



Russia on the World Stage in 2008





What defines modern Russia? What do we need to know, right now, to understand the recent conflict between Russia and Georgia? What do those events signal to the world?

The global order was once largely determined by Russia as the pre-eminent state within the Soviet Union, and by its rival superpower the United States. What Russia wanted, how it would pursue its interests, and debates over containment or engagement dominated international relations discourse for over half a century. Post Cold War, however, attention dispersed as the new world order took shape. Many assumed Russia was in transition toward democratic Western values and institutions. When this transition began to stall and even to reverse, the world was preoccupied with other concerns: the rise of China and India, the spread of radical Islam, the proliferation of terrorism, and global climate change.

Meanwhile, Russia suffered in the difficult transition between public and private ownership of the country's corporations, and in the breakup of the Soviet Union. A neo-paternalist and authoritarian leader emerged in Vladimir Putin, as he struggled to counter the chaos and upheaval of the country's painful post-Soviet transition. High energy prices, re-consolidation of power in the Kremlin, and inattention of the West produced a resurgent and autocratic Russia. When the world turned its attention back to Russia, it found a defiant, distinctive, uniquely Russian alternative model to the modern nation state with significant leverage in the world.

Letter from the Editor

The recent crisis in the Caucasus revealed new complexities; and many believe the conflict signaled the need for a complete overhaul and recalibration of the international system. Moreover, Russia continues to face urgent domestic challenges, including wild stock market rides and fears of recession not unlike those gripping the rest of the world. As oil and gas prices continue to fall, it appears that Russia's fate is not entirely in its own hands. This edition is an invitation to explore modern Russia, internally and on the world stage. It demonstrates yet again that the gray areas, not black and white characterizations, define geopolitical interests in the 21st century.

Sincerely, Cate Biggs, Editor World Savvy Monitor

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WORLD SAVVY

MONITOR









Issue In Focus





Did You Know?

Modern Russia - Did You Know?

- Russia is the world's largest country. It spans seven million square miles and eleven time zones. Stretching from Europe across Asia to the Pacific Ocean, Russia is comprised of 89 internal administrative regions which include 21 internal republics and dozens of different ethnic groups.
- After the Russian Revolution in 1917, Russia joined the Soviet Union as the dominant member of fifteen Soviet Socialist Republics. It remained part of the Soviet Union until 1991 when Russia renounced Communism and again became an independent country.
- In the early 1990's, Mikhail Gorbachev and Boris Yeltsin enacted a series of political and economic reforms. Although these reforms corrected some of the most egregious policies of the Soviet system, Russia today practices highly managed forms of democracy and capitalism. It is no longer considered "free" by most international monitoring agencies due to extensive consolidation of power in the Kremlin and failure to observe and protect basic civil and human liberties. Corruption is a major problem, mostly originating in the central government.
- Orthodox Christianity is the religion most practiced in Russia, although Judaism and Islam, among other faiths, are allowed. Russia considers Muslim extremists living in restive internal regions, such as Chechnya, to be a grave threat to security.

- Russia's climate is cold and not highly conducive to agriculture – only 7% of its vast land is arable, and much of it is uninhabitable. Yet, Russia is extraordinarily well-endowed with natural resources including natural gas, petroleum, minerals, and timber.
- Russia's main industry is energy. It is the primary source and/or main transit route for most natural gas en route to Europe. It supplies petroleum and liquefied natural gas to consumers worldwide through its lucrative, partly state owned energy monopolies.
- Russia's economy has been booming in recent years due to increased demand for energy and high energy prices. Moscow ranks among the most expensive cities in the world in which to live, along with London and New York, and is home to the most billionaires in the world. After a full economic collapse in 1998, Russia now ranks 9th in GDP/PPP worldwide.
- Despite its size, Russia ranks only 11th in the world in population. It is currently experiencing a demographic crisis, with declining fertility, rising morbidity and mortality rates, and rising emigration. It has one of the world's highest HIV/AIDS infection rates per capita.
- Vladimir Putin has been in power in Russia since 1999, serving first as Prime Minister, then as a twoterm President, and now as Prime Minister again. Putin's former deputy and protégé Dmitry Medvedev is the current President of Russia, although many argue Putin's power remains undiminished.



Russia Beyond Its Borders - Did You Know?

- Russia has the most neighbors of any country in the world at thirteen, bordering many of its former fellow Soviet republics and satellites in Eastern Europe and Central Asia. It also shares long borders with China and North Korea.
- Russia has complicated relations with countries throughout the former Soviet sphere of influence. Many of its former republics and satellites have aligned with the West; many have joined or are seeking to join NATO and/or the European Union. Others have autocratic governments that are friendly with Russia. They are all, however, linked to Russia through its vast energy pipeline network and through a Diaspora of 100 million ethnic Russians living outside Russia proper. Many of these neighbors in what is known as Russia's "near abroad" contain ethnic enclaves that desire independence or absorption by Russia; this includes Abkhazia and South Ossetia in Georgia, the Crimea in Ukraine, and Transnistria in Moldova.
- Russia's primary geographical and geopolitical disadvantage is that the country is virtually landlocked, with very limited access to warm water ports. The search for outlets to the sea has been a defining feature of Russian history, dominating relations with its numerous neighbors. In fact, Russia's Black Sea navy is located in Sevastopol in neighboring Ukraine.
- Upon the dissolution of the Soviet Union in the 1990s, the USSR's former Cold War rivals in the West helped Russia to consolidate control of the Soviet Union's nuclear arsenal. Russia has been party to numerous nuclear and conventional force disarmament treaties with the US and other nations. Currently, many of these agreements are close to expiration and/or dismantlement.
- Russia fought a long war in Afghanistan during the 1980s, against what now is known as the Taliban. It has since been supportive of the NATO-led effort there, providing NATO access to Russian airspace and Russian-affiliated military bases. Russia also maintains relations with Iran and North Korea; many consider these relations potentially critical to Western efforts to halt nuclear weapons programs in these "rogue states."

 In August 2008, Russian troops decisively defeated the forces of Georgia, a US ally and former USSR republic, in a two day war fought in the two Georgian breakaway republics of Abkhazia and South Ossetia. These provinces are home to separatist ethnic Russian populations.





Photo Courtesy of Courntey Nicolaisen

If the West "won" the Cold War when the Soviet Union dissolved in 1991, why all the concern about Russia now?

- Most experts would agree that the collapse of the Soviet Union was not a true "victory" for the West. In fact, the West had very little to do with the events of 1989-1991 that brought down the USSR. The fatal wounds were largely self-inflicted, through disastrous economic policies, military overspending, and an ill-fated war in Afghanistan. When Mikhail Gorbachev instituted reforms known as Glastnost (openness/transparency) and Perestroika (economic restructuring), he eroded both the forces of Communism within the USSR and the totalitarian authority of the state. This unleashed forces the Kremlin could not control; independence movements swept the Soviet-occupied nations of Eastern Europe and republics within the USSR, accompanied by massive domestic upheaval.
- Russia had been the dominant republic of the USSR, and Moscow had served as both the capital of the Russian republic and of the Soviet empire. When the authority of the Soviet government eroded, Russia began to assert itself independently under the leadership of Boris Yeltsin. With the official demise of the USSR and independence for the Soviet republics, Russia retained most of the Soviet state assets, including its nuclear arsenal, armed forces, security services (KGB, now the FSB), seat on the United Nations Security Council, and much of its natural gas and oil resources. Generally, the power that had

Understanding the Headlines

been conferred on the USSR became Russia's, even as the former Soviet Empire broke into fifteen separate republics.

- In the early 1990s, Boris Yeltsin seemed intent on integrating Russia into the West, adopting capitalist and democratic reforms and engaging in friendly rhetoric with Western leaders, particularly US President Bill Clinton. It appeared that the Cold War was ideologically and functionally obsolete. But as Yeltsin attempted to build a viable nation-state, Russia descended into financial, social, and political chaos. Diplomatic channels were neglected and institutions failed. Many in Russia came to blame the West for Russia's ills, as Yeltsin's reforms stalled and were exploited.
- When Vladimir Putin came to power in 1999, he reined in financial, social, and political chaos by reconsolidating the authority of the Kremlin. He rolled back many of the poorly and partially implemented reforms of the Yeltsin era. His centralization of power was welcomed by the Russian people, nostalgic for the Soviet days.
- Russia has simultaneously become less free and wealthier during the Putin era, largely due oil and gas revenues. Many also see it as more nationalistic, confrontational, and less cooperative with the West.
- After two decades of US hegemony in a unipolar world, Russia appears resurgent.
- The rise of new powers, including China, India, and Brazil, as well as Russia and others, has many

searching for new paradigms in an attempt to make sense of what appears to be a new world order.

What is it about Russia that scares the West?

- Russia's powerful and growing economy. Russia supplies or controls the transit of much of the world's natural gas and petroleum. In recent years Russia has used its control of natural resources as an instrument of foreign policy. From investing in business ventures worldwide to controlling the flow and price of critical energy supplies to Europe, Russia is again a player on the international stage. The managed capitalism that Russia practices allows the government to centralize and direct the country's economic assets to promote the interests of the state.
- Russia's intentions in the international arena. The West does not fully understand Russia's objectives. As Russia finds its place in the current world order, will it be responsible stakeholder in the international community and global economy, or will it compromise these goals in its attempt to further its interests to the detriment of others?
- Russia's treatment of former Soviet republics and satellites. These regions are considered to have been "lost" to Moscow after the fall of the USSR, and this is a source of great angst in Russia. Some of these newly established countries have become members of Western "clubs," such as NATO or the EU, and/or allies of the United States. This is particularly galling to an increasingly nationalistic Russia. As these states migrate further from Russia's influence, so do millions of ethnic Russians, as well as strategic assets of the former USSR, including land and access to ocean ports.
- Russia's nuclear arsenal. Russia possesses a significant arsenal of nuclear and conventional weapons, and is a major international arms dealer. Many fear that the disarmament and non-proliferation agreements made with the West in past decades may be in jeopardy. An arms race could resume, and Russia may increase its sales of weapons to states considered hostile to the US. The worst case scenario is that Russia begins to actively contribute to nuclear proliferation among states and non-state actors alike.

Can the West bring Russia under its influence?

- Unlikely.
 - Russia's development path is not that of the West. Its economy functions differently. Its system of government is not a democracy by Western standards. Its culture and society are heavily state-controlled. At this point in time, Russian and Western values and attitudes regarding freedom of the press, freedom of association, representative government, and the rule of law are intrinsically different.
 - The issues of human rights, ethnic separatism, democracy promotion, free trade, and property rights, all place Russia and the West on different sides of the fence, ideologically.
 - Putin and Medvedev's Russia appears to have no interest in integration with the West, preferring to chart its own course. Russia's leaders and people continue to feel bitterness and resentment over the lack of Western support in the 1990s. A trail of perceived broken promises, snubs, and slights extending to the present day exacerbates the anti-Western sentiment that has always been an element of Russia's history.
- Perhaps.
 - What cannot be achieved through diplomatic pressure may come through the back door of capitalism. Russia's people badly want to be a part of the western consumer economy. Some therefore see the economic sector as a potential gateway to reform, believing that as Russia becomes more integrated into the global market, it will be pushed toward adopting a more democratic system
 - There are clearly critical issues in the world today that transcend traditional Russia/West distinctions. Counterterrorism, nuclear nonproliferation, mitigation and reversal of climate change – these are areas in which Russia and the West have common interests, and addressing these problems effectively will require cooperation and compromise.





What is the significance of recent events in the Caucasus Region?

- Experts debate whether the brief war in South Ossetia and Abkhazia was an aberration or a sign of things to come. Some see it as an isolated event, a miscalculation by all involved. Others see it as power struggle between a democratic Western-leaning former Soviet republic and an increasingly assertive Russian giant. Still others see it as a test of Western powers, a provocation intended to shake out where alliances lie in a new world order.
- The conflict in Georgia's breakaway republics touches on growing trends of ethnic nationalism and separatism. From Kosovo to Iraq's Kurdish provinces to Tibet to the Caucasus, ethnic enclaves throughout the world are increasingly restive. This has broad implications for the stability and territorial integrity of a number of nations throughout the world.
- The tensions exposed by the conflict have an unsettling influence on international institutions that have guided the world order since WWII: NATO, the European Union, the Organization for the Security and Cooperation of Europe (OSCE), and the United Nations. Many feel a major overhaul and recalibration of geopolitical structures is in order.
- The United States and Europe clearly failed to adopt and pursue a coherent strategy in the Caucasus region before and during the conflict. This feeds larger concerns about Western policies and strategic priorities in an increasingly multi-polar world.



The Cathedral of the Resurrection, St. Petersburg Photo Courtesy of Jeff Chapman





Map: Russia





Annotated Timeline

Date	USSR and Russia
1848	Karl Marx and Friedrich Engels publish the Communist Manifesto.
1904-1930	1904 Japan defeats Russia in Russo-Japanese War. First victory of an Asian state over a European one in modern era.
	1914 WWI breaks out in Europe when Germany declares war on Russia.
	1917 Vladimir Lenin's Bolshevik Party seizes power during the October Revolution of 1917, overthrowing Czar Nicholas II. Russia withdraws from WWI.
	1918-1921 Bloody Russian Civil War consolidates power in Lenin's new Soviet government.
	1922 Union of Soviet Socialist Republics officially created.
	1924 Lenin dies; power struggle between Leon Trotsky and Joseph Stalin ends with Trotsky in exile and Stalin firmly in control of the Soviet government.
	1928 First Soviet Five-Year Plan. Agriculture collectivized in USSR.



Date	USSR and Russia
1930s	1937-1938 Stalin orchestrates campaign to eliminate enemies, dissenters, dissidents, and anyone challenging his authority, including members of the Red Army and security services, the Communist Party and mos former Bolsheviks, as well as peasants, artists, minorities and other 'saboteurs.' By some estimates, more than one million people were killed during 'The Great Purge,' and millions more were sentence to prison or work camps.
	1939 WWII officially begins with Nazi Germany's invasion of Poland on September 1.
	Following Germany's lead, the Soviet Union also invades Poland, annexing the Eastern-most provinces. A non-aggression pact with Germany allows the Soviet Union to remain on the sidelines of WWII for the next two years, while at the same time pursuing an aggressive campaign of expansion along its Western border.
1940s	1941 Germany invades the Soviet Union.
	1941-1945 Soviet Union allies itself with the US and the Allied Powers, and creates an Eastern Front in the fight against Germany. Known as the 'Great Patriotic War' to Soviets, it is the largest theater of combat in WWII, as well as the most destructive.
	1945 WWII ends; total Soviet deaths are estimated at 20 million, or 13.7% of the Soviet population. Of those, 11.4 million were civilians and one million died as a result of the Jewish Holocaust. Despite this large number of casualties and extensive damage to its infrastructure, the Soviet Union emerges as a super power.
	In Yalta, Stalin outlines his plans for a Soviet sphere of influence in Eastern Europe to Roosevelt and Churchill. Following WWII, Europe is divided by the 'Iron Curtain;' the Western Allies control Western Europe and the Soviet Union controls Eastern Europe. Germany is partitioned. Berlin is an open city within Soviet-controlled East Germany.
	1947 Marshall Plan is established to re-build European economies. Soviets decline Marshall Plan aid, but economic aid flows to Western Europe, and reconstruction begins, countering Soviet influence in Western European economies.
	1948 Soviet Union blockades Berlin, forcing the Allies to airlift food and fuel supplies to Berlin. The Berli Airlift eventually flies in more than 2.3 million tons of supplies, prompting the Soviets to abandon their efforts to control all of Berlin.



Date	USSR and Russia
1940s cont.	1949 North Atlantic Treaty Organization (NATO) signed; the treaty creates an official alliance between Allied nations in Europe and North America. Its stated goal is "to safeguard the freedom and security of its member countries by political and military means." Initial member nations include Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, United Kingdom, United States.
	Russia perceives NATO as a threat directed against its control of its Eastern European 'allies.' Soviet Union detonates its first atomic device.
1950s	1950 United Nations Charter ratified; includes five permanent members of UN Security Council: US, Russia, Great Britain, France, and the Republic of China.
	1950-53 The Korean War brings the Soviet Union and US face-to-face. After WWII, the Korean peninsula, a former colony of Japan, was divided along the 38th parallel, with the Northern half administered by the Soviet Union, and the Southern half under the control of the US. The war ends in a stalemate.
	1953 Stalin dies; Nikita Khrushchev comes into power and institutes de-Stalinization policies.
	1955 Warsaw Pact adopted, formalizing the alliance of Communist bloc nations. Member nations include Albania, Bulgaria, Hungary, East Germany, Poland, Romania, Czechoslovakia, and the USSR.
	Germany is admitted to NATO as West Germany.
	1956 Soviets use military force to crush a popular uprising against the Soviet-installed government in Hungary.
	1957 Sputnik, the first artificial earth satellite, orbits Earth.
	1958 Boris Pasternak declines to accept Nobel Prize for Literature.



Date USSR and Russia

1960s

Sino-Soviet Split

Beginning in the late 1950's, relations between the Soviet Union and Mao's People's Republic of China began to deteriorate, leading to border disputes, severed diplomatic relations and broad disagreement about the proper course of global communism. By 1969, many observers predicted war between the two nations, but tensions gradually eased, especially following Mao's death in 1976.

1960

U.S. U-2 spy plane shot down inside Soviet Union; pilot Francis Gary Powers captured alive.

1961

Yuri Gagarin becomes the first human to travel in space.

Construction of the Berlin Wall begins.

1962

Cuban missile crisis brings the world to the brink of nuclear war. After Soviet missiles are discovered being delivered to Cuba, a fourteen-day standoff begins between Khrushchev and John F. Kennedy, ending with a compromise in which Kennedy agrees not to invade Cuba and Khrushchev agrees to remove the missiles.

1963

So called 'Red Phone' installed, establishing a direct connection between the White House and the Kremlin.

1964

Leonid Brezhnev takes power from Khrushchev.

1967

Svetlana Stalin, daughter of the former Soviet dictator, requests asylum at the United States Embassy in India.

1968

Liberalizing reforms instituted in Czechoslovakia; this movement toward liberalization, which became known as the 'Prague Spring,' was crushed by a subsequent Soviet invasion, and the ensuing 'Brezhnev Doctrine' outlined the right of communist countries to intervene in the affairs of other communist nations whose policies were perceived to threaten the general communist movement.



Date	USSR and Russia
1970s	Détente From the late 1960's to the early 1980's, a gradual thawing of the Cold War and a significant easing of tensions between the NATO powers and the Warsaw Pact. Détente was marked by a series of summit meetings between the leaders of the United States and the Soviet Union, and ultimately led to the signing of treaties such as SALT-1, the Anti-Ballistic Missile Treaty, a Biological Weapons Convention, and the beginnings of talks on SALT-II.
	1972 SALT-1 arms control agreement signed by the US and Soviet Union; this treaty signaled movement toward détente.
	1974
	Alexander Solzhenitsyn expelled from the Soviet Union.
	1979 Soviet Union invades Afghanistan in support of communist leaders in that country; period of détente effectively ended.
1980s	1980 U.S. and others boycott Summer Olympic Games in Moscow to protest Soviet invasion of Afghanistan.
	The Solidarity movement, led by Lech Walesa, gains power in communist Poland, leading to greater worker rights.
	1983 Soviet Air Force jet mistakenly shoots down Korean Airlines flight 007.
	1984 USSR boycotts the Summer Olympic Games in Los Angeles. China does not.
	1985 Mikhail Gorbachev becomes general secretary of the Communist Party and institutes policies of Glasnost (openness) and perestroika (restructuring), designed to increase political freedom and bring about economic reform.
	Presidents Reagan and Gorbachev meet in Geneva for the first of four summits (followed by Reykjavik, 1996; Washington, DC, 1987; Moscow, 1988) designed to improve cooperation and foster better relations between the two countries.
	1986 Chernobyl nuclear power station melts down.
	Space station Mir, launched in 1986, would be continuously inhabited (and eventually host American astronauts) until 2001.



Date	USSR and Russia
1980s cont.	1987
	President Reagan, standing in West Berlin, challenges Gorbachev to "tear down this wall."
	Mathias Rust, a 19-year-old German, illegally lands his private Cessna airplane in Red Square.
	1988
	Gorbachev renounces the Brezhnev Doctrine.
	1989 The Berlin Well fells on Nevember 0, and Fest Commons flood into West Commons
	The Berlin Wall falls on November 9, and East Germans flood into West Germany.
	Soviets leave Afghanistan.
	Nationalist riots put down in Georgia.
	Lithuania Communist Party declares its independence.
1990s	1990
	Gorbachev elected President of the Soviet Union.
	Soviet Communist Party votes to end one-party rule, and Boris Yeltsin is elected president of the Russian Soviet Federative Socialist Republic.
	East and West Germany reunified.
	1991
	Yeltsin bans the Soviet Communist Party, seizing its assets.
	Attempted coup against Gorbachev by hard-line Communists fails, but tips the balance of power in favor of Yeltsin.
	Yeltsin recognizes the independence of the Baltic republics.
	Congress of People's Deputies votes to dissolve the Soviet Union, and in December, Gorbachev resigns as Soviet president, ceding those powers to Yeltsin; the Russian government officially takes over from the USSR.
	Chechnya declares independence.
	1993Following disagreements with parliament, Yeltsin suspends it and calls for new elections; after members of parliament barricade themselves in the parliament building, Yeltsin orders the army to attack the building, and it is subsequently recaptured.In December, a new constitution is approved, consolidating power with the President.



1990s cont. 1994 Russia joins the NATO Partnership for Peace program. Last Russian forces leave Berlin. Russia invades Chechnya. 1996 Peace treaty signed with Chechnya. October 11, 'Black Tuesday' the ruble loses nearly 25% of its value. Russian chess champion Gary Kasparov loses first game against IBM supercomputer 'Deep Blue' but Kasparov ultimately wins the match by 4 games to 2; he would later lose a rematch. 1997 Russian formally admitted to G-7 (group of industrialized nations), which becomes the G-8. 1998 Russian formally admitted to G-7 (group of industrialized nations), which becomes the G-8. 1999 Chechen rebels invade Dagestan, a neighboring republic within Russia; Russian troops respond by once again invading Chechnya. 2000s 201 Russia signs a friendship treaty with China. 2002 2000s 201 Russia signs a friendship treaty with China. 2002 2000s 201 Russia signs a friendship treaty with China. 2002 Russia signs a friendship treaty with China. 2002 2000s 201 Russia signs a friendship treaty with China. 2002 Russia signs a friendship treaty with China. 2002 Russia signs a friendship treaty with China. 2002 Rus	Date	USSR and Russia
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		Putin consolidates his control of parliament.



Date	USSR and Russia
2000s cont.	2004 Vladimir Putin easily reelected to second term as President of Russia.
	NATO expands to include former Soviet Republics Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia.
	330 people, many of them children, are held hostage in a North Ossetian school; the perpetrators are believed to be sympathetic to Chechen rebels.
	Chechen President Akhmad Kadyrov is killed in a bombing in Grozny.
	2005
	Chechen separatist leader Aslan Maskhadov calls for a ceasefire; official Chechen leadership rejects these appeals and one month later Russian forces kill Maskhadov.
	Russia signs agreement with Iran in which Russia will supply fuel for Iran's Bushehr nuclear reactor and Iran will return used fuel rods to Russia.
	Russia and Germany sign agreement to build a gas pipeline linking the two nations by way of a line built under the Baltic Sea.
	2006
	Russia cuts off the gas supply to Ukraine for three days in January; Russia claims its motives are economic while Ukraine asserts Russia acted in retaliation of Ukrainian ties to the EU and NATO.
	Russia and China sign range of economic agreements that include provisions for Russia supplying gas to China.
	Russian ruble becomes a convertible currency, lessening the Russian government's ability to influence exchange rates.
	Tensions with Georgia increase; four Russian army officers detained on charges of spying and Russia responds by imposing sanctions and expelling hundreds of Georgians.
	Former Russian security service officer Alexander Litvinenko, a critic of the Russian government living in London, is poisoned by a radioactive substance and dies.
	Anna Politkovskaya, a prominent Russian journalist often critical of the Russian government and known for her reports of human rights abuses in Chechnya, is found murdered; many believe the murder to be politically motivated.



