, and logic based on them is unassailable, indeed, and nothing can be done about it.

The so-called in-depth (i.e. irrevocable) historical processes ostensibly taking place in the North Caucasus are secondary and derivative in nature. Of primary importance is the systemic, functional and moral degeneration of state power, government and the executive sphere. To put the situation in the terms of physics, power is turning into vacuum.

Meanwhile, complaints about the proponents of Wahhabi Islam, terrorists, nationalists and other destructive elements that are rushing in to the open space (“Nature abhors a vacuum”) are like the grievances of a man whose car has been stolen. However, the vehicle, it turns out, was left on the street with the doors open, the engine running and a pile of banknotes lying on the seat.

The eternal Russian dilemma “What to do?” is no longer a rhetorical question. Our tolerant people might wait indefinitely for an answer if they did not have to pay for it with horrible tragedies that make everything else pale by comparison.

A response to the above question, however, does exist. Remove the causes that entice and compel a person to engage in terrorism, fundamentalism, national radicalism, separatism, extortions, or banal criminality. Offer him or her an alternative path that will be more attractive and viable.

At the same time, condemn every criminal to an inescapable punishment, regardless of his material or social status, and Russia’s malignant illnesses will recede to zero.

The question “How can it be done?” is an operative and technical problem, despite all of the complexities connected with the social, political and moral disjointedness of Russian society – a society that presently lacks ideas, faith and material status. Yet it remains united on one point, namely, that Russia does have a future and that its ills, although dangerous, are not fatal. It must be said that should this hope vanish, Zbigniew Brzezinski’s well-known geopolitical reveries will turn into reality.

We must act without hesitation, haste or feverishness, regardless as to whether or not we believe in historical predestination. We must act in spite of the forecasts that have been made for us. Whatever end of the rope we finally decide to pull at, a powerful and efficacious instrument will be needed. It was invented ages ago and is called the Institution of Power. It must be made operational in Russia generally and in the North Caucasus in particular. Only then will we get the levers of direct control over the processes that are now growing chaotic; the levers of immediate impact over the causes and consequences that are often mixed up purposefully.

Throughout Russian history, all creative and destructive plans have been conceived and implemented from above. The Institution of Power, half-dilapidated in the regions of the North Caucasus, is the main source and catalyst of highly dangerous social tendencies. It is no use sparing efforts or money for an overhaul, readjustment and — if need be — full upgrade of the mechanism. Politics is a costly thing, but economizing on it is much more costly.

Unlike the incessantly hesitant and pensive Russian intellectuals, the bureaucrats know perfectly well what they want to achieve and how to do it. However, since this kind of “esoteric knowledge” aims to undermine the welfare of the people, the answer is to build a system capable of radically changing the vector of application of the force and talents of politicians and administrators.

The ruling class will never relinquish its own interests voluntarily and the chances that the grim reality around it, equally detrimental for those at the helm of power, will motivate them to do so are also slim. They will continue to ignore this objective reality until the branch of the tree they are sitting on and chopping at the same time finally falls down. And yet there is a chance that the political elite is rational enough to subdue to the will, arguments and personal example shown by a charismatic leader (or leaders) who is guided by passions loftier than simply the desire to prolong his power.

Nowhere in the world do people feel any special love for the Institution of Power. However, it does not have to be loved, because it does not exist for this purpose. The population in the North Caucasus dislikes state power, but it has a much greater dislike for the absence of power; this situation brings to a head the problem of the balance between freedom and security. These two notions or ideals in North Caucasian society resemble a system of communicating vessels to a greater degree than anywhere else. In other words, the more water in one vessel, the less water in the other.

Public opinion in the North Caucasus is not simply loyal to the idea of strengthening the vertical structure of state power. It demands that words finally give way to deeds.

Rank-and-file working people are ready for a strategic union with the Kremlin to bridle the boundless arbitrariness of their elites. The people await clear signals from Moscow for some sort of resolution to launch a new course. The Russian President has so far refrained from sending those signals, and it is easy to understand him. Fierce resistance on the part of those who may suffer from such a volte-face is almost guaranteed. Thus, it may take the most sophisticated forms of action – from petty sabotage to organized protests employing a range of political technologies up to large-scale provocations or even terror. But the federal authorities have a well-tested tool for handling such situations; it is a direct appeal to the nation. People's rage against criminal bureaucracy, on the one hand, and the Kremlin's political will, on the other, could turn into something of a Scylla and Charybdis situation for the degenerate ruling class.

The struggle against a dragon with a hundred heads will never result in a full victory, since it is not a zero-sum game. Yet it can deal a telling blow, even though this will not be an easy struggle. If the Kremlin decides to build an alliance with the working masses of the Caucasus, their chances for victory will increase. And who can prevent the federal authorities from using equally effective political technologies against the outrageous bureaucracy? In many cases, there will be no need for special tricks. The Kremlin has a fine trump card in the pack: the class of furtive administra-

tors has enough things to lose. It cannot be ruled out that this consideration will lead to the basic conclusion that it is highly desirable to do guaranteed safekeeping of what it has gained rather than to run neck-breaking risks of continued enrichment, once this choice comes into limelight. It is important to put those who deserve it in that dilemma.

After this happens, the Kremlin will have to offer a reward in the form of the notorious economic amnesty. However, those amnesties must not be granted to everyone. Such campaigns necessarily require victims that should be selected prudently from among the most odious figures, that is, those who hurl abusive challenges unbearable even in a society with devalued notions of dignity, consciousness, and justice.

History knows many instances of rulers directly appealing to the people, yet the contemporary code of civilized behavior, however, declares it a forbidden technique and bad taste. But the problem is that the decorum and political correctness in the conduct of top state officials contrast sharply with the bloodstained reality in the North Caucasus that calls for a more adequate treatment and a more functional approach.

Ideally, the prerogative of putting things into order would belong to a strong democratic power, otherwise the working masses might bless an authoritarian state power to do the job. This would entice authoritarians to concentrate maximum power in their hands; this usually comes to mean totalitarianism.

Another option, known as “the golden mean,” is generally possible in Russia, considering its huge size, but unfortunately it does not exist in the North Caucasus. Following the collapse of the Soviet Union, which removed Russia’s supra-identity of a strong power, the masses of the North Caucasian population adopted ethnic, clan, corporate and other highly marginalized forms of self-identification as replacements for it. The paradox of globalization in that region is that its peoples have chosen the path of restoring traditionalist patriarchal relations dating from the 17th and 18th centuries. These presuppose clan hierarchy, infighting among clans for top positions on the hierarchic ladder, a system of subordina-

tion resembling that of vassals and suzerains, and the practice of subservience and tributes with a respective distribution of community wealth and important roles. Add to this list the guaranteed collective cover-ups and very specific notions of crime and punishment, implemented through the sporadic revival of common law.

All of these factors intertwine in a complicated way with the latest assets of modern civilization, including those from the realm of economics and finance.

These circumstances make it highly impractical to hold out hope for the self-organization of the North Caucasian regions along the principles of civic society's dictum "from the bottom to the top," a general pattern of social relations which evolved in Western countries over many centuries. At the same time, the coercive materialization of such a democratic utopia in the North Caucasus would only mean a huge squandering of resources with unpredictable consequences. If the Kremlin aims to breed evolutionary democracy in the North Caucasus, that region will be lost for Russia and for democracy likewise.

Post-Soviet experience shows that building parties and democracies in small traditionalist societies becomes a plausible and "civilized" cover for inter-clan and inter-mafia wars, and infighting between criminal groupings. The North Caucasian blend of "democracy" paves a direct and legal road to power for people engaged in ominous and destructive "passionarity," a term coined by 20th century Russian philosopher Lev Gumilyov. The most tragic fact in all of this is that society stops distinguishing between the much-hated image of predator and the image of the Russian state.

The outstanding liberal historian Vassily Klyuchevsky, the leader of Russian historiography at the turn of the 19th and 20th centuries, made public his aversion against the principle of tying Russia's social life to political parties, believing it might bring about a split in society. Imagine the impact of that principle on tiny (compared with the Russian nation) social, ethnic and cultural systems.

The history of Russia's imposition of power in the North Caucasus was a dilemma of choosing between "much blood"

and “little blood.” Oftentimes, the czarist government managed to settle its problems there through a minimum of political intervention. The war in the Caucasus in the middle of the 19th century embodied a war between two civilizational projects – the Russian Imperial and the Islamic Fundamentalist (so-called muridist) models. Strength alone was not the only reason why the former project emerged victorious. The people viewed it as a much more promising option for a number of reasons. The main reason was the confidence that the power of the Russian Empire would guarantee external and internal security to its subjects, and security is a precondition for survival, welfare and development.

The “struggle between projects” is making a return today, not because the idea of strong power has become less attractive, but rather because of the dearth of people ready to translate it into practice. Adepts of radical Islam have a keen sense for the general moods in impoverished, multiethnic, corrupt and ethnocratic societies with a deficit of order, justice and unity. Wahhabi fundamentalists, for example, have an advantage in that they have a clear program for how to implement their ideals. Its provisions are clear-cut and presuppose the forming of a supra-national spiritual identity based on the commandments of pure Islam, which opposes human and social vices, nationalism, social fractures, public disorder, and crime, on the one hand, and Russia’s secular ‘infidel’ presence as the embodiment of all those vices, on the other. In a situation where the Kremlin does not have a counter-project with a comparable moral charge, the Wahhabi ideas are gaining momentum in people’s minds, especially among the naturally radical young.

Those Russian liberals and Great Russia chauvinists, acting under the slogan, “Jettison them [the North Caucasus] and live a happy life,” simply play into the hands of the fundamentalists. While the liberals cite the “sacred” principle of self-determination and the absence of readiness in patriarchal societies to go over to the post-industrial stage of development, the chauvinists claim that the “non-Russian” region is incompatible with the rest of Russia.

Nothing is more dangerous and vicious than an approach of that kind, and the harder the West pushes us in that direction, the more grounds we have to believe that its intentions are not all well-meant.

There was an occasion in 1991 when we jettisoned the “worthless baggage” of the former Soviet republics, and yet the prospects of leading a happy life are as remote now as they were at that time, to say nothing of the geopolitical consequences.

The English philosopher William of Ockham warned that “entities must not be multiplied beyond what is necessary.” His call is especially topical in the North Caucasus where “entities have multiplied” to a degree that borders on chaos. Lest that chaos should set in, the situation must be made simpler, and this process must be implemented from above. Otherwise it will become so complex at the bottom that the situation will spiral out of control there.

The spaces of the North Caucasus abound in Gordian knots these days and we will have to cut them. This will require willingness and courage, and the sources we can draw them from still exist. One of them derives from the Caucasian mentality. People in the Caucasus have always praised a government that behaves like a government. Today, it is the Kremlin’s turn to understand this.

Central Asia in an Era of Change

Stanislav Chernyavsky

Central Asia has been recently described, despite its myriad problems, as a region of political stability. Experts believed that the Central Asian governments would ensure a relatively calm development inside their countries for at least five to seven years. However, given the developments in the post-Soviet space in the last two years, the analysts have been forced to amend their forecasts.

Heightened tensions in Central Asia are due to internal and external factors. The internal factors include the family/clan-based nature of the ruling regimes, low standards of living, and mass unemployment. Discontent has also been growing among the political elite, which has lost its ability to influence decision-making at the highest level, as well as within the business elite, which has encountered serious obstacles in its entrepreneurial activity and has been threatened by the ruling oligarchic clans with the seizure of their enterprises. This growth of instability stirred to action the opposition, some of who are made up of Islamic extremists that receive their guidance through lavishly funded emissaries from Saudi Arabia, Turkey, the United Arab Emirates and Iran.

The external factors for the rise in tensions include the seizure of local resources by large transnational companies, as well as the direct involvement of new actors on this stage: the

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United States, member countries of the European Union (the activities of international nongovernmental organizations represent one form of the Western presence), as well as China and Turkey. Additionally, Central Asian countries are still used as the main transit corridor for drug trafficking from Afghanistan to Russia, the Commonwealth of Independent States and Europe. According to official statistics (2004), Russian border guards in Tajikistan seized more than 3.75 tons of drugs, including almost 2.5 tons of heroin.

AMERICAN PRESENCE

During her trip to Central Asia in October 2005, U.S. Secretary of State Condoleezza Rice once again expressed the firm intention of the Bush administration to maintain a presence in this strategic region. Rice pointed out that there is no need for various countries to launch a race of interests in the region because, she said, there must be enough room for all interests there.

The United States remains the most influential outside actor in Central Asia. In May of last year, Washington sharply reacted to the developments in Andizhan, Uzbekistan, after the authorities severely suppressed armed protests. The U.S. and its Western allies tried to use those events as a means of political pressure on Tashkent, which responded in July by demanding that the United States remove its military base in Khanabad within six months.

Now, the major hub of U.S. forces in Central Asia is at the Manas military base in Kyrgyzstan, where over 3,000 troops and military equipment are deployed. There, the U.S. command deploys a large amount of airfield, navigation, reconnaissance, and search-and-rescue equipment. Furthermore, it plans to create stocks of aviation fuel and weapons there, as well.

From a strategic point of view, Central Asian bases enable the U.S. to control not only the entire Central Asian region, but also the air space above Afghanistan as far as the Indian-Pakistani border. At the same time, western regions of China and large cities in Kazakhstan are now within the reach of American fighter aircraft, as well.

Condoleezza Rice has described the American bases in Central Asia as strong points of the coalition forces, where they may play a major role in providing assistance in natural disasters, accompanied by the provision of medical and humanitarian aid. Meanwhile, the U.S. administration has set a rather vague time frame for its military presence in Central Asia, saying it will remain until the operations in Afghanistan are over. U.S. officials have repeatedly stated that the U.S. is not going to leave the region as “we need to expand our ongoing support for democratic political institutions, local nongovernmental organizations, and independent media.”

To all appearances, the White House fails to realize that some Central Asian countries are not prepared for launching major reforms and addressing all of their economic, political and social problems because there remains an absence of a basic political culture, while democratic institutions are unviable.

Washington has proposed to several Central Asian countries advantageous contracts for rearming their armies to bring them into line with NATO standards. The U.S. is ready to supply its Patriot anti-aircraft missiles and help create facilities for their repair; it has also displayed an interest in building facilities for the production of certain types of armaments and military equipment. The Americans plan to deploy an integrated communication system, complete with new air defense and air traffic control systems.

The beginning of military operations in Afghanistan, together with the creation of American bases in Central Asian countries, was accompanied by a sharp rise of indoctrination of the local population. Radio Free Europe/Radio Liberty, for example, markedly increased the number of its broadcasts in the Azerbaijani, Kazakh, Kyrgyz, Tajik, Turkmen and Uzbek languages, as well as in Farsi.

The United States and the five Central Asian countries have concluded a framework agreement providing for the development of their mutual relations in trade and investment. The parties will pool regional resources, create a single market of goods and services, and liberalize trade. Furthermore, the agreement assists the

Central Asian countries' integration into international economic and financial institutions, namely, the World Trade Organization.

Rice stated that the Americans are ready to help Central Asia break out of its regional self-isolation, integrate into the outside world, and independently and freely build their own destinies. Ideally, the Secretary of State said, integration processes should also be directed toward South Asia, involving Afghanistan and Pakistan. From there, these processes would extend over the Caspian Sea into the Transcaucasus, providing them, finally, with an outlet into Western Europe. In that case, the region would be at the crossroads of many strategic trading and financial routes and become an economic magnet.

Meanwhile, U.S. military actions in Afghanistan and Iraq have sparked protests among the Central Asian Moslem circles. The counterterrorism operation in Afghanistan has been highly inefficient, while the inability to crush the underground network of the Hizb ut-Tahrir extremist group operating in Central Asia (this group orients itself to the Moslem Brotherhood) gives it an opportunity to pool efforts with radical elements from the Islamic Movement of Uzbekistan. The strategic goal of both organizations is to overthrow the secular regimes and create theocratic, caliphate-type states in the region. U.S. analysts realize that a further radicalization and militarization of Islamic movements in the region would only aggravate Washington's problems. At the same time, America's partnership with dubious regimes, necessary for receiving access to military bases, damages Washington's image as the leader of the democratic world.

Washington officials are very cautious in their statements about Russia's role in Central Asia (this role is simply hushed up). At the same time, they make it clear that this region is of strategic interest to the U.S. and that America's military presence will continue there for a long time.

THE EUROPEAN FACTOR

The European Union views Central Asia as a "buffer zone" protecting Europe against terrorism, Islamic extremism, drug traf-

ficking and illegal migration. The EU's policy toward Central Asia is determined by the Union's Strategy Paper for Central Asia for 2002-2006, which states that the Central Asian countries face common development problems, caused mainly by a slow transition to democracy, lagging implementation of market-oriented economic reforms, and Islamic radicalization. Since September 11, 2001, the European Union has doubled its financial assistance. The core objective of the EU strategy is to promote the stability and security of the Central Asian countries and to assist in their pursuit of sustainable economic development and poverty reduction. To achieve this goal, funds are allocated under the TACIS (Technical Aid to the Commonwealth of Independent States) program. Between 1991 and 2004, EU assistance to Central Asia amounted to 1,132 million euros; of this amount, €516 million from TACIS were used for technical assistance. The remainder of the money was used for humanitarian aid and macro-financial loans and grants.

The European Union is gradually becoming a major donor country, thereby contributing to the strengthening of the Tajik-Afghan border. The EU is implementing its Border Management Program for Central Asia (BOMCA), for which it was to allocate €3.9 million in 2005. In the first half of 2005, Brussels allocated €1.65 million in technical aid to Tajikistan's Border Guard Committee; Britain pledged to give another €1.5 million.

Energy is acquiring great importance in EU relations with Central Asia. The European Union is very interested in the development of cooperation with Kazakhstan in the fuel/energy sector (energy resources account for 75 percent of EU imports from Kazakhstan). Brussels wants Astana to introduce stable, transparent and non-discriminatory legislation that would enable European companies to operate in that country in an effective way.

The European Union welcomed the outcome of the presidential elections in Kyrgyzstan in July 2005, and noted that the prerequisites are in place for continued stabilization there. As regards Uzbekistan, the EU General Affairs & External Relations Council in October 2005 introduced sanctions against the capital of

Tashkent (initially for one year) and accused it of “excessive, disproportionate and indiscriminate use of force” in Andizhan and “refusal to allow an independent international inquiry” into the events there. The European Commission has reoriented its work in Uzbekistan under the TACIS program “to support increased focus on the needs of the population, democracy and human rights, as well as to foster closer links with Uzbek civil society.”

Unlike the United States, the EU countries recognize Russia’s strategic interests in the region and are ready to discuss them. At the same time, they are prepared to implement practical interaction in addressing security problems (above all, the drug threat), as well as develop the fuel/energy sector and its transport component.

CHINESE AND TURKISH TACTICS

Beijing views the penetration of outside countries in Central Asia, above all the U.S., as aggravating economic competition in the region and as attempts to contain China militarily, politically and economically. In its relations with Russia, Chinese diplomacy recognizes the traditional political and economic interests of their northern neighbor and its leading role in regional security.

China, whose economy has a growing need for energy resources, is working hard to enter the Central Asian fuel/energy markets. Through its participation, China seeks to prevent the redistribution of the regional markets of raw materials. Chinese companies participate in the development of the Aktyubinsk and Mangyshlak oil fields (the Aktyubinsk Petrochemical Plant is a Kazakh-Chinese joint venture, in which China owns 85 percent), and are also showing an interest in oil prospecting in Kyrgyzstan.

Beijing continues to display political activity at bilateral and multilateral levels. In 1996, China signed a multilateral agreement with Russia, Kazakhstan, Kyrgyzstan and Tajikistan on confidence-building measures concerning border patrols. A year later, this pact was followed up with an agreement on mutual reductions of armed forces in the border areas. In 2002, China concluded treaties with Kyrgyzstan and Kazakhstan on strengthening rela-

tions, friendship and cooperation, similar to the 2001 Russian-Chinese Treaty.

Beijing views the Shanghai Cooperation Organization as an instrument for strengthening regional security and developing multilateral cooperation. On July 5, 2005, in a move to further develop regional stability, the leaders of the SCO members asked the countries participating in the antiterrorist operation in Afghanistan to declare a timetable for withdrawing their forces from bases set up in Central Asia.

China's active policy in the region is dictated by the need to establish interaction with neighboring countries to counter Uyghur separatism, as well as to prevent outside support for separatist forces operating in the Xinjiang Uyghur Autonomous Region. These forces seek to create the so-called state of East Turkestan on Chinese territory and the neighboring Central Asian countries. To counter the separatists, Chinese special services are strengthening cooperation with colleagues in Russia, Kazakhstan and other countries throughout Central Asia.

Another major player in the region is Turkey, and its role in Central Asia is of a dual nature. On the one hand, it upholds the geostrategy of the West; on the other hand, it seeks to advance interests that are based on pan-Turkism – the vast territory including also the Caucasus, the Caspian region and possibly Turkic areas of Russia. In the past, as hopes for the creation of a pan-Turkic confederation faded, Ankara's policy in Central Asia grew more and more realistic as it gave more attention to winning an economic bridgehead in the region and furthering Turkish interests in the development of oil projects around the Caspian Sea.

It has become obvious for the Central Asian countries that Turkey is unable to play the role of an economic locomotive. Yet Ankara has laid the foundation for its future influence in the region: the younger generation now receiving its education in Anatolian universities and colleges are set to become a reliable support for the country.

It must be noted that the radical aggressiveness with which Turkey tried to destroy Russian influence in Central Asia during

the first few years after the Soviet Union's breakup has disappeared. Turkish-Russian relations in the region have turned pragmatic, without any signs, unfortunately, of a practical interaction.

POLITICAL DEVELOPMENT PROSPECTS

All member countries of the CIS have several features in common: underdeveloped and inefficient political structures, serious problems in the sphere of human rights and high levels of corruption in government organizations. These factors may bring about social explosions, which, if supported from the outside, may turn into a revolutionary situation.

