

## ADRIAN DELLECKER

## **Researcher at IFRI**

Bernard Ghetta, who chaired the roundtable, opened the debate by stating that, on Russia, "there are lots of questions and few answers" and that, above all, "Russia frightens." In order to guide the debate, as moderator, Bernard Ghetta proposed five broad questions:

Should we consider that Putin and Medvedev are identical, and if not, what are the differences, for example between a "siloviki" faction and a "liberal" faction?

What could be a partnership agreement with the EU or with Ukraine?

Why is NATO enlargement to Georgia and Ukraine so unacceptable to Russia, and why is it so important to the United States?

Is Russia on the road to pluralism and democracy?

Is Russia part of European civilization?

Even-handed and academic, Thomas Gomart sought to include new elements to the debate in a clear effort to move beyond the usual rhetoric on both sides. To this end, Thomas Gomart suggested clarifying two points: (1) *What does Russia want?* And (2) *What does the West expect from Russia?* In order to move beyond the usual clichés, Thomas Gomart began by pointing out the recurring fallacies of the Western-Russian dialogue: "for Russians, Russia is a power or nothing"; "in Russia power and war are very related" and, since the events of Beslan, the "international war on terror makes sense to Russia;" for the West, we need to learn that "Russia is not Norway" and if that is what the West is waiting for, "forget it." In order to understand Russia, then, everybody must begin by reassessing themselves and their perceptions.

*What does Russia want*? For Thomas Gomart, Russia wants "normality and consideration," while the elite wants "business and money." Meanwhile, there remains "a very strong military component" in domestic decision-making and external policies. There has nevertheless been a "deep change in Russian society" with a "transferring of the political elite;" "Russia in 2008 is much more able to modify its environment than in 2000."

What does the West expect from Russia? Though it is clear by now that the "West" (i.e. the US and EU) does not have a common perception of Russia it is "absolutely not possible" that Russia will one day behave like Norway – in other words, the West needs to consider what it wants from Russia in light of it being and remaining a world power. This implies a rethink of our influence there: "We would like to have a democratic Russia, or at least be able to influence it, "yet" this is a mistake" since Russia wants, and arguably needs, opposition in the West in order to exist. Ironically, Putin and Medvedev are probably "the most Western-oriented in the Russian political spectrum right now."

On energy: "it is a common mistake to assimilate Russian energy and foreign policies: Russian energy policy is in fact only one component of Russian foreign policy." This policy is in fact very complex and seemingly contradictory: Russia wants to appear as a reliable supplier while at the same time fueling the feeling of uncertainty in its partners. The key, for Russia's partners, is to bear in mind that it is easy to "be mistaken as far as Russia's real potential is concerned."

For Marshall Goldman, present-day Russia "is in an ironic situation." While Stalin's isolation of the USSR led to "very impressive growth," Russia's recent "surge in GDP growth" is mostly due to the world's increased demand for energy: "oil revenue made the difference." "Even [he] would look like a genius" if he had entered the Kremlin when Putin did.

Numerous signs point to Russia' power in the energy sector: Gazprom quickly became the world's third largest company in terms of market capitalization, and Putin has recently stated that Moscow should become a financial center and that the ruble should become a reserve currency. Marshall Goldman "worries" that Russia's rise has occurred



while Europe's dependence on Russian natural gas has increase, and that a process of "locking Europe" politically has already come to pass: "you have to be blind not to see this." For Marshall Goldman, "the claim that Russia needs Europe as much as Europe needs Russia is not true," indeed, "where is Europe going to turn to" to get the gas it needs? LNG could not substitute pipelines "overnight" and that anyway LNG contracts are long term since the infrastructure is so costly to build.

All this is precisely the result of the undoing of Stalinist isolation and Russian integration in the world economy. The present crisis confirms this integration: "when stocks fall in the US, stocks fall in Russia." Hence Putin's "second echelon of oligarchs" (those who replaced the first after Putin's purge) "are losing their money;" Gazprom for example has slipped to eighth place in terms of market capitalization and slipping further. Rosneft is also concerned, with a short-term \$2.5 billion loan that they are very worried about paying.

Beyond providing growth, Russia' integration in the world economy also means that "if these new leaders misbehave, the economy will be punished." Mechel is the best example of this pattern, when Putin's overt threats to the company caused a sudden capital flight. For this reason, Marshall Goldman sees progress in terms of Russia integrating the world economy.

Despite this integration, however, Marshall Goldman claims to be "worried about foreign policy," particularly with regard to US-Russia relations, since presidents Putin and Bush had "forged a bond" and that, the two have a "remarkable relationship." If this personal relationship weren't so strong, bilateral Russia-US relations "would be worse." With the presidential elections in the United States in November, Marshall Goldman warned that this "cushion" will cease to be, leading to "quite bumpy" years ahead.