Date	USSR and Russia
2000s	2007 Russia doubles price of the oil that flows through Belarus to Europe; subsequent disagreements lead Russia to temporarily cut oil supplies through this pipeline.
	Protest and opposition activities put down by Putin.
	US proposes placing a Ballistic Missile Defense shield in Poland and the Czech Republic. Russia interprets this as a hostile move.
	Russia tests its long-distance missile amid increasing tension concerning the proposed US missile defense shield.
	Tension between the UK and Russia over the extradition of ex-KGB agent who is accused of Litvinenko's murder.
	Putin suspends Russia's participation in the 1990 Conventional Armed Forces in Europe treaty, which limited the deployment of heavy military equipment across Europe.
	2008
	Dimitry Medvedev becomes President; Putin becomes Prime Minister.
	After Georgia attacks South Ossetian separatists, the Russian military engages Georgian troops in South Ossetia and elsewhere in Georgia; after one week of combat, a ceasefire is signed.
	Russia officially recognizes Georgian breakaway regions of South Ossetia and Abkhazia.

Inside Modern Russia:

Government Opposition to Putin and Medvedev The Russian Economy: Historical Context The Economy in the Putin Years The Russian People Select Indicators: Russia Compared with the World





Government

Centralization of Power in Modern Russia

Russia's current system of government is characterized principally by the centralization of power. Politically, economically, geographically, and culturally, virtually all power resides in "apparatchiks" or elites – wealthy individuals who are close to the Kremlin. Vladimir Putin orchestrated this consolidation, serving as President from 1999 until March 2008. He was then forced by term limits to move into the role of Prime Minister. Although his former post is officially now occupied by his long-time deputy, Dmitry Medvedev, nearly all experts continue to see Putin's influence both in the consolidation and exercise of power domestically and in foreign policy. Many experts anticipate Putin's return to the Presidency in the future. Most would agree that currently, modern Russia remains Putin's Russia.

The context of centralization in the Putin era is important:

- Elections are held for some legislative offices and for the Presidency. However, one political party, United Russia, dominates. Elections are not considered to be free or fair by international standards. Russia is no longer considered by independent analysts to be a democracy, but has instead been called an "electoral monarchy," a "managed democracy," or a "bureaucratic oligarchy."
- Most significant government postings are appointed by the President and staffed by a group of elites loyal to the Kremlin. These elites are drawn primarily (75%) from Russia's security forces

- the KGB, the FSB that replaced the KGB, or from other police/intelligence sectors. These elites, also known as the "siloviki," usually serve consecutively or simultaneously in the higher ranks of Russia's corporate sector.

- Previously elected by the people, the leaders of Russia's 89 provinces are now appointed, with representation at the national level consolidated into just seven super-governors who serve at the pleasure of the President. Regional sovereignty among Russia's numerous internal republics is subject to Moscow's oversight.
- All television stations and most of the radio news outlets are state-owned or state-controlled. The internet is considered mostly free, but vastly underutilized. Both state-dominated and independent print media exist, but government intimidation and harassment is common and inevitably leads to self-censorship. Russia regularly ranks among the world's most dangerous places for journalists. There have been a number of unsolved murders of journalists in Russia in the past eight years, including the high profile execution-style murder of prominent Putin critic Anna Politkovsky.
- The actions of opposition parties and leaders are tightly controlled by the Kremlin, and the full force of the state is brought to bear against those stepping outside established boundaries. Full freedom of association does not exist. Civil society is highly restricted. NGOs (Non Governmental



Organizations), especially those with international connections, are regulated by the state.

- The state reserves the right to breach private property protections for any reason; nationalization or seizure of businesses is common. No significant accumulation of wealth is generally tolerated outside the Kremlin-elite network.
- The courts provide little remedy for individuals or corporations. Judges and prosecutors are often seen as corrupt; defense lawyers are often harassed and intimidated. A culture of impunity reigns and abuse of power by public officials is common.
- Putin's government is involved in curriculum and textbook redesign in Russian schools, commissioning the rewriting of some history texts to sanitize them of the mention of Stalinist excesses. History texts memorialize the sacrifices of Soviet troops in defeating Hitler, glorify the tsarist past, and indulge in revisionist accounts of the abuses suffered under Communist rule.
- The Kremlin also promotes a youth movement known as Nashi, an ultra-patriotic group that receives government support and training.

Historical Context

The story of how Russia's power base came to be so thoroughly consolidated following the Yeltsin years (1991-1999) is subject to much revision and contention. In all scenarios there are three acknowledged periods:

- The fall of the Communist regime;
- · The ill-fated Yeltsin reform era; and
- The formation of Modern Russia under Putin.

In one view, Putin's autocratic regime represents a continuation of Russia's long authoritarian past, following a brief window of largely meaningless liberal reforms. In another view, Putin and his cronies are seen as having ruthlessly crushed Russia's nascent democracy, snatching the country back from the arms of the free world. In yet another view, Putin is seen as rescuing Russia from the meddling West and restoring its great power status after a period of humiliation and decline at the hands of Yeltsin and his corrupt pro-Western oligarchs. Finally, some see the West as having "lost Russia" by failing to understand and adequately support Yeltsin's reforms or appreciate Putin's designs until it was too late.

Whichever of these scenarios or combinations of scenarios is accurate, by most accounts, Putin has achieved near total consolidation of power. What Yeltsin's reign really represented is still debated. Westerners may always see it as a missed opportunity to remake their Cold War foe into an image of themselves; however, Putin's domestic popularity (consistently in the 70-80% range) seems to indicate that he has created a Russian system which has the overwhelming support of the Russian people themselves.

Potemkin Democracy

Grigori Potemkin was a legendary figure in Russian history. He is said to have created false villages in the Crimea in the late 1700s to impress



Catherine the Great on her tour of Russia's hinterlands. The term "Potemkin" is now often used to describe a fake or hollow phenomenon. This Russian turn of phrase is often used by experts to describe what has transpired in Russia under Putin's democracy, and that is perhaps where Putin has been regarded as most tactical: in preserving the democratic label without any of the substance. Putin refers to Russia's political system as a "sovereign democracy," implying that democracy is whatever the leader of the sovereign nation says it is.

Putin's United Russia party dominates electoral politics. Electoral law prevents minority parties from seating elected representatives to the Duma (the legislative branch of the government) if the party has not received 7.6% of the total vote, a virtual impossibility given restrictions on campaigning and free press. If a party is not represented in the Duma, law requires that it get two million signatures in order for its candidate be on the ballot in a Presidential election, another virtual impossibility given restrictions on political gatherings and canvassing. Parties that form the largely impotent opposition include: the main liberal coalition pressing for democratic reforms, Yabloko; the Russian Communist Party; and a new amalgamation of



reformers from throughout the spectrum known as the Just Russia party. Others exist as well, many of them actually created by the Kremlin to manage the opposition.

When pressed to answer criticisms about the nature of Russian democracy and restrictions on basic political and human rights, Putin often points to hypocrisy in the West. He frequently cites the US Presidential election of 2000 that was ultimately decided in the unelected electoral college and Supreme Court, or the use of the death penalty or the abuses at American prisons. In a press conference in 2007, Putin went so far as to say:

"Of course, I am an absolutely true democrat. But do you know what the problem is? Not even a problem, but a real tragedy? The problem is that I am all alone, the only one of my kind in the whole wild world. Just look at what is happening in North America.. It's simply awful: torture, homeless people, Guantanamo, people detained without trial and investigation. Just look at what's happening in Europe: harsh treatment of demonstrators, rubber bullets and tear gas."

Elites in Service to the State

It is important to highlight the distinction between the Yeltsin era and the Putin



era elites or oligarchs. During the Yeltsin years when Russia made the transition to capitalism from centrally-planned socialism, a small group of elites known as oligarchs became fabulously rich from a corrupt privatization process. Many of them were related to Yeltsin personally or connected to his family and were positioned to take advantage of what amounted to a fire sale of state assets (real estate, businesses, natural resources) as ownership passed to private hands in the chaos of the 1990s. An enormous amount of power amassed outside of the state, facilitated by contacts with the Kremlin. Corruption was rampant as the oligarchs manipulated Yeltsin's loyalties; a subculture of wealth and influence grew unwieldy and proved difficult for the state to manage. When Putin became President, he began to dismantle this power base and to replace the Yeltsin oligarchs with his own, usually from the ranks of "siloviki" or state security officials. Claiming that state property had been stolen during the privatization (or "piratization") era under Yeltsin, Putin re-nationalized much of the oligarch's property (see Economy section). He then redistributed it to government officials, recreating a class of wealthy elites, but this time within the Kremlin and loyal to the state. Currently, most large Russian businesses are headed by officials with some formal connection to the Putin/Medvedev regime. The state is an active partner in Russia's most influential and successful business ventures such as Aeroflot, Gazprom, and Rosneft, to name a few. As numerous experts have pointed out, "capitalist" Russia is largely owned and run by the same people. It is partly through this control of the private sector that the Kremlin is able to exert its total control and influence over Russia's lifeblood economic activities, and over its electorate.

The Attitude of the Russian Public

Even though independent monitoring bodies have certified Russia to be a sham democracy, it works because it is largely accepted by the people. They have little choice but, as noted above, the government is actually quite popular. Carnegie Russia expert Lila



Shevtsova describes the situation in her book Russia: Lost in Transition. For the sake of order and stability, and to avenge the lost greatness of the Russian empire, she writes that the Russian people have essentially helped Putin to "put on their own chains and gags and locked themselves in their cages." It is critical to note that there is nothing in Russia's political traditions and history that would create precedent, or generate expectations for the public that their lives would be any other way. Putin's style has been called neo-patrimonial, meaning he simply builds on past experience. Russian dissident Sergei Kovalev writes of the people's lack of drive to reform the electoral process:



"They do not know why they need this instrument or even how to make use of it. Eleven hundred years of history have taught us only two possible relationships to authority: submission and revolt. The idea of peacefully replacing our leader through a legal process is still a wild, alien thought for us."

Authoritarian, even totalitarian, leadership seems natural to many Russians. This time, the resulting stability has also produced some measure of prosperity (see Economy section). Michael Specter quotes Aleksei Venediktov, a journalist with one of Russia's last independent radio stations, the Echo of Moscow: "People choose wealth. They do not understand that freedom is a necessary conduit for preserving that wealth and the security they have come to value." He goes on to say of investigative reporting into state excesses, "People don't want it, they don't ask for it, and they really don't understand that they need it." Edward Lucas, a long-time Russian expert for The Economist concurs, saying, "though they lack the freedom to choose their elected representatives, to organize publicly, to influence their government or to change their political systems, never in Russian history have so many Russians lived so well and so freely."

Polling by the independent Russia-based Levada Center bears this out. A 2007 study Voices from Russia: Society, Democracy, and Europe shows that:

- · 65% of Russians find it hard to describe what democracy means.
- · Just over one quarter of respondents consider democracy to be a fair governance system.
- 94% feel they have little or no influence over what happens in Russia.
- 82% feel little or no responsibility for what goes on in their country.
- · Nearly two-thirds think that the authorities and state officials are above the law.

Similar findings have been presented by

WorldPublicOpinion.org. But how long can Putin count on the political apathy of the Russian people? Or as Boris Nemtsov has asked, how long will people honor the "invisible contract" that they have made to "tolerate corruption, mismanagement, crime, and the constraints on the mass media as long as they have buying power and continue to live better than they did in the Yeltsin era?" Most believe it may be for quite a while. In an article for Time which featured Putin as 2007's Man of the Year, Nathan Thornburgh describes the phenomenon as one of "grass roots autocracy," whereby submission is "voluntary," "enthusiastic," and "increasingly seen as not only tolerable but also intrinsically, uniquely, gloriously Russian." Michael McFaul and Kathryn Stoner-Weiss wrote recently in Foreign Affairs that social and political freedoms are widely seen as "necessary sacrifices on the altar of stability and growth."

Vladimir Putin

Vladimir Putin is often compared to one of Russia's czars, Peter the Great, rather than the country's Communist leaders. His persona and his style are often seen as imperial, even regal, invoking old-world nostalgia for earlier periods of Russian "greatness." He has,



however, been known to conjure Photo courtesy of US D.o.D. up Soviet-era nostalgia as well,

particularly the narrative celebrating Russia's sacrifices in saving the world from the Nazis in WWII. The rhetoric is about resurgence, redemption and reestablishing Russia's rightful place in the world. Putin has told Lucy Ash of BBC's Putin Project that he sees himself as a Russian version of America's Franklin Delano Roosevelt, a reformer and a rescuer, putting Russia on a new modern course.

Putin's background, like most fellow "siloviki," is in the KGB and its successor the FSB. He was an intelligence operative in East Germany during the Cold War. He ascended the government ranks to serve as Deputy to the Mayor of St. Petersburg, Anatoli Sobchak, before he was called to Moscow in the 1990's by Boris Yeltsin to serve as Head of the FSB and a close advisor. Putin became Prime Minister and unofficial head of the government as Yeltsin's health deteriorated. He was appointed acting President by Yeltsin in December 1999, and went on to win election to the office as an incumbent in 2000 and in 2004. His popularity ratings have been consistently in the 70% to 80% range. He became Prime Minister again in 2008 after orchestrating the election of his deputy Dmitry Medvedev to the Presidency



when term limits prevented his seeking a third consecutive term of his own. He is very cosmopolitan, fluent in English, German, French, and Russian, and a black belt and national champion in Judo. During his two terms, he visited 64 countries over the course of 190 trips outside the country.

Putin is a Product of...

Putin has approached his career with singular ambition and purpose, yet he is also the beneficiary of multiple events and forces



Photo courtesy of US National Archives

currently at play in Russia and in the West. He has been described by numerous authors as "the right man at the right place at the right time."

- He is undeniably a product of Russia's Soviet authoritarian past. Born and raised under the Communist regime, he was schooled in the anti-Western suspicion and hostility that characterized the era.
- He has been adept at taking advantage of what Yeltsin accomplished in his term as the country's first post-Communist leader. Alongside political and economic reforms, Boris Yeltsin's government set the precedent for consolidation of power in the office of the Presidency, which Putin has perfected. It was under Yeltsin that the Russian constitution was written, which favored the President over the legislature. In the uncertain days following the fall of the Soviet Union, official diplomatic and domestic institutions were left undeveloped in the new republic, and personal connections prevailed. Without clear laws, Yeltsin and his favored elites ran the country as an oligarchy, dispensing favors and using their networks to manipulate society at large. Wealth and power were concentrated through privatization schemes, and corruption was rampant.
- Yeltsin, despite attempts at liberal reforms, set the stage for what many have called the "law of rulers" in place of the "rule of law." Under Yeltsin, government corruption and the use of public assets to accumulate wealth, were obvious. No checks and balances were built into the system in the formative first years of the new republic, and no historical precedent or political

traditions existed to suggest that these protections would develop organically.

- During Yeltsin's presidency, the economic crisis that had precipitated the collapse of the Soviet Union intensified. The majority of people felt that they were worse off than they had been under Communism. Russia was forced to relinquish its empire, experienced a recession culminating in an economic collapse in 1998, and became deeply indebted to Western nations. Former Warsaw Pact allies turned toward the West. NATO expanded despite US and European promises. People were starving; crime soared.
- The fear and suffering of the Russian people was acute when war broke out in the internal republic of Chechnya. Mysterious bombings attributed to "terrorists" occurred throughout Russia, including in Moscow. In a survey for *The Economist*, 63% of Russian people interviewed in 1999 described the government system as "anarchy," and over half reported feeling that the country was better off pre-1985. Many experts have noted that the Russian population at the turn of the century hungered for a strong leader as the chaos intensified and Yeltsin's health declined, apparently due to alcoholism.
- Putin's rise, therefore, seems at least partially the product of a longing for authority and leadership. People wanted stability above all else. Putin's consolidation of power was a welcome change.
- Many experts have described Putin's popularity as at least partially the result of Western policies toward Russia since the Yeltsin era. When the Soviet Union fell, the West suddenly lost the rivalry that had been the focus of foreign policy for a generation. Reactions were not uniform. On one front, scores of economic advisors, civil society consultants, NGOs, and others saw a window of opportunity to push for liberal reforms in Russia. These efforts were undertaken with a variety of motives, and met with mixed results.
- In other ways, the West seemed to ignore developments in Russia in the 1990s and early 2000s.
 Western countries at times appeared dismissive, ignoring Russia's concerns over the NATO bombing of Serbia, and over efforts to expand membership of NATO and the EU. Loans to Russia were made with stringent conditions attached, and some critics felt



that the West lacked the commitment to help Russia along the long road to democratic reform. When Communism fell, a seemingly haphazard approach to integrating Russia into the West ensued. Little assistance was offered to develop Western-style institutions and rule of law. Most believe this justified some of Putin's subsequent actions as he went on to use Russia's wounded pride and sense of betrayal at the hands of the West to awaken Soviet-era nostalgia.

Dmitri Medvedev

Will Medvedev assert himself and pursue a course of action different from that of his mentor, Vladimir Putin? Few in Russia question his subservience to Putin currently, and note that his rise to power closely mirrors Putin's own. He, too, served as an advisor to St. Petersburg's Mayor Sobchak and then as a high level advisor to the Kremlin;



Photo courtesy of www.kremlin.ru

specifically, he served as advisor to Putin. Medvedev is in many ways the ultimate insider; he led Putin's election campaign in 2000, and served as Chairman of Gazprom and Putin's Chief of Staff simultaneously. He became Deputy Prime Minister in 2005 and was handpicked to succeed Putin as President, winning the election of 2008 by an expected landslide. He appointed Putin Prime Minister, as expected, and retained most of Putin's ministers and other advisors. Medvedev, however, does not have a security background, unlike approximately three-quarters of Kremlin power brokers. He is a lawyer by training, with little KGB or FSB experience. He has spoken frequently about diminishing corruption and improving the rule of law, but few experts expect him to instigate any sweeping changes anytime soon.

Kathryn Stoner-Weiss of Stanford University presents several different hypotheses about the future of Putin and Medvedev's relationship in her article, "Is It Still Putin's Russia," which appeared in *Current History*. One theory is that Putin will gracefully exit, perhaps to chair the upcoming 2014 Sochi Olympics, and allow Medvedev to take clear authority. Putin's commanding presence during the Georgian conflict seemed to silence that theory, however. He appeared on the front lines while Medvedev continued vacationing. Another theory is that Putin will continue to oversee the economy and foreign policy, leaving Medvedev to tend domestic affairs. More conspiratorial theories include Putin setting Medvedev up to fail on prickly issues such as social welfare reform then using this as an excuse to resume the Presidency, or seizing the Presidency on the occasion of a fabricated national emergency. Putin could theoretically wait and return to a non-consecutive third term as President through a succession deal at the end of Medvedev's term(s). Presently, Putin, as Prime Minister, may technically be dismissed at any time by President Medvedev, though this is considered highly unlikely.

Nearly all experts agree that Russia's assertive promotion of its economic and security interests will likely remain unchanged under Medvedev, and that Putin is still very much in charge. A 2008 poll of Russian voters revealed that one-third of all Russians would like to see Putin be declared President for Life.





Photo courtesy of Courtney Nicolaisen

Opposition To Putin and Medvedev

Given the forces detailed above, the opposition in Russia may be said to be screaming into the wind. Nevertheless, against significant odds, a small yet vibrant opposition does exist.

Political Parties

World champion chess player Garry Kasparov is the titular head of the embattled and divided Other Russia party which New Yorker editor David Remnick has described as "an umbrella group of liberals, neo-Bolsheviks, and just about anyone else wishing to speak ill of Vladimir Putin." As mentioned above, opposition parties have a particularly difficult time in Russia because of electoral laws that favor the United Russia party, and because the Kremlin itself tacitly backs several parties that serve as a false opposition, monitoring and managing them to create a safety valve mechanism for popular discontent. True opposition parties face harassment, intimidation, and even arrest by the state, as Kasparov experienced after taking part in demonstrations in 2007. He and others press on, but their effectiveness is limited by in-fighting and disagreement over strategies for battling Kremlin influence. In October 2008, former Soviet Premier Mikhail Gorbachev announced that he would be forming a new political party with Russian billionaire Aleksandr Lebedev to pursue numerous reforms, particularly freedom of the press and a diminished role for the state in the economy. The Russian Communist Party is still active and enjoys a limited following, as does the liberal reform party known as Yabloko.

The Alternative Media

As mentioned above, nearly all media in Russia is stateowned or state-controlled. When Putin came to power, his first move was to nationalize the media. Of the three television stations, two are state-owned and the third is owned by the state energy monopoly Gazprom. Independent reporting via electronic channels is essentially dead, except for a few radio stations. The internet is still relatively free, but is vastly underutilized by the Russian population as a source of news. Opposition newspapers and magazines such as Novaya Gazeta exist, but struggle to compete with state-owned and state-influenced print media. The apathy of the Russian people plays a significant part in the lack of journalistic independence - there is little demand for alternative press, and independent publications suffer from lack of advertising revenue. Michael Specter has remarked that "the fact that Novaya Gazeta continues to exist says more about the paper's minimal impact than about its openness." He poignantly writes of an interview with murdered Putin critic and journalist Anna Politkovskaya, an investigative reporter for Novaya Gazeta, who described letters she had received from angry readers saying, "Why are you writing about this? Why are you scaring us? Why do we need to know this?"

Civil Society – Non-Governmental Organizations (NGOs)

As we have discussed in previous editions of the Monitor, a diverse group of NGOs is critical to democratic change,



providing a valuable watchdog function. In Russia, NGOs are increasingly finding themselves in the cross hairs of the Kremlin. Legislation passed under Putin allows the government to regulate all NGOs, especially those with any international affiliation. At various times over the past few years, even well-known organizations such as the Peace Corps, Amnesty International and Human Rights Watch have been banned from operating in Russia, and all NGOs are subject to government audits, oversight, and intimidation. As relations with the West have deteriorated over the past five years, the Kremlin has made a special effort to target entities that receive Western support, which most international organizations do.

Exiles from the Communist and Yeltsin Eras

Healthy and well-funded opposition to Putin exists among the exile Russian community living throughout the world. These are generally of two varieties – ex-Communist leaders of the USSR who advocate for a return to the Communist system in Russia, and wealthy oligarchs from the Yeltsin era who escaped with some of their fortunes following Putin's purges. Boris Berovsky is perhaps the most prominent oligarch exile, living in London and active in the opposition community. This group also includes expatriate journalists and critics of the Kremlin who write articles and staff the think tanks of the West.

Prospects for Reform

State harassment and intimidation are intense, and drive many to self-censor. Attacks and murders go unsolved,



and opposition groups of all kinds are often subject to expanded "anti-extremism" laws passed by the Kremlin in recent years. These laws allow the state to go after any organization found to be "spreading information causing national, racial, social, ideological, or political hatred."

Several Russian dissidents have posited that the only way to thwart the omnipresent state is for the various opposition groups to unite in what Boris Nemtsov has called a "broad coalition of liberal democratic forces patterned after the Polish solidarity movement." Yet, internal rivalries and disagreements work against this, as do the historical political traditions of the Russian people. Ironically, the more that Western reformers attempt to help the opposition in Russia, the worse they often make the situation. The Kremlin is adept at manipulating anti-Western sentiment and suspicion, and is quick to accuse reformers of being agents of the West seeking to challenge the sovereignty of the Russian nation. Because the Kremlin controls nearly all sources of information consulted by the population, misinformation is not difficult to spread and such campaigns are used to prey on the emotions and fears of the public.

Finally, fundamentally, Putin appears to have little regard for what the rest of the world thinks of him or of the Russia he has built. His statements and actions indicate that external pressure on the Kremlin and external support for Putin's domestic critics will have little influence.

Most agree that any hope for reform within the Kremlin, or the ascendancy of an opposition, will be the result of economic factors. As long as oil and gas prices remain well above the low levels of the 1990's, Putin and Medvedev will remain widely popular. However, if energy prices decline substantially, and jobs, wages, and government pensions suffer, protests may increase.

An interesting aside...

Russia has been granted the 2014 Winter Olympics, which will be held in Sochi, near the scene of recent fighting in the Caucasus. See the China Edition of the World Savvy Monitor for a discussion of how this similarly oppressive government conducted itself in the face of the international attention the Olympics typically bring.





Photo courtesy of US Federal Government

The Russian Economy: Historical Context

Many have said that Russia's economy operates under the façade of Western style free market capitalism. However, Russia's economic profile, and entire growth trajectory, is very different from that of the West.