The intensity of political struggle in the region has been growing not only in view of the December 2005 presidential elections in Kazakhstan, but also due to disagreements inside the leadership of Kyrgyzstan, compounded by the threat of Islamic extremism in Uzbekistan.

In **Kazakhstan**, a powerful 'administrative resource' guaranteed a victory for Nursultan Nazarbayev. At the elections, he ran against a really strong rival for the first time, ex-speaker of the lower chamber of parliament Zharmakhan Tuyakbai. The opposition has gained vast organizational and political experience, together with a ramified structure.

In 2004, Soros Foundation-Kazakhstan launched several projects in the country, among them Pre-Election Distance, and a project for strengthening and developing Kazakh nongovernmental organizations that work to protect mass media and journalists. The foundation also launched a program for organizing the activity of public foundations for the development of schools and communities. The Kazakh-American University in Almaty has stepped up efforts to propagate the advantages of democratic values and the "revolutionary" experience of other CIS countries among young people.

American diplomats actively interact with the Coordination Council of Democratic Forces of Kazakhstan, which comprises the leaders of the Democratic Movement of Kazakhstan, the Communist Party of Kazakhstan, and the Ak Zhol party. The

Council was established in November 2004 to formulate a program of action for the opposition in the presidential election campaign, and to find a political figure that could be a real alternative to the incumbent head of state.

The United States also exerts pressure on the Kazakh leadership by raising the human rights issue and spreading information discrediting members of the Kazakh leader's team. For example, a hearing held in January 2005 called "Kazakhgate" involved high-ranking officials accused of corruption.

The coming to power of opponents of Nazarbayev or the younger generation from his team – which is quite probable in the foreseeable future – will, most likely, result in the further strengthening of nationalist and pro-Western tendencies in Astana's policy. Western organizations have long been interacting with members of the new Kazakh elite; these individuals do not conceal their negative attitude about the days when Kazakhstan and Russia existed as a single state. They are skeptical about their country's future progress and wary about the strengthening of the Russian Federation.

The development of the political situation in **Kyrgyzstan**, following early presidential elections in July 2005 that led to a change of power, largely depends on the correlation of forces between President Kurmanbek Bakiyev and Prime Minister Feliks Kulov. A conflict between the two heavyweights would inevitably aggravate conflicts between the country's southern and northern regions and would produce an upsurge of political and civil confrontation throughout Kyrgyzstan. The October events, marked by a series of jail riots, have shown how much influence criminals have on political processes in the country.

The situation in **Tajikistan** is relatively stable. The authorities continue to keep the situation under control, while the legal opposition has to abide, at least outwardly, by the rules of the game imposed on it. No viable opponent has emerged to challenge the current president, Emomali Rakhmonov, but inside his clan there is already agitation and the regrouping of forces. Tensions have been growing in Tajik society, as acute social and economic problems

remain unsolved amidst the criminal enrichment of the ruling Dangara-Kulyab clan. The fact that a “family” is in power, acting in its own interests, may serve as a powerful detonator in the future.

Western nongovernmental organizations (over 50 such organizations now operate in Tajikistan) are engaged in active propaganda activities, organizing seminars and discussions and distributing teaching aids on suffrage. The International Foundation for Electoral Systems, for example, together with the National Association of Political Scientists of Tajikistan, has launched a national program for training over 500 observers in the country. Within the frameworks of another project, the U.S. Agency for International Development teaches election campaign methods to activists of political parties, and finances radio broadcasts that propagate the views of opposition leaders.

The Dushanbe office of the Organization for Security and Cooperation in Europe closely interacts with the nongovernmental organizations. In 2005, its employees held about 100 seminars to make voters better informed and initiated the creation of a system of information centers, through which opposition parties could bring their views to the electorate. The Americans are implementing in Tajikistan an extensive program for the support of civil society and for ensuring human rights and the freedom of speech. Although they do not have official accreditation, members of U.S. National Democratic Institute, the International Research & Exchanges Board (IREX) and the Academy for Educational Development take an active part in this program. In 2004 alone, the United States spent more than seven million dollars for the above projects.

In **Turkmenistan**, despite serious economic problems and grave financial position of an overwhelming majority of the population, there are no leaders capable of challenging President Saparmurat Niyazov — even with outside support. Opposition organizations and mass media are forbidden in the country.

The government does not allow an extensive presence of foreign nongovernmental organizations in the country. Those organizations that do work in Turkmenistan are not permitted to go beyond the frameworks of local projects pertaining to education,

public health services and the support of small- and medium-sized businesses. Any attempts by the U.S. and its allies to broaden the field of nongovernmental organizations' activity spark a harsh reaction from the Turkmen authorities; the more active members of those organizations can even be deported from the country.

The parliamentary elections on December 19, 2004, showed once again that the West has no levers of influence on election processes in Turkmenistan. International organizations, including the OSCE, were not even allowed to observe the course of the election campaign and the vote counting.

In **Uzbekistan**, where social tensions have been growing, one can still speak of a certain threshold of public patience. Yet it should not be overestimated. As the "natural" change of power is nearing (this may take place due to the state of President Islam Karimov's health), a confrontation between the Tashkent and Samarkand clans may come to a head, thereby aggravating the situation throughout the country.

In 2003-2004, Uzbekistan passed new laws that have essentially changed the conditions for the presence of foreign NGOs in the country. The new laws have toughened procedures for NGO registration and banned financial and other aid for political parties and movements from foreign states, organizations or citizens. International NGOs are not allowed to participate in any political activity on the territory of Uzbekistan, nor finance activities of political parties and mass assemblies. These moves by the Uzbek authorities have actually ended the work of such organizations as the Soros Foundation, the International Kyrgyz Group, and the Institute of War and Peace Studies.

Tashkent's policy has provoked a strong reaction from the West. The Board of Directors of the European Bank for Reconstruction and Development, for example, has accused Uzbekistan of not fulfilling the political terms for receiving aid, thus the bank has reduced its operation in Uzbekistan to a few credit projects for small businesses. U.S. and other Western officials, during their personal meetings with Karimov, advised him to soften his position with regard to foreign NGOs and the local opposition.

CONCLUSIONS FOR RUSSIA

Russia's strategy in Central Asia must take into account not only the increased differentiation of the post-Soviet space, but also potential conflicts of interests between Russia and other actors in the region. The worst-case scenario of developments may include the destabilization and breakup of the existing secular regimes, the coming to power of religious extremists, and the emergence of interstate conflicts.

The transformation of the region into a new field of confrontation is not in Russia's interests. Given the specificity of the present level of Russian-U.S. relations, Moscow must pursue a reasonable and clear-cut foreign policy and require that Washington make its military actions transparent and predictable. Considering the two countries' common struggle against terror, Washington must share its plans with Russia in advance. Russian businesses would benefit from their joint participation with U.S. companies in the development and implementation of large economic projects.

Another major foreign-policy reserve for Russia is the further development of its interaction with China on Central Asian issues. The Shanghai Cooperation Organization, for example, whose organizational and legal formation is approaching the final stage, allows for Russian-Chinese cooperation to play a restraining role with regard to U.S. actions that are against Russian interests.

The Russian strategy must rest on sound pragmatism stemming from the country's relatively limited foreign-policy resources. These resources must concentrate on key areas, above all, on security, the creation of favorable conditions for economic growth, and the protection of the rights of Russian citizens and ethnic Russians living in the region. Therefore, mutual readiness for cooperation and genuine respect for each other's interests must become a major criterion of relations between Russia and its Central Asian partners.

Russia must step up its efforts to strengthen regional security, with focus on the intensification of interaction within the frameworks of the SCO, the Collective Security Treaty Organization, the CIS Antiterrorist Center, and the Center's regional operational group headquartered in Bishkek. Specific steps have already

been made in this area, among them the reinforcement of the Collective Rapid Deployment Forces in Central Asia (a CRDF air base has been deployed at the Kant airfield in Kyrgyzstan). The Russian-Uzbek Treaty on Strategic Partnership, signed on June 16, 2004, has considerably strengthened Russia's military-political presence in the region.

On October 17, 2004, a Russian military base was officially opened in Tajikistan. On April 2-6, 2005, the Collective Rapid Deployment Forces held the Frontier 2005 military exercise in Tajikistan, which involved military units from all of the Central Asian member states of the Collective Security Treaty Organization and Russia.

In October 2004, Russia joined the Central Asian Cooperation Organization, which came as confirmation that Russia began to correct its strategy in Central Asia. A CACO summit in the Russian city of St. Petersburg, held on October 6, 2005, concluded that it would be expedient to unite this organization with the Eurasian Economic Community (EurAsEC). Thus, almost all the Central Asian states (with the exception of Turkmenistan) are uniting with Russia and Belarus into a common economic space.

Integration measures must also include the targeted financing of nongovernmental institutions of civil society, advocating the real development of democracy in the region and the protection of human rights. In particular, it would be useful, following in the footsteps of the United States and some of the EU members, to set up a special foundation (using funds from the federal budget) to support the development of democracy and strengthen the sovereignty and independence of the CIS states, as well as several public foundations to finance interaction with Central Asian countries in the sphere of human rights.

The success of Russia's Central Asian policy largely depends on its readiness to offer to its partners effective and "competitive" variants of joint solutions to particularly acute problems pertaining to the economy, the struggle against crime and terrorism, and humanitarian efforts.

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Russia and Belarus: Between Wishing and Reality

Leonid Zaiko

During the Russia-Belarus Economic Forum held in September 2005, the participants made flamboyant claims about the alleged success of ongoing “close” integration between the two countries. However, the year 2005 vividly demonstrated that in reality the economies of these countries have been diverging. Minsk’s geo-economic strategy is changing, thus causing Belarus to noticeably depart from Russia.

AT A DEADLOCK

The best indicator of Russia’s and Belarus’ real readiness for integration is the status of their trade. In 2005, Belarusian economic agents bought 12.7 percent less goods from Russia than in the previous year. Belarusian exports to Russia dropped by 10.9 percent (they now account for one-third of the total exports) and are being replaced by supplies from other countries.

In the transportation sphere, there are many unsettled issues, above all those related to the transit of goods. The problems stem from growing protectionism on both sides and are indicative of a need for a ‘common economic space’ in this segment of the market. Protectionist measures, especially on the part of Belarus, also involve such economic spheres as brewing, macaroni/noodle production, flour-milling industry, the processing of agricultural produce, and light industry. Minsk is clearly determined to oust

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Russian products from its market and imposes stringent quotas and limits on an assortment of Russian goods. In fact, 80 percent of products now sold on the Belarusian retail market are of domestic origin. Another hindrance to bilateral relations is that Belarusian companies working in Russia are subject to all kinds of restrictions, while the same goes for Russian companies operating in Belarus.

The Belarusian government continues and even intensifies its policy of providing — overtly and covertly — subsidies to the industrial and agricultural sectors of its economy. For example, the government's program for the rejuvenation of the agricultural sector will cost it around U.S. \$10 billion. Belarus' practice of indirect subsidies to big enterprises, which impedes fair competition in the country, violates its agreements with Russia.

Contrary to the Kremlin's expectations, and being very sensitive of the disproportionate nature of its trade with Russia, Minsk has launched an actual war on the market of beer, sugar, flour, bakery and other foods. Should political relations between the two countries deteriorate, while, at the same time, the supplies of Russian oil to the Belarusian oil-refining factories decrease, a crisis involving the eastern flow of Belarusian exports will be imminent. Meanwhile, the Russian market continues to be the main guarantor of Belarus' economic security.

Meanwhile, the project for creating a common currency between the two countries is at a deadlock as well. A thoroughly conceived plan for the introduction of the Russian ruble in Belarus has, in fact, proven unacceptable for Minsk because of the incompatibility of their economic policies as regards ideology and basic values. The state property of Belarus cannot be systemically integrated with the private property of Russia, while Minsk rules out the very idea of mutual penetration of capitals. The existing problems involving energy resource accounting, VAT payments, and the participation of Russian capital in a number of Belarusian enterprises show that the current status of bilateral trade derives not so much from the policies of the two countries as from the traditional economic ties between individual economic agents.

NEW DYNAMICS 2005

While in 2004 the situation in Belarusian exports developed in favor of Russia's economic space (see Graph 1), in 2005 it showed a sharp decline (Graph 2). Some analysts explain this change by the introduction of a new procedure of VAT levying; others believe that Minsk now finds Western markets to be more profitable and promising.

Western "imperialism," which is being severely criticized by officials in Minsk, is purchasing more and more Belarusian products, including its most strategic one – oil. To date, the second and third largest importers of Belarusian products are the Netherlands and the UK, that is, countries that – together with the entire European Union – condemn the Lukashenko political regime.

In 2005, the Netherlands purchased 3.3 times more products from Belarus than in the previous year. During the first half of 2005, Dutch buyers (including offshore dealers) paid over \$1 billion for Belarusian petrol and diesel fuel, while British buyers purchased over \$500 million worth. France is also increasing its activities: compared to 2004, its volume of imports from Belarus grew 3.8 times in 2005. Remarkably, Belarus' "bitter enemy" – the United States – has increased its imports from this country by 50 percent. Due to the difference in the current prices for oil products set against those of 1999, Belarus has been gaining around \$3 billion of profit annually.

In May 2004, as a number of East European countries joined the European Union, most experts looked with pessimism on the future of Belarusian exports. Indeed, the start of the region's "new economic history" was fraught with negative consequences for countries beyond "The New Europe." The "New Neighborhood" variant suggested by Western countries as some sort of sophisticated didactic move – a surrogate of genuine integration – is unacceptable for economists. International and regional integration will continue to be the decisive factor of economic development.

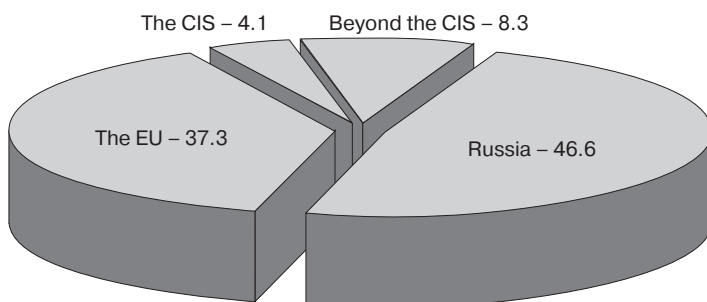
Over time, however, the economic realities changed the situation for the better. Today, Belarus can sell more expensive oil products while disregarding Western investments. Belarusian exports to the CIS countries, and other regions beyond the eco-

conomic borders of the United Europe, have been showing a consistent growth. During the first half of 2005, the total volume of Belarusian exports grew by 19.7 percent.

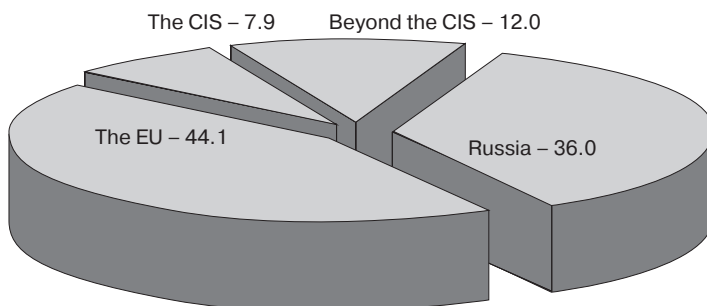
So there is direct evidence of a new geo-economic quality being formed in Belarus. Some even predict that the country may “automatically integrate” into the European economic space.

At the same time, as Russia has reduced its exports from Belarus (with some items of equipment and component parts, the reduction has reached two times), local enterprises are now inundated by an excessive stock of export products, mainly machinery and other equipment.

Graph 1. Belarusian Exports in 2004



Graph 2. Belarusian Exports in 2005



Note: Estimates by the author based on official state statistics

Under the circumstances, Belarus' restoration of its export position on the Eastern front is becoming not just important for its economy; it is a strategic task. There is another option, though: Belarus may give up its active export policy on the Russian market altogether and engage in trade on more distant yet highly promising markets of Latin America and Africa.

THE STRUCTURE OF BELARUSIAN EXPORTS
Let us now consider the current composition and potential of Belarusian exports.

Belarus receives significant revenues from the processing of Russian oil, the extraction of potassium salt on its territory, and the production of high-quality metals (the Zhlobin Metallurgic Works is, perhaps, the most promising exporter in this respect). Importantly, the export potential of oil products and potassium, which brings Belarus around \$4 billion annually, is noticeably higher than that of other exported goods.

However, neither Russian oil, nor domestic resources should make up the bulk of Belarusian exports. The increased volume of trade on the EU market, which mainly relies on oil products, can cease at any moment. Thus, it would be wise to get ready for this turn of events, and seek other new markets while reinforcing traditional ones.

Table 1. Top Ten Products Exported by Belarus in 2004

No.	Export products	Sales volume (U.S. dollars, million)	Strategic buyers
1	Oil products	3, 295	89% – countries beyond the CIS (Great Britain and the Netherlands – \$1,932 million)
2	Potash fertilizers	752	98% – countries beyond the CIS (Brazil, China, Poland)
3	Ferrous metals	629	41% – Russia, 6% – Italy, 5% – Taiwan, 5% – Latvia

Russia and Belarus: Between Wishing and Reality

4	Trucks	532.5	73.5% – Russia, 6.7% – Ukraine, 3.6% – Syria
5	Clothes	415	40%-68% – Russia, 58%–31% – countries beyond the CIS
6	Milk and milk products	368	99% – Russia
7	Tractors	339.8	55 % – Russia, 11% – Ukraine, 4% – Kazakhstan, 3% – Pakistan
8	Refrigerators	320	86% – Russia, 9% – Ukraine, 2% – Kazakhstan
9	Spare parts	298	80% – Russia, 6.4% – Poland, 4% – Ukraine
10	Furniture	277	76% – Russia, 6.4% – Germany, 4.6% – France

None of the Belarusian top ten export products has real breakthrough potential. The technological level of oil processing and ferrous metals production is fairly high, yet these cannot be considered high tech industries. Neither forms an advanced sector of the global economy that is able to provide a powerful impetus to the total development of the country's exports.

Today, Belarus lacks the industries that would help it intensify the sale of new products on the global markets, where pharmaceutical, information and telecommunications transnational corporations now hold the leading positions. Belarus and Russia have no effective cooperative projects in these fields. Moreover, the two countries have been demonstrating a clash of corporate interests of lobbyist groups, competing with each other (overtly and covertly), as opposed to working together toward a strategic bridgehead on the international market.

RAPPROCHEMENT OR DIVORCE?

The Russian-Belarusian joint initiative toward economic integration is now characterized by a slow pace and the vagueness of objectives. In the last few years, the Russian government has been demonstrating more self-interest and less commitment to cooperation in the post-Soviet space, which now suffers from divergence

processes, together with the increased involvement of the U.S. and EU member states.

This situation is further aggravated by a new challenge facing Russia: stop viewing its political and economic interests in the post-Soviet space as exclusively its internal policy. Russia should advance its foreign policy activity with the 'Near Abroad' by forming a markedly new economic and political environment around its perimeters. In line with such a strategy, Moscow's partnership with Minsk will slowly but steadily evolve to a lower level. Of course, it is necessary that Russia maintain a certain pace of development and seek success in important spheres of interest (while avoiding the waste of resources), yet it should not focus its efforts primarily on achieving a rapid and complete integration with Belarus. Any notion of a Russia-Belarus Union will come to nothing if the Commonwealth of Independent States ceases to exist and Russia's strategic partners abandon it for NATO or the European Union.

The gulf between Moscow and Minsk is becoming more noticeable every year, while the rather nervous and senseless attacks on Russia by Belarus only add weight to the Belarusian political elites who are provincial by nature. Russia prefers – for no clear reasons – to keep silent in the face of this criticism, demonstrating the traditional Soviet “significance attitude” while, in fact, only proving that it fears to act as a strong power.

What will be the outcome of the ongoing attempts for Russian-Belarusian integration?

As far back as 2003, the Belarusian president undertook an unmistakable course toward sovereignty and the preservation of statehood; the majority of the national elite, including the opposition, approved this strategic line. At that point, it became obvious that a full-fledged Russian-Belarusian Union had no future. Today, there are three possible scenarios for the future development of relations between Moscow and Minsk.

1. Inertia model. The unification process continues but principal issues stay off the main agenda. In the meantime, feverish activity around the concept of integration continues, especially as

presidential elections approach in both countries. However, the integration game will only confuse the partners and make them hostages to momentary gains.

2. “The Four” model. This innovative and strategic model sees the Russian Federation and Belarus developing within a Common Economic Space, where they build their relations with respect to the interests of all of its member countries. If this process proves efficient, Ukraine may signal a desire to participate in such an alliance as well.

3. “Post-Soviet disintegration.” In this model, relations between Russia and Belarus as members of the Commonwealth of Independent States develop in accordance with the evolution of the CIS per se. In this case, if the inertia model prevails, one can expect the total collapse of the integration processes and the emergence of a long period of historical uncertainty.

In these conditions, the most efficacious strategy for Minsk would be to use all mechanisms of cooperation in order to defend its national economic interests and bring them into line with the modern realities. Belarus will no longer be able to demand from Russia preferential treatment on its market of natural resources, for example, which means purchasing them at Russian domestic prices.

There are currently two factors impairing the development of Russia-Belarus relations: the lack of political will and the existence of formal barriers that impede the implementation of the rights of Russian and Belarusian citizens. Notwithstanding inter-governmental agreements on the provision of equal rights to Belarusians and Russians in the virtual “union state,” there is a great divergence in the implementation of these rights. It is time to break the archaic political traditions and form a new environment for the citizens of the two countries. The main priorities of Russian-Belarusian cooperation are:

- The provision of genuinely free movement of labor, products, capital and resources. To this end, it is necessary to ensure equal rights for Belarusians and Russians concerning their registration during visits, which may involve the outright cancellation

of registration requirements altogether. There should exist equal opportunities for receiving emergency medical aid and treatment in state medical institutions, purchasing housing and land plots, and receiving a higher education out of proceeds from national budget allocations (national certificates and vouchers);

- Joint oil and gas production by newly formed economic agents using Belarusian joint stock and workforce. Belarus could possibly establish a “public joint stock company” that would engage in the development of oil and gas fields for the country. Such a public company could serve as a model for economic cooperation between the two countries, while the operation of Belarusian companies on the Russian monopolized market could become a powerful tool for removing the notorious oligarchy from the natural resources sector.