On the Russia-Georgia conflict, Marshall Goldman offered a cynical reading: "if you are going to invade, don't do it during the US presidential election," as this leads to overly political attacks.

Representing the increasingly typical Russian self-confidence, Sergei Karaganov is categorical: "Russia has been changing the rules of the game knowingly." In addition to this, as well as conveniently high oil prices, there has been "arrogance among the [post-war] victors" leading to "the weakening of Russia's competitors." As a consequence, "Russian political influence has soared" in the past few years, "especially in the eyes of the public."

Sergei Karaganov's view of the Russia-Georgia conflict is infused with this logic, and is predictably very different from that of the West: due to Russian resurgence, the "people in the West decided to fight back." This is unfortunate to him, because "the previous round of authoritarianism [under Putin] has[d] run its course," but "the Georgian attack came to disturb this process." While Sergei Karaganov does not see the attack as US-orchestrated, the media's coverage of the conflict clearly made it seem that way, somehow managing to make it seem like Russia's counter-attack was "premeditated": "outside of Russia no one mentioned Georgia's bombing of Tskhinvali." In this, "the West has committed political suicide" as they are not trusted anymore. Yet Russia also lost. Not in so-called isolation ("this is a joke"), but rather because "Europe is a part of Russian identity," and now "we have to argue in public that we need friendly relations, liberalization and democracy – and this has been dealt another blow within Russia." That is "what we lost."

For Sergei Karaganov, the Russia-Georgia conflict is intimately linked to NATO expansion: Russia has "learned its lesson" from past expansions, which it did not fight, but only "whetted appetites" for more. The "lesson" then is that Russia needs to fight such expansions more aggressively. At least Russia's counter-attack in Georgia has "shown that Russia can play rough" and this will "earn respect."

There are two reasons that Russia opposes Ukraine and Georgia's entry into NATO. First, recent history has shown that "entering NATO breeds belligerence;" second, "outside the US, nobody has forgotten the balance of power" concept. Hence, "if Ukraine joins NATO, we will need to build a *real* border:" the Russia-Ukraine border is now "fake," important only for "corrupt customs officials." Moreover, such a move (Ukraine into NATO and a "new" border) would create "the first important arc of instability in Europe," obviously to be avoided at all costs. NATO, moreover, "is not a fighting alliance" according to Sergei Karaganov: while Poland might fight, neither Germany nor France would go to



war against Russia. NATO is also "no longer a defensive alliance," since "it has committed to offensive operations, for example in Serbia."

Naturally, Russia "is still too concentrated and dependent on Europe financially; we will turn to Asia." Sergei Karaganov also agrees with Marshall Goldman that Europe is far more dependent on Russia than the opposite: you are a "moron" if you believe otherwise. Nevertheless, "it would be foolish to go to a new Cold War," as we are "in need of cooperation." Russia's relations with the US "will suffer, no doubt." In fact, "relations with the US are much worse than during the Cold War."

Anatoly Torkunov's presentation focused on a "prognosis project" conducted by various a group of experts from Russian universities "from Vladivostok to Kaliningrad." The project examined four possible scenarios for Russia's political, social and economic future to 2020, in order to determine both their "desirability" and "realism." The results of the study reflect "specific challenges" for the 21st century rather than a single dominating idea. Anatoly Torkunov expanded on these scenarios while focusing on the extremes:

*Kremlin Gambit*: envisions a world with "continued economic growth" with the G7 countries remaining the leading economies but with the BRIC countries' share of world GDP "has increased drastically" but the "diversity of world political regimes has increased"; still by 2020 "the gap between the rich and the poor is increasing." There is greater conflict for energy resources, a "grey zone" in Afghanistan, Iraq, Africa, the Middle East and the Caucasus. The "deterioration of US-Russia and EU-Russia relations" did not evolve into war, but Russia, still criticized, "plays the role of an international center of power." The pillars of Russian power are energy resources, military modernization and based on the country's national interest. The government also controls the rules of the game in domestic policy. "The system of sovereign democracy is culminated by the executive power" and "the Kremlin controls the energy sector." "Political opposition does not have the resources for social support." The "main priority of the government is the rapid modernization of strategic industries."

*Fortress Russia*: world integration is chaotic, and "a new arms race has begun," with proliferation of Wads. Russia is "surrounded by enemies." The US and EU have decided that "Russia is lost" and have come back to a policy of containment. "Ukraine and Georgia have joined NATO" and WMDs are deployed close to Russian borders. A "real union of Russia-Belarus has shaped." And there is a "power struggle" for resources. "All this has strangled the growth of Russian economy."

*Russian Mosaic*: In this new international system, "Russia follows the rules it has to accept." Russia has significant inward flows of investment, with "capital and brain drain resolved." Russian regions grow more independent, developing more and more their own policies. "State regulation of the economy has grown out of fashion." Russia becomes "more and more mosaic-like."