Russia and the West's Divergent Economic Paths

Modernization has come to Russia unevenly over the last century. The country's leaders have tried to harness natural resources to build a viable economy and to position Russia as a frontrunner in the global community. The 20th Century saw it lurch from system to system: feudalism to socialism to capitalism in modified, overlapping, and distinctly Russian iterations. Largely isolated from the West, Russia evolved from a poor agrarian nation to a Communist imperial military-industrial power to a quasi-capitalist petrostate, all against the backdrop of a bloody revolution, two devastating world wars, a protracted Cold War, and the swift and dramatic loss of its empire.

Western economies all began embracing common philosophies, practices, and institutions after WWII. In fact, it was during this period (led by the United States' reconstruction efforts in Europe and Asia) that Western economies grew dramatically. At the same time, the West was locked in an ideological and geopolitical struggle with the Russian-led Soviet Union which prevented economic cooperation or integration. When the Soviet Union broke open in the late 1980s, the economies in the new republics bore little resemblance to those in the West.

The Crisis of the 1990s

Experts generally agree that the dissolution of the Soviet Union in 1991 into fifteen separate republics was largely an event of economic necessity. It was less a 'collapse' than a relinquishing by Russia of its control over the other republics, which went on to achieve independence from Moscow. Gobachev's Glastnost and Perestroika reforms unleashed simmering ethnic, social, and political tensions that would likely have destroyed the empire in the long term. In the end, it was a crushing financial crisis that made it necessary for Russia to shed its possessions and satellites beyond its administrative borders. Low prices for its oil and gas exports, decreased domestic productivity, high prices on critical imports, and mounting debt triggered the collapse of the economy. Russia could literally no longer afford its empire, and so it was forced to extend sovereignty to the other Soviet republics and remove its troops from occupied nations in Eastern and Central Europe.

Structural weaknesses in the Soviet economy over the previous decades contributed to its dissolution. Massive military expenditures related to the Cold War arms race, the war in Afghanistan, and the inefficiency of central economic planning under the Communist regime were all part of the disastrous equation. The Soviet Republics, including Russia, had not modernized. The arms and aviation industries that had been critical during the Cold War represented almost all of industrial capacity. Gorbachev's economic reforms began to chip away at state ownership and control of economic assets, attempting to introduce nascent capitalist incentives



to spur growth. However, upon its demise, the Communist regime had tremendous difficulty not only growing the economy, but providing for its citizens' basic needs.

The Transition from Socialism to Capitalism

When Boris Yeltsin renounced his Communist Party affiliation and consolidated control over a foundering independent Russia, the financial crisis was pronounced. Yeltsin extended Gorbachev's reforms and attempted to maneuver the economy through a rapid capitalist transition. This transition from a centrally-planned economy to a free market economy is difficult, and nearly always results in short-term hardship. There is an inevitable lag time between state control of basic economic transactions and free market control. In Russia's case, price controls and government subsidies were removed and production moved into the private sector as part of a transition process that came to be known as "shock therapy."

This process was overseen, in part, by advisors from the West. International financial institutions such as the World Bank and IMF made loans to facilitate the transition. Technical assistance and funds poured in from the West, and some thought they were witnessing the "end of history," or a fundamental uniting of East and West after 1000 years of conflict. Communism was dead; capitalism appeared triumphant. Russia would be integrated into the global free market, and its economic integration would ensure its political and social transformation into a Western-style country. All the West had to do was help see Russia through the transition.

The hardships of the transition were worse than predicted, and took an enormous toll on the Russian people. Goods became scarce, prices soared (rising by 26 times their previous levels, by some estimations), and the ruble became nearly worthless. The Russian people were faced with poverty, without the "cradle to grave" state-sponsored welfare benefits of Communism.

The Yeltsin Oligarchs

A small group of entrepreneurs found themselves wellpositioned to take advantage of the virtual fire sale of stateowned assets. Privatization caused assets to be concentrated in very few hands, and an oligarchy was born. The "family" of Yeltsin (consisting of blood relatives and favored elites) benefitted while most Russians suffered, and the very nascent middle class disappeared. It has been estimated that the majority of previously-state owned assets ended up in private/public conglomerates belonging to just eight people.

The Crisis Deepens

Throughout the 1990s, the price of oil and gas exports remained low and the economic crisis worsened. The concentration of wealth among the oligarchs and their influence on the Yeltsin administration brought more corruption, democracy faltered, and overall quality of life declined further. In 1998, the financial system came crashing down. Yeltsin's health became more erratic. The oligarchs gained unprecedented power, essentially running the state for their own profit.

Putin was hand-picked by Yeltsin to succeed him when he unexpectedly stepped down on December 31, 1999, before elections in March 2000. Putin went on to handily win as an incumbent. He inherited an economy in shambles and a corrupt government, beholden to unelected elites. The country blamed the chaos and hardship not only Yeltsin, but also on the West and its economic advisors. Many Russians equated capitalism with democracy, and both were discredited. The time was ripe for a new approach.



Photo courtesy of Courtney Nicolaisen





Photo courtesy of Courtney Nicolaisen

The Putin Years – Recovery and Resurgence

The Russian economic turnaround under Putin's leadership has been spectacular. Russia's GDP has grown to over six times its 1999 level; average wages have increased almost tenfold. The percentage of people living below the poverty line has halved. Once totaling 150% of GDP, nearly all foreign debt has been paid off. Russia has become the 12th largest economy in the world, holding significant foreign currency reserves as well as funding a giant stabilization (or rainy day) fund. Moscow became home to the most billionaires in the world, and the fastest growing group of millionaires.

This impressive growth was accomplished because Putin was able to take advantage of the exploding demand for energy and a dramatic rise in the price of oil and gas over the past ten years. Russia has become the world's largest exporter of oil and natural gas at a time of historic highs in global prices.

The windfall in energy profits may have been serendipitous, but Putin's consolidation of these resulting gains has been deliberate. Even before energy revenues flooded the Russian economy, Putin carefully managed the extension of government control over critical economic assets. A distinctly Russian economic system was born – not socialism, but not capitalism either.

Petrocracy

With oil and natural gas making up 65% of all exports, and energy profits comprising 50% of the federal budget, Russia

resembles an energy exporting nation of Africa or the Middle East more than a Western economy.

Economists note that energy exporting countries like Russia (called petrostates) often fall prey to 'Dutch Disease:' as exports of oil and natural gas rise in volume and price, they drive up the value of the nation's currency, fueling significant inflation. This inflation makes other export goods more expensive as well, resulting in these nonenergy based exports becoming less competitive on the global market. Production is therefore cut back, and the petrostate gets caught in a cycle, becoming increasingly more dependent on its natural resource exports as its economy fails to diversify. Besides oil and gas, the only other Russian exports that have found consumers in the global marketplace are vodka, caviar, and Kalashnikov rifles. Accordingly, as the price of gas and oil has continued to rise, there has been little incentive to develop the other sectors of the economy.

With oil and natural gas in high demand, especially from the emerging economies of India and China, and Russia's abundant supply, the Russian economy should remain somewhat stable. However, diversification will be necessary to help ensure long-term stability and growth. Economies that funnel investment to only one sector are dependent on the health of that sector in the global marketplace. When oil and gas prices fall (often because of factors over which states have little control), petrostates can lack the cushion that a diversified economy provides. They also frequently fail to invest in infrastructure, either physical or human,



and therefore fail in the good times to lay the groundwork for diversification which is necessary in times of falling commodity prices.

Governments presiding over resource-rich economies are frequently less democratic and less accountable because their leaders do not depend on tax revenues. When resource-based wealth takes the place of tax income, leaders can politically afford to be less responsive to their citizens. In the language of economists, "honey pots" are created and the government becomes isolated from the interests of the people as it scrambles to divide up the spoils of its resource wealth. Normal accountability channels are subverted and corruption typically results.

Bureaucratic Oligarchy

The second notable feature of Russia's resurgent economy is the relationship between public and private sectors. When



Putin assumed leadership, one of his first priorities was to rein in power that had accumulated outside the control of the state in the hands of Yeltsin-era oligarchs. Timing and the national mood favored this. The Russian people were poor, hungry, and tired of the corruption and ostentation of the small group who controlled most media, financial, and oil/gas sectors. People showed signs of yearning for the state to step in and control the chaos.

Putin appeared to be just the man for the job. He essentially re-nationalized the property of the Yeltsin oligarchs, and then sold it to a different class of elite – the favored "siloviki" that made up the majority of his own government. In some cases, the state seized outright the assets of a domestic (or foreign) corporation in a sector considered strategic to the well-being of the country (oil/gas, media, transportation, communication). In other cases, control was asserted through bureaucratic harassment and intimidation. Private companies were hamstrung by arcane tax regulations, state licensing violations, or often trumped up charges of accounting irregularities. Executives were forced to cede corporate assets to the state for little or no compensation; the assets were then dismantled, re-aggregated, and/or sold at bargain prices to favored elites.

National Champions

Gazprom is one of many corporate/government monopolies anchoring the Russian economy. It is Russia's largest and most important energy corporation and is 50% stateowned, with the remaining shares held by those in the Kremlin's sphere of influence. In addition to perks and subsidies for domestic consumers, Gazprom and Rosneft, another public/private energy player, serve the government's foreign policy objectives. The past few years have seen numerous skirmishes in former Soviet republics, known as pipeline wars, even reaching into Old Europe. Here, Russian energy giants manipulate energy supplies according to Kremlin policies. Troublemakers for the Kremlin at home and abroad have been known to find themselves with no gas or sudden gas price hikes, as has occurred in Ukraine and Georgia. Farther afield, numerous experts estimate that virtually all of Western Europe is connected directly or indirectly to Gazprom natural gas pipelines. All foreign policy decisions regarding Russia factor in this uncomfortable reality. (See Russia Beyond Its Borders for more detail.)

The government owns 40% of Russia's twenty largest companies, and remaining shares are primarily owned by elites employed by the government who direct economic policy. Marshall Goldman's new book *Petrostate* does an excellent job of vividly laying out these complex relationships. The overlap between positions of leadership in the corporate and government sectors is striking. Current President Dmitry Mededvev is a former Gazprom senior official, a job he held while serving as a Putin deputy.

As Goldman notes, it is not unusual for former captains of industry to serve in Presidential administrations or in the central banking system of the US. A lucrative job in the private sector is also often a perk of an outgoing government official. The difference in Russia is that people often hold these positions *at the same time*. Ethics or conflict of interest frameworks don't exist to prevent it; in fact, the system was to a degree built on the blurring of public and private sectors and interests. In the words of Russian expert Dmitri Trenin, "Russia is run and largely owned by the same



people" and they are among the wealthiest individuals in the world.

Managed Capitalism

Edward Lucas of *The Economist* has written that "Russian capitalism is not Western capitalism: connections matter more and laws matter less." This is not a way of subverting the system but rather a way of expressing the norms of the system, from bribes that buy everything from government jobs to business permits, to open collusion between the state and corporations on price setting and business practices, to the perfectly legal seizure and sale of private property by the state.

In Western capitalist economies, laws often protect individuals from corporate abuses and excesses. In Russia, the state uses the law to advance the interests of elites, often at the expense of ordinary citizens. Whereas private property (and protection of property rights) is considered to be a foundation of a traditional capitalist economy, Russian expert Lila Shevtsova has noted that, "property in Russia at the beginning of the 21st Century remains a gift of the state, given under very strict conditions, one of which is unconditional loyalty to the regime and its leader."

Fault Lines in the Russian Economy

How sustainable this system will be? Despite impressive gains in the last eight years, there are fundamental weaknesses in Russia's economy:

Dependence on Energy Exports: As mentioned above, lack of diversification is worrisome. Russia is gambling on a volatile global marketplace by depending so heavily on petroleum exports.

Even if demand for oil remains high, Russia's supply will not meet domestic and international needs indefinitely. Experts estimate that 75% of Russia's energy capacity is already in production, and output levels are falling. The problem of declining reserves is compounded by the increasingly obsolete and poor quality of Russian extraction equipment – from drills to wells to pipelines in need of modernization. The Russian energy sector is notoriously wasteful; much capacity is inefficiently used domestically and even burnt off (or "flared") as waste along the transit journey.

The Proliferation of State-Supported Monopolies that Disadvantage Small and Medium Businesses: Russia's system of state ownership and patronage serves to crowd out small and medium sized businesses. Healthy economies need all types of players, each of which contributes to overall growth. Innovation and entrepreneurialism are often incubated in smaller companies. When small businesses are crushed by monopolies, harassed by the state, or suffer from unenforceable property laws, the economy as a whole tends to stagnate.

Economic Inequality: Dmitri Trenin has written that Russia's rapid growth under Putin has produced a pyramid, with 3% of the population considered "wealthy," 7% "doing well," 20% in the "emerging middle class," 50% "in transition," and 20% living in poverty. Under Communism, the state provided a minimum (albeit bare minimum) standard of living to all people; this safety net has weakened even as the government has grown richer.

Putin's attempts at social welfare reform have been contentious. Attempts to monetize benefits and entitlements were abandoned in the face of uncharacteristic resistance from the Russian people.

The stability of Putin's Russia may be compromised if the wealth does not trickle down, either through widespread economic growth or government intervention.

Feuding and Power Plays Among Elites: Favoritism, nepotism, and power struggles between the oligarchs have the potential to de-stabilize the incestuous system that has developed between the state and the business sector. Most credit Putin with keeping these distractions and battles to a minimum, and there are those who believe that Putin remains the key to managing the apparatchiks. Without him, the system could likely fragment in dangerous ways.

Disincentives to Foreign Direct Investment (FDI): As we have discussed in previous editions of the Monitor, a key component of sustainable economic growth is investment by foreign individuals and corporations that brings in diverse sources of capital and integrates a country into the globalized marketplace. Just as state favoritism and lack of secure property rights act as disincentives for domestic investors and entrepreneurs in Russia, they similarly discourage foreign investors. Numerous international investors and corporations rushed in to take advantage



of the newly opened Russian economy over the past two decades, and many saw their assets commandeered by the state or diminished in value by bureaucratic harassment, "tax terrorism," or unfair competition. Oil companies such as Royal Dutch Shell and TNK were hit particularly hard. The Kremlin has even passed complex regulations dictating that some types of FDI in the Russian economy will only be allowed if reciprocal investments are opened up for Russian companies in the investors' countries of origin.

The Costs of Corruption: Corruption serves as a root cause and a symptom of much that worries economists who study Russia's particular brand of managed capitalism. Both the USSR and Yeltsin's Russia collapsed partly due to the dead weight resulting from the lack of formal institutions and laws guiding economic transactions. Sergei Guriev of the Russian Economics School has written that Russia's level of corruption is a full 40% higher than would be predicted given its stage of economic development. An independent commission report written by former Putin insiders Vladimir Milov and Boris Nemtsov and published by Novaya Gazeta claims that "the criminal system of government" revolving around the re-privatization of assets by Putin's elite makes the much-maligned oligarchs of the Yeltsin years "look like the exemplars of honesty and transparency." Georgi Satarov, writing for a Moscowbased think tank, has estimated that the Russian economy loses an estimated \$356 billion/year in what amounts to a "corruption tax."

Defenders of the Russian Economy

There are those in Russia and in the West who downgrade the risks described above, preferring to see the Russian economy



as one in healthy transition. In this view, Russia's capitalism is not so different from US capitalism of the Gilded Age a century ago when America was at a similar developmental stage in its economy. Some experts here argue that excesses, inefficiencies, corruption, and disincentives are inevitable bumps in the road and will naturally correct as the system matures, as has happened along other capitalist countries' journeys – journeys that have taken several centuries to complete.

All the more reason, many in the West argue, to engage with Russian businesses, despite the risks and unsavoriness. This contingent believes it is through business, not diplomacy, that the West has the greatest lever of influence on Russia, and that the more Russian companies interact with their Western counterparts and competition, the more Westernized they will become. In this view, Western norms, practices, and values can be spread through the dollar, euro, and ruble, and the very reforms the West seeks for Russia generally can perhaps stem from Russia's integration into the global marketplace.

Others see Russia's system of managed capitalism as the only viable option for the country's economy, given its history and unique features. In this view, the strong hand of the state is a necessity; it could be no other way in Russia. They see the state's unique relationship with the private sector as a growth accelerant, an improvement over traditional capitalism. Peter Levalle speaks for this contingent in saying, "most analysts fail to understand that, in Russia, just as in other emerging markets, the most solid and profitable business partner is the state," and that this should encourage, not discourage domestic and foreign investment.

The fact remains that because of the potential created by Russia's size and wealth, it is of great interest to investors from all over the globe.

Russia's Economic Power as a Foreign Policy Instrument: A New Cold War?

What does all this mean in the realm of geopolitics? What does it mean for Russia to be an "economic superpower?"

First, Russia's economic rise scares the West for the same reason China's rise does. Both China's and Russia's images in the Western psyche as former Communist "red menaces" complicate the picture. Mistrust and suspicion die hard; both China and Russia were closed to the West for much of the 20th Century, and their governments retain authoritarian features that run counter to Western sensibilities about democracy, human rights, and the role of the state. Both China and Russia are also seen as abrogating Western notions of economic fair play in the global marketplace with heavy state intervention, as well



as engaging in circumvention of international norms concerning contracts and physical and intellectual property.

In addition, both China and Russia seem to offer the developing world an alternative model of development to that championed by the West – in this, they wield considerable "soft" power among other emerging economies. China and Russia have both become major players in the developing and emerging world and have both reached out to other players on the global stage, often to those with whom the West has considerable tension such as Sudan, Venezuela and Iran. Although neither China nor Russia poses a current acute military threat to the West, they have clearly the ability to channel economic strength into hard power.

Second, Russia's economic rise scares the West because of what it is based on: energy exports on which the West is extraordinarily dependent. Virtually all of Europe is hooked up either directly or indirectly to Gazprom natural gas pipelines, a reality that weighs heavily on the Russia policies of France and Germany, and even more heavily on those in the European "near abroad" - Russia's former Soviet neighborhood. In January 2006, Gazprom abruptly raised the price on all supplies to Ukraine by 400% and then shut off supplies completely when the Ukrainians balked at the new rates. Although many believe the rate hikes were reasonable given the low, subsidized price former Soviet republics had been paying previously, almost no one saw this as a purely financial decision, but rather, in part, payback for Ukraine's outreach to the West in the form of EU and NATO bids. Energy interruptions have also been used against Georgia, another Western-leaning former Russian ally.

Up to 30% of Western European customers downstream were affected as well during these politically-motivated disruptions. Many in the West see this potential for "hydrocarbon blackmail" as a threat almost equal to that of a Russian intercontinental ballistic missile.

The West also fears that Russia will use its energy levers to re-assemble its Soviet sphere of influence in Central Asia and even into Europe, wielding its energy policies as it once did with its occupying armies. At the very least, the West is aware that Russia can make trouble in global markets by restricting energy production and driving up prices that will affect everyone everywhere.





Demography

Russia, like other countries in Europe, is experiencing a population decline. In Russia this is occurring at an alarming rate. In 2006, Russia's population was just over 142 million, down from 149 million in 1991, a decrease of approximately 5% over a period of fifteen years. Population levels, excluding immigration, are expected to continue to decline in the future even more steeply, to an estimated 123 million in 2025, and 102 million in 2050.

This trend results from a combination of low birth rates and mortality rates which are among the highest in the industrial world. Russian men have a life expectancy that is 15-19 years lower than the average for developed countries; for women, the figure is 7-12 years lower than the average for developed countries. Infant mortality is high, as are rates of AIDS, tuberculosis, and other chronic diseases. Accidents, suicides, and murders account for many premature deaths. Poor health care increases mortality and morbidity figures, and the country experiences high rates of alcohol and drug abuse. Overall, the World Health Organization ranks Russia 127 out of 192 countries on the general health of the population.

Emigration is an enormous concern as well. Recent polls have found that many who have made the transition to the quasi-market economy and have attained a comfortable standard of living hope to emigrate. A study of the elite of Russia's middle class revealed that half of those polled plan to emigrate, with two-thirds indicating that they would like

The Russian People

to send their children abroad to study or work. When asked why they were considering leaving, the reasons cited were: the desire for a stable and safe future; a desire to live under conditions in which rule of law, rights, and freedom prevail; and the desire to enjoy better and more comfortable living conditions.

Why Russia's Demography Matters

Low life expectancy rates are more than symbolic. A life expectancy of 59 years for men means fewer eligible military recruits and productive workers in all industries. The Russian military is plagued with problems of motivation and competence, and the economy as a whole will suffer as the pool of eligible workers shrinks.

Fundamentally, a society is only as strong as its human capital; Russia has yet to focus serious efforts on this problem, despite recent attempts to create incentives for larger families. These incentives do not appear to have met with much success, and probably will not until social conditions stabilize and the government begins to address the areas of concern, including social safety nets, health care and productivity.

Finally, it is worth noting that Russia shares a long border with the world's most populous country, China. Chinese immigrants already outnumber native Russians in border areas in the Far East. As the Chinese expand their reach for natural resources, it is conceivable that Russia could lose



territory in the East, just as NATO and the European Union vie for former Soviet republics bordering Russia.

Daily Life and Psychology

Although economic conditions are markedly better for most Russians than they were under Communism or during the Yeltsin era, daily life is still marked by insecurity, as revealed by attitude surveys of both random respondents and targeted sectors of the population. People are concerned about crime, health, and violence, and are lacking confidence about the future.

On the whole, studies indicate that the psychological profile of the Russian population includes a significant measure of fear and a desire for stability; this is often thought to contribute to a sense of stagnation. Memories of the chaotic final years of the USSR, and the upheaval and decline of the Yeltsin era, are strong deterrents to reform, and a reflexive suspicion of the West remains. The country generally lacks a dependable social welfare infrastructure, leading some pensioners to pine for the old Soviet system, under which, although most were poor, people's most basic needs were met.

Experts have also observed the growth of a virulent form of patriotism, even bordering on xenophobia. Russia is a country comprised of more than 100 different ethnicities. "Russia for the Russians," a sentiment often encouraged by the Kremlin, has emerged as a disturbing rallying cry. Ethnic nationalist movements, like those in Chechnya, are seen as perpetual threats, and there is great preoccupation with the treatment of ethnic Russians living outside the country, particularly those in the former Soviet republics. There are an estimated 100 million ethnic Russians living in Europe and Eurasia, 25 million of them in former USSR member states. These populations often feel trapped on the wrong side of the border when the Soviet Union collapsed, and many desire independence from the republics into which they were incorporated, or reunification with the Russian Federation.



Select Indicators: Russia Compared with the World

	Russia	United States	China	Georgia
Population	143,221,000	302,841,000	1,328,474,000	4,433,000
Life Expectancy	66	78	73	70
Infant Mortality Rate (per 1,000 live births)	10	7	20	28
Maternal Mortality Ration (per 100,000 live births)	28	11	45	66
Mortality under the Age of 5 Years (per 1,000)	13	8	24	32
Adult HIV Prevalence (per 100,000)	775	508	62	154
Gov. Expenditure on Health as % of Total Gov. Expenditure	10.1%	18.7%	1.0%	5.9%

World Health Organization: selected health statistics*

*For more information, see http://www.who.int/whosis/en/index.html.



Reporters Without Borders

Reporters Without Borders publishes a yearly report detailing the state of press freedom in the world. The organization also ranks the 169 nations for which data is available according to the relative freedom that the press enjoys. The data below is from the period September 1, 2006 through September 1, 2007.*

	Russia	United States	China	Georgia
Synopsis – The State	"Two major elections	"The House of	"An icy blast blew	"Political divisions
of Freedom of the	in 2007 served as	Representatives	on press freedom in	severely tested press
Press	a run-up for the	passed a measure to	China ahead of the	freedom. Journalists
	presidential vote in	protect journalists'	17th Communist	in the Abkhazia
	March 2008. Much	sources and a law	Party Congress in	autonomous region
	pressure was exerted	went into effect	Beijing in October.	were also under
	on the independent	to improve public	Journalists were forced	pressure."
	media, with	access to government	to put out official	
	journalists arrested on	information. One	propaganda, while	
	the edge of opposition	journalist was killed	cyber-censors stalked	
	demonstrations,	in 2007 and an Al-	the Net. Despite the	
	independent	Jazeera cameraman,	introduction of more	
	newspapers shut down	Sami al-Haj, began	favourable rules	
	and some journalists	his sixth year in the	in January, nearly	
	were forcibly sent to	Guantanamo prison."	180 foreign press	
	psychiatric hospitals		correspondents were	
	- all bad omens."		arrested or harassed in	
			2007."	
Rank	144	48	163	66

*For more information, see http://www.rsf.org/. Path: English; Regular Reports; Annual Report or Press Freedom Index.