Meanwhile, Russian capital could participate in the establishment of processing facilities in Belarus on the basis of currently operating chemical and petrochemical factories. The development of transparent Russian-Belarusian corporations could reduce the influence of self-seeking monopolies and owners that emerged at the initial, inefficient stage of privatization;

- The creation of a strategic partnership in social spheres between Russia and Belarus (and possibly other CIS countries); this would provide for the unification and compatibility of insurance regulations between the two countries. For example, it seems feasible to make civil liability insurance policies universal. In the social insurance sphere, it is advisable to build mechanisms for national transfers based on individual insurance plans. Finally, tax legislation concerning private individuals and corporate economic agents (in the long term) also requires unification.

As a result of such measures, the economic and social barriers now dividing Russia and Belarus will be removed. However, if this fails to materialize, Belarusians may prefer to integrate into a different social and economic space – that of Europe.

Russia on the World Scene



“Let’s carry more oil
for our beloved Motherland!”
Soviet poster, 1950

““ During the past several years, consumers of Russian hydrocarbons have been pressing for the construction of “energy bridges,” while offering full-scale cooperation in the energy sphere. It is critical to change this type of relations – moving from raw material supplies to cooperation in processing energy resources and subsequently to broader interaction in the investment sphere. ””

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Russian Hydrocarbons and World Markets

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Russia's standing in the world is in great part contingent on its rich mineral resources. It possesses approximately 13 percent of the world's known oil reserves and 34 percent of natural gas reserves; in total, it produces 12 percent of the world's primary energy resources. Successful participation in the international division of labor presupposes effective use of this advantage, although it should not be confined to this.

Russia's fuel/energy sector comprises about one-quarter of its GDP, one-third of industrial output, and about one-half of federal budget revenues and hard currency earnings. Unlike the majority of hydrocarbon exporting countries, Russia has a vast domestic hydrocarbon processing and consumption market. In light of these figures, it is important that external demand does not come into conflict with internal market priorities.

THE WORLD'S PRINCIPAL HYDROCARBON MARKETS

In the past 15 years, the world's year-on-year oil consumption rate has been steadily growing (in 1991-2000, it increased by 9.8 mln barrels per day [bpd]; in 2001-2004, 6.3 mln bpd).

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While the market was generally well balanced, supply and demand varied by region.

At the start of the said period, demand was driven mainly by oil consumption in North America, Europe, and the Asian member countries of the Organization for Economic Cooperation and Development. In the past several years, however, China has posted the highest consumption growth rates, where year-on-year growth was up from 0.32 mln bpd to 0.4 mln bpd. Meanwhile, in North America rates fell from 0.5 mln bpd to 0.3 mln bpd, while in Asia's OECD countries the rates approached zero.

The demand of the early 1990s was met mainly by OPEC production with a year-on-year growth of 0.6 mln bpd. At the same time, output in the countries of the former Soviet Union declined considerably. Nevertheless, by the beginning of the 21st century, the situation turned around: While the average year-on-year oil production growth rate stabilized in OPEC, declined in Europe and slowed in North America, Russia emerged as the main stabilizing factor in the world oil market.

In the period 2002 to 2004, amid an unprecedented growth in oil prices, average year-on-year consumption growth rates doubled, reaching 2 percent. Last year, with the average year-on-year price for Brent oil at \$38.3 per barrel, global oil consumption increased by 3.3 percent. The combination of high prices and low economic growth, however, can cause a decline in oil consumption growth rates to 2.5-2.7 percent, and less (in 2005-2006).

Nonetheless, during the past two to three years demand exceeded expectations since the "new economies" (above all, China and to a lesser degree, India) were not factored in; there is a rapid growth of industrial output in these countries, including energy-intensive production (e.g., ferrous metallurgy) and consumption (e.g., the rapid expansion of the auto industry in China). If the economic upturn in these countries continues with a growing middle class, the aggregate growth in demand could exceed GDP rates for the first time since the 1970s.

It is unlikely, of course, that rapid increase in prices and demand will become a sustainable trend. The parallel coexistence

of these trends is conflict-prone. High prices, on the one hand, allow for the development of oil resources that were earlier considered unprofitable, but on the other, they expand the use of oil substitutes. The latter could reduce demand.

As for supply, the situation is not as cloudless as it might appear. The exploration and development of new oil fields requires time and money, while new production facilities cannot always offset depleting oil reserves.

In this regard, there has surfaced in Russia new grounds for concern. The draft of the proposed New Subsoil Law, submitted by the Government last spring, states (Article 9) the tentative foreigner participation restriction rules. This seems to be a new strategy of the Russian authorities, who aim for 'controlled foreign involvement' in the upstart development of new major oil and gas fields. This strategy is based on providing state-supported national companies with exclusive rights to control a majority stake in the field operator companies, and offering foreign investors an opportunity to buy a minority stake in such companies (the so-called '51/49' concept). Under such a regime, foreign participation is tolerated, because international investors would bring the necessary capital, technologies, knowledge and personnel to ensure proper development of the fields. In return, they would receive somewhat exclusive access to resources and global marketing opportunities, but the Russians would still retain control over the operational framework and investment decisions.

According to this logic, it is most likely that foreign companies will be barred from significant future auctions on large oil and gas fields, e.g. the Sakhalin-3, -4, -5 and -6 projects, the Chayanda gas field in Yakutia, Arctic offshore fields, and some fields in the Timano-Pechora province.

Despite the Duma's delay to approve the new version of this law, Minister Yuri Trutnev expressed the hope that the law would be adopted in the first half of 2006.

The uncertain situation over the resource base, shrinking oil deposits, and the scarcity of new oil-bearing provinces, which in the past were the main factor in the development of global oil

production, made market players more jittery and less rational, thereby increasing the anxiety within political circles. The level of political stability in a number of key exporting countries is not a source of optimism, either. While demand will most likely continue to grow, growth rates will be subject to sharp fluctuations due to both internal and external conflicts, as well as the possible emergence of new dynamic economies.

In the 1980s-1990s, the effects of the oil crises caused by the Arab embargo and OPEC oil production quotas were in great part offset by the development of the liquid global oil market and appropriate market instruments, mainly short-term instruments. Recently, however, the focus has shifted to forging preferential bilateral relations between oil consumers and suppliers, which is especially characteristic of both U.S. policy and the “oil diplomacy” of China and India.

Record-high oil and natural gas prices (in liberalized markets, gas prices are also driven by demand) could somewhat alleviate the problem; however, they are unlikely to bring about drastic changes in the short term. On the other hand, as is known, the developed countries have been able to find ways to deal with such threats, which is a principal argument cited by the optimists.

RUSSIA'S OIL POSITIONS

In 2000 through 2004, Russia, as the main stabilizing factor on the world oil market, enjoyed the highest production growth rates — three times higher than OPEC. Yet with falling production growth rates in recent months and the impact of other, more fundamental factors, Russia will hardly be in a position to maintain the role as market stabilizer; however, it will remain a substantial factor in the development of the world market.

Today, more than 3,000 hydrocarbon deposits have been discovered and explored in Russia, with approximately half of them being developed. More than one-half of Russia's oil, and more than 90 percent of its natural gas output is concentrated in the Volga-Ural region and West Siberia. The majority of these deposits are highly depleted, thus, there is an urgent need to develop alter-

native deposits. In the long term, priority in oil and gas production will be given to Timano-Pechora; the Yamal Peninsula; the western part of the Arctic shelf, and the Caspian shelf. Other areas include the Caspian region, East Siberia, and Russia's Far East. But in the foreseeable future, Russia is unlikely to discover an oil and gas bearing region, comparable in resources to Volga-Ural and especially West Siberia, that could drastically affect output level. Other oil production centers will largely serve to alleviate the effects from the depletion of older fields.

Thus, production growth rates will likely decline over the next decade; stabilization and fluctuations will play various roles, contingent on the situation in the world market.

Russia's oil exports are dependent on both oil production and consumption levels on the domestic market; internal consumption is growing slowly due to a sharp decline in energy-intensive production. Thus, the export of oil and oil products will prevail over the share of domestic consumption in total oil production for a long time to come. Nonetheless, economic growth amid nascent energy-saving technologies will push up domestic consumption.

The main oil production areas are linked by an integrated oil pipeline system that is controlled by the oil giant Transneft, which oversees the transfer of 95 percent of oil to Russia's oil refineries, as well as to export terminals via the Druzhba oil pipeline network and deep-sea oil-loading terminals on the Black and the Baltic Sea. Eventually, it is possible that Russia will enter all of the world's largest oil markets in Europe, North America, and Southeast and South Asia. Presently, however, its work remains focused on the European market (including the former Soviet republics).

Until the 1970s, the bulk of Russian oil was produced in the European part of the country. When the West Siberian oil- and gas-bearing province was brought online, its transport infrastructure was linked to the existing facilities, thus orienting it toward the European market. The only exception was the eastern and southern branches, which are relatively insignificant in aggregate capacity (carrying oil to the Omsk, Achinsk, Angara and Central Asian refineries of the former Soviet Union).

Oil deliveries to the Asia-Pacific market are slowly growing; these exports are heading mainly to China, which accounts for the bulk of the growth. Given the level of exploration and development of Russia's East Siberian resources (even factoring in shipments from the West Siberian oil and gas provinces), Russian oil export to the Asia-Pacific rim could reach 60 mln to 70 mln tons; nevertheless, this rate would not exceed 15 percent of total Chinese consumption. Russia, therefore, will not only be incapable of meeting the oil demand in the Asia-Pacific rim; it risks losing this market completely if it drags its feet on developing its transport infrastructure and Sakhalin projects.

At the same time, the demand of the Asia-Pacific oil market represents high growth potential for Russia's oil export.

If after 2010, as predicted, production in the main oil-producing countries in the Asia-Pacific rim – China, Indonesia, Malaysia, and Australia – declines, rising demand for oil will require a substantial increase in supplies from other parts of the world. The principal source of this supply will come from the Middle East, as well as North and Central Africa, Central Asia (including the Caspian region), and Russia.

Pending the construction of an eastern oil pipeline, Russia is planning to step up oil shipments to China by rail. This year, oil exports to China via rail will total more than 11 million tons. By 2010, oil shipments to China by rail should increase to 20 mln tons a year; this number could subsequently increase to 30 mln tons per year. Rail tariffs are a serious constraint, but according to the railroad giant, Russian Railways, tariffs could be reduced from \$72 per ton to \$30 as volumes of oil shipments via Zabaikalsk increase. Incidentally, such a plan could make the rail option more attractive than the “eastern pipeline.”

On the American market, the main consumer of Russian oil is the United States, but these supplies are rather insignificant (in 2004, they totaled a mere 7.3 mln tons, or 4 percent of Russia's aggregate oil export). According to Transneft CEO Semyon Vainshtok, the United States is not ready to guarantee substantial purchases of Russian oil. Furthermore, the company “is not sure

that the United States really needs the declared 30 mln tons, and possibly not even 20 mln tons of Russian oil.”

The European oil market is the smallest in terms of consumption volumes, prices, and growth rates. Nonetheless, the established transport infrastructure continues to support the Russian-European oil trade. There are some problems with the passage of oil tankers in the Black Sea straits, as well as in the Gulf of Finland, the Baltic Sea and the Danish Straits. The resolution of these hurdles would help Russia consolidate its position as a stable, major supplier of oil to the European market.

Russia wants to transport its oil directly to consumers from its own territory, thus reducing transit problems. Thus, it makes sense to maintain the existing pipelines and terminals and build up their capacity (expansion of the Baltic pipeline system, for example, as well as construction of terminals in Varandei, Indiga and on the Kola Peninsula). For example, the throughput capacity at the port of Primorsk in the Baltic Sea is set to increase to 62 mln tons of oil a year.

The problem of oversupply of high-sulfur oil, specifically the Russian Urals blend, on the European market can only be resolved effectively through the separate transportation of different grades of oil; this could be accomplished by building new oil pipelines from regions where low-sulfur grades are produced. Oversupply of oil on the European market is the result not so much of growing supply as growing oil prices. When prices were relatively low, a considerable number of refineries were built in Europe that were oriented toward high-sulfur oil – relatively cheap at that time. A price difference of \$2 to \$4 per barrel made the complex and costly refining process cost-effective. However, when prices doubled and even tripled, that price difference became irrelevant and refining facilities started to be taken out of operation as uncompetitive and economically unviable. The refineries that did stay afloat were on average \$6 to \$8 more expensive as compared to standard blends.

Now, Russia need only wait for prices to fall to former levels (which is unlikely) or build new pipelines to transport more costly oil brands.

Another option, of course, is to process all of the high-sulfur oil in Russia. But such a move would require not only extensive technical modernization of the oil refining facilities in the Ural and Volga areas, but also serious political and legislative decisions—entire companies would be shut off from exports; these would require compensation at the expense of those companies that would benefit from the arrangement.

Presently, the Russian government is planning to increase exports to the dynamic Asia-Pacific market to the maximum degree possible, redirecting a considerable portion of supplies there from the stagnating European market. There are several ways of fulfilling this important task. For example, Russia may intensify shipments by rail, reanimate dormant Sakhalin energy projects, resume operations on other promising sectors of the Sea of Okhotsk shelf, use the Kazakhstan-China oil pipeline that is now under construction, and tap the oil potential of East Siberia. As mentioned earlier, the plan at this initial stage is to transport oil from West Siberia, which, given the rail tariffs, puts oil companies in a rather difficult situation. Yet for all of the government's optimism, the success of this undertaking cannot be taken for granted. This is mainly due to the uncertain status of the resource base in East Siberia.

“MADE IN RUSSIA” OIL PRODUCTS

Amid the relatively low domestic prices for raw materials and the impossibility of substantially increasing oil exports, many Russian companies increased the output of oil products for export. The main export products are fuel oil (45 percent of export) and diesel fuel. The export of gasoline (5 percent of exports in physical terms, and about 6.5 percent of export earnings) has remained relatively unprofitable since there is stable and efficient internal demand for it at prices that are quite attractive to suppliers. Furthermore, the imposition by the EU of even more stringent standards on the quality of oil products compels Russian companies to spend more on the modernization of refining capacities.

The country's Energy Strategy until the year 2020 gives a high priority to the export of oil products and refining a larger share of oil slated for export.

The principal operator of export oil-product pipelines is the state-owned Transnefteproduct Company (TNP). Compared with Transneft, which controls an overwhelming part of oil transports and exports, TNP's positions are more modest: 23 percent of the Russian transport of light oil products, about 60 percent of diesel fuel export, and approximately one-quarter of gasoline export.

Other oil products are exported by rail, in competition with TNP. One reason for this is the problem of preservation of quality of oil products carried via TNP pipelines.

The majority of Russian refineries are currently implementing modernization programs to bring the quality of their motor fuels in line with European standards. So there is good cause to expect substantial growth in the export of light oil products within the next several years. The throughput capacity of TNP pipelines should expand as this company has invigorated efforts to boost its export capacity. It is planning to carry out a number of projects envisioned to extend the main pipelines to the Baltic and Black Sea coast, reduce the dependence of Russian oil export on transit via neighboring countries, and increase the commercial effectiveness of supplies. The Northern Project is designed to play an especially important role here: under the project, a new export pipeline will be built to the Russian Baltic Sea coast. This proposed pipeline, both in terms of its route and concept, is similar to the Baltic pipeline system that successfully fulfills the task of minimizing oil transit via third countries. Furthermore, Russian companies intend to expand their share of property and management in a number of European oil refineries and marketing organizations.

As for the eastern vector, last year Russia shipped about 7 mln tons of oil products — mainly diesel fuel and fuel oil — to Asia-Pacific countries. This export volume could realistically be increased to 10 mln to 12 mln tons, subject to a substantial improvement in the quality of oil products.

NATURAL GAS

Output. Russia has the world's largest proven natural gas reserves (about 34 percent of the world's known reserves). West Siberia accounts for 76 percent; the Ural and Volga region, 8 percent; the European north, 1 percent; East Siberia, 3 percent; Russia's Far East, 3 percent; and the continental shelf, 8 percent. Today, more than 90 percent of natural gas output comes from large, unique deposits. The Urengoi, Yamburg and Medvezhye fields produce more than one-half of Gazprom's gas output and about 65 percent of Russia's total natural gas production. These three gas fields, however, are being gradually depleted.

Gazprom is now developing several new gas production projects in the Far East, the Yamal Peninsula, the Arctic shelf, and several other areas. Their implementation will require the construction of new gas transport facilities and the modernization of existing facilities, while production costs will continue to grow.

Infrastructure. Russia's unified gas transport system is the world's largest, at 153,300 km. The system's throughout capacity exceeds 600 billion cubic meters, but from 2006 it is slated to be increased.

Gas export and import. Gazprom exports gas to Central and Western Europe mainly on a long-term contractual basis. The EU is the principal buyer of Russian gas; Germany, Italy, France, Hungary, Slovakia, the Czech Republic and Poland are its major importers. Exports to the UK are expected to grow considerably in the foreseeable future, while a substantial share of gas exports now goes to Turkey. In addition to its own production, Gazprom buys gas from independent producers on a medium- and long-term contractual basis and sells it to consumers in Russia and abroad.

Markets. The European market has been steadily growing (last year, EU countries consumed about 470 bln cu m of natural gas, while by 2010, according to the International Energy Agency, consumption is to reach 610-640 bln cu m). The EU's policy of tough restrictions on greenhouse gas emissions under the Kyoto Protocol, as well as the inability of renewable energy sources to compete with traditional sources, will also cause an increase in natural gas consumption in Europe.

This trend could change, however, if priority is given to nuclear power. Thus far, however, forecasts for 2020 show that the EU's dependence on the import of natural gas will grow from its present 40 percent to 70 to 80 percent, while Russian gas exports to the EU in the same period will increase from 26 percent today to 40 to 50 percent. This level of dependence compels European countries to enhance their level of interaction, as well as search for new forms of cooperation in the energy (above all, natural gas) sphere.

PRIORITY PROJECTS IN THE FORESEEABLE FUTURE

The North-European Gas Pipeline (NEGP). The implementation of this project will open up a basically new export route to Europe (across the Baltic Sea from Vyborg to the German coast), diversify export flows, and directly link gas-transport networks in Russia and the Baltic countries with the European gas network. One distinguishing feature of the NEGP is that it does not pass through transit states, which reduces both country risks and the cost of gas transportation, at the same time making export supplies more reliable. The project provides for the construction of sea gas pipelines to ship gas to consumers in other EU member countries. First gas shipments via the NEGP are scheduled for 2010, with a maximum capacity of 55 bln cu m a year.

Due to the recently strained relations between Moscow and Kiev regarding the price and volume of Russian gas supplies to Ukraine, the commissioning of this project has been accelerated in conjunction with the terms and conditions of gas transit to Europe from Russia via Ukraine.

The problems associated with the transit of Russian energy via neighboring countries require specific consideration, and we may briefly consider some of them here.

On the international level, only the basic principles for such energy transfers have been formulated so far. One of these principles is that transit arrangements and supply contracts to the transit countries must be separate deals.

For gas deliveries where the transit/transportation component is of major importance, transit tariffs for various cases are widely differentiated due to the lack of transparent and internationally accepted methods. In case of former Soviet republics, the historical experience of state funding, corresponding infrastructure development plus and the monetary and financial instability in the 1990s made it even more difficult to substantiate tariffs levels. In the 1990s, therefore, the practice of artificially linking transit tariffs (in most cases paid with gas rather than cash) and prices for additional gas deliveries to the transit countries became widespread. Both levels were comparatively low by international standards.

Today, when gas prices have increased following a rise in oil prices – and in some of the more liberalized markets they are reflective of growing demand and even an aspiration toward the scarcity of gas supplies – this practice has become far from satisfactory. Of course, international politics has played its own special role in the tensions around these disputes as well.

Projects designed to achieve the main objectives established in Russia's Energy Strategy until the year 2020. They provide for the development of the oil and gas complex of East Siberia and Russia's Far East, while acquiring access to the Asia-Pacific energy market. In the Russian government, a program is pending for the creation of a unified gas production, transportation, and supply system in East Siberia and Russia's Far East, with the possibility of exporting gas to China and other Asia-Pacific countries. The program's authors (it was drawn up not by the Industry and Energy Ministry, but by Gazprom) give priority to Sakhalin energy projects, while putting on hold the development of the unique Kovykta and Chayandin deposits. The implementation of Sakhalin energy projects will help create a new major oil and gas production base to supply hydrocarbons to Russia's Far East and the Asia-Pacific rim, including the western coast of the United States.

The Yamal-Europe gas pipeline. This project is designed to provide natural gas supplies to Europe. The Yamal Peninsula is one of the most promising oil- and gas-bearing provinces of West

Siberia and the most important of Gazprom's new strategic regions. There are 26 gas fields there with total proven gas reserves of 10.4 trillion cu m; 228.3 million tons of recoverable condensate reserves and 291.8 million tons of recoverable oil reserves.

During the initial phase of the project, the resource base will comprise pre-existing and new deposits in the Nadym-Pur-Taz area (the Tyumen region). Subsequently, gas will be supplied from the Bovanenkovo deposit on the Yamal Peninsula. At the initial stage, this gas pipeline will have a length of 2,675 km with a design capacity on the first stretch of about 33 bln cu m a year.

