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Report No. 34: Rethinking Russia: The Paradox of Paranoia

By Edward Lucas

Russia's strategic culture is profoundly paranoid and likely to remain so. As a result Russia behaves in ways that threaten or subvert other countries and obstruct Western diplomacy. The right response to this is not to appease Russia, but to contain it and to mitigate the effects of its actions.

In Fritz Ermarth's words, strategic culture is: "that body of broadly shared, powerfully influential, and especially enduring attitudes, perceptions, dispositions, and reflexes about national security in its broadest sense, both internal and external, that shape behavior and policy."[1] In the years immediately following the Soviet collapse, it was fashionable to believe that the Russian strategic culture either did not exist, or was developing along quite different lines from its Soviet ancestor.[2] Russia, on its own assertion and in many outside eyes, was a partner of the West, not an adversary, seeking a friendly post-imperial relationship with former Soviet republics, keen to adopt international norms and take part in multilateral rules-based processes.

That has now proved to be an illusion. Soviet strategic culture — characterized chiefly by militarization, paranoia and messianic goals — went into hibernation, but was neither uprooted nor replaced. Its reemergence in modified form in the mid-1990s was heralded by the rise of Yevgeny Primakov. He was the first director of the Russian Foreign Intelligence Service (SVR) — which was in effect the First Chief Directorate (foreign espionage service) of the KGB — and moved to the Foreign Ministry in 1996. On his watch the era of cooperation with the West gave way to a cautious, grudging and calculating approach. A catchphrase of that era was the "multi-polar world." It was based on the idea that the big threat to Russia was a "unipolar world" world: one run by America. In pursuit of multi-polarity Russia must seek to balance American influence through deals and alliances with other countries and blocks. As will be shown below, Russia's strategic culture is also revisionist: it objects to the *status quo*, believes that it was arrived at through deceit and unfair treatment, regards its rules as illegitimate, and seeks to change it.

The evolving strategic culture of the Kremlin has proved far less militaristic than in Soviet days. Russia is a military superpower only in the narrowest nuclear sense. It can use its warplanes and warships to provoke and to bluff. But it cannot project power over distance. It can attack small countries that it can drive to, so long as no big country is willing to defend them. Barring an outright collapse of NATO, Russia would lose any

[1] Fritz W. Ermarth, *Russia's Strategic Culture: Past, Present, And… In Transition?*, Prepared for: the Defense Threat Reduction Agency's Advanced Systems and Concepts Office. Available here: http://bit.ly/Uxgo62.

[2] See among others: Anatol Lieven, *The Baltic Revolution: Estonia, Latvia, Lithuania and the Path to Independence*, (Yale University Press, 1994).

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conceivable conventional war, with the possible exception of a renewed attack on Georgia.[3]

Russia's strategic culture is based on three elements. It has Soviet roots, though each is articulated in more modern terms. These elements do not reflect a temporary aberration under Vladimir Putin, although his rule has entrenched them. They predate him and are likely to survive him.

Russia's strategic culture is profoundly paranoid and likely to remain so.

The first and most important is a suspicion verging on **paranoia** about Western capabilities and intentions. This has deep roots. Nervousness about Russia's place in the world predates the Bolshevik revolution by centuries. James Sherr of Chatham House in London calls it:

> [A] tendency to resolve geopolitical indeterminacy—the multi-national demographic of the state and the absence of natural frontiers—by creating client states and widening defense perimeters; a cultivation of civilizational or ideological distinctiveness; and (at least from 1815 onwards) a political and economic structure that lagged behind that of European rivals, yet despite its increasing brittleness, was seen as indispensable to regime stability.

The Russian leadership now does not make the mistakes that made the Soviet Union so brittle. It barely constrains popular culture. It allows Russians almost unlimited foreign travel. It has presided over a boom in consumer spending. Scenting disunity and economic decline in the West, it regards Europe and America with more contempt and less fear than the Soviet leadership did in the 1980s.

Though Russia is less rigid and brittle than the Soviet Union, it is also smaller and weaker. Allies such as Tajikistan, Armenia and Belarus are a pale echo of the Warsaw Pact. Despite a recent lull caused by improved birth rates and lower mortality, Russia has far worse demographics than the Soviet Union: it is set to lose 10 million people from the workforce over the next 20 years.[4] It is dwarfed by the rise of China. It is threatened by the rise of potentially unstable majority-Muslim states to its south.