Modern Russia Beyond Its Borders

The Context of Russian Foreign Policy The Crisis in the Caucasus: Toward a New Cold War? The Interests of the Players Going Forward What Next? A Crossroads for Integrating Russia Into a New World Order?





Photo courtesy of US Federal Government

The Context of Russian Foreign Policy

The Construct of Russia and the West

Russia has long been defined by its relationship to the West. It is worth considering what really constitutes the "West." For centuries, this concept has evolved beyond a geographic label to symbolize a value system, along the way adding elements of development patterns, governance, religion, military allegiance, economics, and even morality. For this edition of the Monitor, we'll examine only what the West means today, specifically in relationship to Russia.

Who is the West?

In one sense, the West today is a product of WWII and its aftermath, the Cold War. It is considered to have at its core the Atlantic Alliance formed by the United States, Canada and Western Europe to fight fascism and later Communism. However, the concept of the West has also come to represent a value system as well as certain economic, political, and social arrangements and assumptions to which its representatives generally adhere, including:

- · Protection of civil and human rights
- Transparent democratic government brought to power by free and fair elections
- Rule of law
- Protection of private property
- Free-market capitalism

The closest most can get to a definition of the West is to focus on values and interests most like the US and EU. This is generally what experts mean by the West.

Who is the Non-West?

Countries of the non-West are considered to be in various levels of opposition to the dominance of the West and have consciously distinguished themselves in this way. At the risk of great oversimplification, experts generally consider the major players of the "non-West" to comprise the Islamic world, China, and Russia, with "rogue" states of various stripes included, including North Korea and Venezuela.

Although the countries of the non-West share many attributes, they also differ from each other in fundamental ways. Most experts agree that they have yet to form a significant, unified opposing bloc to the West, although they have made attempts to subvert Western interests in international bodies. These geopolitical definitions of West and non-West are not static, but reflect countries' interests and leadership at a given point in time.

Geopolitical Assumptions

- The distinction between West and non-West is often arbitrary, but is an essential framework for understanding international relations today.
- The United States is still considered the sole "superpower" remaining in the world. Superpower status is characterized by military, economic, and



cultural power greater than that of the rest of the world combined.

- It appears that Russia has no aspirations of "joining the West" in the future, but seeks its own unique path, adopting only some Western values and institutions. What some had previously interpreted as minor detours on the path to Western-style democracy are now viewed as intentional divergence from the Western model.
- To many experts, recent events in the Caucasus as well as recent domestic developments are evidence that Russia is "leaving the West" for good; others would instead argue that Russia was never on that path in first place.

Russia and the West in 2008

- Is the West/non-West construct still a valid way of conceiving of power relations in 2008?
- If Russia embraces some of the values of the West such as capitalism, but not others, such as those expressed in the Universal Declaration of Human Rights, can it ever be integrated into the West?
- Is it the responsibility or right of the West to pressure Russia to develop Western values and institutions?
- If Russia chooses its own path and will not be part of the West, does that necessarily mean that it exists as a challenge to the West?
- Should the international system be re-ordered to reflect the rise of non-Western powers such as Russia? Are the old paradigms of balance of power sufficient to explain modern complexities?
- How can Russia positively contribute to global problem solving? As Stephen Sestanovich asked in a recent article in *Foreign Affairs*, how does the West achieve a tenable balance between "selective engagement and strategic containment" or "cooperation and push-back" with respect to a resurgent Russia?

What is Russia Saying to the World?

Except for flurries of activity around elections in Russia and events in former Soviet republics, post-Soviet Russia largely fell off the radar screen of the Western mainstream and even scholarly media during the first part of the 21st Century. As Russia's economic ascendancy became apparent around the same time its democratic rollback did, more attention was paid in fits and starts. But it was not until around 2006 that ex-Sovietologists began to regularly weigh in on Russia's place in the changing world order; and it was Putin's famous Munich speech in that same year that most believe made Cold War veterans sit up and take notice. Putin was named Time Magazine's Man of the Year in 2007; his engineered succession coup in 2008 brought more attention, and the recent crisis in Caucasus further opened the floodgates to analysis across the political and geographic spectrum. Everyone was suddenly essentially asking the same question, "What does Russia want?" The answer to this question continues to unfold daily, and we actually find it more instructive to examine "What is Russia saying to the world today?"

Past Grievances

Much of what Russia is saying now involves grievances the country has been harboring since the dissolution of the USSR in 1991. These issues have been around for the past two decades, and relate to what the West did and did not do during the time that Russia was in no position to object. In the minds of Russia's leaders and in the Russian psyche in general, these perceived slights, snubs, and even transgressions are hardly water under the bridge – rather, they live as vivid symbols of the West's arrogance, disrespect and even opportunism in the face of Russia's weakness and turmoil in the early post-Soviet era. Now, with its wealth, patriotism, and clout on the international stage resurgent, Russia seeks recognition and perhaps redress for what it believes were crimes perpetrated against the Russian people as well as affronts to Russia's pride and historical legacy. They include:

• The failure of the US and Europe to help the struggling USSR as it faced near economic collapse in the late 1980s, even in the midst of Glastnost and Perestroika reforms and conciliatory rhetoric towards the West. When financial aid came, it came after the dissolution of the Soviet Union, and it mostly came in the form of loans with strings and austerity measures attached. This sentiment is echoed by many Western experts as well who believe that the West was too quick to declare "victory" in the Cold War and missed a critical opportunity to shore up their erstwhile enemy. No Marshall Plan for Russia materialized as had occurred with the defeated Axis powers of WWII, and the Russian people suffered enormously during the early post-Soviet era.

- Expansion of NATO into former Warsaw Pact countries in Russia's traditional sphere of influence. Western and Russian experts agree this expansion occurred despite promises made to Russia that the Atlantic Alliance would stay out of Central and Eastern Europe in return for Russia's acquiescence to the reunification of Germany. Many of these former Soviet republics and satellites countries were "fasttracked" into NATO, even while technically ineligible for membership by NATO's own rules regarding the existence of territorial disputes. Many of these territorial disputes were with Russia, who was never offered full NATO membership. Other promises regarding the de-militarization of NATO went similarly unfulfilled.
- The establishment of offensive military bases in Romania and Bulgaria on Russia's strategic Black Sea

 again, considered a violation of promises made by NATO to Russia in the 1990s.
- NATO's pursuit of war in the Balkans against traditional Russian ally Serbia, initiated without consultation of the United Nations Security Council where Russia would have wielded a veto.
- US rejection of Russian offers in 1999 for a joint offensive against Muslim terrorist groups including Chechen rebels, Al Qaeda, and the Taliban following the first World Trade Center attack, the attacks on US embassies in Kenya and Tanzania, and the Chechen insurgency.
- Construction of the Baku-Tblisi-Ceyhan (BTC) crude oil pipeline to move oil from Central Asia through Azerbaijan, Georgia, and Turkey – bypassing Russia.
- Failure of the US and NATO to give the Russians adequate credit for help in the initial Afghanistan offensive following the attacks of September 11, including the use of Russian airspace, access to bases in Central Asia, and connections with the Russianbacked opposition to the Taliban (the Northern Alliance) in Afghanistan left over from the Russian-Afghan war of the 1980s.
- US decision to invade Iraq over the objections of Russia and other UN Security Council members.

- US support for "color revolutions" in Georgia, Ukraine, and Kyrgystan ousting Communist dictators and establishing quasi-democracies on Russia's borders.
- US decision to pull out of the Anti-Ballistic Missile (ABM) Treaty.

In Russia's eyes, the Atlantic powers had not only ignored Russia's national and security interests, but they had done so with willful arrogance. As Dimitri Simes has written, "Great powers - particularly great powers in decline – do not appreciate such demonstrations of their irrelevance." Others have noted that Russian grievances against the West have much deeper historical roots and that current tensions still reflect a sense in Russia that Europe has been "saved" several times by Russian sacrifices made in wars (against the Mongols, Napoleon, and Hitler), and that Europe has in turn not shown the proper appreciation or even recognition of this reality.

Current Grievances

Compounding the above humiliations, the Russian narrative goes, the West only continued to exploit its position of strength, even as Moscow began to push back, starting around 2006. Recent slights and provocations include:

- The decision of the US to place Ballistic Missile
 Defense (BMD) positions in Poland and the Czech
 Republic, a violation of the ABM treaty from which
 America had extracted itself earlier. The US claim
 that the defense positions are designed to deter
 attack from Iran or North Korea has been rejected by
 Russia (and many Western analysts as well). This was
 seen in Russia and by other international critics as a
 highly provocative move designed to benefit US arms
 manufacturers while intentionally baiting Moscow.
 The fact that the announcement was made without an
 official US state visit to Kremlin to reassure Russia of
 US goals was described by Czech journalist Michael
 Werbowski as "stick it in your eye" diplomacy by the
 Bush Administration.
- Refusal of the US to accept Russia's offer of an alternative location for the placement of BMD installments: the Russian base of Gabala in Azerbaijan, which many see as a more logical location for the defense shield if the assumed threat is indeed Iran.



- US lobbying to push ahead on Georgia and Ukraine's bids to join NATO, potentially bringing NATO membership right up to Russia's borders, even amidst "expansion fatigue" and hesitation among European members of the defense pact and ambiguity among Georgian and Ukrainian populations about NATO membership.
- US and Western European lobbying to build a new Nabucco pipeline that would bring natural gas from Central Asia to Europe, bypassing Russia and competing with Russia's proposed Nord Stream pipeline.
- US refusal to accept as sufficient International Atomic Energy Administration (IAEA) monitoring and analysis of Iranian nuclear developments.
- US and NATO support for Kosovo's independence from Russian ally Serbia. Russia saw this as hypocritical in the face of Western objection to other ethnic separatist movements, including those in countries with significant ethnic Russian minorities (such as South Ossetia, Abkhazia, and Transnistria).

Given this litany of perceived past and present grievances, Russia seems to be saying, "we have no choice but to resume our defensive Cold War position against the West." Numerous experts have pointed out that this position is not only related to Russia's very real economic and security interests, but in perhaps equal measure to its psychological and patriotic interests or what Samantha Power has called issues of "honor and humiliation."

Western analysts generally concede that the above grievances have merit, yet they are quick to point out the other side of the story – what the West did during the same period that could be considered significant gestures of goodwill. These were recently summarized in Stephen Sestanovich's article for Foreign Affairs and include:

- President George W. Bush's offer to Putin of a new strategic arms treaty.
- US policy shift on Chechnya from opposing Russian actions in the restive separatist province to a statement of understanding.
- Recognition of Russia as a market economy and support for Russia's bid to join the World Trade Organization (support for Russia's accession to the

WTO has since been functionally if not officially rescinded).

- Induction of Russia into the G-8, a prominent bloc of highly industrialized and democratic nations, even though Russia is neither highly industrialized nor democratic. The West also granted Russia the honor of hosting the 2006 G-8 summit in Putin's hometown of St. Petersburg. (The G-8 is now again the G-7 upon Russia's exclusion following the Georgian conflict).
- Creation of and continued support for the Russia-NATO Council, a high-level associational body to the treaty alliance.
- An expansion of the Nunn-Lugar program, a USfinanced program to help Russia dismantle Soviet-era weapons of mass destruction.

These extensions of diplomatic and economic cooperation, in Russia's eyes, do not make up for other grievances and snubs by the West. But, it must be remembered, as many have pointed out, that Putin and Medvedev have much to gain domestically by demonizing the West – elaborating on Western slights and shortcomings is always a crowd pleaser at home in Russia.

How Russia is Saying It

Beyond anti-Western rhetoric, a review of Russian actions on the world stage during the Putin years demonstrates just how Russia's leaders have been expressing these grievances with the West in the post-Cold War period. These include:

- A series of pipeline wars perpetrated by Russia against its neighbors, and by extension, Western European oil and gas consumers downstream. These have taken the form of discretionary price increases and interrupted flow of energy in response to political slights as well as tremendous intrigue about the construction of new pipelines in order by-pass certain countries and gain monopolies on energy markets. Gazprom has been Russia's major instrument of power here. This is compounded by talk among Russia, Iran and Qatar around forming an OPEC-like cartel to control natural gas production, supply, and pricing. Russia claims that these dealings are no more than an expression of capitalistic desire to gain comparative advantage in global markets.
- Seizure of foreign owned oil assets to further consolidate the Russian energy monopoly in Eurasia





to which Shell, BP, Exxon-Mobil, and Total have been subjected. Russia claims that these nationalizations are simply remedying ill-conceived business deals of the Yeltsin era.

- The resumption of Russian military patrols over the Atlantic, reminiscent of Cold War operations, including plans to conduct surveillance flights over the US Eastern seaboard, potentially from bases in Cuba.
- A dramatic increase in Russian military spending, including the renovation of its naval assets located in key international shipping lanes. It has been estimated that Russian military defense spending has increased 500% from its 2000 levels.
- The announcement that Russia intends to re-aim its continental weapons at Europe should the US go ahead with plans to install BMD mechanisms in Poland and the Czech Republic.
- The decision to withdraw Russia from the Conventional Forces in Europe Treaty (CFE), an agreement that has accounted for much of the removal of US, European, and Russian tanks and troops from the continent.
- The placing of a Russian flag deep under the Arctic Ocean near the North Pole, claiming ownership of the disputed the underwater Lomonosov mountain range with its potential oil and gas reserves.
- The extension of Russian citizenship to ethnic Russian minorities living outside Russia, particularly in former Soviet republics such as Georgia. The granting of Russian passports emboldens separatist movements and creates the premise for Russian military intervention to protect the rights of Russian citizens.
- Cordial and productive relations with "rogue states" such as Venezuela, Libya, Syria and Iran who are considered enemies of the West, and obstructionism on United Nations' attempts to deal with these nations.
- **Arms sales** to many of these same rogue nations and to China, in opposition to US-backed sanctions.
- Verbal attacks on international institutions dominated by the West such as the International Monetary Fund, World Bank, and World Trade Organization whom Putin has called "archaic,

undemocratic, and awkward." This criticism serves to incite those in the emerging and developing world (who already feel excluded to some degree from these bodies) toward anti-Western solidarity.

- **Criticism of US unipolarity in the world** and ongoing commentary on the democratic failings exhibited by the West, particularly by the US with regard to alleged human rights abuses in the Global War on Terror and electoral irregularities.
- **Overtures to China and Central Asian** nations to add a military component and defense pact to the Shanghai Cooperation Organization.

Most experts see a pattern at work: **as Russia's oil and gas wealth have grown, so has its brazenness in promoting its interests on the world stage**. How truly menacing are these expressions of Russia's new assertiveness? Are they intended to be threats, or merely reminders of Russia's relevancy and power? A much quoted statement by Putin himself seems newly haunting, its meaning being pondered anew by analysts the world over. What were his intentions when he pronounced that the dissolution of the Soviet Union was "the greatest geopolitical disaster of the 20th Century?" Is this merely a lament or a declaration that Russia seeks a remedy to restore its superpower status?

It is against this complicated mosaic of grievances, messages, and unclear intentions that the crisis in the Caucasus occurred in August 2008. Because lives were lost (military and civilian), people displaced, and sovereign territory heavily damaged, the conflict marks a departure from Russia's past dynamic of asserting itself with mere demonstrations of power or even threats. Intentional or not, provoked or not, reasonable or not, the fact remains that Russian troops engaged with the troops of a neighboring country for the first time since the Afghan war of the 1980s. (The Chechen conflict, with all its shades of gray, for the purposes of international relations is classified as a civil war).





Map courtesy of CIA World Factbook

The Crisis in the Caucasus: Toward a New Cold War?

Were Russia's military actions in South Ossetia and Abkhazia in August 2008 a sign that Putin and Medvedev are ready to take their renewed assertiveness to the next level? What were they trying to say? Was it a miscalculation or "strategic blunder," as Fareed Zakaria and others have concluded? Was it a reasonable and isolated response to provocation by the Georgians and rooted in tensions going back over a decade? Or a cynical and opportunistic attempt to reassert control over a Western leaning former Soviet republic? Or was it something larger and more menacing toward the West as a whole? Analysts remain divided; yet as the dust settles, Cold War verbs are being dusted off. To contain or engage? To appease or oppose? To embrace or manage?

Background

Russia and Georgia share a long and complicated history. The two were first joined in the early 19th Century when the mountainous area of Georgia was absorbed into an expanding Russian Empire. Over a century later, following the Russian Revolution, Georgia briefly gained its independence, only to be forcibly incorporated into the USSR three years later, in 1921. Georgia, though the smallest of the Soviet republics, was largely considered one of its gems, with a favorable climate, the thriving capital city of Tblisi, and a strategic location on the Black Sea.

Upon the dissolution of the Soviet Union in 1991, Georgia, which is about the size of South Carolina, again became an independent nation. Yet the country quickly found itself embroiled in a violent civil war dominated by conflict with separatist ethnic enclaves who opposed incorporation into the Georgian state. These included the restive areas of Abkhazia and South Ossetia, located on Georgia's northern border with Russia and containing ethnic Russian and other non-Georgian ethnic groups. With Russian help, these northern provinces achieved de-facto secession from Georgia during the early 1990s, while Georgia's leaders battled for control of the rest of the country with war lords and regional clans amidst near total economic collapse.

When Communist leader Eduard Shevardadze became President of the foundering Georgian republic in 1992, his authoritarian government brought tenuous peace. Yet his attempts to hold the country together and engineer an economic recovery were hampered by continuing ethnic tensions as well as rampant corruption. Shevarnadze was then toppled in the bloodless 2003 Rose Revolution; the next year, Georgians elected US-educated, reformist President Mikhail Saakashvili. Saakashvili's pro-Western orientation and democratic liberal reform agenda quickly set Georgia apart from the other former Soviet republics, and earned the struggling nation the support of the United States and Europe, as well as the enmity of Russia. By going on to actively pursue NATO membership for Georgia, Saakhasvili ran seriously afoul of what would become known as the Putin Doctrine - Russia's policy of reasserting its influence over the states of the former Soviet neighborhood. Compounding this tension with Russia, Saakashvili also made Georgian reunification a priority



and began a campaign to regain control of the breakaway northern regions of Abkhazia and South Ossetia containing ethnic Russian populations.

Nearly Two Decades of Tension in the Region

The ensuing years were marked by periodic violent skirmishes between Georgian forces and the secessionist regions, with Russia backing the separatists and stoking the conflict. Putin granted



Photo courtesy of US Dept. of State

Russian citizenship to Russian minorities living in South Ossetia and Abkhazia (a violation of international law), and with these passports extended Russian protection to the regions from Saakashvili's incursions. He also appointed Russian officials to serve in the semi-autonomous governments of the disputed regions. The northern areas of Georgia became a tinder box of ethnic tensions, one of many "frozen conflicts" or ongoing territorial disputes within the former Soviet Union, overseen by mutually hostile contingents of local, Georgian, and Russian peacekeeping forces. Conflict flared intermittently between 2003 and 2008, with responsibility for aggression attributed to all parties at one point or another. Half-hearted attempts by the international community to bring the conflict under neutral peacekeeping forces were rebuffed, and Russia began moving more and more military equipment and troops to the region.

Throughout this period, Russia used economic as well as military instruments of intimidation and harassment, temporarily cutting off energy supplies to Georgia as well as enacting sanctions on Georgian goods, and opening direct trade relations with the separatist republics. Tblisi likewise stirred the pot, joining in the BTC pipeline that would go on to move crude oil from Azerbaijan to Turkey, bypassing Russian transit operations. Saakashvili's government stalled somewhat on democratic reforms during this period and began to rattle his Western allies with his singular determination to rein in the separatist republics. Georgia's NATO bid and EU aspirations began to come under some question, as the Atlantic powers began to experience expansion fatigue and came to fear that Georgia's stance in the Caucasus area would provoke full-scale conflict with Russia. Despite this, Georgia continued to receive Western aid as well as military training and supplies from the United States.

Several events of 2007 reveal the extent to which the longstanding conflict was accelerating, and foreshadowed the crisis of August 2008. Two are of particular note: the March Russian attack on a Georgian stronghold in Abkhazia, the Kordori Gorge; and the August Russian attack on a Georgian radar station in South Ossetia. By Spring-Summer 2008, tensions were high. Russian and Abkhazian troops continued to fight Georgian troops over the Kodori Gorge, and Russia shot down a Georgian spy plan in the area. Shelling continued back and forth in South Ossetia between Georgian and South Ossetian troops. Russia conducted military exercises in the North Caucasus, and began to amass troops and materiel on alert in North Ossetia (part of Russia) while also fortifying its Black Sea fleet off Georgia's coast. Saakashvili continued his rhetoric at home reiterating his intentions to "liberate" and "reclaim" the breakaway republics for Georgia and denouncing Russia's involvement.

August 2008: What Happened

What exactly happened to ignite the current crisis continues to be open to debate. In the first days of August, with the world's attention focused on the upcoming Opening Ceremonies of the 2008 Summer Olympics in Beijing, what appeared to be routine skirmishing in South Ossetia took a critical turn. Heavy shelling back and forth between Georgian bases and strongholds in the area and South Ossetian troops had been occurring for three days, and Sakaashvili announced a unilateral cease-fire on August 7. Yet only hours later he went on to order Georgian forces to directly attack the South Ossetian capital of Tshkinvali, claiming it was necessary "to restore constitutional order."

Within hours of the Georgian attack, Russian forces in the region predictably responded; in the early morning of August 8, Russian forces engaged Georgian troops in Tskhinvali. Russian troops asserted they were only protecting Russian citizens and peacekeepers in the area, and Prime Minister Putin made claims that the Georgians were perpetrating genocide on South Ossetians. Georgian President Saakashvili declared a "state of war," and, 24 hours later, Russia announced it had taken control of Tskhinvali.



The city was largely destroyed, yet accounts differ as to which troops bear the most responsibility for the damage. The following day, Georgia announced a ceasefire and declared that its forces were no longer in South Ossetia. Nonetheless, fighting continued; Russian bombs struck close to the Georgian capital of Tbilisi while Russian warships were said to have blocked wheat and fuel shipments in Poti, a city on Georgia's coast. Meanwhile, Abkhazia announced the mobilization of its forces. With Russian help, they proceeded to open a second front in the war, ultimately taking the Kodori Gorge from Georgian forces. The war was over shortly after it began and Georgia was soundly defeated on both fronts.

On August 15, with his army largely destroyed, Saakashvili signed an EU-brokered ceasefire arranged by French President Nicolas Sarkozy. The recriminations began to fly. Saakashvili criticized the West for its lackluster support, maintaining that if Georgia had been granted NATO membership, Russia would not have invaded. The US berated Russia for failure to exercise proper restraint and for intervention in the sovereign affairs of Georgia, a position that earned the Bush Administration charges of hypocrisy in light of US actions in Iraq. Russia continued to state it was only looking after its citizens and peacekeepers in the region.

The next day, Russia joined Georgia in signing the ceasefire, but maintained that its troops would stay in the area until adequate security was in place. According to the six-



point agreement, Georgian and Russian troops were to return to their pre-conflict positions. Despite this, Russia established what it referred to as "buffer zones" surrounding both South Ossetia and Abkhazia, and kept control of the Kodori Gorge. On August 26, Russia boldly officially recognized the independence of both South Ossetia and Abkhazia in what most saw as a violation of international law. Russian troops were formally withdrawn on October 10, yet intermittent skirmishing has resumed between the various peacekeeping forces, much as had occurred before the war. Throughout the week of heavy fighting, citizens were frequently caught in the midst of conflict zones, though reports of civilian casualties vary greatly. On August 9, one day after the conflict began, Russian and South Ossetian officials stated that 1,500-2,000 civilians had been killed; these estimates have now been revised and various sources estimate that between 154 and 300 people were killed. It has been estimated that over 100,000 refugees were created by the conflict and that 31,000 of those refugees will not be able to return home. In addition, there were widespread reports of looting and the burning of houses by forces on either side.

Questions Raised in the Caucasus

For a war that lasted less than a week, the questions raised are profound.