Liquefied natural gas (LNG). Given the growing demand for natural gas on all the main markets (the United States, Europe and Asia) and the constant reduction in LNG production and transportation costs (by 35 percent to 50 percent in the past 10 years), Russia is deploying much effort to develop and implement major projects to ensure LNG supplies to the world's principal markets. The Shtokman project, for example, will make it possible to supply LNG products from the Shtokman gas and condensate field to Europe, the Gulf of Mexico Coast and the East Coast of the United States. This deposit, with reserves exceeding 3 trillion cu m, is expected to become operational in 2010 with an estimated capacity of 67.5 bln cu m per year. Furthermore, projects are being developed to create a LNG complex on the Baltic Sea coast, in the Leningrad region, while feasibility studies are underway for LNG shipments by sea to certain parts of the Russian Federation (e.g., the Kaliningrad Region), as well as abroad.

COOPERATION OUTLOOK

Important factors in the evolution of Russia's natural gas sector include the liberalization of the European gas market, the emergence of new producers in North and West Africa, the Middle East and Central Asia, and the growth of the Atlantic and Far East markets, including the formation of a gas market in China.

During the past several years, consumers of Russian hydrocarbons have been pressing for the construction of "energy bridges," while offering full-scale cooperation in the energy sphere. Thus

far, however, everything has been confined to the export of energy resources from Russia and the participation of foreign companies in Russian production projects. It is critical to change this type of relations – moving from raw material supplies to cooperation in processing energy resources and subsequently to broader interaction in the investment sphere.

A modern, diversified economy can only be built on a high added-value products industry, and Russia will be increasingly moving in this direction. Considering the traditions of interaction, together with the economic potential of those countries now consuming Russian hydrocarbons, and their interest to intensify a partnership with Russia, foreign businesses should be expected to become major participants in these processes. Their involvement in Russian projects will provide our foreign partners with highly processed products for their energy-intensive production facilities, which will create a powerful synergetic effect for all involved parties.

Energy-saving projects based on the use of state-of-the-art technologies, processes and equipment have a very good potential, as they will help to develop export energy resources. Oftentimes, however, this will require adaptation to the Russian environment, including price conditions and buyer/consumer specifics. Interaction and effective forms of tapping the “Russian component” are of essence here.

Meanwhile, one key condition for more intensive cooperation in the energy sphere is the harmonization of national laws. This, in particular, refers to transborder pipelines – e.g., information exchange and emergency procedures. It is also important to take into account Russia’s obligations arising from existing and future international agreements. More specifically, the Energy Charter Treaty may require a clarification of rules for the use of transit facilities.

Another aspect involves the advancement and intensification of integration in the post-Soviet area, based on the interoperability of infrastructure complexes, reciprocal supplies, and energy transit. It has to be said, however, that the political component plays an increasing role in this process, although not always a constructive one.

Russia and the U.S. in Need of Trust and Cooperation

Yevgeny Primakov

The United States has markedly reduced its interest in Russia as a major actor on the international stage, shifting its attention instead to rapidly developing China. Washington now portrays Russia's contribution to the global economy in an unfavorable light, comparing it with the contributions of many other post-industrial countries. Naturally, the Russian Federation cannot be compared with the Soviet Union, which played a much more significant role in world politics.

There is also a psychological factor: still alive and active are generations of people, whose global outlook took shape under the impact of the confrontation between the U.S. and the Soviet Union. The present suspicions toward Russia – often groundless – are coupled with relics of the Cold War. Today, the subjective factor also plays a part in building Russian public opinion.

Today, the United States is the most influential and strongest state in all respects. Only shortsighted politicians can ignore this fact. At the same time, however, there are other shortsighted politicians who have excluded Russia from the list of great powers and underestimate the dynamics and prospects of its development. Even after the breakup of the Soviet Union, the Russian Federation remains the world's largest country, boasting half of the world's extractable natural resources. Russia has a high intel-

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lectual potential, while its nuclear missile arsenal remains comparable with that of the U.S.

POTENTIAL FOR PARTNERSHIP

It is possible for Russia and the U.S. to develop a partner relationship in specific areas where their interests overlap. The shortage of energy resources in the United States, for example, together with the instability in the Middle East, make Russia a major potential source of oil and gas supplies to the U.S. Meanwhile, Russia's Gazprom is completing negotiations with several foreign companies for the joint development of the giant Stockman gas-condensate field. There are plans for the supply of Stockman gas to the American market. Another plan taking shape is the construction of an oil pipeline to the coast of the Arctic Ocean, which will enable Russia to step up its oil supplies to America.

The threat of international terrorism leaves no alternative but for Moscow and Washington to cooperate in the security sphere. Russia, for example, played an important role in the antiterrorist operation in Afghanistan by supplying armaments to the Northern Alliance. For a long time, this group opposed the Taliban movement – al-Qaeda's only ally in the world; this helped liberate Kabul, thus ensuring the overthrow of the Taliban regime. Also, Russia encouraged the Central Asian states to provide intermediate military bases to the U.S. for the duration of military actions in Afghanistan.

Despite its disagreement with the U.S. unilateral operation in Iraq, Russia is making efforts to prevent manifestations of anti-Americanism in its own policy, as well as in the policies of other European countries. At the same time, Moscow resolutely and effectively opposes Islamic extremism, which is now targeted against the United States. During the Cold War years, Washington supported the struggle of Islamic extremists against the Soviet military in Afghanistan, and it was at this time that Osama bin Laden emerged in the foreground of that struggle. When the Soviet Union saw that its military actions were senseless and ineffective, it withdrew from Afghanistan, while the al-Qaeda phenomenon

has become a burden to the world. Soviet policy was not developed by white gloves, of course; yet, aware of the very real danger posed by Islamic extremism, Moscow never used it as a factor of force against the U.S., even in the Cold War years.

Political cooperation must be aimed at encouraging those countries with Moslem populations to lead the antiterrorist struggle and to change the sentiments of the average Moslem man on the street. This goal can be achieved by settling the Arab-Israeli conflict, which has become an incubator of terrorism. In the military and political planes, the intelligence communities of Russia and the U.S. should not only exchange information (as they do now), but also provide a joint analysis of this data in order to prevent future terrorist attacks. It would be very useful to involve in these efforts the special services of other states as well, most importantly, Great Britain, France, Germany, China, Israel and Egypt. A retrospective analysis of events that preceded the terrorist attacks of September 11, 2001 shows that international cooperation among various special services could have helped prevent that tragedy.

The United States, Russia and China are among the major international actors that are capable of checking the proliferation of nuclear weapons. Not long ago, they achieved some success in a years-long negotiation process with North Korea for the termination of its military nuclear program. This semi-breakthrough became possible thanks to two circumstances. First, North Korea was actually offered guarantees that, like other states, it would have the right to develop peaceful nuclear programs — naturally under the strict control of the International Atomic Energy Agency. Second, the U.S. pledged not to undertake military actions against Pyongyang. A similar model should be applied to Iran as well. It is necessary to set up a group for organizing negotiations involving Iran, Russia, the U.S., the European Union and, possibly, China and India, which would propose to Teheran the same terms that were given to North Korea.

So, there is every reason to believe that Russian-U.S. ties can evolve into relations of partners as regards their content.

THE FUTURE WORLD ORDER:
WHO WILL BE IN THE CENTER?

Despite the bright spots, several factors obviously undermine the relations between Russia and the United States.

Most importantly, these include different visions of the world order that must replace the confrontational bipolar system. Russia believes that since the end of the Cold War an objective process toward the formation of a multipolar world has been unfolding. First, one should not underestimate such a pole as China, with its nearly 10-percent economic growth and constantly increasing share in the world's GDP.

Second, one should also not ignore such a center of economic strength as the European Union. Despite the uncertainty of the EU's military and political prospects, which have worsened after the failure of referendums on the European Constitution, it is obvious that the economic integration process in the European Union has become irreversible. One way or another, the development of the European Union as one of the world's poles will continue.

Russia, while overcoming many difficulties, is also moving toward the strengthening of its economic potential. The Russian economy now demonstrates high growth rates, and in 2005 it is expected to reach 6 percent of the GDP, while the federal budget surplus will produce 7 percent of the GDP. At the same time, the country's gold and hard currency reserves have been increasing fast, while Moscow has been faithfully paying off its debt to the Paris Club ahead of schedule. Russia's credit rating has risen to an investment grade.

Considering Russia's history, intellectual resources, size, huge natural resources and, finally, the level of development of its Armed Forces, this country will not agree to the status of a state that is "led;" it will seek to establish itself as an independent center of a multipolar world.

Some analysts view the establishment of a multipolar system as a return, albeit on a new level, to a world order that existed before World War II. That order, of course, culminated in the emergence of hostile alliances. Meanwhile, the present multipolar world is

being formed in completely different conditions: amidst the globalization processes, economic interdependence of countries integrated into the global economy, and the departure from confrontation on a worldwide level. These factors prevent the establishment of coalition-type military and political alliances between different world poles, together with the reduction of the system to several competing centers.

Washington, relying on its present superiority, proceeds from the assumption that the United States will hold the central position in a future world system, while the rest of the world will have to follow the “rules of behavior” dictated by the Americans.

Washington’s vision of the world order is already introducing dangerous levels of disorganization onto the international scene. These steps include, first of all, the decision to implement unilateral force, as was the case with the military operation against Iraq. The idea of the forced propagation of democracy – one of the main elements of President Bush’s doctrine – has failed in Iraq. Yet, apart from the Middle East, the U.S. is trying to implement this concept in the post-Soviet space, as well. Various U.S. foundations and diplomats were involved, quite openly, in the so-called ‘colored revolutions’ in Ukraine and Georgia. This fact cannot but cause worry. The aftermath of the Ukrainian ‘orange revolution,’ for example, calls into question the expediency of such tactics.

The building of democracy in Iraq has proven to be a much more difficult task than simply the swift overthrow of a dictatorial regime. Few observers now fail to see the extremely negative consequences of the U.S. military operation there.

These include, first of all, the destabilization of the situation in one of the key countries of the Middle East region. The settlement of problems in Iraq is hardly possible in the foreseeable future; some believe stability can only be achieved if Iraq is turned into a federation. Yet, such a solution will do little to remove the hostility of the Sunnis – who comprise a substantial part of the Iraqi population – because Iraq’s oil resources are concentrated on the territory of the potential Shia and Kurd autonomous regions in the south and north of the country.

Second, although Washington has proclaimed the democratization of Iraq as its main goal, this state is steadily losing its secular nature. The prospect for Iraq's Islamization is quite real, at least in the Shia part of the future federation that borders Shia-dominated Iran. Teheran, for its part, has given up the practice of exporting the Islamic revolution, and the country has seen positive, although contradictory, changes. Is it possible for the pendulum in Iran to swing in the opposite direction? Symptomatically, Iraqi Shias demanded that the draft of the new Constitution of Iraq includes the provision stating: "Iraq is part of the Islamic world." Meanwhile, the Sunnis proposed their own wording, saying: "Iraq is part of the Arab world," but their request was ignored.

Third, there is the danger of "internationalization" of the Kurdish problem, which may bring about one more seat of tension. Turkey has already declared that it will not remain on the sidelines if the city of Kirkuk is figured into the autonomy of Kurds, as has been demanded.

Fourth, the U.S. military operation in Iraq has made the country a major bridgehead of international terrorism. Acting according to the principle of "communicating vessels," al-Qaeda has moved its main forces from the so-called 'tribal zone' on the Pakistani-Afghan border to Iraq.

The United States, meanwhile, is debating the passage of a doctrine, now widely discussed by American political scientists, that supports the preventive application of nuclear weapons; this may negatively affect the development of Russian-U.S. relations. The question arises: Who will be the target of such preventive nuclear strikes? The terrorists? Or countries like Iran? Once this doctrine is legislatively endorsed, we may not be far away from a new policy of 'containment' which could involve Russia in a new arms race, although on an asymmetrical level.

Under the circumstances, confidence building between the two states assumes special importance. The establishment of confidential relations is impeded, however, as the U.S. leadership receives information on the situation in Russia mainly from sources in

opposition to the Russian president. The toughening of the U.S. approach is largely explained by the fact that this information (on the “universal suppression of the freedom of speech,” “the renunciation of the democratic principles,” and so on) is lop-sided and often does not correspond to reality. Confidence building presupposes the relinquishment of double standards in assessing one’s own steps, as well as the actions of the opposite side.

Russia and the U.S. should develop their mutual economic relations in every way possible; U.S. investment in the Russian economy is of much importance in this respect. Russia should increase its investment attractiveness, which requires improving Russian legislation and law enforcement practices. Finally, Russian laws must fully apply to areas of economic security and the settlement of economic disputes.

Confidence and cooperation are areas that can ensure the normal development of Russian-U.S. relations in the interests of both countries, as well as in the interests of the entire world.

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The Specter of Capital Punishment in Russia

Mikhail Margelov

The debate in Russia between the proponents and opponents of the death penalty resurfaces with every new terrorist act, or with the Council of Europe's regular report concerning Moscow's obligations with regard to human rights. The Council's position is based on the premise that the ban on capital punishment is consistent with fundamental European values pertaining to the observance of human rights.

Thus far, the debate has yielded no result. The arguments of the politicians rarely go further than commonplace reasoning and end up getting lost in heated emotions. Among the academicians, the controversy usually boils down to the difference in views between Immanuel Kant and Albert Camus on this issue: as is known, the former insisted on the necessity of the death penalty while the latter regarded it as a manifestation of the government's hypocrisy. (Incidentally, my regular work in politics compels me to side with the author of *Reflections on the Guillotine*, that is, Camus, rather than Kant, the author of *Metaphysics of Morals*.) References to historical thought provide a certain amount of consistency and convincings to the arguments. However, it also testifies to the fact that Russia lacks modern expert knowledge about punishment; it has no developed penitentiary science, as is the case in Europe and the U.S.

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RECESSION OR DEFEAT?

According to numerous public opinion polls, about two-thirds of the Russian population speak in favor of the death penalty. The majority of the proponents are men above the age of 40 who live in small or medium-sized towns, have a secondary education and modest incomes. Opponents of the death penalty are usually under the age of 40 and have a higher education and above-average income levels. Importantly, the number of those supporting the abolition of death penalty has grown considerably in Russia over the last three years. Fortunately, with all due respect to the first group, Russia's future belongs to the latter, which means there are good prospects that Russia will eventually accept European values.

In 2006, Russia will act as the Chairman of the Committee of Ministers of the Council of Europe, an organization that demands that Russia pass a law on the abolition of death penalty. This chairmanship is an honorary position and the country should prepare for it. However, in light of certain developments in Russia, including the failure to voluntarily abolish the death penalty, there are doubts about Russia's legitimacy for this high mission.

In the 1990s, as Russia jettisoned Communism, Moscow sought technical assistance from international institutions. The Council of Europe seemed the least obtrusive international organization as compared to the International Monetary Fund, the World Bank or the European Bank for Reconstruction and Development, whose "shock therapies" actually caused the temporary loss of Russia's economic sovereignty.



The execution of Louis XVI

When Russia joined the Council of Europe in February 1996, it declared its intention to fulfill all the required conditions, which included the abolition of the death penalty. According to CE regulations, every member is required to ratify – within three years from the day of its accession – Protocol No. 6 to the European Convention for the Protection of Human Rights and Fundamental Freedoms, which abolishes the death penalty during peacetime. Today, the Russian Federation remains the only member state of the Council of Europe whose parliament has not ratified the abolition of the death penalty.

Russia declared a moratorium on capital punishment and issued a resolution by the Constitutional Court, which states that no individual may be sentenced to death today. The Council of Europe agrees that the death penalty did “recede” in this country, however, Russia assumed the liability to abolish capital punishment altogether when it joined this institution.

In 1996, Boris Yeltsin decreed Russia’s ban on capital punishment. Yeltsin carried out this decision against the will of the legislative, of which he had no special liking – and with good reasons. In May 1997, Russia’s permanent representative to the Council of Europe signed Protocol No. 6. In 1999, the Constitutional Court decreed that death sentences would not be handed down until jury courts were introduced in all Russian territories. This decision by the Constitutional Court was based on Article 20 of the RF Constitution, which states that a person who is facing a death sentence is entitled to have his case heard by a jury. Today, jury courts are in force in all of the Russian regions except Chechnya. Formally, the death penalty could be reinstated in Russia as soon as a jury court is introduced in Chechnya.

In the spring of 2001, Russian General Gennady Troshev demanded that Chechen terrorist leaders be executed in public by shooting. Several Russian regions also demanded that Moscow reinstate the death penalty.

In July 2001, President Putin made his first public statement on this burning issue. He said that he was “against the death penalty because increasing the severity of the punishment does not help to

extirpate crime.” This statement by the head of state sparked controversial comments among the State Duma deputies. Soon thereafter, the State Duma Council rejected a draft bill to remove capital punishment from the RF Criminal Code that was proposed by the Union of Right Forces faction. Today, the State Duma has still not arrived at a consensus on the capital punishment question.

“POINT OF HONOR”

The European community remains perplexed by Russia’s ambiguous position on the ban of the death penalty, both because of its unwillingness to fulfill the assumed obligations, and its predilection for archaic methods of punishment (as compared with international standards). Reports from the Council of Europe consistently show displeasure with the protection of human rights record in Russia. Actually, it took this international institution 35 years before it abolished the death penalty; thus, it is very sensitive about this subject in other countries. The Council of Europe and the CE Parliamentary Assembly (PACE) express the general view of the Europeans: a nation’s ultimate conclusion concerning the death penalty reflects its degree of liberalization.

It should be mentioned here that the abolition of capital punishment is now a worldwide effort that extends far beyond Europe: according to Amnesty International, 120 countries have abolished capital punishment either by law or in practice. Death sentence executions are rare once a country has decided to ban them: since 1985, only four countries have reinstated the use of capital punishment. So the trend is obvious — once the death penalty has been rejected it is rarely reinstated.

Member states of the Council of Europe that have no formal law against capital punishment are more subject to monitoring procedures involving the protection of human rights; monitoring is not as harmless as it might seem. While the CE has no powers to directly implement sanctions of any kind, a country being monitored for human rights violations nevertheless risks a tarnished reputation while losing its ‘soft power.’ Its prestige is damaged, while support of such a country by other states is con-

sidered inappropriate despite the possible loss of economic and political benefits.

Today, rumors are rampant among PACE deputies as to why Russia remains indecisive on the death penalty, while some suggest that Russia “keeps it in reserve” as a possible way to get rid of Mikhail Khodorkovsky. These are just rumors; the more important problem is that Russia’s reluctance to ratify Protocol No. 6 – seen as the nonobservance of its obligations – may provoke new attacks by malevolent circles in Europe. In the future, their actions may go beyond anti-Russian rhetoric and involve concrete measures aimed to complicate Russia-EU business relations and impede the implementation of agreements, including those reached during the last Russia-EU summit.

In January 2006, there may be efforts to invalidate Russia’s term of presidency in the CE Committee of Ministers. According to PACE regulations, the rights of national delegations are confirmed by a vote during the annual January assemblies, and it only requires 10 PACE deputies to initiate an appeal against Russia’s validity for presidency; these deputies can be easily found. Under the circumstances, the voting will most likely be unfavorable for Russia. Furthermore, the vote results may then be used to not only invalidate Russia’s presidency in the CE Committee of Ministers but also its chairmanship of the G-8 in 2006.

The probability of such consequences due to Russia delaying the ratification of Protocol No. 6 is quite high. The death penalty issue may be “fastened” to other criticisms of Russia, such as reports on human rights violations in Chechnya, or the case involving Moldova’s nationalist Ilie Ilascu who was sentenced to prison in Transdnistria. One may also expect a new wave of criticism, as well as increased pressure on Brussels and other European capitals. For Russia, the formal ratification of a law abolishing the death penalty may eventually become as critical as the ratification of the Kyoto Protocol was in the past.

Russia is sensitive about criticism coming from the Europeans for often it has been invalid, to put it mildly. However, in case of Protocol No. 6, Russia makes itself unnecessarily vulnerable to criticism.

Even if we exclude Russia's obligation before the Council of Europe, which, according to the Secretary-General of the Council of Europe, Terry Davis, has become a "point of honor" for this country, as well as Russia's European choice, which, according to President Putin, "has no alternatives," there seem to be no good reasons for maintaining the death penalty. It is merely the government's ritual of killing scapegoats for the sake of the atonement of Philistines' sins. After all, a good life is not born of fear and no conscientious scholar would claim that a reduction in crime is directly related to the executor's activity.

Maintaining the death penalty does not correspond with the country's present course, nor is it in line with its general liberal tradition.

Remarkably, history shows that when liberalism was replaced by periods of reaction, the dramatic change would immediately manifest itself in the authorities' attitude to the death penalty.

In 1917, the Provisional Government announced amnesty for political prisoners and abolished capital punishment. However, soon thereafter court martial was made operational on the fronts. In 1920, the Bolsheviks, too, announced the abolition of death penalty, but two months later it was again put in force – without much publicity – in regions where martial law was introduced. The horrible consequences of this move are well known. In 1947, Joseph Stalin decided to terminate the use of capital punishment; three years later, notwithstanding a test by the notorious 'Leningrad case,' he reintroduced death sentences. The question is: For what cases should we reserve the authorities' right to apply death penalty?

Some people hold that capital punishment restrains the behavior of criminals and terrorists. However, the statistics on severe crimes in countries where the death penalty has been abolished does not confirm this belief. In Canada, for example, over three severe crimes were committed per every 100,000 people before the death penalty was abolished in 1976; after that, the rate consistently went down and eventually reached less than two serious crimes per 100,000 people in 2003. A UN study conducted from 1988 through 2002 showed that states should not fear an unexpected jump in their crime rates if they start relying less on capi-

tal punishment. The severity of the punishment for a crime can cause worse crimes. Furthermore, even if a criminal is executed while ten criminals remain free, crime rates will certainly not go down. There is only one alternative to the severity of punishment and that is its inevitability.

As for terrorism, *shahids* have never feared death while the instigators of terrorist acts are rarely caught. Moreover, life imprisonment in extremely rigid Russian conditions (with prisoners kept on “mourn bread and grief water”) hardly yields to the death penalty.

Some argue that the care of lifers in prison is a heavy burden on the budget and tax payers are against it. Needless to say, such reasoning is very dangerous since it may also imply that the maintenance of courts is also costly and should be replaced by “administrative procedures.” It also follows from this logic that general elections are all too expensive.