Russia's revisionist approach to political geography is shaped by history. Mr. Putin has asserted that the "choice of the Russian people has been confirmed again and again — not by plebiscites or referendums — but by blood." From this viewpoint the sacrifices of the past matter more than the choices of the present. Russia believes that the Soviet Union (which it counts as its predecessor) gained countries of "Eastern Europe" in 1945 as a reward for beating Hitler (or, startlingly, as part of the Molotov-Ribbentrop Pact).[5]

[3] This assumes that Turkey would not permit an attack on Azerbaijan, and that China would not permit an attack on Mongolia.

[4] Isabel Gorst, "Russia: Love is Not All You Need," *Financial Times*, August 2, 2012. Available here: http://on.ft.com/UEXKLc.

[5] In 2005, Mr. Putin, answering a question from an Estonian journalist about Russia's unwillingness to apologize for the Soviet occupation of the Baltic states, referred to it thus: "As I see it, in 1918, Russia and Germany did a deal…under which Russia handed over part of its territories to German control. This marked the beginning of Estonian statehood. In 1939, Russia and Germany did another deal, and Germany handed

Against that background, memories of the 1990s are particularly bitter. That decade is now seen as a time when the West deliberately weakened Russia while expanding its military alliance deep into the East, in defiance of assurances the Kremlin believes were given during talks over the unification of Germany. As Robert Kagan points out:

> Russia's complaint is not with this or that weapons system. It is the entire post-Cold War settlement of the 1990s that Russia resents and wants to revise.[6]

Strategic paranoia is particularly focused on foreign interference in the former Soviet Union. The "color revolutions" in Ukraine, Georgia and Kyrgyzstan exemplified this threat in the eyes of Kremlin decision-makers. They discounted any idea that the protesters were motivated by a genuine disgust at election-rigging, economic backwardness and corruption. They saw only the hands of foreign puppet-masters. The clear involvement of Western NGOs and governments in support of clean elections, anti-corruption campaigns and media freedom was not the result of altruism or idealism, but irrefutable evidence of "interference."

The notion of interference is blurred and reflects a paradox. Is Western behavior objectionable because it is interference in the sovereign affairs of other countries? Or is it interference in countries that properly belong in Russia's sphere of influence and therefore had constrained sovereignty? Russia believes in non-intervention for the rest of the world, but has its own doctrine of "responsibility to protect" where its "compatriots" and former satraps are concerned. The definition of "compatriot" is notoriously loose (it can mean anyone who speaks Russian as a mother tongue, anyone who has a Russian surname, or anyone who self-identifies as Russian). This blurred definition is handy for the Kremlin. Moreover, the fact that the historical weight of the "compatriots" might be a burden not a blessing for other people (Ukrainians for example) is beside the point.[7]

On August 31st 2008, at the end of the war with Georgia, the then-President Dmitri Medvedev outlined Russia's approach to its former empire. "There are regions in which Russia has privileged interests. These regions are home to countries with which we share special historical relations and are bound together as friends and good neighbors."[8] This is far more than wounded *amour-propre* or a lingering nostalgia for

these territories back to Russia. In 1939, they were absorbed into the Soviet Union. Let us not talk now about whether this was good or bad. This is part of history. I think that this was a deal, and small countries and small nations were the bargaining chips in this deal. Regrettably, such was the reality of those times, just as there was the reality of European countries' colonial past, or the use of slave labor in the United States […] If the Baltic States had already been absorbed into the Soviet Union in 1939, then the Soviet Union could not occupy them in 1945 because they had already become part of its territory." The video of the press conference, held after the EU-Russia summit on May 10, 2005, where Mr. Putin responds to the Estonian journalist Astrid Kannel, can be viewed here: http://bit.ly/13f2hIe. An English transcript can be found here: http://bit.ly/Sh2CJe. (I have slightly improved the translation.)

[6] Robert Kagan, "End of Dreams, Return of History," P*olicy Review,* No. 143 (June/July 2007).

[7] Vladimir Putin, "Russia: The National Question" [Rossiya: Natsionalniy Vopros], *Nezavisimaya Gazeta* [Independent Newspaper], January 23, 2012. Quoted in James Sherr, "Russia And The Rest Of Us: The Dynamics Of Discontent." Prepared for the U.S. Army War College (unpublished, draft, used with permission). (Mr. Sherr also notes that at the Valdai Club meeting in 2008, Mr. Medvedev used similar terms: "shared, common history" and the "affinity of our souls.")