- Who is to blame? Was the Russian invasion of Tskhinvali premeditated? Were Russian troops truly responding to the Georgian attack on the city or had the order already been given for Russian troops to cross the border by the time the Georgian offensive began?
- Why did Saakashvili order the Georgian attack on the South Ossetian capital, knowing it would provoke Russia? Was it a trap designed to draw Russian troops into direct confrontation with Georgian forces? Given the obvious mismatch in power, why would he do this and allow his army to be destroyed? Did he hope to demonstrate to the West Russia's menacing intentions in order to accelerate his bid to join NATO? Did he think the West would come to his aid against Russian troops? What about accounts coming to light in the New York Times in September that Georgian troops had actually retreated in advance of Russian forces' entry into Tskhinvali, fleeing precipitously while leaving civilians in the line of fire?
- What would have happened had Georgia been a member of NATO at the time of the crisis? Would Russia have been deterred from entering South Ossetia and Abkhazia? Would the Atlantic Alliance have honored its commitments to defend all members and gone to war with Russia? Could nuclear war have resulted?
- Why did Saakashvili's ally the United States allow this to happen, and why did the attack appear to take the Americans by surprise? As George Friedman



has asked, did the Bush Administration not know Russian troops were amassing on the border over the summer (a massive intelligence failure), or did they underestimate Russian intentions to enter the fray should Saakashvili provide the excuse (a massive analytical failure)? Given what some have described as Saakashvili's profound miscalculation and long history of reckless behavior with regard to Russia in the volatile region, why did the US display verbal support for him during the conflict? US Secretary of State Condoleezza Rice is a Russia expert - why, many wonder, would America embolden Georgia to make trouble in Putin's backyard, only to sit back and allow Saakashvili to be routed by the Russians? What is US policy in the region? With US troops committed elsewhere in the world, and when it needs Russia's help on other critical global matters, is the US willing to sacrifice larger US-Russian relations over a small ex-Soviet republic in which it has only peripheral strategic interests?

• What will happen to Georgia's NATO bid now that the Europeans are even more wary, and the US is insisting Georgia still has enthusiastic American support? What do these events signal for Ukraine, another former Soviet republic in the neighborhood with a significant ethnic Russian population and a NATO bid pending? Does Russia's assertiveness in the Georgian conflict signal that Ukraine might be the next focus of its attention, especially since it is home to Russia's Black Sea fleet in the Crimean city of Sevastopol?





Photo courtesy of US Department of Defense

The Interests of the Players Going Forward

Georgia

Georgia refuses to compromise on its demand that its territorial integrity be restored. Talks with Russia that were scheduled to take place in mid-October were delayed before they ever officially began, allegedly because Russia refused to participate in talks that did not include South Ossetian and Abkhaz delegates, while Georgia refused to acknowledge the sovereignty of the two entities and opposed their inclusion. Negotiations have been rescheduled for November 18, when it will be revealed if a compromise can be found to the current impasse.

As mentioned above, it is unclear how the recent conflict will affect Georgia's bid for NATO membership. The nation was scheduled to begin the membership process in December of 2008. After the conflict, however, NATO members are divided on how to proceed. While some argue that Georgia should receive NATO membership quickly in order to ensure its protection, others worry that extending membership to Georgia would only further exacerbate tensions with Russia, and risk bringing NATO and Russia into a direct confrontation. The United States remains a strong supporter of Georgia's NATO membership; however, NATO technically cannot admit members who have outstanding territorial disputes, although this caveat has been suspended in the past for former Soviet republics in the Baltic region. If Russian troops remain in the disputed provinces, even in a peacekeeping role, it has been noted that their presence alone might be the death of Georgia's NATO bid.

The conflict was severely damaging to Georgia financially. The fighting not only disrupted trade and industry (including Georgia's lucrative tourist industry, largely supported by Russian visitors), but also wreaked havoc on the nation's financial institutions. The stock market plummeted and Georgians made a run on banks. Furthermore, foreign direct investment is likely to be significantly harmed by the instability of the region, and Georgia's infrastructure has been significantly damaged. In response to this – and as an expression of solidarity – Western donors have pledged to donate \$4.5 billion to Georgia. The US was the lead donor, pledging \$1 billion, and the European Commission will allocate \$642.8 million over the next two years.

Saakashvili's future in Georgia and as a continued darling of the West is far from certain. He faces mixed reactions at home, some blaming him for the debacle and defeat, others supporting his plucky show of power against a menacing neighboring giant. His democratic credentials have waxed and waned over the years. Although the governments of other former Soviet republics make him look like a liberal reformer, that may not be enough to ensure continued Western support in the face of Russian opposition; this is especially true since many believe the recent crisis has called into question his judgment and that of his foreign ministers.

South Ossetia and Abkhazia

South Ossetians and Abkhazs celebrated after Russia officially recognized their nations' independence on August



26. However, in the case of South Ossetia, there have long been speculations that rather than become independent, South Ossetians would prefer to be joined with the Russian republic of North Ossetia and integrated into Russia. In fact, in September, news reports quoted South Ossetia's president Eduard Kokoity, as saying "Yes, we will seek union with North Ossetia within the Russian Federation." Soon after they were published, Kokoity refuted these reports, and the Kremlin denied that it had any intention of incorporating South Ossetia.

Despite this, many still harbor suspicions that South Ossetia will be absorbed; these doubts have not been allayed by the fact that Russia continues to freely give Russian citizenship to South Ossetians and has announced plans to set up a permanent military base in the region. Furthermore, South Ossetia's geographic characteristics – its small size, lack of port, and mountainous terrain –make it unlikely that it would be economically viable as an independent nation.

Abkhazia, on the other hand, may have more potential as a sovereign nation. Its Western coast is on the Black Sea and it is significantly larger than South Ossetia. It also has a more clearly physically-delineated border with Georgia and fewer ethnic Georgians in its population.

It has been posited that perhaps the West will allow the secession of the Caucasus separatist republics as a trade for Russia's support for Kosovo's independence from Serbia. However, as Jeffrey Taylor and other experts have pointed out, many in the West do not see this as a reasonable quid pro quo – Kosovo's declaration of independence (which is still officially contested) came after eight years of international negotiations and a prolonged period as a UN protectorate. The world has yet to weigh in on South Ossetia and Abkhazia, and to proceed without respecting international protocols would set a dangerous precedent (see other ethnic enclaves below).

Russia

Many contend that Russia's show of force during the conflict, and its recognition of South Ossetia and Abkhazia as independent nations were attempts to both maintain influence over the former Soviet republics and send a signal to the international community of its resurgent power. In recent years, the Kremlin has been angered by Georgia's increasingly close relationship with the West, and in particular with the United States. Many, including the expert Stephen Pfifer, have noted that the rapidity with which Russia responded to Georgia's attack on South Ossetia suggests that the Russian military had prepared for just such an assault. In this light, it is possible that the Kremlin was simply awaiting a pretext upon which to launch such an assault; Saakasvili's attack on South Ossetia – after declaring a ceasefire – may have been just the pretext for which the Kremlin was waiting.

Following this line of reasoning, the motives for planning and executing such an attack likely include more than just an emotive response to Georgia's perceived insubordination. Expert George Friedman maintains that Putin had two larger objectives in mind: to re-establish the credibility of the Russian army with a successful show of force, and to show that "Western guarantees, including NATO membership, mean nothing in the face of Russian power." Friedman notes the shrewdness of it all – Putin did not want to confront NATO directly, but did want to "confront and defeat a power that was close aligned with the United States, had US support, aid, and advisors and was widely seen as being under American protection. Georgia was the perfect choice."

If this is the case, Russia succeeded. Despite strong warnings and admonitions, the West was largely powerless to influence Russian behavior. Furthermore, though the French-led



Photo courtesy of Jeff Chapman

mediation team was able to broker a ceasefire agreement between Russia and Georgia, the French Foreign Ministry, supported by Washington, concedes that Russia broke the terms of the agreement by setting up fixed positions within the security zone, extending the area of the zone, and by recognizing the independence of the South Ossetia and Abkhazia. Many experts believe that the crisis showed that warnings from the West hold little sway with the Kremlin, as its control of energy resources gives it bargaining power with Europe, and that Russia has little to lose in a relationship with the US that many believe has been



neglected by the Americans in favor of the Global War on Terror.

The crisis, in short, also showed that Russia will do what it says it will do. When Kosovo declared its independence from Serbia in February of 2008, most of the West supported Kosovo, while Russia backed its ally Serbia in challenging Kosovo's independence. At the time, Russian Foreign Minister Sergei Lavrov hinted that, in retaliation, Russia might reconsider its policy toward Abkhazia and South Ossetia. It is significant that six months later Russia made good on this threat. Some also feel the Russian show of force was a way to establish the nationalistic credentials of President Medvedev's administration.

However, many wonder how Russia's support of the two Georgian breakaway regions will affect independence movements within its own borders. There is a central paradox at work, as the issue of Russian internal republic Chechnya reveals. Chechnya is located in the North Caucasus in close proximity to Georgia, and has long sought its independence from Russia. In fact, Russia has several times invaded the separatist region to keep it from seceding. Russia has used purported links between Muslim Chechen rebels and al Qaeda to justify its actions (many would say brutalities) in the region, contending that if the region were to become independent it would become a haven for terrorists.

Finally, Russia appeared to some to be signaling that its actions with respect to Georgia are a harbinger of the future. Ethnic Russians live throughout independent former Soviet republics in Eurasia, and solidarity with these often separatist-leaning communities may be just the way that Putin seeks to extend Russia's influence over its neighbors. This effort appears to be multilayered as a New York Times article on the activities of Moscow's mayor in supporting separatist movements in Georgia and Ukraine recently revealed. Stirring the ethnic pot proved quite effective in the Caucasus, and many expect the tactic to be repeated elsewhere in the neighborhood.

The European Union

The EU has been critical of Russia's actions in Georgia but its condemnations have not been as strong as those of the US. In fact, many believe the crisis in the Caucasus revealed a measure of confusion, incoherence, and impotence on the part of Europe. Most agree that the principal reason for this is the importance of Russia's gas and oil resources, most of which flow through the Caucasian isthmus where Georgia is located. Russia is the largest supplier of gas and oil to the EU, and has not been reluctant to use this power as leverage in negotiations. However, the recent drop in energy prices leads many to believe that Russia will be less able to pressure Europe this way, and may enable Europe to take a stronger stance against Russian aggression in the future. Sellers of gas need buyers as much as buyers need sellers.

On September 1, EU leaders postponed a second round of strategic partnership talks between Russia and the EU unless Russia fully complied with the six-point ceasefire agreement. There is still much debate as whether these talks should resume, but Finnish Foreign Minister and head of the Organization for Security and Cooperation in Europe (OSCE) has stated that a decision could be made shortly before a November 14 EU-Russia summit.

The United States

The US has been a strong supporter of Georgia, and the Georgian military has received American military aid - initially in the form of counter-terrorism training (aimed at Chechen rebels with suspected ties to al Qaeda) and later in preparation for Georgian military service in Iraq. As fighting broke out in the Caucasus in August, the US helped to transport Georgian troops serving in Iraq back to Georgia and also provided humanitarian assistance to the point of sending the Sixth Fleet into the Black Sea. As fighting progressed, US President George W. Bush voiced increasingly strong criticism of Russia's actions, saying they were "unacceptable in the 21st Century," and "jeapordize[d] Russians' relations... with the United States and Europe." Yet many have questioned the wisdom of this stance from a realistic point of view, worrying that the US has been drawn into a regional conflict which it does not fully understand and for which it is ill-equipped, given its commitments elsewhere in the world. Jeffrey Taylor perhaps said it best, summing up the concerns of many by asking simply, "Why should Washington maintain a military alliance with a tiny, weak, resource-poor country under unpredictable leadership, if doing so alienates a nuclear armed Russia stretching from Europe to almost Alaska?"

World Savvy

Where relations between Moscow and Washington go from here is the subject of much debate. As mentioned above, many are calling for American to re-evaluate its unconditional support of Saakashvili, recalibrate its position on Georgia's NATO bid, and consider larger Western objectives with respect to the Kremlin. The US needs Russia's help on nuclear non-proliferation, counterterrorism, and dealings with Iran, to mention a few global issues on the agenda. While some in the US have been drawn back in to Cold War era lexicon and are advocating retrenchment into a defensive position against a resurgent Russia, most on both the American political left and right are actually calling for restraint. Many see this as an opportunity to re-open intensive dialogue with the Kremlin and encourage the next US President to make a US-Russian summit a high priority.

Other Ethnic Enclaves Throughout the World

How the international community handles the larger issues of ethnic nationalism and separatist movements contained in the crisis in the Caucasus will be critical. Kosovo, and now South Ossetia and Abkhazia, have the potential to open a Pandora's box, threatening the stability and territorial integrity of nation-states not only in the former Soviet Union, but all over the world. There is much debate over whether the development of ethnically-identified "microstates" are a precedent international community wants to set, and making exceptions in some cases and not in others invites controversy way beyond the disputed borders in question.





Photo courtesy of US Air Force

What Next?

The Medvedev Doctrine

Experts along the spectrum agree that Russia has many cards yet to play, and look for signs of Putin and Medvedev's intentions following the crisis in the Caucasus. One development that emerged from the crisis was the release of a formal statement of Russian foreign policy in what has become known as the Medvedev Doctrine as presented to Russian reporters in early September.

- **First**, Russia recognizes the primacy of fundamental principles of international law, which define relations between civilized peoples. It is in the framework of these principles, of this concept of international law, that we will develop our relations with other states.
- Second, the world should be multipolar. Unipolarity is unacceptable; domination is impermissible. We cannot accept a world order in which all decisions are taken by one country, even such a serious and authoritative country as the United States of America. This kind of world is unstable and fraught with conflict.
- **Third**, Russia does not want confrontation with any country; Russia has no intention of isolating itself. We will develop, as far as possible, friendly relations with both Europe and with the United States of America, as well as with other countries of the world.
- **Fourth**, our unquestionable priority is to protect the life and dignity of our citizens, wherever they are. We will also proceed from this in pursuing our foreign policy. We will also protect the interest of our

business community abroad. And it should be clear to everyone that if someone makes aggressive forays, he will get a response.

 Fifth, Russia, just like other countries in the world, has regions where it has its privileged interests. In these regions, there are countries with which traditionally had friendly cordial relations, historically special relations. We will work very attentively in these regions and develop these friendly relations with these states, with our close neighbours.

(Quoted from BBC translation, substance verified in Russia Today)

Interpreting what these principles mean for international relations is an exercise that will occupy scholars and analysts of Russia for months and years to come. In a best case scenario, Russia will, having staked out interests, operate within the international system to pursue and protect its "privileged interests" through diplomacy, and the West will work to incorporate these interests into their own global calculus and rise to the challenge of working through new mechanisms for keeping world order. Another scenario is that dynamics will remain much the same, with regular reminders of Russia's new assertiveness that will be managed carefully within existing international institutions, with occasional skirmishes in a two steps forward, one step back trajectory of integrating an emboldened Russia in to global power dynamics. The worst case scenario is that the Georgian conflict represents a point of no return and an overall deterioration of relations between Russia and the



West and among individual countries on both sides. Were this reality of a new Cold War came to pass, if the West cannot or will not integrate Russia into a new world order, there are several developments that could play out in the coming months and years.

Potential Realities of a New Cold War: The Stakes

The Georgian conflict could be reignited. If Russian peacekeepers continue to engage with Georgian forces, offensively or defensively, and outright civil and inter-state war comes to Georgia, the effects will be felt regionally and internationally.

Ukraine could be next. A fellow former Soviet republic, Ukraine is home to eight million ethnic Russians as well as host to Russia's Black Sea fleet at the port of Sevastopol. It, like Georgia, underwent a democratic color revolution (Orange) in the first years of the 21st Century, yet its democracy remains similarly unconsolidated and fragile. It has a bid in to join NATO and harbors EU aspirations as well. Because of its close ties to Russia and vulnerability to pipeline wars (Russia has shut off the gas to Ukraine in the past and it inevitably becomes embroiled in competing plans for the routing of new energy pipelines), Ukraine had, in the recent past, been somewhat cautious about expressing its Western proclivities. However, the dust up in the Caucasus has driven it to look more wholeheartedly West for protection. If the dominoes were to start to fall again as in the Cold War, most expect Ukraine would be the next focus of Russia's attention and/or aggression. Other former Soviet republics with Russian minorities and "frozen conflicts" would likely follow.

Russia has the ability to divide the Atlantic Alliance. Because of its increasing energy consumption and Gazprom's ever widening reach, Europe itself is becoming more and more dependent on Russian gas and oil. Until alternative sources or alternative types of fuels are found and routed to them, Europeans are vulnerable to Russian pressure in ways that the US is not. Pipeline politics could thus separate Europe from the US, building upon the increasing wave of anti-American sentiment already spreading throughout the continent in the wake of the war in Iraq. Playing Europe and the US against each other would not prove too difficult and would diminish the ability of the West to act with one voice in response to Russian policies.

Russia also has the ability to divide Europe. Many believe the EU is already suffering from over-expansion, trying to integrate too many disparate societies into an unwieldy entity. The interests of different European countries do not always converge. Most notably, they differ among themselves as to their level of dependence on Russian energy sources, and the EU has yet to speak with one voice on energy policy. Russia is aggressively courting Germany with hopes of peeling it away from other continental players with exclusive pipeline deals. There are larger economic, political, and cultural issues between Old Europe (Western) and New Europe (Eastern and Southern) that are also ripe for exploitation and would compromise the leverage the EU has over Russian behavior.

Several experts have noted that were the West to essentially cut Russia loose, the impact would be felt in China. China is currently sitting on the sidelines of this dance, trying to remain friendly with both the West and Russia with whom it has significant economic dealings. The framework is there for China and Russia (along with Russia-friendly Central Asian nations) to collaborate - the Shanghai Cooperation Organization (SCO) exists on the brink of extending itself into a formal defense or military pact. So far, China has resisted this move; yet if tensions accelerated between Russia and the West, it could change its mind. Russian journalist Aleksandr Grishin stirred the pot on behalf of the Kremlin following the Georgian conflict, saying that Saakashvili (and by extension, the US) had delivered a formal insult to China by launching the invasion of South Ossetia during the opening days of the Olympics in Beijing. A formal China-Russia alliance hostile to the West could be a nightmare scenario combining Chinese population and productivity with Russian natural resources and locking up a good portion of the world's surface.

Russian aggression toward the West could also take the form of an "enemy of my enemy is my friend" dynamic with respect to the Islamic world. Many agree this is unlikely given the fact that Russia also battles terrorism from hostile Muslim populations within its borders (Chechnya). However, it is not impossible and could take the form of arms, even nuclear sales, to and safe haven for terrorists engaged in jiahd against the US. Many experts agree that a larger geopolitical shift could occur if Russia were to become openly hostile to the West – once they make that break, it will be easier for others to do so as well. Realists recognize that many nations stay in the Western orbit because there is no other alternative, yet many of them have their own conflicts and tensions with the US and/or Europe. The return of bipolarity could create a precedent that tips fragile Western allies as well as other "rogue states" out on their own, into open hostility with the West, and/or into the arms of Russia.

The UN Security Council could become paralyzed. Even with its failings, the UNSCO serves a critical function on the world stage – from peacekeeping to sanctions to International Criminal Court referrals. Numerous conflicts both related and unrelated to Russia's interests end up there. If Russia were to formally break from the West as represented by the US, France, and Britain (even if it did not join China), the obstructionist potential would be enormous, and the UNSC would be hamstrung in important matters to people all over the world (example – Sudan).

Attempts to prevent Iran from becoming a nuclear threat would be severely impacted. Russia has not been 100% cooperative with the West on the issue of Iran, partly because of ties between Moscow and Tehran, but also because Russia fundamentally disagrees with Western strategy – Russia prefers to use the IAEA and other multilateral mechanisms to address Iran's growing nuclear program rather than a US-led diplomatic offensive. But Russia has been of some help, and were Russo-Western relations to deteriorate, Russia's seat at the table would be missed. A worst case scenario is that Russia openly and unabashedly supportive of Iran's nuclear program. This would accelerate the crisis, limit US options (military and otherwise), and panic Western allies in the Middle East and beyond.

In sum, there are some who believe that Russia is already at a place where it cares little what the international community thinks of it. Yet, to others, the recent climbdown from the height of the Georgia conflict suggests otherwise. Despite heated rhetoric from journalists and analysts on both sides, the official discourse is cool, but relatively civil and proceeding on the assumption that acceleration can be avoided.

Averting a New Cold War

Edward Lucas, a journalist on Russia for The Economist has written that the current danger in Russia lies not necessarily in the ideology that has filled the vacuum left by the demise of the Communist mission. He describes this new mantra as "unexceptional – an edgy sense of national destiny, a preference for stability over freedom, and a strong dislike for Western hypocrisy and shallowness," noting that this is not particularly new, nor unique to Russia today. He writes that it is rather the "combination and the intensity" of these ingredients that represents a renewed danger, and many would say the danger is only enhanced by the vast economic resources that back it up.

Shortly after the release of the Medvedev Doctrine principles, the Carnegie Endowment for International Peace convened a summit of former Russian and American ambassadors to discuss the Doctrine, the implications of the Caucasus conflict, and the future of US-Russian relations. The sense from transcripts of the meeting and press releases detailing the ambassadors' joint position (see Key Foundation Documents) is that the Georgian conflict must be viewed in perspective of larger diplomatic and strategic goals, and that restraint should be exercised in rhetoric and action.

Former Ambassador Alexander A. Bessmertnykh, now of the Russian Foreign Policy Association, reflected the general sentiment of the gathering in pointing out the need for new "multilayered" mechanisms by which the West and Russia could "keep each other informed about their intentions and policies" so that when crises occurred, each side would "know how to interpret" the other's actions. He noted that these channels had existed during the Cold War and were instrumental in preventing serious miscalculations that could have led to nuclear conflict, but that they had been allowed to deteriorate as the rivalry became downgraded after the dissolution of the Soviet Union. He and others cited the need for renewed communication as well as an acceptance of a mutual "sense of special responsibility" for global problem solving and a recognition of a new world order. Nearly all mentioned the need for a new "architecture" for building relationships and addressing conflicts, noting that neither the UN Security Council nor the Organization for Security and Cooperation in Europe





(OSCE) had been up to the task following the Georgian crisis.

When asked about the phrase "privileged interests" in the Medvedev Doctrine, the former Russian ambassador conceded that these applied primarily to the former republics of the Soviet Union, citing "historical, cultural, human, family, and economic ties" with the 25 million ethnic Russians living in the region. Yet, he stopped short of confirming what others have interpreted as Russia's desire to reconstruct its sphere of influence among these republics, saying rather that Russia does not seek to isolate them from the rest of the world. Many agreed that other "frozen conflicts" are likely to thaw in the region, and that the world needed a new approach to mediating these without doing irreparable damage to larger Russo-Western relations.

The Ambassadors were also asked to comment on Western criticism of Russia's domestic affairs, particularly around the issue of civil and human rights in the Putin era. Essentially, their position was to agree to disagree; former Ambassador Jack Matlock went as far as to suggest that these matters be held in the forum of constructive and "practical" private discussions rather than shaming in the international press, saying the US needed to "stop behaving as if we are the world's nanny." Overall, the tone was conciliatory and one of great common alarm over the accelerated rhetoric of the weeks surrounding the Caucasus crisis. Men who had presided over both sides of the Cold War and the demise of the Soviet Union cautioned that a new Cold War must not be allowed to develop, and that common interests should be pursued diligently, particularly those surrounding arms reduction and nuclear non-proliferation.

These sentiments were echoed by the current Russian Minister of Foreign Affairs Sergei Lavrov in his remarks to the Council on Foreign Relations and to Charlie Rose during the same time period, marked by the opening of the United Nations General Assembly in New York. Lavrov stated emphatically that the "geopolitical twists" of the Caucasus issue was "in other people's minds" and material suited for a "fantasy novel." He elaborated:

You know, it's not right to read anything more in this episode than the protection of the Russian citizens and protection of the people of South Ossetia and Abkhazia. We didn't have any geopolitical background in what we did. We did what we did and nothing more...We have no intention to claim anybody's territory.

Lavrov's remarks went on to reveal lingering resentment over grievances described earlier, and particular offense at Russia's exclusion from the G-8 and other international bodies in the aftermath of the Georgian crisis. He echoed the sentiment of the Ambassadors that Russia and the West must cooperate on pursuing common objectives, most notably the war in Afghanistan and the accompanying increasing



Photo courtesy of Jeff Chapman

drug trade in the region. G-8 exclusion, in his eyes, was counterproductive and he pointed out that,

You can't really have it both ways, punishing Russia by canceling some of the meetings and some of the formats which are really important for the entire world, and at the same time demanding from Russia to cooperate on the issue which is of critical importance to you in particular.