Incidentally, the Criminal Code of the Russian Federation has no direct provisions for capital punishment for terrorism. Should the death penalty be reinstated, it will be applied to cases of premeditated murder; encroachment on the life of state officials, judges, prosecutors, policemen; genocide, etc. But since Russia has not ratified Protocol No. 6, criminals and even terrorists hiding in Europe are not extradited to this country.

Moralists claim that the death penalty creates a sort of balance in society: if someone kills a person, the individual who committed the crime will also be killed. But this means that society must be able to “weigh” the lives of the murderer and the victim. Are there scales on Earth to weigh human lives? Some say that Russia is not ready yet to abolish the death penalty because its people’s awareness of law is very low. It seems unlikely that the citizens from Uzbekistan, for example, one of the 120 abolitionist countries that plans to abolish the death penalty in 2008, have a higher level of awareness of law than the Russians.

Another problem with capital punishment is wrongful deaths. As long as capital punishment persists, innocent people will continue to be executed because dramatic mistakes are possible even

in the well-developed judiciary systems. Once a subject of the law has been executed there is no way of correcting the horrible mistake. From 1973 through 2005, more than 120 U.S. wrongfully condemned prisoners that were sentenced to death were released from custody. It is clear that in all these cases the judges cared more about sacrificing the person's life than establishing his guilt.

CONVICTION VS RESPONSIBILITY

The weightiest argument in favor of the death sentence transpires from the so-called people's will – after each execution they feel sort of purged. And of course, there is never a lack of people ready to “add wood to the pile.”

There is some apprehension that after the ratification of Protocol No. 6, the ruling United Russia party may lose the support of the people. However, if every political decision were made from the point of view “What would people say?” no reforms would be possible. After all, United Russia and the government did have political will to abolish privileges and carry out the monetization reform. Against the background of the recently implemented unpopular laws there is no reason for fearing a loss of the electorate; as the saying goes, as well be hanged for a sheep as for a lamb, especially as the Russian president has spoken in favor of abolishing the death penalty. I believe that the ratification of Protocol No. 6 will not cause any social upheavals as capital punishment has not been applied for nearly ten years now.

Nevertheless, the will of the Russian people is bewildering. They have no trust in punitive bodies yet two-thirds of the population want the death penalty, that is, they are ready to entrust to these bodies the right to decide who must live and who must die. The average Russian seems to be more inclined to act on his conviction rather than on the rational assessment of possible consequences. For instance, he may be convinced that Russia should terminate its membership in the Council of Europe for the sake of reinstating the death penalty, while forgetting that in that case he and his compatriots will lose the opportunity to apply to the

European Court of Human Rights in Strasbourg. As Max Weber would say, a citizen relies on an “ethics of conviction,” while a politician relies on an “ethics of responsibility.” It is the latter that politicians should be guided by.

Incidentally, the Council of Europe regards Russia’s abolition of capital punishment not as its obligation to European institutions but to its own people. The success of the country’s modernization (the necessity of which nobody doubts) also depends on the degree to which it involves the social/moral sphere, besides the economic one. All abolitionist countries put an end to capital punishment from the perspective of an “ethics of responsibility,” that is, the authorities’ political will. The abolition of the death penalty in Russia will correspond with its European choice, which, by the way, was made possible by the government’s remarkable political will.

Recent social studies show that when Russians speak about Europe they tend to use positive words like: prosperity, humanism, culture, comfort, security, civilization, freedom, discipline, and democracy. With reference to their own country, they speak more of crisis, violence, moral degradation, and even extinction and oppression. It may seem that the respondents to the poll were embittered homeless cosmopolitans. But this is false: these same self-critical respondents’ perceptions about Russia also mentioned positive characteristics, such as patriotism, high morals, culture and mutual help. This means that the Russian people’s positive attitude toward Europe and its values does not replace their love for their nation’s “special character.”

There is still hope that the militant adherents of Russia’s “special character” will not shut the window to Europe.

World Order



Iran: Twenty five years after
the Islamic Revolution

“Iran’s ruling elite, having gained financial and economic might, decided that it was time to proudly declare Iran to be the center of Islamic civilization, an unbending fighter for the ideals of Islam that unites all Moslems against the perils of global Zionism and American imperialism, with the aim of positioning itself as a regional superpower.”

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Iran Seeking Superpower Status

Vladimir Sazhin

Following Iran's latest presidential election several months ago, which led to the victory of Islamic radical Mahmoud Ahmadinejad, I wrote in *Russia in Global Affairs* (Russian-language edition): "It is scarcely worthwhile making apocalyptic forecasts. The chances for a radical change in Iran's policy are very small. True, the screws will be turned more tightly on the Iranian people. True, there will be another surge in the campaign for strict observance of Sharia laws and norms. True, censorship in the mass media and culture will intensify and propagandistic activity will step up. No radical changes will occur in Iran's foreign policy either. Iran does not exist in a vacuum — it is linked to the world community by thousands of ties and it depends on the world community in many ways. Naturally, the start of the normalization of relations with the U.S. may be put off. Also, there may be an increase of confrontation between Iran and Israel and a toughening of anti-American and anti-Israeli rhetoric."

Unfortunately, I was mistaken. I was unable to predict the degree of absurdity to which the Iranian leadership would bring that rhetoric and the standoff with the entire world, especially considering there were vital negotiations taking place with the European Union on Iranian nuclear projects.

A mere four months after his inauguration, and within a peri-

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od of several weeks, Ahmadinejad made several calls for Israel to be “wiped off the map,” for “uprooting the imperialist Zionist cancer” from the Middle East, while denying that the Holocaust occurred. The Vatican, the Palestinian National Authority and Iran’s partners, Russia and China, not to mention Israel, the U.S. and the European Union, voiced their indignation with the new President’s verbal escapades. The UN officially condemned Ahmadinejad’s shortsighted statements. A forum of the Organization of the Islamic Conference (OIC) was displeased with his declarations as well. Unfortunately, the immediate international condemnation of the new president’s declarations seems to have no effect whatsoever on him. Why?

There is little doubt today that Ahmadinejad’s statements are not merely his private opinion, or propagandistic rhetoric in the context of the eternal ideological standoff between the Islamic Republic of Iran and Israel. They rather reflect the state’s new policy line after a 16-year conservative, or more liberal and pragmatic, rule of Presidents Ali Akbar Hashemi Rafsanjani and Seyyed Mohammad Khatami, respectively. Moreover, it is likely that the anti-Israeli charge has a provocative and initiating role in Ahmadinejad’s new course.

The question arises then: Why do the behind-the-scenes Iranian clericals, who actually ruled the country for 26 years, suddenly feel it necessary to radicalize state policy and revert to the propaganda techniques that were so popular in the first years of the Islamic Revolution?

Let us recall that revolutionary shocks, experiments with the Tawhid economy and the aftermath of the eight-year war with Iraq in the 1980s eventually brought the country to social and economic decay. The tough Islamic regime created by the Ayatollah Khomeini had exhausted its resources, and the country’s clerical leadership realized it only too well. A further development and strengthening of the regime called for reforms since the very survival of the Islamic Republic was at stake.

It was at that critical moment that highly pragmatic leaders – first Rafsanjani and then Khatami – were promoted to the presi-

dential post. Ali Akbar Hashemi Rafsanjani, who held this post from 1989 through to 1997, set conditions for Iran's withdrawal from the Tawhid deadlock. At the same time, he introduced reforms that changed the mobilization of the military economy connected with Islamism during the Iran-Iraq war era. Next, Mohammad Khatami, Iran's president from 1997 through 2005, redoubled his efforts to modernize the regime. His weighed and cautious policy invigorated domestic conditions and broadened the spheres of democracy. On the foreign policy front, he worked toward ending the country's self-isolation and opening up Islamic Iran to the whole world. Slowly, the nation's image began changing in the eyes of the international community; this helped Teheran to participate in global political and economic processes and boost its national economy. In spite of certain controversies, mistakes and errors, the 16-year leadership between those two outstanding presidents was responsible for Iran's real strengthening and evolution as a leading power in the Middle East.

It should be noted that the process of strengthening Iran's potential in recent years has relied heavily on crude oil and natural gas. Starting from 1998, Iran's oil export revenues have quadrupled from \$11 bln to \$40 bln projected for this year.¹ A report by the U.S. Energy Information Administration estimates Iran's reserves of crude at 90 bln barrels.² The report concluded that Iran is the largest exporter of heavy oil in the Middle East. Incidentally, Iran boasts bright prospects for the production and export of its hydrocarbon resources, which translates into super profits.

The efforts of Rafsanjani and Khatami and their associates furnished the country with an economic infrastructure that enables it to make a leap into the future. It successfully transformed enough of its financial and hydrocarbon resources to interest virtually the whole globe. However, in spite of all the social and economic benefits, the 16-year reform was considered a menace to the very

¹ B. Slavin. Oil-Rich Countries Tap Into New Political Power. *USA Today*, October 11, 2005.

² Russian news agency RusEnergy, January 27, 2004.

foundation of the Khomeini regime – even though these two leaders were called upon to bolster it. Whether their architects wanted it or not, reform led Iran away from the guidelines of the Khomeini course.

The logic of the reform, as well as the country's domestic and foreign policy (most importantly, Khatami's), required a retreat from the format set by Ayatollah Khomeini. It called for a revision of some articles of the Constitution, including those stipulating the presidential powers and the role of supreme theocratic institutions. But most importantly, it called into question the Islamic Republic of Iran's basic principle of statehood, known as the *vilayet i-faqih* concept. In the long term, there was a possibility for the total transformation of the regime – something that was impermissible for Iran's spiritual leader, Ayatollah Khamenei, and the majority of conservative clerics. To maintain their power, they needed a restoration of the Khomeinist regime and a change of the course espoused by the two presidents. To paraphrase Friedrich Schiller, "the two Moors have done their duty, let them go." Rafsanjani and Khatami had done their job of salvaging and reinforcing the regime and were no longer needed.

In the presidential election in the summer of 2005, there was only one individual among seven candidates to defend the Khomeinist political line. That man was none other than Mahmoud Ahmadinejad – young, loyal and faithful to the cause of the Islamic Revolution. Ahmadinejad is relatively unsophisticated in political intrigues, governable (although only the future will show how much), and formally unrelated to the clerics, whom the people had grown somewhat wary of.

It is fairly obvious that Iran's spiritual leader and his associates selected and endorsed Ahmadinejad's candidacy long before the election. The events of the last few months have proven that the new president has lived up to their expectations. His first steps in office testify to his firm commitment to the path blazed by Imam Khomeini. A return to the ideological and political specter of Khomeinism will naturally necessitate the removal of the sprouts

of liberalism, especially in the ideological sphere. Following Khomeini's prescriptions, Ahmadinejad banned Western music and movies promoting non-Moslem values. Another ban was aimed at movies promoting "audacious world powers" (a clear hint at the U.S.). Iran had seen it all during the Khomeini rule and it is clear that this is only the beginning of a long march. Yet more important, especially for the world community, is the sharp radicalization of Iran's foreign policy.

Naturally, Ahmadinejad's actions enjoy strong support of influential individuals inside the country. These are, first and foremost, radical groups of clerics, including the brethren of Ayatollah Mesbah Yazdi, the president's spiritual instructor who heads an important theological center in Qum. Also, there are various Islamic foundations, the Islamic Revolution Guards Corps (IRGC) and the Basij Resistance Force reporting to it.

It is no accident that Ahmadinejad made his scandalous anti-Israeli statements "upon full approval of the spiritual leader of Iran, Ayatollah Ali Khamenei." Iran's clerics are in full support of the new president as well. One of them, Ayatollah Ali Meshkini, the head of the Assembly of Experts that appoints Iran's supreme spiritual leader, said on December 16, 2005, that Ahmadinejad's recent statements were absolutely logical and reflected the opinion of all Iranians. Those statements also rallied support from the speaker of Majlis (the national parliament), Gholam Ali Haddad Adel; the chief of the Supreme Council for National Security (one of the key state institutions), Ali Larijani; IRGC commander Major-General Rahim Sawafi; Information Minister (responsible for intelligence and security) Gholam Hossein Mohseni Ejei; and Prosecutor General Dorri Najafabadi. Foreign Minister Manushehr Mottaki confirmed that the viewpoint declared by the president with respect to Israel reflected the policy line of the Islamic Republic of Iran.

Iran's ruling elite, and Ahmadinejad personally, having gained financial and economic might, as well as the role of an energy resource provider, decided that it was time to proudly declare Iran to be the center of Islamic civilization, an unbending fighter for

the ideals of Islam that unites all Moslems against the perils of global Zionism and American imperialism, with the aim of positioning itself as a regional superpower.

Timing is critical for Teheran. Yesterday would have proven premature because Iran was too weak, while tomorrow may be too late because the Palestinian problem, so vital for the region, may be resolved. More importantly, the tendency toward a rapprochement between Israel, Arab and other Moslem states, which is already visible, may gain momentum, while the solution of Teheran's nuclear problem may take a turn for the worst.

Presently, oil and gas prices are favorable to Iran. Hence, Teheran decided to declare its plans for turning Iran into a superpower of the Middle East within a much wider region. In this context, a document entitled *An Outlook for the Next Twenty Years*, recently released in Teheran, is of considerable interest. Mohsen Rezai, the Secretary of the Iranian Expediency Council, told a conference in Teheran December 13, 2005, that, in keeping with this blueprint, his country must become a highly developed nation and a strong regional power within 20 years. Rezai, himself a former commander of the IRGC and the chairman of the committee that drafted the 20-year plan, said the document set the benchmarks for society and for the country's leadership in planning and governing the economic, political and cultural processes in Iran.³

Rezai said the document stipulates that within the next two decades, Iran must become a developed nation and take the top position in the region in terms of economic, scientific and cultural development. One passage in the document is particularly noteworthy: "Iran will become a force of inspiration for the Islamic world and a civilization-forming state with a revolutionary national identity, targeted at fruitful and efficient cooperation in international affairs."⁴ As follows from this document, the Iranian authorities have intensified activities under the main guideline of Khomeini's clerical regime, which includes the creation of an

³ Iranian news agency IRNA, December 13, 2005.

⁴ Ibid.

umma, a global Moslem community, under Iran's aegis. This is a long-term goal outlined in Article 11 of the Iranian Constitution. (In terms of the remoteness of its implementation, it may be likened to the goal of building a global Communist society.)

This task was set during Ayatollah Khomeini's rule, but its intermediate and final goals remained little more than slogans. Today's Iran, strengthened by liberal reforms and guided by Islamic radicals, has launched practical steps to implement this program.

Given its main strategic goals, it is possible to single out three major levels of long-term objectives of Iran's policy into which the new Iranian leaders have channeled their energies.

The first stage presupposes turning Iran into a pan-Islamic center of power. This objective must be viewed within the framework of a very distant future (even if one ignores the predictably frantic reaction of most Sunni Moslems to such a plan), since putting it on the agenda is largely senseless until Iran is established as a general regional center of power in the Middle East.

It is the second stage that envisions Iran's transformation into such a center. For this to succeed, Iranian policy-makers are seeking ideological, political, economic and military leadership in the region.

The third stage is fully centered on national territory, i.e. its priorities are focused on internal tasks of Iranian policy, in part, on guaranteeing the country's military, political, and ideological stability, creating an independent economy and advanced civilian and defense industry, and finally, building strong Armed Forces.

Teheran's refurbished old policy line has internal and external elements.

As Imam Khomeini taught in his time, the elimination of Israel remains the political and ideological backbone of the country's Islamic regime, and that is why Ahmadinejad is fully aware that no one in Iran would dare to object to it. Besides, such a strategy will attract not only religious radicals, but also impoverished and illiterate sections of the population. As the head of executive power, a president elected by 36.5 percent of Iranians,

Ahmadinejad makes bold statements in a bid to consolidate scattered groups of radicals and conservatives into his corner.

The toughness and persistence in Iran's nuclear policy, together with the standoff against the two *Shaitans* (devils) – the U.S. and Israel and their European allies – gives the resolute president lots of points. All sections of Iranian society would like to see their country acquire nuclear status.

It is Ahmadinejad's anti-Israeli rhetoric that provokes the greatest response from the international community. Presently, a painstaking process of restoring peace between the Israelis and Palestinians, popularly known as the Road Map, is underway in the Middle East, while Russia is a co-sponsor of Israeli-Palestinian peace settlement. As Mikhail Margelov, the Chairman of the Foreign Affairs Committee in the Russian Federation Council, said recently, "One gets an impression that Iran has embarked on a job of fanning the Middle East conflict, thus playing into the hands of extremist forces of all sorts."⁵

Indeed, the logic of Iran's military doctrine perceives peaceful dialog between Israelis and Palestinians as a disaster for the ideological and political system of the ruling regime in Teheran. That is why the Iranian radicals seek to prevent that dialog from happening. Ahmadinejad's anti-Israeli statements are the equivalent to a terrorist mine planted along the road toward peace, mapped out by Russia, the UN, the European Union and the U.S.

The Iranian president's anti-Semitic proclamations fuel hatred against all non-Moslems, attract the proponents of radical Islam into extremist activities, and promote international terrorism.

It was no accident that Khaled Mashal, the leader of the Palestinian terrorist organization Hamas, made a visit to Teheran at the height of such activities. He met with both Ahmadinejad and Iran's spiritual leader, Ayatollah Khamenei. The interlocutors came to the conclusion that the "resistance groups must continue *jihad*."⁶

⁵ RIA Novosti news agency, December 15, 2005.

⁶ Itar-Tass news agency, December 14, 2005.

Iranian activity on the Israeli-Palestinian issue, however, is not confined to Hamas. Hezbollah, Islamic Jihad and Al-Aqsa Martyrs' Brigades all have Teheran's blessing in their attempt to prevent the Palestinians from meeting Israel halfway. Hezbollah's leader, Hasan Nasrallah, and Khaled Mashal, the head of Hamas, said at a meeting in Beirut that resistance to Israel was the only way of liberating the whole of Palestine.

International mass media put Hezbollah's manpower at 3,000 to 3,500, including up to 150 servicemen of the Islamic Revolution Guards Corps, while other sources put the organization's strength at around 20,000. Observers also say its elitist units number somewhere between 500 to 1,000 militants. All other units are auxiliary or instructional. Those Islamic radicals are armed with artillery weapons, mortars, missile launchers, AT-3 Sagger and AT-4 Spigot antitank missiles, recoilless guns, portable air defense missile systems, and anti-aircraft guns. Hezbollah also has radar surveillance systems for tracking Israeli ships and gunboats. Currently, it is setting up units of marine commandoes that are now trained in Iran, Hezbollah's closest ally since the moment the latter was formed. Iran provides versatile aid to the organization in the form of finance, diplomatic and political support, ideological and military training, weapons, defense equipment and humanitarian aid.

When Iran's foreign policy course underwent a certain correction during Khatami's presidency, annual financial aid to Hezbollah fell from \$60-100 million to \$30 million. The correction did not last long, though. Egyptian news agency MENL carried a report on the virtual rehabilitation of a financial channel, through which Iran pumps money to Fatah paramilitary units operating in Judea, Samaria and Gaza Strip. The operation was steered by Fouad Balbisi, an activist of the PLO branch in Jordan that reports to PLO Political Bureau member Faruq Al-Qaddumi. MENL also said Balbisi organized financing of the Tanzim squad by Hezbollah's Shiite organization.⁷

⁷ Cursor news agency, January 20, 2004.

Iranian subsidies to Hezbollah recently hit a record \$200 million.⁸ This increase is explained by the significance Teheran attaches to consolidating the organization's positions amidst the Israeli-Palestinian peace process, which would run counter to Teheran's interests should it be successful.

The dramatic radicalization of the Iranian clerical regime, the fanning of anti-Semitism and the overt struggle against the Israeli-Palestinian peace process in defiance of the whole world creates a discouraging backdrop for the problem of Iranian nuclear endeavors.

It is worth noting that negotiations on Iran's nuclear program, which a trio of European mediators – Britain, Germany, and France – held with Teheran for several years, were driven to a standstill following Ahmadinejad's inauguration to the presidential office.

At this point, the Iranians are reluctant to consider compromise proposals and insist on the creation of infrastructure in Iran for full-cycle nuclear fuel production (making it possible to enrich uranium to a level of 5 percent, or even 95 percent which is a weapon-grade level). Add to this the ongoing construction of a heavy-water reactor, which could be used to manufacture nuclear weapons.

Russia and some of the European Union countries, in particular Germany, believe that Iran has not yet made the final decision to build nuclear weapons, but the Iranians seem unanimous in the desire to create a research basis they might rapidly streamline to the production of nuclear weapons. Opinions of this sort are widespread in Iran and, most importantly, they enjoy support from all sections of society. The desire to possess nuclear weapons has turned into a national priority.

To sum up, a multilevel strategic doctrine that emerged along with the rise of an ideology-driven state, the Islamic Republic of Iran, which is now striving to translate Ayatollah Khomeini's ideas into life, has again become the corner-stone of Iranian policies,

⁷ W. Scott. Lebanese Wary of a Rising Hezbollah. *The Washington Post*, December 20, 2004.

albeit at a new stage of development. Iran's combined potential is big enough to be transformed into a real power. The question arises again and again, however: Why is Iran so obsessed about hegemony? This seems to be a result of several predominant factors that add energy to Teheran's ambitions.

The geopolitical factor. The Islamic Republic of Iran really plays a crucial role in Western Asia, a vital region of the globe embracing the Middle East, the Caucasus, the Caspian Sea region, and Central Asia. And of course Iran plays a significant role as a source of hydrocarbon raw materials and passageway for the transit of oil and gas products. One must also consider its population of 70 million people and the Armed Forces of over 900,000 men⁹ – among the biggest in the world. Regardless of the internal or external political layout, this country is a tangible factor for regional and global policymaking.