[8] "Russia Won't Accept a Unipolar World," Television interview given on August 31, 2008. Available here: http://bit.ly/ZA8ob4.

influence in the former Soviet realms. From a Russian point of view, the next stage in the West's sinister scheming is a color revolution (or some other insurrection) in Russia itself.

Russian policymakers believe that unwanted changes in the country's external environment are a direct threat to its internal stability (or to be more precise, the stability of their own rule). One facet of this reflects historic vulnerability of ethnic, geographic and religious fault-lines. Russians recall the "Promethean" policies of the *interbellum* period, in which countries such as Poland sought to destroy the Soviet Union by splitting it up.[9] Anything that could be construed as Western support for separatism (such as the modest Tatar, Chechen, Avar and other vernacular services of Radio Liberty) is readily seen as part of a plot to break up Russia. Zbigniew Brzezinski's fanciful digression in the *Grand Chessboard*, in which he seemed to suggest that Russia would do better as a loose confederation of three states, fits easily into the same sinister pattern.[10]

In his address to the Federal Assembly in April 2007 Mr. Putin spoke publicly of threats to Russia's sovereignty:

> "To be frank, our policy of stable and gradual development is not to everyone's taste. Some, making skillful use of pseudo-democratic rhetoric, would like to return us to the recent past…while others deploy such rhetoric in order to deprive our country of its economic and political independence."[11]

He blamed foreign grants for this, claiming:

> "There has been an increasing influx of money from abroad being used to intervene directly in our internal affairs."

In November 2007 he spoke in similar vein, saying that Russia's opposition:

> [...] need a weak, sick state. They need a disorganized and disoriented society, a divided society—in order to fix their deals beyond its back ... [They] scavenge like jackals at foreign embassies ... counting on support from foreign foundations and governments, instead of their own people's support.[12]

It is worth noting that this angry and defensive stance came at a time when Mr. Putin, and Russia, were in a position far more solid than they now enjoy.[13]

The paradoxes were well illustrated in the then-President Dmitri Medvedev's five principles of

[9] Richard Woytak, "The Promethean Movement in Interwar Poland," *East European Quarterly*, Vol. XVIII, No. 3 (September 1984), pp. 273–78. See also, Timothy Snyder, *Sketches from a Secret War: A Polish Artist's Mission to Liberate Soviet Ukraine*, (Yale University Press, 2005).

[10] What Mr. Brzezinski actually wrote was: "A loosely confederated Russia — composed of a European Russia, a Siberian Republic, and a Far Eastern Republic — would also find it easier to cultivate closer economic relations with Europe, with the new states of Central Asia, and with the Orient, which would thereby accelerate Russia's own development. Each of the three confederated entities would also be more able to tap local creative potential, stifled for centuries by Moscow's heavy bureaucratic hand." *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, (Basic Books, 1998). p. 202.

[11] Vladimir Putin, "Annual Address to the Federal Assembly," April 26, 2007. Available here: http://bit.ly/VzYIYH.

[12] Neil Buckley, "Putin Accuses West and Opponents of Plot" *Financial Times*, November 21, 2007. Available here: http://on.ft.com/WrfcRe.

[13] See the lengthy analysis by Norbert Eitelhuber, "The Russian Bear: Russian Strategic Culture and What it Implies for the West," in *Connections: The Quarterly Journal*, Vol. IX, No. 1 (Winter 2009). Available here: http://bit.ly/WGscTQ.

Russian foreign policy outlined in 2008.[14] The first and third principles are to abide by international law, and to maintain "full and friendly relations" with all countries; but the fourth principle cites the "indisputable priority" of "protecting the lives and dignity of Russian citizens, wherever they may be." The fifth asserts a right to give "special attention" to particular regions in which Russia has "privileged interests."

As noted already, the goal of stability abroad is closely tied with maintaining stability at home. If the outside world cannot be controlled by Russia, then it is capable of intervening in Russia. This lies at the heart of the reflex anti-Westernism that characterizes much of Russian foreign policy. It is not so much that the Kremlin really cares about preserving the regime in Syria. The point is that if the West can intervene successfully there, it can (and may and probably will) intervene elsewhere. If it can promote democracy in, say, Iran, then it could do the same in Russia. As James Sherr argues:

> If the overarching aim of the United States is to maintain an international order hospitable to the values of liberal democracy, then Russia's aim is the obverse: to create an international environment conducive to the maintenance of its system of governance at home.[15]