When asked about the possibility of a renewed Cold War, Lavrov insisted that the ideological basis for such conflict was no longer valid now that Russia was embracing capitalism. He further lamented that if it were to develop, such animosity would stem more from the "unipolar" agenda of the US, and US resistance to a "polycentric" world order. He, too, called for the creation of new institutions without Cold War stigmas to replace existing ones where "inclusivity" could be practiced and resources pooled.

The Pragmatism Principle

In his speech to the Council on Foreign Relations, Sergei Lavrov mentioned the word "pragmatism" throughout his remarks, six times in his introduction alone. This term is also used throughout other commentary and analysis of Western relations with Russia and it is important to note how this differs from the traditional bloc approach that marked the Cold War era. It suggests a new framework whereby Russia intends to deal bilaterally and multilaterally



with different international players depending on the context and interests involved. This means ever-shifting allegiances and alliances without an overriding paradigm of polarity such as existed in the decades following WWII. It means being free from treaties and mutual defense pacts as well as preferential or exclusive trade agreements. It means that Russia will act in its own interests, reaching out to different countries at different times – acting in concert with everyone from the US to Iran as the situation dictates.

Such an organizing principle of international relations seems to some to invite chaos and unpredictability; to others it increases the rationality of the system, facilitating ad-hoc coordination around specific issues without the danger that treaty alliances pose. Numerous experts point out that the Georgia conflict revealed a fundamental weakness in Western bloc-oriented geopolitical strategy: had Georgia been a NATO member at the time of the conflict with Russia (as the US had advocated), would the US and its NATO allies truly have honored Article V of the North Atlantic Treaty which states that an attack on one member is an attack on all and will be treated as such? Would the US have risked nuclear war to save a small, flawed democracy with little overall strategic value to American interests? Or as Gideon Rose of Foreign Affairs has asked, does giving a country like Georgia the implicit support of the US perhaps "create what economists call a moral hazard," encouraging it to act irresponsibly? Could what Fareed Zakaria and others have called Georgia's "strategic blunder" in South Ossetia have caused a true world war? Many experts wonder if perhaps Russia's proclaimed new ideology of foreign policy pragmatism and flexibility is one that should guide all nations in today's complicated world with its diversity of threats; in other words, important issues should be solved on a case by case basis.

The Issue of NATO

Many believe the existence of NATO fundamentally precludes such a pragmatic approach that may be the key to success of a new world order. The future of the treaty organization has been debated for years, and is likely to rise again to the forefront of foreign policy debates. Many experts in both Russia and the West have long seen NATO as an anachronism, a relic of the Cold War that should be abandoned and replaced with a more global, inclusive international institution. The sole reason for creating NATO was to protect Western European countries, still fragile from World War II, from military aggression by the Soviet Union. It was, in the view of historian Tony Judt, a way to outsource military defense of the continent to the only country left with the power to counter Soviet encroachment, the United States, by creating a formal Atlantic Alliance. NATO in turn created the need for The Warsaw Pact, comprised of the Soviet Eastern and Central European sphere of influence during the Cold War. After the demise of the USSR, the Warsaw Pact was abandoned. Despite Russia's efforts to construct the Collective Security Treaty Organization (CSTO) comprising Russia-friendly former Soviet republics of Armenia, Belarus, Kazhakstan, Kyrgyzstan, Tajikistan, and Uzbekistan, no defense treaty of equal stature exists today to formally counter NATO.

NATO is alive and well. It is poised to increase its military capabilities in Eastern Europe, officially to counter a possible attack from the Middle East; yet if this is the true main aim of BMD systems, many have asked why is Russia not involved in the effort? The conclusion many in the West, and nearly all in Russia, make is that NATO's military shield is being built up in case of renewed conflict with its former Cold War rival. Charles King recently wrote in Foreign Affairs that this signals to the world the return of the treaty organization as "a traditional alliance providing security guarantees in order to deter aggression rather than a postmodern club promoting democracy and good governance."

As we have discussed, NATO's existence and its expansion after the Cold War to include most of the former Soviet Republics and satellites is one of the greatest bones of contention between Russia and the West. As George Friedman has pointed out, NATO's expansion puts St. Petersburg within 60 miles of a NATO member, Estonia, whereas during the Cold War the closest member was 1200 miles away. To Putin and others, the effect has been that a critical symbolic and geopolitical buffer zone between Russia and the West has been all but eroded. NATO's expansion also raises the ire of other countries around the world, who see it as a symbol of European and American arrogance and domination of an increasingly multipolar world. Furthermore, the times NATO has been used in the post-Soviet era have been fraught with difficulty - from the controversial persecution of the war in Bosnia to the



protracted struggle against the Taliban in Afghanistan. NATO is also beset by internal divisions, between Old and New European countries, and between Europe and the US. These internal divisions are exacerbated by the Afghan conflict where the US has often felt it is being inadequately supported by European troops and hardware in the most dangerous areas. That its purpose is somewhat unclear in the post Cold War era is only compounded by the danger NATO affiliation is seen to pose in unstable areas such as the Caucasus where it could draw large powers into local ethnic nationalist conflicts.

A New World Order?

Those that take the long view of Soviet/Russian history point out that the frozen and active ethnic conflicts in the former USSR are inevitable, a natural and necessary re-calibration process after the massive geopolitical upheaval of the 1990s that accompanied the demise of the USSR and left Russia with over 100 internal ethnic minorities (31 of them in autonomous regions of the country) and 100 million ethnic Russians living outside its new borders. Moreover, many believe these challenges must be considered in the context of the larger dramatic reconstitution of Europe and the global balance of power that occurred in the same decades.

Scholars such as Tony Judt remind us that, inside ten years, four states disappeared (East Germany, the USSR, Yugoslavia, and Czechoslovakia) and fourteen new states were resuscitated or created from scratch. Many of these states had no history of independence, having always been part of one empire or another and often comprised untenable ethnic configurations and no experience of self-government. What had been informal administrative borders of the Soviet Union or self-identified lines separating ethnic enclaves in the Balkans were transformed into international boundaries. Nearly all of the resulting nations were relatively poor and unmodernized; most would go on to endure protracted leadership struggles and ethnic strife as they tried to plunge into the new world order. The collapse of empires always seems to create problematic groupings as well as illogical physical division of populations and societies, as post-colonial Africa and the Middle East demonstrate. This collapse was no different; the former internal and external colonies of the Soviet Union, including Russia, had to accomplish two Herculean

tasks simultaneously – the building of nation-states and the transition from Communism to capitalism.

At the same time, the older Western European countries of the European Union were embarking on an experiment with regional sovereignty that seemed to challenge the very definition of statehood. The EU ended up incorporating ten new Central, Eastern, and Southern European members with an astonishing range of histories, ethnicities, and socioeconomic foundations. Not long after, the last standing superpower and protector of Europe, the United States, was attacked on its home front, and entered a protracted war against Islamic extremists on two active military fronts and numerous covert fronts.

In short, the world in 2008 bears little resemblance to the one that existed in 1991. Many wonder how such a shake-up occurred without more widespread bloodshed. Compared to the carnage of WWII, this re-ordering was relatively peaceful, but no less dramatic. Thus it seems that, not only NATO, but perhaps the whole security and cooperation architecture of the world needs an overhaul; Russia, in this view, is seen by many as taking a reasonable stance in arguing for a new, multipolar order. The financial crisis of September-October 2008, in many experts' opinion, makes this only more urgent. It is time, the argument goes, to replace Cold War and even post-Cold War era institutions with those more suited to a globalized era, one in which pragmatism and flexibility prevail. The global economic system already mostly operates this way, with countries negotiating in a broad marketplace for their own comparative advantage.





A Crossroads for Integrating Russia into a New World Order?

It may be said that 2008 represents a watershed: **an opportunity to listen to what Russia's leaders are trying to say, recognize the concerns contained in how they are saying it, and begin to integrate them into constructive global problem solving**. Most believe this requires an acknowledgement that something has shifted since the end of the Cold War, that Russia has re-entered the equation and must be factored into the geopolitical calculus of the modern day world. In sum, whether or not the crisis in Caucasus is an aberration or a sign of things to come will depend on:

- An un-packing of current geopolitical intrigue, or movement toward what Russian and Western diplomats are calling "clarity." Competing interests must be openly laid out with the actual conflicts separated from the proxy ones, the true areas of contention distinguished from the symbolic ones, and modern day concerns viewed without the lens of reflexive Cold War era suspicions and mistrust.
- A sense of perspective on post-Soviet history from the Russian viewpoint. As long-time observer of Moscow David Remnick has reported, "Taken individually, the West's actions since the collapse of the Soviet Union – from the inclusion of the Baltic and Central European states in NATO to the recognition of Kosovo as an independent state – can be rationalized on strategic and moral grounds. But taken together these actions were bound to engender deep-seated feelings of national resentment among Russians, especially as, through the nineteen nineties,

they suffered an unprecedentedly rapid downward spiral."

- Recognition of the dangers of a bloc approach to international relations. Further expansion of NATO, in fact the existence of NATO itself, should be seen through the lens of what might have happened in Georgia had the former Soviet republic been a fullfledged member of the treaty organization at the time of its conflict with Russia. Blocs limit options, and the world is a complicated place.
- A renewed commitment to pursuing the strategic goals on which Russia and the West agree. Officially recognized by both sides, these include nuclear non-proliferation, reversing climate change, and counterterrorism. Both "sides" benefit equally from addressing these concerns, and resolution requires joint action and cooperation.
- Prioritizing cooperation on arms reduction in general, nuclear and otherwise. This type of engagement represents a success story of the Cold War. Tremendous progress has been made over the years – progress in limiting the actual number of warheads and tanks, but also symbolic progress in discrediting the whole notion of an arms race. Several experts have pointed out that a third benefit is conferred by the negotiation of arms reduction treaties – these discussions satisfy Russia's desire to be seen as a player of significant relevance, otherwise why would the West be bothering? Many believe these talks should be of great priority, not only because continuation of the START treaty and other



agreements decreases the possibility that mankind will bring about is own demise, but because arms reduction negotiations can serve as a productive gateway to other discussions as well.

- Examination of the current international infrastructure for global problem solving. Besides the UN, there are few bodies in which Russia, the US, and Europe hold equal weight; there are virtually none where the emerging and developing world is represented with the large powers. The "in or out" exclusive mentality of international clubs may have outlived its usefulness in a globalized universe and be inadequate in the face of modern tensions. Dmitry Medvedev has proposed the creation of a new series of high-level discussions on the security of Europe. Whether the West can take his intentions at face value and engage in such negotiations under a new umbrella remains to be seen.
- Acknowledgement that cooperative global problem solving can occur even among societies with vastly different domestic political arrangements. As Dimitri Simes has written, "working constructively with Russia does not mean nominating Putin for the Nobel Peace Prize." Developing a paradigm for democratic and non-democratic societies alike to come together to address issues that transcend their differences may sound unsavory, but nearly all agree that it is necessary – not only for interacting with Russia, but also with China, Saudi Arabia, Pakistan, and others.
- **Recognition of what Putin's Russia has revealed:** that the West cannot control the internal developments of other countries, and that attempts to try often backfire. Many experts argue that the West should give up its pro-democracy rhetoric and hope that democracy comes to Russia and others through the backdoor of capitalism. There are those that see perhaps the greatest hope for domestic reform of the Kremlin's heavy hand and lack of commitment to the rule of law as being best pursued in the context of the market. They believe that increased economic freedom will slowly necessitate social and political freedoms in Russia, in China and elsewhere. See the Democracy edition of the World Savvy Monitor for a discussion of the complicated relationship between democracy and capitalism. Those that believe this transformation is unlikely at the very least agree

that US democracy promotion efforts often play right in to the hands of Russia's leaders as they stoke anti-Western sentiment and raise the hue and cry of sovereignty infringement and perceived American hypocrisies.

- Appreciation of the complexity of ethnic nationalist sentiment, wherever it exists. If nothing else, the debate over independence for Kosovo versus South Ossetia and Abkhazia teaches us that there is no right or wrong side to the issue of ethnic separatist impulses, that one universal principle cannot apply. Both the West and Russia have argued conflicting positions at different times: the West has supported autonomy for ethnic Muslims in Serbia, for Kurds in Iraq, and for Tibetans in China, yet not for ethnic Russians in Georgia or Ukraine, Pashtuns in Pakistan, or Arabs in Somalia. Russia supports autonomy for ethnic Russians throughout the former Soviet Union, but not for ethnic Chechnyan Muslims within their own borders. Many experts foresee that ethnic separatist movements may, in the future, challenge the very notion of the nation-state as an organizing principle for humanity; such fragmentation would affect everyone everywhere.
- Awareness of powerful forces contained in Russia's geography and demography that necessarily factor into any evaluation of its national interests, no matter how healthy its relationships with the West **may be.** Russia is a country of extreme trends – the largest country on the planet in terms of territory, stretched across 6000 miles and eleven time zones, in a cold climate with limited agricultural potential, and with the most foreign neighbors of any other nation (13). It has vast mineral and energy resources, yet virtually no high-capacity year-round access to the sea, and a rapidly declining population. Russia is a nuclear petrostate, the first ever of its kind. These realities are often underappreciated by outsiders but fundamentally underlie Russia's articulation of its critical interests.
- Admission that Russia's basic security interests, however crudely expressed, have some merit and are similar to those the West espouses. Ted Galen Carpenter of the Cato Institute removes the rhetoric and paranoia from his analysis of what Russia is after, calling its aims objectively "modest" and "typical for a major power," as it seeks "pre-eminence in its



own region and treatment by the US and NATO as a serious power whose wishes must be respected." This is different from wanting to reassemble the Soviet Union and is, fundamentally, no more than the US or Western Europe demands from the international community in their neighborhoods and in global halls of power.

- Specific consideration of the Russian perspective that its behavior in the Caucasus was defensive not offensive; or recognition that, as Charles King has pointed out, "a military operation that was denounced in the West as an act of aggression was seen in Russia and beyond as laudable, proportionate, and humanitarian." This doesn't make it objectively so, and there are those who vehemently disagree with this interpretation of the Kremlin's intentions. For every analysis of Russia's limited objectives in the Caucasus and beyond there are analysts on both the left and right (from Zbigniew Brzenski to Robert Kagan) who see the current situation as "potentially ominous" or as a sign that "Putin is making his move" in an effort "to expand Russia's power abroad." This leap of faith is perhaps most difficult because the evidence, in the far and near past, can be interpreted to suit either conclusion. The truth undoubtedly lies somewhere in between.
- Humility in the face of increasing global complexity. The end of the American century is not necessarily an apocalyptic event and multipolarity is not necessarily a capitulation of US power. As nearly all experts agree, the US could not have done much more than it did to impact the outcome of the Georgian conflict - its armed forces are stretched thin by its global commitments; its reputation and diplomatic levers are diminished by rising anti-Americanism and charges of moral hypocrisy in the Global War on Terror; its financial situation is in limbo and potential decline. Unipolarity is clearly not all it is cracked up to be, and, the American people themselves seem to be losing their appetite for global supremacy. There are those who believe that America getting its own house in order is of paramount importance, and that this is the way the West will regain and strengthen its soft power abroad
- **The removal of Cold War lenses and rhetoric.** Russia is not the Soviet Union and the West in 2008 is not the West of the 20th Century. The world is a

different place and many believe it may be time to abandon or amend the concept of the West and its opposition to Russia and other self-defined non-West entities. Again, a leap of faith is required as well as a re-orientation in classic balance of power international relations. Most agree that however modern Russia's role develops, seeing its actions as a continuation of Soviet behavior is missing important distinctions. The tendency to see past downgrading of mutual threats as an interlude or détente is tempting - the resumption of hostilities would make sense along a powerful narrative of history. Yet, the world is increasingly fragmenting along different lines and it requires discipline to recognize the end of one era and the beginning of another. Russia in 2008 may be better, it may be worse than the Soviet Union - but overall, it is run by different people with different intentions and different kinds of wealth. Zeroing in on current realities as a basis for policy is seen as necessary whether you are an idealist or realist regarding Russia.

- Recognition that rivalries between countries serve powerful domestic purposes in the form of unity against an enemy and distraction from internal shortcomings. Foreign policy intrigue can dramatically boost the popularity ratings of Presidents authoritarian and democratic alike; there is often no better way to consolidate power than to raise the specter of an outside threat. These kinds of threats, especially once they are embraced by the militaryindustrial complex or state security regime, tend to be self-perpetuating. Careers and industries built on homeland defense and international tension are not easily dismantled.
- The health of the global economy. A decline in oil and gas prices tends to make Russia less brazen and highlights its dependency on the countries to whom it is often presumed hostile as markets for its critical energy exports. A global credit crunch highlights Russia's vast foreign currency reserves and positions it as part of the problem and part of the solution. A global recession hurts everybody everywhere and has been shown to both stimulate and decrease inter-state and internal conflict.



Appendix: Former Soviet Republics

Armenia

Population: 2,968,586 GDP per capita (PPP): \$5,800 US Freedom House Status: Partly Free

Armenia, one of the oldest Christian civilizations, is located in Southwestern Asia and is geographically

slightly smaller than the US state of Maryland. The nation was recently in international headlines in connection with the deaths of one million Armenians during WWI, at the hands of Ottoman Turks and Turkey's present-day denial that the deaths constituted genocide.

TURKEY

IRAN

Upon its independence from the Soviet Union in 1991, fighting between Armenia and neighboring Azerbaijan, which had begun three years prior, escalated. The conflict centers on claims to the Nagorno-Karabakh region, which is primarily populated by Armenians, but was incorporated into Azerbaijan by the Soviet Union in the 1920s. In 1994, a ceasefire was declared, with Armenia forces in control of the contentious area, as well as 16% of Azerbaijan. As a result of the dispute, Turkey and Azerbaijan have instituted trade blockades on the nation, and this has further worsened an already weak economy.

Most of Armenia's gas comes from Russia via a Georgian pipeline, and in April 2006, these gas prices were doubled by

Russia. Armenia also derives energy from a nuclear power plant that was reopened in 1995 after a 1988 earthquake caused the plant to be shut down. It became a member of the Council of Europe in 2001 and the United States has provided the nation with significant amounts of aid, though it still has strong ties to Russia.

Azerbaijan

AZERBALIAN

Population: 8,177,717 GDP per capita (PPP): \$8,000 US Freedom House Status: Not Free

Azerbaijan, a country about the geographic size of Maine and with borders on the Caspian Sea, Russia and Iran, has long been an international supplier



of oil. Despite heavy inflows of Western capital to develop its energy infrastructure – in 1994 it signed an oil contract worth \$7.4 billion with a Western consortium – the overall Azerbaijan economy has not benefited generally. Most of Azerbaijan's oil runs from the Caspian Sea, through pipelines in Georgia to the Turkish port of Ceyhan, and on to Europe. Russia recently offered to buy all of Azerbaijan's natural gas, but the two nations have not yet come to an agreement on a deal.



Its geostrategic location and vast energy resources make it an important ally to both Russia and the West, and it has striven to balance these interests. For example, while it has announced no desire to join NATO, it has accepted NATO training. Russia's recent show of power in its conflict with Georgia may have altered this balance, however. As Paul Goble, an American expert on the region who teaches at the Azerbaijan Diplomatic Academy in Baku, put it, "The chess board has been tilted, and the pieces are shifting into different places." Tellingly, when the fighting in Georgia began, Azerbaijan requested that Russia protect its infrastructure in Georgia – infrastructure that is vital to Azerbaijani oil reaching the West.

Azerbaijan has a long-standing conflict with Armenia over the largely Armenian-populated Nagorno-Karabakh region that was incorporated into Azerbaijan in the 1920s by the Soviet Union. At present, Armenia controls the region as well as nearly one-seventh of Azerbaijan's territory. As a consequence, there are currently 800,000 refugees and internally displaced persons within Azerbaijan. Since the conflict with Georgia, Russia seems to have taken a more active role in mediating this conflict.

Belarus:

Population: 9,685,768 GDP per capita (PPP): \$10,600 US Freedom House Status: Not Free

Belaurs is a land-locked nation in Eastern Europe that is geographically slightly smaller than

Kansas. It is East of Poland and West of Russia. Most experts agree that out of all the former Soviet republics, Belarus has retained the closest political and economic ties to Russia. Its longtime President Alexander Lukashenko, who has been described as Europe's last dictator, has consistently pursued close ties with the Kremlin. In 1999, the two nations even signed a treaty establishing the framework for a two-state union that called for greater political and economic integration; however, to date, little has been done to implement this framework. Lukashenko has been resistant to private enterprise and

LITHUANIA LITHUANIA LITHUANIA Vitsyebsi Orata Downorthinkase Manayon Der Minsk Babruysk Babruysk Babruysk Babruysk Basrawichy Breat Prisk mana UKRAINE as a consequence, foreign direct investment is very low. However, Lukashenko's redistributive socialist policies have led the nation to boast one of the lowest Gini coefficients in the world.

Belarus depends upon Russian oil and gas to meet almost all of its energy needs. Furthermore, a significant portion of the Russian oil and gas that is imported by Europe travels through pipelines in Belarus. In December of 2006, Russia increased Belarusian natural gas prices from \$47 per thousand cubic meters (tcm) to \$100 per tcm, and it has plans to bring these prices up to world market values by 2011. Tensions between the two nations heightened as a result of this and disagreements over export tax rates (Belarus resells Russian gas to Europe at a profit), and Russia even threatened to cut off gas to Belarus at one point during negotiations. Belarusian relations with the West have not been good historically. In 2006, after corrupt presidential elections, the EU froze the assets of senior officials and barred them from entering the EU. However, the EU has made attempts to win Belarus from Russian influence through offers of aid, trade, and a relaxing of sanctions. To date, this effort has had little effect.

Estonia

Population: 1,307,605 GDP per capita (PPP): \$21,800 Freedom House Status: Free

Estonia, a Baltic state slightly geographically smaller than New Hampshire and Vermont



combined, has been largely integrated into the Western community and has one of the highest per capita income levels in Central Europe. In 2004, it became a member of both the EU and NATO. The nation enjoyed independence from 1920-40, before being absorbed into the Soviet Union after a deal struck between Germany's Hitler and the Soviet Union's Stalin. As a result of this arrangement, there was large-scale immigration into Estonia from the Soviet Union, and Russians now make up approximately one-third of the Estonian population.



While Estonia is on very good terms with the West, tensions run high with Russia. The two nations have a border dispute that remains unresolved after a 2005 treaty fell through when Estonia demanded that references to Soviet occupation be included. Tensions were further heightened in 2007 amidst a dispute concerning the relocation of a Soviet WWII memorial, which Estonians saw as a symbol of Soviet occupation and Russians interpreted as a tribute to the Soviet fight against Nazi Germany. What some have termed as the world's first 'cyber war' ensued, with Estonian government and commercial websites attacked from internet addresses reportedly from within Russia.

Nearly 90% of the oil used in the Baltic region (Estonia, Latvia, and Lithuania) is imported from Russia and the region is an important transit location for the export of Russian oil to the greater international community, though the Estonia port of Tallin has less traffic than the key Baltic ports of Ventspils, Latvia, Butinge, Lithuania, and Primorsk, Russia.

Georgia

Population: 4,630,841 GDP per capita (PPP): \$4,400 Freedom House Status: Partly Free



Georgia is a nation on the Black Sea, located South of Russia and slightly geographically smaller than South Carolina. Its relationship with Russia has become extremely tense since the Rose Revolution in 2003 and the election of President Saakshavili in 2004. In August of this year, the two nations engaged in a one-week conflict over the Georgian breakaway regions of South Ossetia and Abkhazia. Georgia has received support from the West and particularly from the US, and it hopes to become a member of NATO.

Georgia imports most of its gas and oil from Russia and is an important transit point for gas and oil from both Russia and the Caspian Sea. Kazakhstan recently abandoned plans to build an oil terminal in Georgia – a move that would have been very beneficial to the nation's economy, especially in light of its recent war with Russia.