The military and political factor. Iran is surrounded by what it views as actual or potential enemies. The major enemy, the U.S. or the “Great Satan,” has practically surrounded Iran militarily – in Iraq to the West, in Afghanistan to the East, and in the Persian Gulf and the Gulf of Oman to the South, as well as on the bases and ships of its Central Command. Neighboring Turkey is a NATO member, while Azerbaijan and Georgia are leaning toward Washington. Two Sunni countries on the opposite shore of the Gulf, Saudi Arabia and the United Arab Emirates, are looking at Iran suspiciously and certainly do not view it as an ally. Last but not least, Israel is a critical factor in the Middle East. The Iranians term it as a “Lesser Satan” and deny it the very right to exist.

The national psychological factor. The Islamic Republic of Iran succeeds the Great Persian Empire, the world's most ancient civilization that conquered half of the world. On the spiritual plane, Iran has been the center of Shiite Islam for almost six hundred years. These major historical factors form the mentality of the

⁹ M. Shteinberg. Three Armies in a Single Country (in Russian). *Nezavisimoye Voyennoye Obozreniye*, July 4, 2003.

proud and resolute Shiite Iranians, who have long defended their interests against various enemies, the number of which have noticeably increased. The Persian national psychology presents an alloy of imperial nationalism and a Shiite sense of superiority that has grown into a political factor. This seems to be the main cause of Teheran's ambitions and "nuclear intransigence."

A question is conspicuous between the lines of Iran's rhetoric: Why may others, like Israel or Pakistan, do something that's totally prohibited to us? Why do others have nuclear bombs but we don't? One can naturally describe this as a national psychological complex, including wounded national dignity. Any attempts to restrict the Iranian nuclear program produce fierce hostility mixed with nationalism. As the political scientist Ray Takeyh wrote in *The Financial Times*, "The nuclear programme and Iran's national identity have become fused in the imagination of its leaders. To stand against impudent western demands is to validate one's revolutionary ardour and nationalistic fidelity. Thus, the notion of acquiescence has a limited utility to Iran's nationalists."¹⁰ These are complexes, of course, yet they exert an impact on policies, domestic and foreign alike, that are the driving force of the intricate game Iran is conducting on the international arena in order to dominate in the region.

Paradoxically, the Islamic revolutionaries, who overthrew the Shah and abrogated all the institutions of monarchy, are acting out the Shah's dream of making Iran a regional superpower, the center of a great civilization, which Mohammed Reza Pahlavi wrote about in his ambitious book, *Toward the Great Civilization* (the subject mulled now is an Islamic civilization). Persistence of the followers of Imam Khomeini transforms Iran gradually into a Shiite Persian empire, which is making weighty claims on the regional and global scale. At the same time, they scornfully reject Israel and the Holocaust, while supporting extremist Islamic groupings in the Middle East. What is more, by flexing its mus-

¹⁰ R. Takeyh, Diplomacy Will Not End Iran's Nuclear Program. *The Financial Times*, December 21, 2005.

cles while attempting to juggle the provisions of the Nuclear Nonproliferation Treaty, Iran has made the very system of non-proliferation extremely shaky.

One of the concepts of Khomeinism provides for the messianic role of Islam and the Islamic Republic of Iran, whose sacred duty is to propagate an Iranian-type Islamic revolution around the world. Is this not an imperial thesis? As Russian analyst Alexei Arbatov pointed out, messianism is characteristic of all empires and mighty powers. The British and French empires, for example, suffered from megalomania and justified their expansionism with “lofty aims.” The Soviet Union “supported the ‘triumphal march of socialism’ and national-liberation movements across the planet.” (See A. Arbatov’s article in this issue.) Iran, for its part, supports the triumphal march of Islamism and radical Islamic movements.

Iran has begun playing by the rules spelt out by Ahmadinejad’s group on its own territory, in other parts of the Middle East, and elsewhere in the world. In the meantime, this may have serious consequences for Iran itself, the Middle East, and the entire world.

Islamic Iran throwing a challenge to the world community, while craving for nuclear arsenals, is becoming the main factor for destabilization in the Middle East.

Two Faces of Globalization: Europeanization vs Americanization

Vladislav Inozemtsev

When exploring the nature of globalization, one should answer some simple questions about its driving forces, major actors and principal means. The result may be astonishing: globalization, according to its current meaning, has never truly existed. Modern history was shaped by Europeanization and Americanization – two quite different, if not oppositional, trends. This fact explains both the rise and decline of the existing world order.

‘GLOBALIZATION’: WHAT’S IN A NAME?

As the number of books and articles concerning globalization explodes, the very nature of this phenomenon becomes less and less clear. For example, if globalization is perceived as nothing more than the growing interdependence between all existing economic and political developments, then its beginnings may be traced back to Antiquity.

Another interpretation of globalization is that it is an unavoidable influence that any particular trend or event in any part of the world necessarily has on any other trend or event. From such an

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understanding it is obvious that even the contemporary world is not fully globalized.

Finally, some believe that specific advances in economic and political internationalization initiated globalization. Yet, there are no objective criteria for choosing any particular historical event as the starting point for globalization.

The underlying logic of globalization is similar to that of the theory of post-industrial society. From the 1950s to the 1970s, dozens of scholars tried to find a proper name for the new social organization that was gradually replacing the established order of modernity. The term 'post-industrial' became widely used for two major reasons. First, it specified precisely what made this new society so different from the old one. Second, while not defining its basic principles as inconsistent with those of capitalism, the post-industrial theory did not challenge any of the influential sociological doctrines. The same was true of the term 'globalization.' This catchphrase implied that the world had outgrown its previous fragmentation, yet it did not specify any of its new features. Since there were no obstacles for applying it to social phenomena of any kind, its universal use was all but inevitable.

However, there is a difference between these two concepts. Theorists of post-industrialism insisted that information was to replace energy as the main productive resource and the new knowledge elite was to become the dominant social stratum. In other words, they argued that *the responsibility for the fate of society had shifted from one social class to another.*

On the contrary, ideologists of globalization considered this impersonal but omnipotent phenomenon as a major driving force behind current socio-economic trends and *denied anybody the responsibility for the destinies of the world.* It is no wonder that this term was coined in 1979, in the midst of the greatest geopolitical and geoeconomic uncertainty, and accepted so easily and enthusiastically.

The debate over globalization started when it became obvious that profound changes in one part of the world could have consequences anywhere else on the planet. However, the painful polit-

ical and economic developments of the 1960s and the 1970s (the breakup of European empires, the rise of East Asian economies, as well as the oil shocks of 1974 and 1981, for example) were not a result of the new political and economic agenda of peripheral nations, but a natural consequence of, and a natural response to Western economic and political interference in the affairs of the outside world. Taking this into account, one may argue that considering globalization as a “natural” process, in which there are ostensibly no actors and subjects, no dominators and no oppressed, means depriving the question, “Who is the actual *maître du monde*?” of its essence.

WHO’S IN CHARGE HERE?

The laws governing human societies are distinct from the laws of nature. Every historical event appears not to be the predictable effect of some single cause, but rather a result of personal and collective efforts and actions. For example, while it is quite possible to speak of a sudden collision between two asteroids or some other celestial objects, the same term would not apply to the encounter of one particular people with another. Dinesh D’Souza is right when he argues that at the end of the 15th century the Spaniards discovered a new continent – not merely encountered its native peoples – since “it was Columbus and his ships that ventured out and landed on the shores of the Americas, and not American Indians who landed on the shores of Europe” [Dinesh D’Souza. *What’s So Great About America*. Washington (DC): Regnery Publishing, 2002, p. 39]. Meanwhile, the essence of the concept of ‘globalization’ is ***substituting discovery by encounter, or conceiving purposeful changes as “natural” developments.***

The ideologues of globalization are forced to be inconsistent. For if one considers the financial crises in the peripheral countries, together with the growing wealth gap between “the West and the rest,” as “globalization’s discontents,” then one must include the terrorist strikes of 9/11 as a mere episode in a long list of such discontents. And vice versa: if one accuses particular states, powerful groups and even private individuals of committing those ter-

rorist attacks, then one must also admit that many other, no less important, events represent something more than the unavoidable results of natural circumstances. If our present policymakers negatively label those responsible for the “dark side of globalization,” they should not deny one’s responsibility for its more positive effects as well.

Every social process has particular groups or nations behind it. Our ***globalized world is not the result of development; rather, it was created.*** As for the question who crafted it, the answer is simple: it was the Europeans who used the advantages of *l’économie de la monde européen* for constructing *l’économie-monde européenne*. Drawing from their military and technological superiority, they dispersed hundreds of thousands of their compatriots throughout the world, applied their advanced industrial technologies to the newly discovered lands, gave their names to innumerable islands and straits, converted native people into the Christian faith and taught them European languages, and finally extended their political power over the entire planet.

While in the process of globalizing the world, the Europeans were not concerned with ‘globalization.’ Yet our contemporaries, who suddenly have become preoccupied with the phenomenon, have somehow forgotten (or try to forget) about those historic achievements. Nobody gives it much thought today why the colonies mostly populated by the *Europeans* are labeled “**Western** (as opposed to European) offshoots” (Angus Maddison. *The World Economy: A Millennial Perspective*. Paris: OECD Publications Service, 2001, pp. 8, 12). Similarly, nobody questions why 20th century history – heavily influenced by one of former colonies, the United States – is now interpreted as the “world revolution of **Westernization**” (as opposed to “Americanization”) (Theodore H. von Laue. *The World Revolution of Westernization: The Twentieth Century in Global Perspective*. New York, Oxford: Oxford University Press, 1987, pp. 3-5). Nevertheless, this question should be asked – and answered, as well. Otherwise, our inquiry into the nature and causes of the emerging global disorder will remain incomplete.

THE LOGIC OF EUROPEANIZATION

The European expansion, which began in the 15th century, was the greatest historic event of the past millennium. At that time Europe was neither the most populous nor the most economically developed part of the world; it was politically fragmented and divided by religious conflicts. Nonetheless, it had three crucial advantages over any potential adversary. First, the Europeans inherited the legacy of the Romans – the only ancient civilization that had for centuries secured its control over the vast territories despite the Latins' being a tiny minority. Second, since all the seas – from the Baltic to the Aegean – were for the Europeans something like the *mare interna* was for the Romans, Europe evolved as a maritime, not as a mainland, civilization. Finally, the powerful European monarchs allowed a degree of personal autonomy that was unknown to Asian monarchies.

It took the Europeans less than 400 years to achieve worldwide dominance. Among the 149 current non-European UN members, 125 experienced – at least once in their history – direct European rule. By the end of the 19th century, this Europeanized world had acquired at least four specific features.

First, European dominance was established through the massive outward migration of the European people. From the mid-19th century till the eve of World War II, more than 60 million people had left their homelands; this process was so common that the British government considered the emigration to the colonies nothing but “a redistribution of population within the nation” (cited from: Jan Morris. *Pax Britannica*, Vol. II: *The Climax of the Empire*. London: Faber & Faber, 1998, p. 69). What the Europeans brought to the colonies was not a set of abstract values and principles, but a way of life that began to change the attitudes and habits of the local people. While steadily fortifying their overseas possessions, the Europeans were convinced that they were accomplishing *la mission civilisatrice*, and in most cases the native population benefited from the European presence.

Second, the sound European economy permitted the Europeans to build a commercial network that united the large

metropolises with the colonies. The role of the colonial territories, however, was not reduced to the position of those robbed and overexploited; on the contrary, they became the main destination for European overseas investment. In 1911, for example, capital outflow from metropolitan Britain reached an unbelievable 8.7 percent of the GDP; during the time of their rule in India, the British extended the total irrigation area by a factor of eight and built more railways than in their native England. On the eve of World War I, the export to GDP ratio was approaching 12-15 percent in all major European countries, while 80 percent of global commodity exports originated from Europe.

Third, the Europeans were committed to establishing close cultural ties with the local people, which involved well-organized studies of their beliefs and traditions. They elevated Orientalism, for example, to special departments of social science, oriental legends and myths. They deciphered dead languages of ancient civilizations and excavated and preserved the most valuable artifacts of the past. Remarkably, more than a million colonial servicemen joined the British and French armies on the European battlefields of World War I. And when Jawaharlal Nehru, the first Prime Minister of independent India, told American journalists he was proud to feel himself the last Englishman who ruled over India, he definitely had something to be proud of.

Fourth, the Europeans relied on a permanent military presence in their colonies and established a sophisticated administrative system there. The use of force was limited but effective (at the beginning of the 20th century the entire British Empire was guarded by less than 250,000 servicemen; occasional revolts were not followed by 'wars on terror' but were put down by routine expeditions "which the British never called wars, but only 'emergencies'" (Michael Howard. *What's in a Name?* In: *Foreign Affairs*, 2002, Vol. 81, No. 1, p. 8). It may be history now, but we should remember that all colonial wars caused less casualties among the native populations than the reported ethnic cleansing, civil wars and military conflicts which these countries suffered during the first 40 years of their independence from the European powers.

Thus, the *Europeanization of the world* was characterized by a clear purpose (the establishment of a stable system for governing huge peripheral regions from the center), coherent methods (a long-term economic and political engagement with the periphery), and adequate means (huge outflows of people and capital). Importantly, the Europeans never aimed at redesigning the entire world into something similar to Europe writ large; they felt comfortable in seeing the distinction between the center and the periphery, since it proved the uniqueness of both the European social structures and cultural heritage. As a result of Europeanization, all kinds of dangers and challenges that might arise from the periphery to disturb – not to say, threaten – Western civilization, were eliminated completely by the end of the 19th century.

The end of European empires heralded the triumph of European values. Within twenty years after World War II, these empires were dismantled, but not primarily due to the lack of force to control huge imperial possessions, but because of the dramatic decrease in their economic value. Today, trade between European nations and their former colonies comprises less than 5 percent of total European trade; investments into these territories account for no more than 2 percent of European overseas assets. Much more remarkable, however, is the fact that the Europeans have not lost their identity with the disintegration of their empires; they have strengthened it through the establishment of supranational, yet truly European, structures and institutions. The old aspiration for governing the globe has been reborn in the form of a new Europe, which may once again become a model to be copied by the rest of the world.

BETWEEN THE PAST AND THE FUTURE

The United States emerged as the world's only superpower immediately after the end of World War II. The Soviet challenge to the U.S. dominance, which eventually led to the Cold War and split the world, had political and ideological reasons, while the rise of the U.S. power originated from unique economic dynamics. After four decades of this continuous showdown, the American econo-

my-based ideology defeated the Soviet ideology-based economy. The result was predictable from the outset: the story of Americanization actually began in 1945, not in 1989, as one may assume.

As the new leader of the Western world, the United States was completely different from the British Empire, as well as from the continental powers of Europe. In contrast to 16th-century Europe, 20th-century America was politically unified and economically solid. The U.S. was also different from Europe in that it was a country of immigrants as opposed to a continent plagued by massive emigration. Moreover, the U.S. enjoyed an unprecedented military superiority over the rest of the world and had no significant colonial experience. It consistently avoided any overseas engagement. Finally, the American nation was united, not so much by its common past and collective experience, but by its projected future and shared values. If such a country was somehow brought to the top of the world, then the only possible explanation could be found in the direct involvement of divine providence.

All of these national peculiarities resulted in two aspects of a distinctive American worldview. First, since the U.S. considers itself to be the indispensable nation, its “calling as a blessed country,” as proclaimed by President George W. Bush, “is to make the world better” (*State of the Union Address*, January 28, 2003). Second, since the U.S. has approached global dominance due to its economic success, Americans tend to rely on economic force, while using all the advantages of its economic superiority.

Therefore, economy-based ideology was chosen as the main instrument for adapting the world to the U.S. standards. Since materialistic motivation is believed to be universal, and the U.S. delivered a standard-setting model of economic success, it was considered that its principles should be applied anywhere in the world, thus producing American-style liberties and democracy, as well as an American way of living. But whereas the Europeans sought to establish political control over new territories for *Europeanizing them to some degree*, not for reproducing the entire European model, the ultimate goal of the Americans was to

import their economic model into a new environment in order to *Americanize the world as profoundly as possible*. Moreover, while the Europeans themselves promoted Europeanization, Americanization does not seem to require the Americans, since its goal is to spread *universal* ideas and values, not particularly those of the American people.

AMERICANIZATION AND THE END OF HISTORY

The first steps of Americanization were extremely successful. The 1960s and the beginning of the 1970s saw the longest and most sustainable economic expansion in history, as the U.S. economy flourished during this age of mass production, mass consumption and mass media.

But while the market economy boosts productivity, it does this through competition; while it increases wealth, it fails to distribute it equally. Simply delivering strong overall economic performance does not mean inventing the right tool for promoting equality and reducing social tensions. American multinationals easily gained control over the economy of newly independent nations, benefiting from both the weakness of their institutional structures and the unique role of the dollar. While only showing an interest in the profits of their shareholders, they had no interest in securing political and social stability beyond the borders of their homelands. As a result, within just four decades the wealth gap between the richest and poorest of the world's population leaped from 7 to 75 times. Failed states became as common as wealthy financial centers. All these processes caused a natural strong reaction – directed primarily against the U.S. The Europeanized world of subordinated freedom was gradually replaced by an Americanized world of unlimited irresponsibility, and raised the problem of restoring the order to the top of the international agenda.

In this new global environment the differences between Europeanization and Americanization became evident.

First, Americanization was not exercised through massive American emigration to the peripheral territories; instead, the U.S.

itself turned into the land of immigrants coming from every corner of the globe. Responding to their claims, American culture underwent a dramatic transformation, and went from proudly promoting civic virtues to merely practicing political correctness. As a result, the American way of living, which was supposed to attract people around the globe, actually began to disappear in the United States; in the past, European values were adopted in many parts of the world — not least because the local people witnessed the Europeans' way of living (sympathy toward the Europeans eventually transformed into an admiration of Europe, and vice versa). Very few people around the globe will now say openly that they dislike Americans, but this cannot stop the rising wave of anti-Americanism. This is the “just” price for Americanization without Americans — not dissimilar from the American style of waging war while avoiding any direct engagement with the enemy. Such a process of Americanization can hardly be sustainable or long lasting.

Second, despite the high growth rates of the U.S. domestic economy, its current geo-economic positioning does not compare to that of Europe at the end of the 19th century. America is now the world's largest debtor nation, and is challenged in this position only by Japan. The U.S. international investment position is in deep red, approaching \$3.75 trillion and showing no signs of improvement. The United States accounts for only 14.7 percent of global exports, while its trade deficit is now the largest ever recorded — \$556 billion, or 5.2 percent of its GDP. Government spending in the U.S. is low, but the federal budget deficit continues to balloon: the deficit for fiscal year 2004 stood at a record high of \$521 billion, or 4.9 percent of the GDP. To balance the current investment deficit, the U.S. needs a net capital inflow of \$1.6 to \$2.3 billion per day. Even its record military spending, matching that of the rest of the world, cannot offset this internal economic weakness.

Third, the Americans have become accustomed to an oversimplistic vision of the world, dividing it into light and dark parts, into centers of good and evil. Paradoxically, while respecting personal freedoms and human rights in their own country, including

that of foreigners who arrive in the U.S. to realize their life plans, Americans continue to deny the right of other peoples to be culturally and ideologically different. Our world is now very diverse, and it will become even more so in the future. So the nation that “has been committed to its exceptionalist myths in its policies and practices” is hardly able to “make the world better.” (Benjamin Barber. *Fear’s Empire: War, Terrorism, and Democracy*. New York, London: W.W. Norton&Co., 2003, p. 49). Democracy cannot be imposed everywhere. America’s recent efforts to impose democracy in Afghanistan and Iraq were doomed to failure, since what needs to be promoted is not formal democracy, but civil order based on a culture of tolerance. The United States, however, has no serious intention to gain overseas possessions for promoting a culture of tolerance there. And unless such culture is nurtured, any attempt to build democracy will fail.

Fourth, today the U.S is not ready for this particular mission. The American public is not committed to any sort of expansionist strategy since it consists of consumers who value their domestic economic wellbeing far more than any empire-building ambitions. The American political establishment will never initiate anything like Europe’s past colonial adventures because it will not consider it necessary to risk the lives of their compatriots to establish values and principles which they deem universal, and, as such, will presumably – sooner or later – be adopted by every nation, people, or tribe.

Thus, the global *Americanization* project lacks a clear aim; rather, it is substituted by the promotion of the U.S. economic model, or by a response to any danger that may threaten its vital interests. Americanization has no coherent methods (sporadic acts of American interference which may happen anywhere in the world can hardly count as such) or adequate means (in economic terms, the new imperial power is now extremely vulnerable and highly dependent on the rest of the world). In contrast to the Europeans, the Americans believe in some universal values and principles. Thus, they want the world not only to become similar to America, but an actual reproduction of it. Americans will feel comfortable

only if the transformation of the diverse world into *une planète uniforme* is accomplished, because only such an outcome can guarantee a sustainable and secure future for the United States.

The principal defect of Americanization is that it will cause a global counter-reaction, for which the Americans are not ready. Furthermore, the failure of the Americanization project will affect the doctrine of American exceptionalism, which, being damaged, may bring down the entire American ideology.

THE PROBLEM OF IDENTITY

The prospects for the Americanization global project should now become the central matter of concern for all of Western civilization. Today, there are some experts – even those who criticize the current administration – who believe the United States will remain the global leader not because it is different but because it is so much like the rest of the world. This may be true, but if so, it should become a matter of concern rather than a cause for consolation.

It is much easier to govern a single state than to rule the entire world. Therefore, the crisis of governance is now better seen on the global level. But if the U.S. is really so much like the wider world, then what the emerging global disorder is prophesying is the imminent disorder inside the United States. The European powers survived the dismantling of their empires without tremendous difficulties because they understood that the peoples they wished to civilize might be unprepared to adopt the European way of living. The United States will hardly survive a setback of that kind. The failure to impose universal values will mean that those values are in fact not universal, and, if so, America has been deceiving itself for centuries.

Throughout the entire epoch of Europeanization, the frontier that separated Europe from all other territories remained precise and clear; this precision and clarity saved the European identity after the collapse of its Europeanization efforts. Today, in the age of Americanization, there is no visible border between America and the rest of the world; therefore, if attempts to Americanize the globe fail, America's identity could be ruined.