*New Dream:* by 2020 Russian growth "is driven by high technologies." After successful UN reform, "the power factor is no longer the defining one in international relations." Russia is a "fully participating member" of the international community, and UN, not NATO, defines the rules of the game. Russian borders are "more or less stable", with influence shared between several actors. Russia can thus concentrate on domestic modernization, with "a new generation of political leaders" who do not remember "the Soviet power" and "have nothing to do with the corruption and turmoil of the 1990s." These new politicians are supported by the majority of the population. However, the gap between the rich and the poor remains. "People have to pay for their health care, education" and social mechanisms are private, "but work properly."

With the help of focus groups (from both supporters of the present government and from the opposition), the study then tried to recognized which scenario was most likely, and which more desirable. The results were:

The most realistic scenarios, in order: *Kremlin Gambit*, *Russian Mosaic*, and *Fortress Russia*, with *New Dream* being "rather unrealistic;"

The most desirable, in order: New Dream, Kremlin Gambit, Fortress Russia, Russian Mosaic.



When prompted by Bernard Ghetta to give his own perceptions, Anatoly Torkunov echoed the crowd: "Of course I wish *New Dream* but I actually believe in *Kremlin Gambit* for the time being – frankly, but 2020, the New Dream scenario will become more and more realistic." Such a remark echoes the Russian inevitability of history.

## Parting shots:

Initially focused on Iran due to a commentary made by an Iranian observer who noted that a strategic alliance between Russia and Iran was "out of the question," the debate quickly revolved around the two key issues of the day: energy and NATO.

Sergei Karaganov opened the debate, responding to the Iranian observer that he "agreed completely" that Americans were "stupid not to strike a grand bargain with Iran," insinuating that Russia was merely taking advantage of a situation, that it was not responsible for fostering it: "the stupidity of competitors countries." Nevertheless, as far as energy is concerned, Sergei Karaganov is unambiguous: "We have been playing the gas game extremely well, I am proud of that." As is often the case, the issue of extraction technology was raised, but Sergei Karaganov downplayed the need for Western technology. Marshall Goldman confirmed that, regardless of what happened at the political level, on the field the Western companies were present as subcontractors (Schlumberger and Halliburton being expressly mentioned), and therefore the issue of technology-dependency was misguided.

Bernard Ghetta tried to refocus the debate on the latest developments: Since Russia holds a lot of dollar investments, "it must be wondering" where this crisis will lead; Since most of Russian trade is with the West, that it uses Western technology and that it needs Western credit, "is Russia right to fight the West?" and "Will the current crisis change the Russian position?"

A French diplomat tried to answer these questions. To him, the present crisis is the product of "globalization at work" and "the return of geopolitics," even if he remains unconvinced that the present situation is a "turning point": "This is not a New Cold War." On NATO expansion, this diplomat warned that "you do not say yes to Ukraine just to say no to Russia," reiterating the Franco-German position on the subject. Trying to steer the conversation away from the zero-sum mentality of "who is more dependent on whom," he stated that "the question is not who is more dependent. We know that [Russia does] not have an Asian alternative." This diplomat stated what is often mentioned in circles of experts around the issue of energy and gas specifically, and trade more generally: that Russian claims to a special partnership with Asian tigers, let alone with fellow "BRIC countries" (Brazil-Russia-India-China) that it can use as leverage against the West – and as substitute if need be – is a political illusion which is not backed up by the facts, namely, that Russia depends on Europe for its trade balance in such a way that no other country or grouping of countries could conceivably take its place in the near future. "What is important" then, instead of political leveraging, "is to carry on with confidence-building measures and cooperation gestures." Concretely, this might mean conceiving "adjacent spaces" rather than "common spaces." "What is important is to rebuild confidence." The diplomat concluded: "It is Russia's choice; we [Europe] have made the choice of engagement."

For Sergei Karaganov, the main issue is clearly the US's loss of status as sole superpower as *fait accompli* and the ramification this has for Europe-Russia relations: "the US has ceased to play a role in European defence, they are killing the ESDP." The present situation is "not a return to the 19th cent4ry: we are going back to the 18th century, and we should think of a new Concert of Nations." As far as West-Russia relations are concerned, "we should not have a partnership but an alliance." In such a configuration, the status of "Ukraine and Georgia doesn't matter." Sergei Karaganov hammered in his point: "Do you want to be a Venice, a museum?" Sergei Karaganov also noted that "Russia is now at the maximum of its share of world GNP (2.5%: we would have dreamed of this crisis earlier."

The Chair, Bernard Ghetta, concludes with a short but quite accurate thought: "We get the Russia we deserve, and vice-versa."