For a more detailed account of the current situation in Georgia, see the Crisis in the Caucasus section in Russia Beyond Its Borders)

Kazakhstan

Population: 15,340,533 GDP per capita (PPP): \$11,000 Freedom House Status: Not Free



Kazakhstan is a large mineral rich nation about the geographic size of Western Europe, with a diverse population comprised of Kazakhs (53%), Russians (30%) and various other minority groups such as Ukrainians, Germans, Chechens, Kurds, Koreans, and other Central Asian ethnic groups. It is located in Central Asia, with borders on the Caspian Sea, as well as with Russia and China.

Due in large part to its huge energy resources – it boasts the Caspian Sea's largest reserves of crude oil – Kazakhstan's economy is larger than all of the other economies of the Central Asian states combined. Since its independence from the Soviet Union in 1991, its energy sector has had a great deal of foreign investment and its petroleum industry accounts for approximately one-third of its GDP. An oil pipeline that opened in 2001 links the Tengiz oil field in western Kazakhstan to Russia's Black Sea port of Novorossiysk. An oil pipeline into China was opened in 2005, and there are plans to build a link to the Baku-Tbilisi-Ceyhan pipeline.

Kazakhstan's energy wealth requires that it perform a delicate balancing act in its relations with the West and Russia, as both are keen to develop their access to Kazak energy. Recently, Kazakhstan received visits from Russian President Medvedev and US Secretary of State Condoleezza Rice within two weeks of each other. Kazakhstan's foreign minister, Marat Tazhin, has commented that Kazakhstan enjoys good relationships with both Russia and the United States and that relations with Moscow are "very politically correct." In September, Kazakhstan and Uzbekistan agreed to a gas pipeline that will feed into the Russian pipeline system, a move that stymied Western ambitions to create a gas route that would bypass Russia in the transport of Central Asian gas to Europe.



Kyrgyzstan

Population: 5,356,869 GDP per capita (PPP): \$2,000 Freedom House Status: Partly Free



Kyrgyzstan is an entirely mountainous, landlocked nation that is slightly geographically smaller than the state of South Dakota; it is located in Central Asia and bordered by China, Kazakhstan, Uzbekistan and Tajikistan. The nation is largely poor and its political environment has been unstable in recent years.

The US CIA has estimated that Kyrgyzstan's proven natural gas reserves amount to 5.4 billion cubic meters, but its annual production is only 2.8 million cubic meters. As a result it imports the vast majority of its oil and gas needs, which it does mostly from Uzbekistan. Tensions with this neighboring former Soviet nation have run high as a result of competition for land and housing in border regions and the fact that Kyrgyzstan frequently has difficulty making payments on its imported gas. In 2008, Uzbekistan raised gas export prices to Kyrgyzstan by 45%. In 2003, the Kyrgyz government signed an agreement with Russia's natural gas monopoly, Gazprom, to cooperate in prospecting for natural gas and developing Kyrgyz natural gas deposits. Some analysts predict that this will limit the extent to which Kyrgyzstan will be able to benefit from future natural gas production.

Like many of the other former Soviet republics, Kyrgyzstan has balanced its relations with the West and Russia. It was the first Commonwealth of Independent States (CIS) country to be accepted into the World Trade Organization, but has also maintained its trade relationship with Russia. Russia and US forces are stationed only 19 miles from each other. In 2001, after the terrorist attacks on the US, Kyrgyzstan agreed to allow the Americans the use of an airport in Bishkek as a base; in 2003, also in conjunction with the fight against terrorism, Russian rapid reaction forces were allowed to deploy at the Kant airbase. Latvia

Population: 2,245,423 GDP per capita (PPP): \$17,700 Freedom House Status: Free



Latvia is a small nation – slightly geographically larger than the US state of West Virginia – that borders the Baltic Sea and Russia. Latvia gained its independence in 1991. It had been absorbed by the Soviet Union in 1940, and subsequently underwent heavy industrialization. It is home to a significant Russian minority (30% of the population) as a result of this period.

The nation is entirely dependent upon natural gas imports and serves as an import transit point for conveying Russian oil and gas to the greater international community. It holds a long-term supply agreement with the Russian gas monopoly Gazprom, and the completion of the North European Gas Pipeline, which began construction in 2005, will increase the amount of gas flowing from Russia to Europe by way of the Baltic Sea.

Latvia has enjoyed good relations with the West. Yet, its status as an important transit point for oil and gas has prevented it relationship with Russia from deteriorating to a great degree. Following its independence, it quickly made the transition to a free market economy, joining the WTO in 1999, and by 2004, it had joined both NATO and the EU. Since Russia's conflict with Georgia, NATO has taken steps to ensure the protection of its Baltic members (Latvia, Estonia, and Lithuania), and in October of 2008, the chairman of the Joint Chiefs of Staff of NATO, Admiral Mullen, made a visit to the nations. NATO is considering increasing the number of military exercises with these nations, clarifying that the move should not be perceived as a provocative action, but as evidence of NATO's determination "to do everything we can to prevent and deter" attack by any potential aggressor.



Lithuania

Population: 3,565,205 GDP per capita (PPP): \$16,800 Freedom House Status: Free

Lithuania was the first of the Soviet republics to declare its independence, in March of 1990. It is a



small nation, about the geographic size of West Virginia,.

Like it's fellow Baltic states, Latvia and Estonia, Lithuania is an important transit point for oil and gas imports to Europe. It has had a less rocky relationship with Russia than have Latvia and Estonia (perhaps a byproduct of its smaller Russian minority population), and as a consequence, it is the Baltic state that conducts the most trade with Russia. It boasts the only refinery in the Baltic region, which is the nation's largest revenue generator, and its port of Butinge, though significantly smaller in terms of capacity, exports more crude oil than the larger Latvian port of Ventspils.

Lithuania enjoys good relations with the West and is a member of NATO, the EU, and the WTO. Its trade is increasingly oriented toward the West. Russia is particularly concerned with Lithuania's increasingly close relationship with the West and its involvement in NATO as the nation borders the Russian enclave of Kaliningrad. In the summer of 2008, after negotiations with Poland stalled, the US began discussions about locating interceptors for its planned missile defense shield in Lithuania. In October, following Russia's conflict with Georgia, NATO officials visited Lithuania to reassure the nation and its Baltic counterparts that it would receive adequate NATO protection. Lithuania's chief of defense has said that one of his nation's primary motives for joining NATO was the organization's commitment to collective defense. In another sign that Lithuania's relationship with Russia may be cooling, in July, hackers attacked about 300 Web sites in Lithuania, defacing them with Soviet symbols and anti-Lithuanian slogans after the Lithuanian government outlawed the display of Soviet symbols.

Moldova

Population: 4,324,450 GDP per capita (PPP): \$2,300

Freedom House Status: Partly Free

Moldova, a nation slightly geographically larger than Maryland, is one of the poorest nations in Europe. It is wedged between Ukraine and Romania, and about twothirds of Moldovans are



of Romanian decent. Russian troops still occupy parts of Moldovan territory in support of a region located along its border with Ukraine. The region, which has a Slavic majority made up of mostly Ukrainians and Russians, has proclaimed its independence as the republic of Transnistria, though it is not recognized by the international community. In a 2006 referendum, the region expressed support for its plan to join Russia.

Moldova imports almost all of its energy and is highly dependent upon Russia for these supplies. In response to pricing disputes at the close of 2005, a Russian-owned electrical station in Transnistria disconnected Moldova's power and Gazprom, Russia's natural gas monopoly, cut off its supply of natural gas. Moldova hopes to become more fully integrated into the EU and has been granted EU trade preference. In 2007, it became the center of a dispute regarding the Treaty on Conventional Forces between the US and Russia when Prime Minister Putin announced Russia was refusing its obligations under the treaty. The main point of contention was the presence of Russian troops in Transnistria and the Georgian regions of Abkhazia and South Ossetia.



Tajikistan

Population: 7,211,884 GDP per capita (PPP): \$1,600 Freedom House Status: Not Free

Tajikistan is a

mountainous nation in Central Asia, slightly geographically smaller than Wisconsin, and shares borders with China, Afghanistan, Uzbekistan and Kyrgyzstan. The country is one of the poorest of the former Soviet republics; after gaining its independence in 1991, it suffered through a violent civil war between a Moscow-backed government and an Islamist-led opposition. Up to 50,000 people were killed and over one-tenth of the population fled the country before a 1997 UN-brokered peace agreement was reached. As a result of the war, the nation's already limited infrastructure was further damaged and the nation's population is disproportionately young, with almost half under the age of fourteen.

Since the war in Afghanistan began, the nation has received increasing attention from international powers of China, the US, and Russia. It has been accused of tolerating the presence of Islamist rebel training camps and relies heavily on Russia for both security and economic assistance. Until mid-2005, Russian forces guarded sections of the border with Afghanistan and in 2004, Russia formally opened a military base in Dushanbe. The opening of this base has been interpreted as a sign of Russian resistance against increasing US influence in Central Asia. In addition to this, Russia wrote off \$250 million of Tajikistan's \$300 million debt in 2002. The nation is also receiving assistance with the development of its infrastructure from both the Chinese and American governments. In 2007, a \$36 million, US funded bridged connecting Tajikistan with Afghanistan was completed. This will allow Tajikistani goods to reach ports in Pakistan and Iran, which are twice as close as the Baltic Sea ports to which those goods are currently transported by land. Tajikistan is also currently transitioning to a free market economy and is in the early stages of pursuing WTO membership; it is also a member of NATO's Partnership for Peace.

The price of Tajikistan's imported Uzbekstani natural gas was raised by 45 percent in 2008.

Turkmenistan

Population: 5,179,571 GDP per capita (PPP): \$5,300 Freedom House Status: Not Free

Turkmenistan is a



resource rich nation located in Central Asia and is slightly geographically larger than the US state of California. It has the smallest population of the five former Soviet republics in Central Asia. Until December of 2006, the nation was ruled by what Western human rights organizations have described as one of the most repressive governments in the world: the autocratic leader Saparmurat Niyazov, who named himself Turkmenbashi - or father of all Turkmens. Niyazov ruled Turkmenistan from the time of its independence from the Soviet Union in 1991 and had largely isolationist and opaque policies. Under his rule, Turkmenistan's economic statistics were state secrets. Though under new leadership that seems to be slightly more open, much is still unclear to the outside world about Turkmenistan's policies and economy, and GDP figures are thought to contain a wide margin of error.

Turkmenistan has huge oil and natural gas reserves, though these remained largely untapped for a variety of reasons. According to Oil and Gas Journal, it has proven oil reserves of 600 million barrels, probable reserves of two billion barrels and possible reserves of six billion barrels. Its natural gas reserves rank in the top twelve in the world. Despite this, it only produces about 60 billion cubic meters of natural gas each year, with about two-thirds of its exports going to Russia's Gazprom; it only exports 40% of the oil it produces.

Russia currently holds a monopoly on pipelines to take oil and gas out of Turkmenistan and finding alternative routes is a key goal of Turkmenistan. Since the rise to power of President Berdymukhammedov, Turkmenistan has reestablished relationships with Russia, China, Europe, the US, and other Central Asian neighbors. It has signed an agreement to build a gas line to China and has expressed a desire to build a pipeline under the Caspian Sea to bypass Russia. A further obstacle to Turkmenistan's oil and gas production is the fact that large oil and gas deposits lie



under the Caspian Sea in areas that are disputed by Iran, Azerbaijan, and Turkmenistan.

Ukraine

Population: 45,994,288 GDP per capita (PPP): \$7,000 Freedom House Status: Free



Ukraine, a country slightly geographically smaller than Texas, holds a key geostrategic location, linking Europe to Asia. It was one of the Soviet Union's most important economic republics and remains an important trade link between the nations of the former Soviet Union and Europe.

Ukraine is the sixth-largest consumer of gas in the world and is highly reliant upon gas and oil imports - it depends on imports to meet about three quarters of its oil and gas needs. In 2005, 75% of its natural gas imports came from Russia. The potential danger of this dependence was highlighted in late 2006, when Russian natural gas monopoly Gazprom temporarily cut off Ukraine's gas supply after a price dispute. The effects were felt in Europe, which experienced losses in pressure to its pipelines, as a large portion of Russian gas imported to Europe flows through Ukraine. In recent years, Turkmenistan has become Ukraine's largest supplier of natural gas, but Ukraine's dependence and lack of diversification is still a concern for many. Another source of anxiety is Ukraine's natural gas infrastructure, which affects both European consumers and Russian producers. A lack of funds has prevented need repairs from being made.

In 2004, the Orange Revolution ushered in new, reformist leadership that has pursued closer ties to the West. President Viktor Yushchenko has announced his hopes for joining both the EU and NATO; talks are to be reinitiated in December on its NATO membership and 2015 has been put forth as a possible date for Ukraine's entry into the EU. This has been a concern of Russia, which is strongly opposed to Ukraine's NATO membership. After Russia's recent confrontation with Georgia, NATO members are divided as to whether to continue with membership talks. The US is supportive, but some European leaders worry that membership could lead to a NATO-Russia confrontation. The opposition party in Ukraine is pro-Russian. Russia's Black Sea Fleet is based in Crimea, which is an autonomous republic that has strong Russian ties. Some worry that Russia may try to revive claims to the region.

Uzbekistan

Population: 27,345,026 GDP per capita (PPP): \$2,400 Freedom House Status: Not free



Uzbekistan is one of only two doubly landlocked countries in the world. It is the most populous nation in Central Asia and is slightly geographically larger than California. In recent years, aid and loans have been cut as a result of human rights violations, and a UN report described the use of torture as "systematic."

Uzbekistan has large natural gas reserves and oil levels similar to those of Turkmenistan, but produces significantly less as a result of lack of investment in new reserves and few export options. Though it has traditionally focused on supplying its domestic energy needs and those of its neighbors, in September, it signed an agreement with Russia to supply Russia with natural gas at market prices. This is a likely indication that the West will not soon gain access to these reserves.

Upon the 2001 terrorist attacks on the US, American aid to Uzbekistan increased after Uzbekistan allowed the US to set up a base within its border, providing US forces with access to Afghanistan. Despite this warming of relations, a 2005 Uzbek attack on protesters that was estimated to have left approximately 750 people dead led to rising tensions between the two nations. After the US threatened to withhold aid to Uzbekistan, US forces were denied the use of their base. Recently relations have improved slightly and the Uzbeks have allowed Americans limited access to a German base and have offered to let NATO use its railway to transport goods to Afghanistan. Uzbekistan's relations with Russia have been good; Uzbek President Karimov has described Russia as Uzbekistan's "most reliable partner and ally," and the countries signed an agreement outlining closer military cooperation in 2005.

*Maps courtesy of CIA World Factbook



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Visual Sources

TIME

Portraits of Russia

This slideshow, commemorating the 15th anniversary of the fall of communism, includes photos and accompanying interviews with a wide variety of Russians, as they talk about contemporary Russia. http://www.time.com/time/ photoessays/2006/portraits_of_russia/

Person of the Year 2007: Vladimir Putin

In 2007, TIME chose Putin as its Person of the Year. The accompanying website contains photoessays, videos, and an interview with Putin. http://www.time.com/time/specials/2007/personoftheyear

Human Rights Watch

Conflict in Georgia

Photos covering the conflict in Georgia and its effects. http://www.hrw.org/photos/2008/georgia_galleries/

Russia: Rehabilitation Required

Exploring drug treatment clinics in Russia. http://hrw.org/photos/2007/russia1107/

Russia: An Independent Voice Was Silenced

The photos of murdered journalist Anna Politkovskaia, which largely cover the conflict in Chechnya. http://www. hrw.org/photos/2007/russia1007/slideshow.htm

Attack on Gay Pride in Russia

Photos covering an attack on peaceful gay pride activists in Moscow in 2006. http://www.hrw.org/photos/2006/ russia0606/

The Andijan Massacre: One Year Later, Still No Justice Photo essay and accompanying multimedia covering the

2005 Uzbek government attack on peaceful protesters in Andijan, Uzbekistan. http://hrw.org/campaigns/andijan/

New York Times

Russian Bombardment in Georgia

This slideshow contains images of the conflict in Georgia, centering on attacks on the city of Gori. http://www.nytimes. com/ (Path: Search title)

A Quest for Energy in Darkest Siberia

This slideshow illustrates the work of Gazprom, the world's largest natural gas provider, and its quest to retrieve natural gas from inhospitable Siberia. http://www.nytimes.com/ (Path: Search title)

The Long Arm of the Kremlin

This photo essay conveys the Putin's influence on Nizhny Novgorod, an industrial city 250 miles from Moscow that became a center of liberalism after the fall of the Soviet Union. http://www.nytimes.com/ (Path: Search title)



National Geographic

Road-Tripping Russia: 6,000 Miles of Small Cars, Bad Roads, and Big Money

This photo essay takes you on a 6,000-mile road trip across the newly opened Trans-Siberian highway. http://adventure. nationalgeographic.com/2008/06/trans-siberian-highway/ aaron-huey-photography

Authentic St. Petersburg

This photo gallery provides a snapshot of life in St. Petersburg. http://photography.nationalgeographic.com/ photography/photogalleries/travel/

PBS

Wide Angle: Russian Newspaper Murders

This photo essay investigates corruption and economic decline in the Russia of 2004. http://www.pbs.org/wnet/wideangle/shows/russia/photo.html



Key Foundation Documents

Levada Analytical Center: The Levada Analytical Center is a non-governmental organization that carries out public opinion and market research in Russia. http://www.levada. ru/eng/

Russia Votes: This website combines resources from the Levada Center and the Centre for the Study of Public Policy at the University of Aberdeen to present monthly survey results. http://www.russiavotes.org/ Path: National Issues; Politics

Russia Beyond the Headlines: Russia Beyond the Headlines is a project of the Russia Gazette and provides comments, analysis, and information on trends in Russia, from a Russian perspective. http://rbth.ru/about.html

Four Common Spaces: The Four Common Spaces encompasses an agreement between the EU and Russia to cooperate on four core issues: economics; freedom, security and justice; external security; and research, education and culture. http://www.delrus.ec.europa.eu/. Path: EU and Rrussia; Key Documents and Agreements.

Fact Sheet: US-Russia Strategic Framework Declaration: This fact sheet outlines the key elements to the framework for strategic cooperation that was agreed to by Russia and the US in April 2008, in Sochi. http://www.whitehouse.gov/ Path: News by Date; April 2008

Speech: Dmitry Medvedev: This speech by Medvedev was given at the World Policy Conference in France, October 2008. Medvedev discusses the economic crisis, the situation in the Caucasus, and a proposed conference on security.

http://www.kremlin.ru/eng/ Path: Search "Speech at World Policy Conference"

Speech: Condoleezza Rice on Georgia: This document contains the text of a speech given by US Secretary of State Rice at NATO headquarters in Brussels, following a meeting of NATO foreign ministers on August 19, 2008. http://www. cfr.org/ Path: Search "Rice's Speech After NATO Meeting Regarding Georgia"

Interview: Dmitry Medvedev: Medvedev discusses Russia's foreign policy stance in the wake of Russia's recognition of Abkhazia and South Ossetia. http://www.russiatoday.com/news/news/29786

Interview: Sergey Lavrov: Sergey Lavrov, the Russian Minister of Foreign Affairs discusses Russia's relations with the West in regard to the situation in the Caucasus. http:// www.cfr.org/ Path: Search "A Conversation With Sergey Lavrov"

Putin Says US Is Undermining Global Stability: This February 2007 article from the New York Times discusses President Putin's assertion that the US is provoking a new nuclear arms race through various actions. http://www. nytimes.com/ Path: Search "Putin Says US Is Undermining Global Stability"

Putin Is Said to Compare US Policies to Third Reich: In this May 2007 New York Times article, Andrew Kramer analyzes a speech given by Vladimir Putin, in which Putin appeared to compare US policies with the Third Reich of



Nazi Germany. http://www.nytimes.com/ Path: Search "Putin Is Said to Compare US Policies to Third Reich"

Putin's Speech in Munich – What Was That?: Vadim Volovoi of Geopolitika analyzes Putin's February 2007 speech that provoked talk of a second Cold War. http://www.geopolitika.lt/?artc=44



WORLD SAVVY











Classroom Companion



Classroom Companion

This companion document to the Issue in Focus provides educators with guidance to incorporate the content into classroom teaching. This component is geared towards grade 6-12 teachers, with connections across subjects and disciplines.

Contents of this Classroom Companion include:

- Student Readings
- Discussion Questions
- Lesson Ideas/Curriculum
- Additional Resources
- National Standards

Student Readings:

Below are some links to articles and reports at various reading levels that would be appropriate to use with students to learn more about some of the major issues in contemporary Russia and relating to Russia's relationships with other global powers.

Advanced:

"Country Profile: Russia," *BBC News* http://us.oneworld.net/article/357172-global-povertyfigures-revised-upward

Intermediate:

"Putin Reasserts Russia's Global Power," VOA News http://www.voanews.com/english/archive/2008-03/PutinConsolidated-Political-and-Economical-Power-in-Kremlin. cfm

Beginner:

"Eye on Russia: Russian Resurgence," *CNN News* http://edition.cnn.com/2007/WORLD/europe/06/18/ chance.intro/

Background:

National Geographic: http://travel.nationalgeographic.com/places/countries/ country_russia.html

Video and background information on 2008 Russian elections:

http://www.pbs.org/frontlineworld/stories/russia703/

Possible Discussion Questions:

- 1. Who is the President of Russia today? Who is the Prime Minister of Russia, and what previous offices did he hold?
- 2. What is the connection between Russia and the former Soviet Union?
- 3. When did Communism end in Russia? What happened to the country after that?
- 4. Describe Russia's economy today. What are the main industries in Russia?
- 5. What is Russia's relationship to the former Soviet republics? What conflict just occurred in August



2008, and what has been the result of this conflict so far?

6. What is the current relationship between the United States and Russia? What foreign policy stance do you think the United States should adopt toward Russia? What advice would you give to President-Elect Barack Obama concerning US foreign policy to Russia?

Lesson Ideas and Curriculum:

This portion of the guide contains selected suggestions for engaging activities and curriculum to teach students about this issue - across the disciplines. In addition, there are links to recommended curriculum units that are available to download or purchase from the web.

Social Studies/History:

This edition of the World Savvy Monitor focuses on Russia in the world today. This is a rich topic for modern world history classes, as Russia has played a large role in modern world history. Using the annotated timeline in this issue of the World Savvy Monitor as a guideline, have students create a timeline of events in Russia and the Soviet Union, juxtaposed with other major world events throughout the 20th century to present day.

Discuss the importance of geography to Russia's role in the world today. Draw a thematic map of Russia, marking the natural resources in Russia, as well as major physical geography in Russia. What impact have Russia's natural resources had on its economic resurgence over the last ten years? What impact do these natural resources have on Russia's foreign policy? How does Russia's geography (large portions of uninhabitable land, little access to key seaports, etc.) affect the economy and their foreign policy?

National borders are an important aspect of world history and international relations today, and Russia is an excellent example of the subjectivity and fluidity of borders. The Soviet Union was made up of a vast number of administrative districts and when the Soviet Union broke up, many of these administrative districts suddenly became the national borders of new republics. These borders split up ethnic groups and traditional cultural groups, creating division and tension throughout the region, as can be seen in the brief war between Georgia and Russia in August 2008.

Discuss these issues with students, comparing maps of the region before the Russian Revolution, during the Cold War, and today.

While studying the Soviet Union and the Cold War in modern world history classes, make the connection to contemporary Russia. How did Cold War events help to shape Russia and its place in the world today? Some news media and scholars have suggested that we are entering a new Cold War era with Russia today. Have students debate this issue, focusing on appropriate foreign policy actions and policies.

Exploring Russia's government is a good comparative case study for U.S. government classes. How does the structure of their government differ from that of the United States; how are their elections run and new leaders elected; how is power divided; and what is the role of the people and civil society in the government? Have students compare and contrast these and other major elements of the two systems.

In government classes, examine the democratic structures of the Russian government. How democratic is the new Russia? Have students investigate democratic issues in Russia such as the free press, civil society and rule of law. Have students work in groups to discuss and rank each of these areas of Russian democracy, on a spectrum ranging from truly democratic to not free/undemocratic; then have students share rankings and reasoning with the class. See the August 2008 issue of the *World Savvy Monitor* – "Democracy Around the World in 2008" – for more information on these elements of democracy and a sample ranking system from Freedom House.

English/Language Arts:

Creative writing – have students step into someone else's shoes and think about what it would be like to live in Russia today by writing a diary or journal entry from that point of view. Alternatively, students can conduct a mock interview with a major leader or figure in contemporary Russia, creating questions about their role in Russia's recent history and their goals for the country.