The contemporary world is entering a time of turbulence. To survive it, not to mention benefit from it, those responsible for global stability should rethink the very foundations of their doctrines. They must come to the conclusion that no country can, nor will, rule the world. At the same time, however, they must recognize that it is possible to lead the world, educate it and even govern it in an indirect manner. But in order to do so, they should reject the very idea of universal principles and values and determine genuine globalization as the process of establishing *a global system which should include all kinds of nation-states, communities of faith, supranational institutions, or peoples bound by their collective memories*. If successful, this will prove that at the dawn of the new millennium *the globalizing world is dominated by a superpower, which in fact does not share the doctrine of globalization*.

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The postmodern world did not replace the world of modernity. It only added a new dimension to the old order, and this dimension is multiplicity. We all are entering a new era in which the Europeans may peacefully live in their united Europe, and the Americans may build their beloved America according to their own projects. But this will be possible only if America and Europe let the rest of the world follow the path of genuine globalization, that is, let each nation and people follow its own course.

Reconstruction, Development and Sustainable Peace

A Unified Program for Post-Conflict Countries

Mića Panić

There was great hope during the brief euphoria in 1989/90 that the end of the Cold War would herald the beginning of a new era of widely enjoyed improvements in economic welfare, prosperity and peace achieved through greater harmony of interests and cooperation within and between countries. Regrettably, though not surprisingly, it is the sceptics who have turned out to be right.

Far from peace and harmony, over one hundred armed conflicts have taken place since 1989. They have ranged in severity from minor conflicts (at least twenty-five battle-related deaths) to wars (one thousand or more battle-related deaths). Apart from civil and international wars, a number of countries have experienced inter-communal violence, genocide, coups and high levels of organized crime.

There are certain characteristics that are shared by most countries that have experienced civil wars: poverty, unemployment and economic stagnation – with economic welfare and income security deteriorating rapidly. The fact that rates of growth tend to be much lower in war affected economies than in those that have not experienced civil conflicts makes the underlying problems even worse.

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Clearly, economic conditions are of critical importance. But they cannot be considered in separation from non-economic factors. To achieve their objective, economic policies must therefore take into account the capacity of a society (its institutions and resources) to solve the problems created by the divisions and tensions that are responsible for recurring violence.

Finally, the existing antagonisms, grievances and conflicts are not the only reason why the world community needs to tackle the causes of armed conflict. An international survey reflecting the views of over one billion people found that there was widespread pessimism about the future. People across the globe felt “unsafe, powerless and gloomy” and feared that the next generation would live in a world even less prosperous and safe, and more internationally insecure (Survey on Security and Prosperity. World Economic Forum, Geneva, 2004). These are exactly the conditions that bred civil and international conflicts in the 1920s and 1930s, culminating in the Second World War!

MAJOR CAUSES OF CIVIL UNREST AND CONFLICTS

1. Poverty. The fact that there is a strong link between poverty and armed conflict is indisputable. Half of the states experiencing such conflicts since 1989 fall in the bottom quartile of the countries included in the UNDP Human Development Index (HDI). With one-third of the remaining countries in the next quartile, over 80 percent of the states that have experienced civil conflicts are in the bottom half of the HDI.

The key economic characteristics that these countries share include: low levels of income per head, and high unemployment and/or underemployment levels. Not surprisingly, in most of them over 40 or, even, 50 percent of the population is ranked as poor. As a result, their levels of literacy, education enrolment ratios, health standards and life expectancy are well below those in high or even medium income countries – making it extremely difficult for those living under these conditions to escape the poverty trap through their own efforts.

Yet these links between conflict and poverty are not as simple as they might appear. Not every poor country experiences civil conflicts. For example, they have occurred since 1989 in only half of the countries included in the list of “least developed and low income countries” published by the UN Committee for Development Policy.

2. Impoverishment, inequality and pessimism. None of this need cause civil unrest and conflict if the general feeling is that the burden of low development is shared fairly, that there is a steady improvement in the country’s economic performance which is benefiting all, and that those caught in the poverty trap can expect with confidence that they will be able to escape from it in the foreseeable future.

The problem is that in many low income countries none of these conditions is satisfied. Income inequality has increased over the last thirty years globally. To the extent that governments have become either unable or unwilling to compensate for this through income transfers, this means that the inequality of opportunity and outcome has also gone up both within and between countries. No wonder that the feeling of economic insecurity has increased internationally, particularly among low income countries. People feel less prosperous – notably in Africa, South America and the Pacific Region – and generally less optimistic about the future. The pessimism about their own and world future is now shared also by the majority of those living in highly industrialized, prosperous countries.

The danger is that, if nothing is done to reverse them, these trends will create exactly the conditions in which people, especially inhabitants of the poorest countries, can easily become caught in the vicious circle of impoverishment, despair and hate.

The process is familiar. The low level of development limits the capacity of a country to produce the volume of output required to satisfy the needs and aspirations of its population. Consequently, employment opportunities are also limited so that unemployment, actual and disguised, is invariably high. Unemployment reduces income of those directly affected and, through the multiplier effect, of the country as a whole.

The immediate impact of low national income is that the government's taxable capacity is inadequate for the state to provide transfer payments and social services needed to minimize the social cost of unemployment and poverty. The long-term impact is that low private and state income reduces the level of private and public savings in the country and therefore – in the absence of external assistance – both private and public investment. As the rate of growth declines, it reduces the possibility of future improvements in the standard of living.

Starting from an already low level of economic welfare, the overall effect is greater economic insecurity and growing dissatisfaction with the existing order. Political instability and the risk of conflict increase. This encourages emigration of highly skilled and educated labor and the flight of capital – making it even more difficult to reverse the process of economic decline. The vicious circle of poverty and stagnation continues; and with it the likelihood of conflict.

The risk of civil war will be particularly high if there is a sudden, sharp fall in output, employment and income, and no clear sign that the country will be able to reverse it in the foreseeable future. For instance, sharp falls in income and large increases in unemployment preceded civil wars in Sierra Leone, Nigeria and Indonesia. The same happened in Yugoslavia following the liberal reforms in 1989. The country's level of economic activity declined by 15-20 percent and the rate of unemployment reached in some regions 40 percent of the adult population fueling social unrest.

3. Social divisions and political oppression. The ease with which the “temptation” for violent conduct within a state can be translated into action will be determined also by the degree of its social cohesion and the nature of its political institutions.

The best way to understand the origin of tensions that may lead to conflict or war is to start with a simple model that eliminates some of the most common causes of social divisions and frictions.

A sovereign state will normally be protected against disintegration into a multitude of warring factions if the population is homogeneous and the existing inequalities are not a divisive issue.

The whole population shares the same racial characteristics, national roots, language and religion. There is no state-imposed discrimination against any section of society. Everyone enjoys the same legal rights, has equal access to state institutions and influence on the way they are run. Equally important, existing economic inequalities (functional, horizontal, personal and regional) are generally accepted as “fair.” Clearly, under such conditions, the scope for divisions between capital and labor, occupational or social groups and regions would not be large enough for any subgroup within the state to advance by violent action its interests at the expense of the rest. It would face combined hostility of the majority and, therefore, certain defeat. To succeed, attempts to improve economic and social conditions of the whole country, or a particular minority, have to rely on non-violent, political means.

The risk of conflict increases even if some of these conditions are not satisfied. History shows that even a high degree of demographic and cultural homogeneity may not fully eliminate the possibility of civil unrest and war in conditions of large and widening economic and social inequalities. This may take different forms: uprisings or revolutions to change the status quo, military coups to protect it, or the rise of organized crime and corruption as a means of redistributing wealth.

The following scenario is not unfamiliar. The country most likely to experience this tends to be at a low level of economic development, with most of the population at or close to the subsistence level of existence. Then a natural resource of strategic importance to the world economy is discovered on its territory. The discovery offers the prospect of a continuous stream of foreign currency earnings and, consequently, the opportunity for the country to transform its economy and social wellbeing within a relatively short period to the levels enjoyed by medium or, even, high income countries. All sections of the society are gripped by high hopes for a time. Then the disillusionment and hostility to the existing order set in. This happens when people realize that the discovery will make little difference to their lives, as the newly created wealth is concentrated in the hands of a minority who also

control, directly or through their surrogates, the levers of power. Political oppression may protect the wealth, status and power of the minority for a time. But, as history shows, it cannot do so indefinitely. Moreover, if foreign corporations are involved in the production of the resource and their governments are seen, or believed to be, behind the minority who derive most of the benefits from it, it may not take long before the civil conflict spreads across the borders and assumes international dimensions.

Whatever the overall state of the economy, the likelihood of conflict will increase if economic inequalities are the result of discrimination against certain groups of society because of their nationality, race, religion, class or gender. Where this is the case, members of the dominant social group invariably ensure that the most attractive and lucrative jobs, including key political offices at all levels, are occupied by those who belong to their group. This enables them to control, in addition to the country's productive resources and the way that these are allocated, also the army, the judiciary and the police. The privileged position enjoyed by the group may be perpetuated by the fact that the best schools and universities in the country are open predominantly to their children.

Again, past experience shows that, even if the ethics of such discrimination could be justified, the longer it persists, the more violent is the eventual civil conflict likely to be. This is particularly true of the countries in which the state actually institutionalizes such inequalities. The laws and the coercive power of the state are then used to instigate, promote and safeguard the discrimination in favor of a particular group because of its color, nationality, religion or class.

Although institutionalized discrimination and political oppression are not confined to low income countries, international comparisons of 'political freedom' show that most of these countries score well below high and medium income states on some or all of the following: political participation, rule of law, freedom of expression and lack of discrimination. According to an index of political freedom produced in the early 1990s for the UNDP (Desai, M. *Measuring Political Freedom*. In: *Discussion Paper 10*,

London: London School of Economics, 1992), virtually all countries that have experienced civil conflicts, and for which relevant data are available, are in the bottom half of the index. All these countries are also ranked in the bottom 50 percent of the UNDP Human Development Index.

PRIMARY POST-CONFLICT OBJECTIVES

Economic welfare, social harmony and political stability are so closely linked that all three must form an integral part of a viable post-conflict strategy.

To have any chance of success, post-conflict strategies must concentrate from the start on institutional changes and policies that promote reconciliation, reconstruction and reduction in absolute poverty and income insecurity. Unlike in the past, social policy is now given much higher priority by international organizations, ahead of structural and macroeconomic policies.

The re-ordering of the priorities is not sufficient, however, without another important change in the institutional approach to problems facing post-conflict countries. Governance and public administration programs must be the cornerstone of the peace-building efforts.

People in the states concerned must have an operational criterion by which to judge whether those who govern them are making a genuine effort to achieve the ultimate objective: sustainable peace secured through widely shared improvements in material wellbeing and respect for the rights of all citizens irrespective of their ethnicity, creed, color, class or gender.

1. Reconciliation. If different groups within a post-conflict country are not prepared to cooperate in solving the problems that caused the civil discontent and war, the country's future will remain as bleak as its past. The effort to achieve reconciliation of the warring factions is therefore of critical importance; and that will depend on how the authorities deal with four major problems, each of them more serious after the conflict than before.

First, as all internal conflicts result in atrocities against civilian population as well as the combatants, the old grievances, resent-

ments and animosities are likely to be felt even more intensely. The war may also change ethnic balance of the population in a region or country, as large numbers of people are forced to flee their homes. The minority will now feel even more insecure than before, a fact that the majority may exploit to 'cleanse' the ethnic or religious character of their region or country by making the minority's life intolerable and forcing it to emigrate. Anticipating this, a government genuinely determined to promote reconciliation will act promptly after the conflict to outlaw discrimination and threats against any group and will use the law-enforcing agencies to implement the new laws. The constitutional change will be fortified further with the reforms that guarantee a genuinely democratic form of government. Where major demographic imbalances exist and people are likely to vote along ethnic, religious or racial lines, the new constitution must make sure that the minorities are adequately represented in the legislative, executive and law-enforcing branches of the state.

Second, unless internal order is re-established quickly, the end of fighting will not stop the lawlessness created by civil war. Past malpractices and the war inevitably discredit the existing state institutions, especially the judiciary and the police. The provision of internal order and security becomes, therefore, a matter of high priority. An essential part of this task is to ensure that people have confidence in the integrity of the relevant state organs; and one way to achieve this is to enable different groups to participate fully in all the law-enforcing institutions.

Third, civil conflicts reduce the long-term capacity of a country to recover. Apart from physical damage, casualties will include a substantial number of highly qualified and skilled people. Some of them are often specially targeted in such conflicts. Many of those who survive, especially younger and more dynamic among them, will flee the country attracted by the prospect of higher living standards and better working conditions in the world's most advanced economies. The human capital will be further depleted by a large number of those who come out of the war with physical and mental disabilities. No post-conflict country can, there-

fore, afford discrimination of any kind that prevents the most productive employment of all those who are able to contribute to the reconstruction process.

Finally, to achieve the primary post-conflict objectives it is important to rebuild and, where necessary, create new state institutions. That can be done on a lasting base only with strong popular support; and to give such support people need to be convinced that the new institutional framework offers them the best chance to escape poverty, social divisions, oppression and war. It was such a fundamental change in the attitudes and institutions, and the extraordinary economic and social progress that followed, that has transformed Western Europe over the last fifty years and made possible the creation of the European Union.

2. Reconstruction. Although the scale of destruction inflicted by civil wars will vary from country to country, the effect can be devastating even in conflicts of relatively short duration.

The combined human and economic cost of the devastation can be staggering. For example, as a result of the genocide in 1994 GDP per capita in Rwanda is 25-30 percent lower than it would have been without the conflict, with 60 percent of the population regarded in 2001 as poor and 42 percent unable to meet basic food needs (Lopez H., Wodon Q. and Bannon I. *Rwanda: The Impact of Conflict on Growth and Poverty*. In: *CPR Social Development Notes*. Washington D.C.: World Bank, No. 18, 2004).

Food, shelter, clothing and medical service must, therefore, be given priority in post-conflict countries in order to provide people with the basic needs necessary for survival. What makes the task of these countries even more difficult is that none of the problems created by civil conflicts can be solved in isolation.

The process of reconstruction is bound, therefore, to take time. According to World Bank estimates, even if external assistance is available, it may take a low income country 4-5 years to develop the capacity to use foreign aid effectively. The pressure to achieve a rapid improvement in economic welfare will be particularly great if public expectations of the benefits from peace are unrealistically high.

The nature of civil wars and the size of their cost vary from country to country, as does the capacity of individual countries for rapid and successful reconstruction. Consequently, in assisting post-conflict countries the international community must pay special “attention to local knowledge and perceptions and listen to the needs that are articulated by conflict affected countries and their ideas about what can be done to address them” (*Summary of Proceedings. EGM on Conflict Prevention, Peace-Building and Development. UN/DESA, New York, 15 November, 2004*).

3. Economic development and poverty reduction. The success in achieving major improvements in economic conditions depends on numerous decisions that have to be taken early in the process of reconstruction. Two of these are of critical importance: decision to adopt the goals that are consistent with the objective of improving economic welfare, and decision to employ a system of ownership and allocation of resources that is most likely to achieve the main objective.

The principal *goals of economic policy* adopted more than fifty years ago by many countries are relevant to post-conflict states because they were intended specifically to help prevent armed conflicts within and between countries.

The first goal is to achieve high levels of employment and job security in order to give everyone a stake in their country’s future so that people do not feel ‘useless, not wanted’ and ‘live in fear’ of the future. This was judged in the 1940s to be so important that it was enshrined in the original UN Charter. The second goal aims at sustaining the rate of growth required to maintain high levels of employment and job security in the long run. The third goal is to keep prices ‘stable’ so that the rate of inflation does not make it impossible to achieve the other objectives. The fourth goal is to ensure that the gains from economic progress are distributed in a way that is widely regarded as fair and, also, makes sure that nobody is allowed to exist below a socially acceptable standard of living. The fifth goal is a sustainable external balance (on the current plus long-term capital account) to enable the country to preserve its economic sovereignty, allowing it to pursue the other four goals.

The decision concerning *the ownership of productive resources and control over their allocation* is much less clear-cut. The reason is that productive resources, economic and social problems, preferences and priorities tend to differ significantly even among countries which appear to be very similar.

For instance, one problem that all post-conflict countries have in common is inadequate provision of 'public goods.' This is an area of economic activity where the state has had traditionally to play an active role since the private sector is either unable to provide such 'goods' (law enforcement, defense) or will do so only for those who are able and willing to pay for them (healthcare, education, housing). However, as the provision, nature and quality of public goods vary from country to country, the extent to which public and private sectors need to be involved will also vary.

The same is true of those activities that are normally carried out entirely or predominantly by private corporations. Insecurity and general lack of confidence make it difficult to attract private investment, both domestic and foreign. Although the problem is common to all least developed economies, it will be particularly serious in post-conflict countries. Hence, the government has to be involved either directly or by providing subsidies to encourage private investment. The subsidies may have to be substantial to attract foreign private investment. Even Europe was unable to avoid this problem after WWII; private investors returned to Western Europe only *after* it had completed its postwar reconstruction and recovery.

Yet, this experience is not equally true of all sectors, regions or countries, including those emerging from a civil war. Despite the risks and uncertainties, private international investment will flow into a region or country devastated by internal conflict if it has resources that promise a high return on the capital invested.

As a result, the method and the means used to achieve post-conflict economic objectives will have to be flexible and pragmatic. This was the approach adopted in the two most successful postwar recoveries on record, those in Western Europe and Japan. All the countries involved pursued very similar welfare enhancing economic goals. But the success that they achieved was the result of

different priorities and policies – determined by each country's needs and public preferences.

4. External economic assistance. Few questions of international economic policy have attracted as much attention since the 1940s as external assistance: its size, the form in which it is provided, conditions attached to it, its management and monitoring. Moreover, although it is almost sixty years since it was offered and implemented for a short time only (four years), the Marshall Plan remains for many people the 'ideal' form of external assistance. There are still regular calls for 'New Marshall Aid' to be given to this or that region of the world. What those who advocate this usually have in mind is the financial aspect of the assistance that the U.S. gave to Western Europe between 1948 and 1951. It was on an unusually large scale (around \$150 billion at today's prices) and most of it (over three-quarters) consisted of grants. The loans accounted for slightly less than 10 percent of the total and the repayment terms were, especially by present day standards, exceptionally generous. They were to start in 1952 and to be spread over a period of thirty-five years at a fixed rate of interest (2.5 percent).

However, though the financial side of Marshall Aid deserves the attention that it has received, it is important not to overlook a number of equally relevant aspects associated with the Aid.

First, other things being equal, external assistance is most likely to succeed when the recipient's needs and donors' interests coincide, as was the case with U.S. assistance to Western Europe and Japan after WWII. Otherwise, the danger is that it will be given for the benefit of donors and, therefore, do little to solve the recipient's problems.

Second, it is essential for the receiving country to determine its objectives and priorities and to be able to pursue the policies most likely to realize them. A successful strategy can be developed and implemented, therefore, only through an active cooperation between the donors and the recipient. This may not be easy to achieve in the absence of a genuine coincidence of interests.

Third, a *single* donor, preferably an international organization coordinating the activities of various donors, is needed to avoid

waste and the risk of failure caused by inconsistencies between the objectives and policies, duplication of effort and uncoordinated completion of projects. When there are several donors, the danger is that each may pursue its own goals so that waste on a large scale becomes unavoidable, not least because of unnecessarily large bureaucracy that administration of uncoordinated foreign aid requires.

Fourth, donors must not insist on the reciprocity in policies such as trade liberalization that may impose serious long-term costs on the recipient. Contrary to the practice that became increasingly common toward the end of the last century, the U.S. liberalized unilaterally its trade in the second half of the 1940s to give other countries easier access to its market, making it possible for them to boost their inadequate dollar reserves.

Fifth, it is imperative that foreign donors do not impose on the receiving countries the nature, timing and sequencing of economic policies – each of which can result in unacceptable social costs and the risk of conflict. It is for this reason that West European countries were not prepared to risk either internal deregulation or external liberalization until their economies were ready for such fundamental changes. For example, all of them had achieved full employment by the early to mid 1950s and completed their post-war recovery by the end of the decade. Yet, although the exact timing differed from country to country, they removed import quotas in the early 1950s, abolished domestic price controls in the second half of the decade and made their currencies convertible into the U.S. dollar at the end of 1958. Tariff reductions came in the 1960s and early 1970s, more than a decade after most of the countries had become structural surplus economies, earning large balance of payments surpluses at full employment. It took even longer for exchange controls to be abolished: at the end of the 1970s, during the 1980s and early 1990s. By that time Western Europe had also, thanks to the countries' economic success achieved through cooperation, managed to realize the centuries-old dream of many Europeans: lasting peace and the creation of the European Union.

Finally, external donors have the responsibility to ensure through careful monitoring that the essential post-conflict strategy agreed originally is implemented; and to discontinue development assistance when the recipient is failing to do so because of widespread corruption. Equally important, they have the responsibility to prevent their own commercial interests from encouraging international corruption and failure, especially in post-conflict countries.

5. Domestic economic policy. Consistency of policy objectives is among the most important principles for successful reconstruction and development. If poverty is at the root of civil conflicts, making its reduction through economic development the key objective of economic policy, a macroeconomic policy whose main goal is a low and stable rate of inflation – irrespective of what happens to employment and growth – is clearly inconsistent with the overall objective. As inflation is for various reasons (widespread shortages, pent-up demand) a common problem in these countries, the pursuit of low and stable prices requires a highly restrictive macroeconomic policy. The result is deflation, economic stagnation, unemployment, low job security and income, greater poverty and inequality – exactly the conditions that give rise to conflict.