The policy implication of this strategic paranoia is that Russia does not want anything that matters to it to change without its consent. Its nightmare is decisions taken without Russia's involvement, but which affect Russian interests (real or proclaimed). It wants respect, consultation, involvement and inclusion. In the words of Sir Roderic Lyne, a former British Ambassador to Moscow:

> Russia wishes to be part of the international *status quo*. It has preached international law at the West over Iraq and Kosovo. It has felt threatened by the exercise of power unilaterally by the United States. A key goal of Vladimir Putin has been to restore Russia's position in the world, reversing the humiliation of the 1990s, and to be accepted at all the top tables—including, most prestigiously, the exclusive G8. He has repeatedly argued that this can only be achieved by leveraging Russia's economic strengths, and not by reliance on military power.

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Yet this "negative goal" (of preserving Russia's voice in international affairs) conflicts with a second one: preventing constraints on Russia's own freedom of action. As Sir Roderic notes, Russia both demands respect for the *status quo* and resents its obligations:

> This applies above all to the area of highest priority in Russia's external policy, the "post-Soviet space." Here, Russia's goal is to maintain *a droit de regard* and to prevent the further erosion of its influence by intervening actively and, where necessary, aggressively. In pursuit of this goal, Russia has been prepared to contravene

[14] "Russia Won't Accept Unipolar World – Medvedev," *RT*, September 1, 2008. Available here: http://bit.ly/Xgifyx.

[15] Sherr, op cit.

> international law, damage its hard-won international position and risk confrontation with the West.

Yet it would be wrong to say that Russia actively seeks confrontation with the West. It is willing to risk it as a last resort, when what it sees as its vital interests are threatened. But cooperation with the West is crucial in a second element of Russia's strategic culture: a desire for **economic strength**. Russia no longer thinks it can be the center of an independent economic system. It despises the autarkic approach of North Korea. To modernize the economy and satisfy the population, it needs consumer goods, industrial equipment, know-how, investment and markets. Given that it needs to be part of the world economy it seeks to do so on the best possible terms. As Sir Roderick Lyne puts it:

> Russia's elite want the country to be more than a producer of raw materials, semi-finished products and armaments. Through modernization, diversification, and moving up the value chain, Russia wants to join the ranks of the most advanced economies. Another key goal has therefore been to seek closer integration into the world economy, by joining the World Trade Organisation (WTO) and the Organization for Economic Cooperation and Development (OECD), encouraging Russian companies to go overseas, and accepting the need for foreign investment (while also seeking to control it).[16]

The yearning for strength is matched by an appreciation of weakness, and a paranoid fear that the outside world will cheat or exploit Russia if given half a chance. Just as the 1990s are now seen (quite wrongly) as a period in which the West cheated Russia out of its geopolitical inheritance, those years are also seen as a time when the West forced crushing economic terms on Russia, plundering its natural resources and imposing humiliatingly bossy economic reforms.[17]

Russia's GDP is still largely dependent on natural-resource extraction. It has failed to break through into value-added industries (though it retains strength in weapons and aerospace). Its presence in service industries and IT-related sectors is weak, despite great human potential. Even the oil and gas industries are falling victim to diversification and new technology. The shelving of the Shtokman offshore gas project in August 2012 is a huge blow to Russian self-esteem — and to the long-term future of the Russian hydrocarbon industry. Russia used to believe that it commanded Europe's gas future. The growth of shale gas production in America and the falling cost of LNG (liquefied natural gas) technology have changed the entire assumption on which Russian policy was based. Pipelines must now compete with tankers. The natural gas price, like the oil price, is fixed on the spot market, not by deals between politicians. Scarcity has given way to abundance. America, already self-sufficient in natural gas, may even be in a position to export it to Europe in coming years.

Russia adopts what can seem like strikingly ruthless approach in its dealings with the external economic environment. It feels unconstrained by normative frameworks that at least partially constrain other countries' behavior. One reason is that it feels that it was cheated in the past. In the 1990s, Russia was weak and got pushed

[16] Sir Roderic Lyne, "Reading Russia, Rewiring the West," Open Democracy, October 12, 2008. Available here: http://bit.ly/WpRpRZ.