During the 2008 presidential campaign in the United States, one of the foreign policy issues raised with the two presidential candidates was how the US should deal with Russia. Now that Barack Obama will be the next president of the US, have students write a letter to the president-elect



with their recommendations for what kind of relationship the US and Russia should have.

Analyze famous speeches recently made by world leaders concerning Russia's role in the world. A good example would be Putin's speech in Munich in February 2007, where he was very critical of the United States. Evaluate the credibility of his speech and his evidence, and any rhetorical devices used in the speech. What is the purpose of his speech, and responses to it? To read the full text of his speech, see: http://www.securityconference.de/konferenzen/ rede.php?sprache=en&id=179.

Russia has produced a number of significant novelists, and some of their novels are commonly taught in American high schools. Read or reread one of these classic novels in your class, and include in your literary analysis discussion of Russian culture and life presented in these novels. Have students read the section of this issue on "The Russian People" and have them research more about life in Russia today to compare to what they learned from these classic novels.

Science:

Use Russia as a case study to teach about natural resources, and how features on the earth are shaped in an earth science class. Teach students about the vast natural resources Russia possesses – natural gas, petroleum, minerals, and timber – including which of these are renewable or non-renewable. Teach about the dynamic processes that shaped the major physical features that make up the vast land of Russia. As an extension of this scientific case study, have students discuss how these natural resources and physical features impact the economy and politics in Russia, and Russia's neighbors and trading partners.

The AIDS epidemic is impacting Russia severely. After learning about the biological aspects of HIV/AIDS – the role of the immune system, antibodies, etc. - and how the disease is spread in a biology or health class, have students look at the impact of AIDS on Russia. Why is it spreading so rapidly there? How is it impacting the society, and what is being done to treat and prevent the disease? See this special from PBS for some background and video clips to use with students. http://www.pbs.org/wgbh/pages/frontline/aids/ countries/ru.html

Mathematics:

Use information from the readings to review mathematical concepts. For example, in the Did You Know? Section, use the statistics on Russia's vast size – 7 million square miles. Have students calculate how many times the US or other countries would fit inside Russia's borders. Yet of all this land, only 7% of it is arable – calculate the actual amount of the 7 million square miles that is usable, and again compare to another country. Use these and more statistics and comparisons to help guide student discussion of how this impacts Russia's economy and role in the world today.

Russia's economy has grown tremendously over the last 10 years. Have students research this growth and create a chart comparing the economies of Russia and other major global powers. Go to the section of the *Economist* website with country profiles, select a country and look up the factsheet for that country to compare economic data: http://www. economist.com/Countries/ Also, students might be particularly interested in the fact that Moscow is one of the most expensive cities to live in the world and is home to the most billionaires. Check this PBS website for an interesting profile of some of Moscow's billionaires: http://www.pbs. org/frontlineworld/stories/moscow/thestory.html.

Russia is in the midst of a demographic crisis. Population in Russia is actually decreasing, due to declining fertility, rising morbidity and mortality rates, and rising emigration. Go to the website of the Population Reference Bureau to look up these and other statistics related to Russia's population, and have students use these to make charts, graphs, and statistical analyses. http://www.prb.org/ Path: Browse by Region or Country; Russia.

Recommended Curriculum Units:

Russia's Transformation: Challenges for U.S. Policy

The disintegration of the Soviet Union in 1991 marked the end of an era for U.S. foreign policy. With the Soviet threat gone, U.S. foreign policy lost its primary focus. Many Americans turned away from issues overseas and put their former enemy out of their minds. Yet, the former Soviet Union still casts an enormous shadow, and this curriculum draws students into the debate on U.S. policy towards Russia. This 5-day unit includes background readings,



lessons, and a simulation where students analyze and debate U.S. policy options. www.choices.edu

The Democratic Process: Progress and Challenges

This curriculum highlights the ongoing democratization process in Russia, Eastern Europe and Central Asia. The challenge of the transition from an autocratic society to a more open and democratic one is reflected not only in the hierarchy of government, but also in the way people respond to public policies and actions, their participation in nongovernmental organizations, and their active role in the political process and electoral system. The entire curriculum can be downloaded from the website below and includes maps, essays on democracy, authoritarian politics, postcommunism, corruption, independence, ethnic identity, and citizenship. http://www.globaled.org/DemProcess.pdf

Russia's Conversion From Communism to Capitalism

Examine the real-world struggles of converting from a command to market economy in Russia. Consider the pros and cons of both economies and what economic characteristics have contributed to the large gap between the rich and poor in this country.

http://www.pbs.org/frontlineworld/educators/economics_ russia.html

Where East Meets West: An Introduction to the Caucasus and the BTC Pipeline

The activities in this unit are intended to introduce students to the geopolitical issues that surround a highly debated infrastructure project: the construction of the Baku-Tbilisi-Ceyhan (BTC) pipeline in Central Asia.

http://www.utexas.edu/cola/centers/creees/outreach/ curriculum/

Internationalizing the High School English Curriculum

This teacher-created unit, which can be downloaded from the website below, focuses on extending a traditional study of Romeo and Juliet to exploring ethnic identity, racism, and prejudice, utilizing Russian and Easter European literature along with Romeo and Juliet.

http://www.international.ucla.edu/euro/article. asp?parentid=23606



Books and Readings

Current History

The October 2008 of this journal focuses on Russia and Eurasia, and contains several great essays and reports on contemporary Russia. Several of the articles focus on the recent Georgia-Russia conflict, as well as the new political reality in Russia, and the role of energy wealth in the modern Russia. http://www.currenthistory.com/

Russia - Lost in Transition: The Yeltsin and Putin Legacies by Lilia Shevtsova

Written in 2007 before the spring 2008 presidential elections in which Medvedev, Putin's handpicked successor became president, Lilia Shevtsova searches the histories of the Yeltsin and Putin regimes, exploring within them conventional truths and myths about Russia, paradoxes of Russian political development, and Russia's role in the world.

Getting Russia Right by Dimitri Trenin

Dmitri Trenin sheds new light on our understanding of contemporary Russia, providing Western audiences with an insider's explanation of how the country has arrived at its current position and how the United States and Europe can deal with it more productively. Trenin looks beyond Russia's famous leaders to the economic and cultural spaces outside the Kremlin where promising changes are taking place.

Additional Resources:

The New Cold War: Putin's Russia and the Threat to the West by Edward Lucas

When Putin became Prime Minister, Russia was a budding democracy. As Putin transitions to the role of prime minister in 2008, the country is under a repressive regime, with widespread human rights abuses and a Kremlin openly hostile to the West. Yet the US and Europe have been slow to confront the new reality, in effect, helping Russia win what experts are now calling the New Cold War.

Films

Extreme Oil

This 2004 documentary from PBS focuses on the world's quest for oil, and the extreme measures we will take to find new oil. The film features 3 episodes, focusing on the construction of the vast BTC pipeline in the Caucusus, the problems oil has brought to Africa and Ecuador, and the controversy over oil development in Alaska. There is an accompanying website with online resources and 2 lessons for teachers, for science and history. http://www.pbs.org/wnet/extremeoil/

Frontline World: Russia – Putin's Plan

This 2008 report from the popular PBS program, Frontline World, follows Russia's democratic opposition as it attempts to campaign against Putin, the most popular leader in the country's modern history. http://www.pbs.org/ frontlineworld/stories/russia703/



Frontline World

A number of other reports on modern Russia are available to watch on the Frontline website, including stories about Russia's battle with NGOs, repression of the press, the new billionaires of Moscow, oil exploration in Russia, and more. http://www.pbs.org/frontlineworld/stories/russia703/ history/dispatch.html

Families of the World - Russia

This video is part of a larger series great for elementary students to introduce them to countries and cultures of the world by seeing the lives of children from those countries.

Websites and Multimedia

TIME: Portraits of Russia

This slideshow, commemorating the 15th anniversary of the fall of communism, includes photos and accompanying interviews with a wide variety of Russians, as they talk about contemporary Russia. http://www.time.com/time/photoessays/2006/portraits_of_russia/

TIME Person of the Year 2007: Vladimir Putin

In 2007, *TIME* chose Putin as its Person of the Year. The accompanying website contains photoessays, videos, and an interview with Putin. http://www.time.com/time/specials/2007/personoftheyear

Road-Tripping Russia: 6,000 Miles of Small Cars, Bad Roads, and Big Money

This photo essay from *National Geographic* takes you on a 6,000-mile road trip across the newly opened Trans-Siberian highway. http://adventure.nationalgeographic. com/2008/06/trans-siberian-highway/aaron-hueyphotography

Peace Corps WorldWise Schools - Introduction to Russian Language

This educational resource from the Peace Corps has a number of multimedia resources for introducing students to the Russian language and learning some basic phrases and vocabulary.

http://www.peacecorps.gov/wws/multimedia/language/_



Standards:

Activities described in this Classroom Companion correspond to the following national standards from McREL (Mid-Continent Research for Education and Learning).

Social Studies

World History Standards:

Era 9: The 20th Century Since 1945: Promises and Paradoxes

- Understands how post-World War II reconstruction occurred, new international power relations took shape, and colonial empires broke up
- Understands the search for community, stability, and peace in an interdependent world
- · Understands major global trends since World War II

World History Topics:

- · Cooperation and conflict
- · Economic changes of the post-WWII Era
- Global power and influence
- International diplomacy and relations
- Tension and conflict in the contemporary world

Historical Understanding:

- Understand and know how to analyze chronological relationships and patterns
- Understands the historical perspective

Civics Standards

What is Government and What Should it Do?

• Understands the major characteristics of systems of shared powers and of parliamentary systems

What is the Relationship of the United States to Other nations and to World Affairs?

- Understands how the world is organized politically into nation-states, how nation-states interact with one another, and issues surrounding U.S. foreign policy
- Understands the impact of significant political and nonpolitical developments on the United States and other nations

Civics Topics:

- Impact of world economic, technological, and cultural developments
- Impact of world political, demographic, and environmental trends
- · International diplomacy and relations

Geography

- 2. Knows the location of places, geographic features, and patterns of the environment
- 4. Understands the physical and human characteristics of place



- 6. Understands that culture and experience influence people's perceptions of places and regions
- 13. Understands the forces of cooperation and conflict that shape the divisions of Earth's surface

English/Language Arts

Writing:

- Uses the general skills and strategies of the writing process
- Gathers and uses information for research purposes

Reading:

- Uses the general skills and strategies of the reading process
- Uses reading skills and strategies to understand and interpret a variety of informational texts

Science

Earth Sciences:

· Understands Earth's composition and structure

Topics:

- Environmental Issues
- · Populations and Ecosystems
- Science, Technology, and Society

Mathematics

- 3. Uses basic and advanced procedures while performing the processes of computation
- 6. Understands and applies basic and advanced concepts of statistics and data analysis
- 9. Understands the general nature and uses of mathematics

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World Savvy Salon Guide



World Savvy Salon Guide

Why Host a World Savvy Salon?

In a world where media tends to focus more on celebrities than on pressing global issues, it is challenging to find reliable sources of quality international news coverage and opportunities to discuss the meaning and impact of global events and trends.

This is ironic, given that we are at a time in which our lives are inexorably connected to the lives of people around the world in ways previously unimaginable. Even so, American mainstream media coverage of international affairs has declined. The result is a public which lacks the capacity to meaningfully discuss world affairs around the dinner table and, by extension, around the negotiating table in halls of power as global problem solvers.

The World Savvy Salon is a forum for individuals to convene and discuss these pressing issues. Salons are Book Clubs for the 21st Century. World Savvy's Monitor provides you with the content, context and tools to organize a Salon in your school or community. By focusing on one global issue or region each month, the Monitor and Salons are designed for participants to:

- · Inform themselves about critical world affairs
- Gather with a group of curious global citizens to discuss the issues, challenges and solutions on the world stage and in your own backyard.
- Host a dinner party with a purpose: to educate, to inspire, to promote global citizenship.

Salon participants bring diverse perspectives and backgrounds– from history, science, technology, psychology, law, finance, art, education, politics, community action, and parenting – to bear on each conversation. All sides of important global issues can be dissected; films and books are recommended; and future collaborations devised, from work and travel to philanthropy and activism. Salons can spark brainstorming and debate over how to talk to others and our children about the world.

Getting Started

Be part of a new movement: the book club, reinvented. Start a World Savvy Salon today using the World Savvy Monitor:

- Each member of your Salon subscribes online to the World Savvy Monitor. Individual subscriptions are \$75/year. We encourage you to register your Salon with World Savvy so we can provide support and follow progress this year.
- Members receive and read the monthly edition (available monthly from August-November and January-May) and convene for a World Savvy Salon to discuss the latest Monitor issue.
- Use the World Savvy Monitor website for Salon Guides with discussion questions to spark conversation.
- Invite speakers with expertise in various areas relevant to Monitor topics to present to the group
 - these could be experts, photographers, activists, or just people who have traveled worldwide or are



particularly passionate or well-informed about world affairs.

- Engage in community education, advocacy, volunteerism, activism, and/or philanthropy around the issues raised.
- Find ways to bring your children into the discussion and engage their peers.
- Communicate with your schools and workplaces about how global citizenship can be nurtured and expressed in these settings.

Why the World Savvy Monitor and Salons?

Consider The Following Statistics:

From the 2006 National Geographic Society Geographic Literacy Study Among Americans, Age 18-24

- 6 in 10 could not find Iraq or Saudi Arabia on a map of the Middle East. 9 in 10 could not find Afghanistan. 75% could not find Iran or Israel.
- 75% did not know that Indonesia is a predominantly Muslim country; and half thought India is predominantly Muslim (suggesting maybe they are mixing up the two?)
- · Over half could not put Sudan or Rwanda in Africa.
- Only half knew the Alps are in Europe; just over half knew the Amazon Rain Forest is in South America.
 20% could not find the Pacific Ocean and 65% could not find Great Britain.
- They generally had no idea of how the US and China compare: 75% thought English is the most spoken native language in the world (when it is Mandarin); 71% named China, not the US, as the largest exporter of goods and services; and most thought China's population is only double that of the US (when it is actually quadruple).
- Only 25% thought it was important to know where countries in the news are located; only 60% thought knowledge of a foreign language was important.

http://www.nationalgeographic.com/roper2006/findings. html

From 2007, 2008 Pew Research People and the Press Among Americans, Age 18-65 (Note: these were multiple choice questions!)

- Only 69% could name the Vice President of the US (down from 74% in 1989).
- Only 36% could name the President of Russia.
- Only 32% could come up with Sunni as the rival Muslim sect of Shia.
- Only 50% could match Hugo Chavez with Venezuela.
- Only 46% knew it was Kosovo that recently declared independence from Serbia.
- Only 28% could estimate the number of US troops killed in Iraq by the fifth anniversary of the invasion in March 2008 when given the choices 2000, 3000, 4000, and 5000 (it is 4000).

http://people-press.org/reports/display.php3?ReportID=319



Russia on the World Stage

1. What are the differences between the capitalism that is practiced in Russia and in the West today, and in the United States, in particular? How do you think the current economic crisis will affect Russia and the West differently?

2. Assess the status of the former Soviet republics – their forms of government, their relationship with the West and with Russia. Do you foresee future crises like that which occurred in the Caucasus in August 2008?

3. Discuss the geopolitical intrigue that surrounds the routing of oil and natural gas in Eurasia, and specifically how these resources are currently transported to Europe. What alternate routes exist or are being proposed? How does this issue impact Russia's relationship with its neighbors in the former Soviet Union? What does it say about "geography as destiny?" Consider not only the abundance of natural energy resources, but also Russia's lack of other natural resources, namely good access to the sea.

4. Consider the coverage given to Russian affairs in the media and in the foreign policy community today, and compare it with a decade ago. In hindsight, can it be said that the West took its eye off Russia at a critical time? Was the threat associated with China perhaps misplaced? Should more attention have been paid as Russia evolved back to a largely authoritarian state? What, if anything, could (or should) the West have done to impact Russia's transformation?

5. Is Russia acting provocatively, even aggressively, toward the West? Is the West provoking Russia? Consider diplomatic, economic, and military levers of influence.

6. Consider charges leveled at Barack Obama's campaign in the US Presidential election that the candidate was in favor of "socialist" or even "Communist" policies. How did these charges resonate with a generation that came of age after the end of the Cold War?

7. Given that the West now faces a resurgent and autocratic Russia, are we re-entering a new Cold War? Is there a way to integrate distinctly non-Western, and even anti-Western societies into critical global problem-solving institutions? What about Russia's overtures to nations such as Iran and Venezuela, avowedly anti-American states?

8. Do you believe we are entering a second Cold War? Why or why not? Do you foresee the potential for "hot" conflicts within this larger framework? Where?

9. Consider the issue of ethnic separatism as it pertains to Kosovo and to Georgia. Consider also ethnic enclaves of Tibet, as well as unofficial Pashtunistan in Afghanistan and Pakistan, and Kurdistan in Turkey and Iraq. What does the rise of ethnic nationalism mean for the international order based on multi-ethnic nation-states? Is the nation-state still valid as an organizing principle? Who should be allowed to secede? How should the international community respond? Consider the fact that the demarcation of borders following the collapse of the Soviet Union often mirrored how colonial



borders were often drawn in Africa and the Middle East a century earlier (sometimes nonsensically uniting and dividing ethnic groups and economic assets). Can borders be redrawn without conflict?

10. Evaluate the current relationship between the United States and Russia. What advice would you give to President-Elect Barack Obama concerning US foreign policy to Russia?



Books and Readings

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Additional Resources:

Petrostate: Putin, Power, and the New Russia by Marshall Goldman

Goldman is one of the pre-eminent voices on Russia today – as a scholar and advisor to US Presidents. This highly readable book dissects the Russian economy and demonstrates how Putin's regime uses economic power as a tool of geopolitical influence.

The New Cold War: Putin's Russia and the Threat to the West by Edward Lucas

When Putin became Prime Minister, Russia was a budding democracy. As Putin transitions to the role of prime minister in 2008, the country is under a repressive regime, with widespread human rights abuses and a Kremlin that is openly hostile to the West. Yet the US and Europe have been slow to confront the new reality, in effect, helping Russia win what some experts are now calling the New Cold War.

The Terminal Spy: A True Story About Espionage, Betrayal, and Murder by Alan S. Cowell

A riveting read by a New York Times journalist about the notorious murder of Russian dissident and ex-spy Alexander Litvinenko by radioactive poisoning. Cowell traces the crime back to its roots in post-Soviet Russia and provides a detailed account of the alarming dynamics between Putin's regime and the many influential Russian dissidents living throughout the world.



Films

Extreme Oil

This 2004 documentary from PBS focuses on the world's quest for oil, and the extreme measures we will take to find new oil. The film features 3 episodes, focusing on the construction of the vast BTC pipeline in the Caucusus, the problems oil has brought to Africa and Ecuador, and the controversy over oil development in Alaska. There is an accompanying website with online resources and 2 lessons for teachers, for science and history.

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Websites and Multimedia

The Moscow Center of the Carnegie Foundation for International Peace

This the website of the Carnegie Foundation's global research center, and includes transcripts of events, briefings by experts, and references to articles in the media. http://www.carnegie.ru/en/

TIME: Portraits of Russia

This slideshow, commemorating the 15th anniversary of the fall of communism, includes photos and accompanying interviews with a wide variety of Russians, as they talk about contemporary Russia. http://www.time.com/time/ photoessays/2006/portraits_of_russia/

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Update: Pakistan





Photo courtesy of US Department of Defense

The Financial Situation

In the context of the global financial crisis, Pakistan has been experiencing immense trade and budget deficits, capital flight, and rapidly dwindling foreign currency reserves. It is in danger of defaulting on loans to the international community that will be due in early 2009. The IMF has said that Pakistan will need \$US10 billion in order to make its loan payments and stabilize its economy. On October 28, German Foreign Minister Frank-Walter Steinmeier announced that Pakistan had just "a few days" to raise billions of dollars in foreign loans.

Pakistan's traditional backers – the US, China, and Saudi Arabia – have so far been unwilling to provide the nation and its fledgling government (President Asif Ali Zardari's administration took office in early September) with the needed cash assistance. Many analysts speculate that in addition to being embroiled in their own financial problems, the nations do not wish to spend money on a government they view as inefficient and unlikely to make needed reforms. After a visit to China, Pakistani officials received promises of business investment and help building two nuclear plants. The Saudis are also in negotiations to arrange deferments on payments for Pakistan's oil imports.

It seems increasingly likely that Pakistan will be forced to borrow from the International Monetary Fund (IMF). Most analysts agree that this would be a highly unpopular move with the Pakistani people, as the loan would require Pakistan to make reforms that could hurt the poor.

Update: Pakistan

Specifically, this would obligate the government to raise taxes and cut spending by eliminating government jobs and cutting government programs. As of October 28th, however, Pakistan denied any formal request for an IMF loan. An IMF spokesman subsequently announced that talks had taken place with Pakistan to allow the IMF to quickly grant a loan should it be formally requested.

Marriott Hotel Bombing

On November 20th, a truck bomb exploded at the entrance to the Marriott Hotel in Islamabad, Pakistan, killing at least 53 people and wounding 266. The bombing is thought to have been planned to coincide with President Zardari's first address to the Pakistani parliament earlier that day. The bomb exploded just a few hundred yards from the prime minister's house, where all the government leaders were dining. The Marriott Hotel is an important symbol to many Pakistanis. Abdullah Riar, a former aid to Benazir Bhutto, commented that, "It's like the twin towers of Pakistan. It's a symbolic place in the capital of the country, and now it has melted down."

The attack is thought to have been in retaliation for the launch of Pakistani army operations in Bajaur, a district in the Federally Administered Tribal Areas (FATA) that borders Afghanistan. Al Qaeda is assumed by most to be responsible for the attacks.

This attack exacerbated the financial situation in Pakistan, causing businesses to become even more nervous about

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remaining in the country. Following the attack, the international credit rating agency, Moody's, adjusted Pakistan's credit rating from 'stable' to 'negative.' British Airways, which provides the only direct flights between Europe and Pakistan, also announced that it was suspending all flights from London to Islamabad.

Conflict in the FATA

Since mid-September, fighting in the Federally Administered Tribal Areas of Pakistan has escalated. Tribal militias known as lashkars and the Pakistani army have joined American troops in an attempt to root out al Qaeda and Taliban militants in Pakistan's semi-autonomous tribally administered areas.

After a September 3rd ground raid into FATA by US commandos produced a great deal of public outcry from Pakistani officials, the US has changed tactics. The US is now focused on the use of remotely piloted Predator aircraft to bomb the area. From August to September 28th, there were 19 such attacks, as compared to five attacks in the first seven months of the year. The US has become increasingly concerned with these areas. Taliban and al Qaeda forces continue to use the region as a staging ground for carrying out attacks on American and NATO soldiers across the border in Afghanistan.

The Pakistani government has begun employing lashkars to combat the rise of the Taliban and al Qaeda in the tribal belt. The militias, which have partly emerged as the result of the desire of the tribal belt to run its own affairs, have received the support of the Pakistani military to a degree. The army does not want the lashkars to themselves become a threat. For example, while the military will provide supporting fire, they will not offer the militias heavy weaponry. As a result of this ambivalence, al Qaeda and Taliban forces have often easily overpowered the lashkars, who lack the funding, sophisticated weaponry and tactical knowledge of the Islamists.

There are signs that Pakistan is losing its appetite for militarily engagement. In October, closed sessions in Pakistani parliament were dominated by appeals to initiate dialogue with the Taliban, particularly by Nawaz Sharif's Pakistan Muslim League-N. Legislators made a distinction between the Taliban and al Qaeda, characterizing al Qaeda members as outsiders, and the Taliban as Pashtuns living in Pakistan. Lawmakers also criticized the war as an American war imposed on the Pakistani people, arguing that eliminating al Qaeda and the Taliban would benefit Americans more than Pakistanis. On October 28th, after meeting with Afghan leaders, the leader of the Pakistani delegation, Owais Ghani, announced that "influential people from both countries [Afghanistan and Pakistan]" would attempt to contact "all those who are involved in this conflict situation." The statements released by Afghanistan and Pakistan also noted that both sides would continue to deny terrorists sanctuary within their borders.

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Meet Our Sponsors



Meet Our Sponsors

World Savvy is most grateful to the following individuals and institutions that have provided critical support for the publication of the World Savvy Monitor.

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