Economic and social costs of deflation will be even greater if the objective of price stability is contradicted by policies that are, by their very nature, inflationary. Premature price deregulation, a sharp increase in indirect taxes and massive devaluation of the currency, especially when they are implemented at the same time, may give rise to runaway inflation. Yet these policies were forced on many transition economies in the 1990s, usually as a precondition for external assistance. The result has been unnecessarily heavy economic and social costs. Similar policy inconsistencies in a country that has just experienced civil war are certain to result in a revival of old hostilities and conflict, a totalitarian form of government, or emigration of the young and those with vocational and professional qualifications and skills.

To avoid similar inconsistencies and outcomes, it is also essential that no *structural* policy that can be effective in achieving the

post-conflict objective of improving economic welfare should be ignored for the sake of some economic dogma. All industrial countries have used a wide range of policies to achieve and maintain their present levels of affluence: industrial, regional, and other that involved active collaboration between the state and the private sector.

Countries that are heavily dependent on exports of one or two primary commodities may need to use a combination of such policies to diversify their output. The capacity for product diversification is much greater in large than in small countries. However, whatever the size, countries need to diversify their economies to reduce the vulnerability to external shocks and the risk of a debilitating deterioration in terms of trade. The risks are especially serious in the case of countries dependent on exports of a single primary commodity. Again, it is important not to be dogmatic about the nature of economic diversification, as branching out into other primary commodities, manufactures or services may be equally beneficial.

The consistency between the objectives and policies is also of critical importance in the pursuit of external economic policy. With the exception of a few small, mainly oil-rich states, all developing countries are essentially in fundamental disequilibrium (i.e. unable to reconcile their internal and external economic objectives). The problem is particularly serious in post-conflict countries. Premature liberalization of trade and capital flows by these countries may easily exacerbate their economic problems and thus jeopardize the whole strategy of reconstruction, development and conflict prevention.

There are several reasons for this. First, their totally inadequate foreign currency reserves will be drained quickly for purposes other than reconstruction and development. Second, trade liberalization will reduce government income. Import taxes are a major source of income in many developing countries, as they were for a long time, for instance, in the United States. Third, premature liberalization of trade makes it difficult to phase economic diversification and modernization carefully in order to

avoid major losses in economic welfare (M. Panic. *Globalization and National Economic Welfare*. Palgrave/Macmillan: London and New York, 2005).

* * *

The close link between economic prosperity, optimism about the future and peace is not a recent discovery. It was the realization of the importance of this link that made the German Government under Bismarck lay down the foundations of the modern welfare state in the 1880s. And it was the appalling brutality and cost of WWII that paved the way for a completely different approach to macroeconomic management and collective social responsibility in the 1940s.

Unfortunately, not everyone has benefited from the new order. Many countries are still as poor and vulnerable to civil unrest and conflicts as they have been for centuries. These conditions make it impossible for them to escape – without assistance from the international community – from the poverty-conflict trap, no matter how much they might wish to do so. That much is generally recognized and accepted. What we still need is a consensus on how to achieve this objective.

In a ‘globalized’ world, lasting prosperity and peace are possible only through *collective* commitment and effort.



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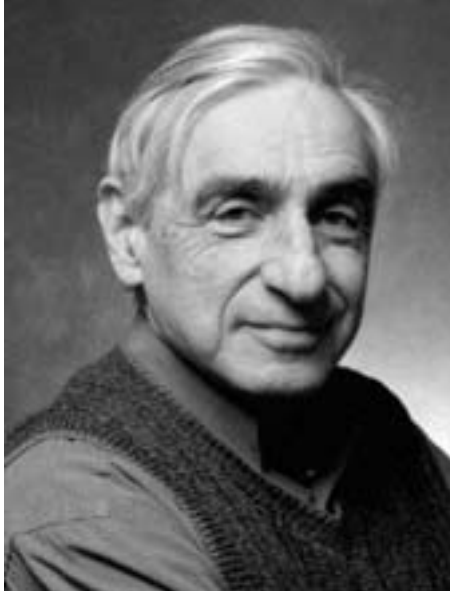
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“The Iraq War was a preventive war, and preventive war is not allowed by international law. And it is not justified by the ‘just war’ theory because the danger that you are responding to is speculative and lies in the future. And there were other ways of dealing with the danger.”

Michael Walzer:
“Any Ruler Can be Brought to the Law”

Michael Walzer:

“Any Ruler Can Be Brought to the Law”

Michael Walzer (b. 1935) is a leading American political theorist. He graduated from Brandeis University in 1956 and received his Ph.D. from Harvard University in 1961. He developed as a scholar in the 1960s, a tumultuous period marked by large-scale protests in America against the Vietnam War. Walzer was Professor of Government at Harvard University and an assistant professor of Politics at Princeton University. Since 1980, he has been Permanent Faculty Member at the Institute for Advanced Study at Princeton (New Jersey). The Institute was founded in 1930 by American philanthropists Louis Bamberger and his sister Caroline Bamberger Fuld and soon became a haven for scientists (among them Albert Einstein) who emigrated to the U.S. from war-torn Europe.

Professor Walzer is co-editor of Dissent and a member of the Editorial Boards of The New Republic, Philosophy and Public Affairs, and Political Theory. He is a member of the American Philosophical Society and five foreign academies.

Michael Walzer is the author of 19 books, among them Just and Unjust Wars (1977), Spheres of Justice (1983), Arguing About War (2004), and his latest book, Politics and Passion: Toward More Egalitarian Liberalism (2004).

*Michael Walzer gave the following interview in November 2005 at Princeton University to **Vladislav Inozemtsev**, Chairman of the Board of Advisors of Russia in Global Affairs, and **Yekaterina Kuznetsova**, head of the European Programs Department of the Center for Postindustrial Studies.*

Inozemtsev: Some of your books discuss such notions as ‘war’ and ‘justice,’ which at first glance look incompatible. How do they correlate? Has the perception of a ‘just war’ changed recently?

Walzer: I have worked on that issue for quite a long time, and a book of mine, *Just and Unjust Wars*¹, has probably sold more copies than any other books combined.

I strongly believe that the notion ‘justice of war’ applies not only to the means of combat but also to the goals and purposes. If the justification of war has to begin with an account of the causes and purpose of fighting, then you turn to the question of the conduct of war.

So if you take the American war in Iraq, the immediate cause was justified in different ways: first, as a means of preventing the development of weapons of mass destruction and deployment or export of weapons of mass destruction and, second, as a war for regime change, for democratization, for the creation of a different kind of Iraqi state. I think the war was unjust on either ground.

The regime of containment, which had been established in Iraq in 1991 after the first Gulf war, was an effective system. It would have been much better had it been truly supported by the European states. Had the no-fly zones been enforced not only by American planes but also by French and German planes, had the inspection system been sustained by European states, had the embargo on arms been seriously enforced by European states, I think it would have been almost impossible for the United States to unilaterally go to war.

So, the war was the work of the American government. Had there been a full European commitment to containment, it would have been stopped. Had there been an international system of containment, the power of the United States could have been contained. And that seems to me to be an argument heard not only in Europe but particularly in those states that opposed the war.

¹ Michael Walzer. *Just and Unjust Wars: A Moral Argument with Historical Illustrations*. New York: Basic Books, 1977.

Kuznetsova: How would you specify the Iraqi war — a preventive war or a preemptive strike? Or was it an act of aggression?

Walzer: The Bush administration systemically confused preemption and prevention. This was not a preemptive war because there was no immediate threat from Iraq. It was not a humanitarian intervention because there was no mass murder going on. There had been mass murder in Iraq in 1991 when we actually had troops there. We could have intervened to stop it but we didn't. In 2003, partly because of the UN-authorized and U.S.-enforced regime of constraint, there was no mass murder among the Kurds; the no-fly zone protected them. So it was not a preemptive war, it was not a humanitarian intervention.

The Iraq War was a preventive war, and preventive war is not allowed by international law. And it is not justified by the 'just war' theory because the danger that you are responding to is speculative and lies in the future. And there were other ways of dealing with the danger.

In this case the regime of constraint was effective, Saddam had been prevented from developing weapons of mass destruction, and he had been prevented from killing. After 1991, his regime was essentially powerless. It could deal with political opponents at home, but it could not prevent Kurdish autonomy, for example. The embargo on weapons worked to prevent weapons of mass destruction.

Today, Iraq is awash in weapons. Everybody has them. And these weapons came into the country from Europe mostly — from France, Germany, Italy and Spain during the UN embargo. There was no serious effort by the European countries to stop private companies and arms dealers from dealing with Saddam.

Inozemtsev: The Americans have captured Saddam Hussein and now the court is judging his case. Can you comment on the judicial side of this trial? Is Saddam guilty of war crimes or genocide?

Walzer: I have a record on this subject, and I am basically in favor of the trials. I wrote a book about the trial of Louis XVI.

The Jacobins wanted just to capture him and kill him, as he was an “enemy of the people.” That was the first use of that phrase. They played with that prescription: as you capture aristocrats, you just kill them. The Jacobins believed it didn’t make sense to put them on trial because there was a new regime and they were enemies of the new regime. By the laws of the old regime the king was innocent, but the Jacobins applied the laws of the new regime.

Actually there were members of the British Cabinet in 1944-1945 who wanted to do the same thing to the Nazis: as you capture them, you just kill them. They said: “Don’t try to stage a trial because a trial would be a show trial, it would be like Stalinist trials.”

But I defended the trial of Louis XVI on the grounds that it was important to show that the king was not immune from justice, that he was legally responsible. And it was important to show that you could do justice even to a king, that you could indict him. It was important to show that you could read him his rights and the charges, give him a defense lawyer, and treat him like a citizen.

I also think the Nuremberg trials were justified. Hermann Goering said at Nuremberg that the judge panel was a “natural outcome for the losers in the court of the victims.” But that’s not true. There were many people acquitted for good reason. Not him. But these were real trials where defense attorneys were able to make their case, and people were acquitted.

And I think that the trial of Hussein – who claimed to be a ruler who could do essentially anything and whose rule was arbitrary – meant to bring him to the law but to respect all of the civilized procedural rules. I think that’s exactly the right thing to do.

Inozemtsev: But in the case of Nuremberg, people were judged for war crimes while, for example, Slobodan Milosevic in The Hague Court was judged for genocide. But in the case of Saddam there seems to be an attempt to judge the head of state for noncompliance with international regulations and international law. Is Saddam now in court for the elimination of Kurds in 1991 or for noncompliance with UN resolutions?

Walzer: At Nuremberg, people were tried for violation of laws against mass murder. I assume that even in Iraq there were laws against murder. So Saddam can simply be tried for gross violations of laws that already existed under the old regime.

Saddam is being tried the way Louis XVI was tried. He is being tried by the Iraqi court, not the international court. It's not like Milosevic. But he may be charged with crimes against humanity because even if Iraq didn't sign the genocide treaty, mass murder is a crime in any human society. So I think — assuming that you are reading his rights, provide him with defense lawyers, give him time to collect evidence — these are useful trials because they are legally, procedurally justified.

Kuznetsova: Thirty years have passed since the publication of your book about just and unjust wars. In a practical sense, what can this knowledge about justice and war give to ordinary people? Can it change their considerations about war?

Walzer: I came into American political life during the Vietnam War, and I was quite active in the antiwar movement. I was a graduate student in those days and a young professor, so I spent a lot of time traveling, talking at meetings, and arguing about the war. And at a certain point I wondered: “Is there some coherent set of principles that I am relying on, being unaware of that?” And there was, there is.

Many Americans argued that no political regime could send young men out to die or kill. And there were people who had to justify what they were doing, saying, “This land belongs to us,” or, “The enemy is cruel,” and so on.

The causes of war were most impressively described by a Catholic monk theologian in the Middle Ages, who developed what we now call the ‘just war’ theory. The usefulness of the theory is precisely what we discovered in the 1960s and the 1970s in the United States: it enables us to make judgments and to criticize the behavior of our government. This is the way citizens in a democracy argue about war, about what their government is doing in faraway places. Or what it is not doing, because sometimes we argue not against war but in favor of war. For

example, I was in favor of intervening in Uganda, which we did not do.

Kuznetsova: How would you specify the Chechen war?

Walzer: I am not sure because the Chechen struggle is like Palestinian struggle, probably justified overall. But they have chosen to fight in ways that are not justified. I don't know whether secession or autonomy or some degree of autonomy for Chechnya is probably justified, given the history and the ethnic divisions. But terrorism is not justified. A political movement that becomes terrorist destroys its own basis.

Inozemtsev: Can you make some difference between terrorist activity and some kind of uprising against the occupation forces?

Walzer: The difference is in whether you attack the occupation forces or whether you attack schoolchildren.

Inozemtsev: If the Chechens are ambushing Russian convoys, it's not terrorism?

Walzer: That's not terrorism. They might be right or wrong, but it's not terrorism. If we take Israel and Palestine, which I know much more about, an attack upon an Israeli army unit or a militia group in the occupied territories may be right or wrong, but it's not terrorism. But an attack on a Basra café is definitely a terrorist act. I want to say there should be a Palestinian state, but not if it's in the hands of the people who are recruiting terrorists and killing civilians. So the causes were right, but these people may discredit them through their agents.

Inozemtsev: We have mainly spoken about the classical type of war as a war between nation states. But now there are many wars that have an ethnic or racial background, such as ethnic cleansing, genocide, and so on. How important is the change in the nature of warfare since the end of the Second World War some six decades ago?

Walzer: I guess since the Second World War there still have been conventional wars between nations, like wars between India and Pakistan, or Israel and Egypt. The wars in Korea and Vietnam were in part civil wars. And since that time major conflicts have

been internal in different ways. You can name the Khmer Rouge regime in Cambodia, which declared war on its own people and launched an extraordinary and crazy attack on the urban culture of its country and started killing literally anybody who lived in a city, anybody who had education or profession.

And then the Vietnamese communists stopped it, not entirely for humanitarian reasons — they had strategic goals, but they stopped it. So there you have a civil war, and the next thing is an invasion to stop it.

There was a similar case in East Pakistan (now Bangladesh) where India had to intervene, and in Uganda where Tanzania had to intervene. In all those cases there were murderous regimes and external interventions. But external interventions look old-fashioned now. If you think about the aftermath differently, you want some kind of process of political reconstruction, which is best administered or regulated by the UN or by some regional association.

That kind of humanitarian intervention and what comes after is new. Guerrilla war is somewhat new and raises hard questions about the combatant and non-combatant line. And terrorism is entirely new. But I don't think that the war on terrorism should be mostly a police war as it raises a whole different set of questions from your question. It raises questions about civil liberties and the rights of police vs. the rights of ordinary people.

Inozemtsev: Speaking about civil wars that are now going on in different parts of the world, does the United Nations have to deliberate some general principles when dealing with these wars? How can the big powers deal with this kind of war? Can the UN or communities of democracies elaborate some universal principles of intervention?

Walzer: Some universal principles do exist. We do have the UN Charter; it does talk about the circumstances under which it is right or not right to use force across the boundary. The problem is with the reliability of the UN as an enforcer of these rules. Let's just look at three cases: the UN would not have authorized anybody to go into Cambodia; it would not have

authorized India to invade East Pakistan and create Bangladesh; and it would not have authorized the Tanzanian invasion of Uganda.

Looking again at Srebrenica in Bosnia, or at Rwanda or at Darfur in Sudan, no political leader in his right mind would put the fate of his people into the hands of the United Nations. And it's not because the principles aren't there. It's because there is no readiness, there is no real commitment to live by these principles, to enforce them.

So it is important to think about how to create a more effective United Nations. But at this moment the principle that I would recommend is the Iraqi principle: faced with mass murder, anybody who can stop it should stop it.

Inozemtsev: Maybe it is necessary to form the United Nations troops on a different principle – recruit soldiers from various parts of the world that will not be associated with any of the permanent members?

Walzer: Yes, ideally there should be a UN police force, which is not composed of Italian, Norwegian, or any other national army soldiers, but a force composed of individually recruited soldiers who are committed to the UN, who are paid by the UN, and who are professionals. But that doesn't sound as a political question.

Kuznetsova: I think it's important to have a mechanism. For example, when I fail to stop at a stop sign, the policeman stops me and asks why I didn't stop at the stop sign because it's a law to stop at the stop sign. But if a state commits a crime, like Sudan in Darfur, there is a Group of Five which decides whether the state really committed a crime, and the same group of states decides whether to enforce the law or not. There should be a law providing forces and there should be forces that define the laws, the principles. Do you think if you start changing the principles to make the United Nations more convenient, you will have to change the UN tack?

Walzer: I think to reform the UN we have to move it closer to a global state and a global government. However, I don't

think there is any consensus, any willingness in the contemporary society of states to allow that to happen. A Security Council police force might work in some situations and it's obviously not going to work in a lot of other situations. It's not going to work where there is a great power determined to have its way, like the Chinese in Tibet. Nobody is going to stop it. And it's not going to work against the situation in Darfur. The situation in Darfur is a model of the way international politics works. The Arab League is committed to oppose any Western intervention and after Iraq that is not incomprehensible. And the Chinese, in their increasingly desperate search for oil, are committed to support the Arab League.

Inozemtsev: And now a question about the direction the global society of states, as you call it, is leading us. Are we heading toward a uniformed civilization? Or are we moving toward a world split into different kinds of civilization, different societies?

Walzer: It's both of those. You travel around the world these days and you hear the same music, you see kids dressed in the same way, there is a remarkable cultural uniformity in many areas of life.

At the same time there is a growing resistance to that uniformity; there is a growing effort to cultivate difference into a kind of cultural independence. And right now the primary source of that resistance to globalization is religion. But clearly the appearance of Hindutwa, of Hindu nationalism, of messianic Zionism, of radical Islam, of evangelical Protestantism, all of this does make the world look more different.

The United States goes beyond permitting cultural difference; it is enforcing a political and legal conformity. If you look at the difference, it's a very qualified difference. In Islamic mosques and Jewish synagogues, and I would guess in Russian Orthodox churches in the United States, they go on with the character of protestant congregations, that is, they are being slowly protestantized. They won't become entirely the same, but you can find an Islamic mosque with a woman auxiliary like in

a protestant church, and you can find an Islamic mosque where the congregation votes on the community’s leader.

Kuznetsova: That is true. You can even sit in the Orthodox churches in the United States, which is strictly forbidden in Russia.

Walzer: So, there is an American culture, which is an angle of Protestantism, which does not demand absolute conformity, but it is establishing certain ground rules. And Protestantism is a religion that, despite the evangelicals of today, fits better with democracy and secularism than Orthodox Judaism or Islam. We do allow a pretty wide range of cultural and religious difference but we sustain a political system. We have what we call “constitutional patriotism.” We have that very strong sense that holds us together. It’s the commitment to the republic, to democratic government, to the Constitution, to the Declaration of Independence.

Inozemtsev: In your recent book *Politics and Passion*², you analyzed the reasons for the war in Algeria and you wrote that in the 1960s the people of Algeria decided to be collectively Moslem, but not individually French. Can you comment on the recent Moslem uprising in France? Can people who conceive themselves as part of a huge community integrate into individualistic European society?

Walzer: The French project has always been to assimilate immigrants, to turn them into French men and women and citizens of the Republic where there are just no ethnic or religious differences. This project worked very well for a long time. It worked very well with South European and East European immigrants who came in significant numbers, but relative to what’s now going on, small numbers. But when France was faced with massive immigration from Africa and North Africa, the assimilation model just stopped working. I think it does not work because of the great numbers of immigrants, not because

² Michael Walzer. *Politics and Passion. Toward a More Egalitarian Liberalism*. New Haven (Ct.), London: Yale Univ. Press, 2004.

they are Moslems. I think the economy has not grown to ensure their economic integration, which is very important.

And it may be that France will have to move from the assimilationist model to some version of multiculturalism, to a greater recognition by the state of cultural difference. However, the key to solving the crisis is economic integration. The French authorities have to find jobs for these people, to open opportunities for personal advance, including in the French economic system. And if they do that, I think the cultural questions will be easier to deal with.

Inozemtsev: Is it possible that things like the uprising in France will happen in America?

Walzer: Well, we have had massive immigration for a very long time and I think we are more capable of dealing with cultural difference. We have one big advantage. The first large Arab immigration to the United States was of Christian migrants, who assimilated very quickly and that made it easier to the next Moslem Arabs to fit into American society.

Kuznetsova: But is the U.S. facing a threat of mass immigration from Mexico?

Walzer: Yes, we may have that kind of a problem in the southwest. We could have Arizona, Southern California becoming 80 percent Hispanic and then wanting more autonomy or wanting to secede. But so far the Hispanic immigrants have been dispersing around the country. We find significant Mexican, Puerto Rican, Asian population everywhere you go. I was in Nebraska last week, giving some lectures in Omaha. And there is a Sudanese immigration all over Nebraska, that is, in the middle of the United States.

Inozemtsev: People now speak about different “imperial” projects, about American empire, about Europe as a kind of an imperialistic project. In Russia, too, there has been much discussion about the restoration of the Russian or Soviet Empire. Can you compare the American and European projects?

Walzer: Well, I think there are people in the government of the United States who can be accurately described as imperial bureau-

crats, people like Donald Rumsfeld. I think his conception of what we should do in Iraq was essentially an old-fashioned imperialist conception. But I don't think that is a dominant American style in traditional politics. Two examples struck me with great force. One is the example of South Korea – which is essentially an American creation – where we have had a significant military force (over 50,000 soldiers now) for fifty years. But a democratically elected South Korean government certainly refused to go along with American policy toward the North.

And even more dramatically, in the period just before the Iraq war, the Turks refused to allow American forces to invade Iraq from Turkish territory – and there have been American bases there for a long time. The governments of South Korea and Turkey have democratic legitimacy, so they are able to defy the United States.

Insofar as America is committed to some kind of democratic project, it cannot be a silly imperial project, because then we will create regimes which we know will at some point refuse to support our policies.

As for Europe, I think the European project is a wonderful project. The Europeans are creating a zone of peace in a place where there were perilous wars for a very long time. They are going to be set back slightly by the current constitutional crisis. But, basically, the European Union is an extremely important world and historic achievement because Europeans are so committed to this project. They oppose the unilateralist policies of our own government. So I wish the Europeans were more ready to take up some of the burden of collective security.

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