[17] A much quoted but mythical example is of IMF "instructions" arriving by fax at the Finance Ministry.

about by other countries that took advantage of its trust and goodwill. Now it is time to regain what was lost. Secondly, it does not believe that the normative frameworks which Western countries publicly uphold are in fact binding on them either. Russians believe that talk of human rights, anti-corruption, corporate governance, anti-money-laundering policies, corporate integrity policies, corporate social responsibility and so forth are just camouflage for Westerners who are motivated solely by money. That it is so easy to recruit Western politicians (such as Gerhard Schröder, the former German chancellor) as directors and sponsors of politically tinged commercial ventures confirms this hypocrisy in Russian eyes.

Cooperation with the West is crucial in the second element of Russia's strategic culture: desire for economic strength.

The result is what might be called a "broad spectrum approach:" an ability to approach economic and political issues abroad with public and private diplomatic pressure, espionage, commercial bargaining, information-warfare and the use of money in politics. A good example is the Russian bid to build a $15 billion nuclear power station at Temelin in the Czech Republic. Czechs who have observed this issue say that Russia applies pressure from all directions. Agents of influence try to make the tender rules favorable. Spies find out what other countries and bidders are up to. Suspicions — albeit unverified and hotly denied — abound of other inducements promised. Politicians apply pressure in bilateral relations. The local counter-intelligence service BIS said in its annual report that private interests influence the actions of the companies under state ownership, issuing public tenders whose results had been decided on "long before the contracts were formally announced." Such practices play into the hands of Russian "entities" or "supranational subjects" that are trying to "conquer the entire supply chain, from mining and transport to final consumption."[18]

How Rosatom, the Russian bidder, might actually profit from the Czech deal in accounting terms is an entirely secondary consideration. The point is to regain Russian dominance of a vital part of the Czech (and Central European) economy, with all the possibilities for influence-peddling it will bring. Western companies may too bargain aggressively for important projects. But in the end the shareholders' and taxpayers' interests are paramount. For Russia, the economic *raison d'etat* is paramount.

In dealing with Western financial markets, Russia is aware of its importance as a customer (especially in times of economic stress). It has successfully bent the rules of most major Western commercial and public institutions dealing with finance. It has bullied PwC (a major accountancy firm) to withdraw an audit of a major Russian company — Yukos — for political reasons.[19] It has persuaded major Western banks to drop their due diligence requirements.

[18] See: Markéta Hulpachová, "Corruption Threatens State Economic Interests," *Prague Post*, August 29, 2012. Available here: http://bit.ly/XGoTlB. "Military Intelligence: Russian Spies Interested in Czech Economy," *Prague Daily Monitor*, August 29, 2012. Available here: http://bit.ly/VLR1yj. "BIS: Russian Agents Focused on Energy and Industry in 2011," *Prague Daily Monitor*, August 23, 2012. Available here: http://bit.ly/10aFhfQ.

[19] I describe this at length in my book *The New Cold War* (Palgrave, 2008).

It has made Western stock exchanges (notably London) relax their listing requirements. It has made the European Bank for Reconstruction and Development buy shares in Russian companies that need respectability but do not deserve it. Though few in the West are aware of these humiliating climb-downs, they are keenly noted in Russia.

In improving its economic standing abroad, Russia wants to be part of the main rule-setting bodies. Membership of the WTO was a step toward this. So is membership of the OECD — the standard-setting organization for the developed world. Russia does not want to fall foul of international money-laundering or corporate-governance standards, first because it does not share the normative framework in which they are conceived, and second, because it doubts the fair-mindedness with which they are applied.

A particular focus of attention is the rules governing the energy market of the European Union, where Gazprom has severely misplayed its hand over the past decade. It has lost market share and gained a reputation (deservedly) as an unreliable supplier of expensive gas. Yet as James Sherr also notes:

> By means of 'network diplomacy' and intelligence methods of business, Gazprom has sought to extend to Europe the 'system of understandings' linking the state and business in Russia. It has also created a fluid and bewildering complexity of business structures and intermediary companies. Untraceable ownership, shareholders, assets and corporate history have added to the burdens of national and EU regulation.[20]
>
> Finally, it can be seen in the aggressive use of lobbying structures and litigation to stifle debate and criticism.
>
> At the micro and intermediate levels, EU complicity takes the form of personal and institutional corruption. At the higher level, it lies in the opposition of several national energy companies to the liberal and competitive model enshrined in EU [policy]. At the most systemic level, it lies in the fact that the European Commission's regulatory powers are shared *de facto* with national systems of regulation and law enforcement that in many new member states are not fit for purpose.

In economics and in managing its foreign relations "divide and rule" is both a tactic and a goal for Russia. This is true whether Russia is dealing with alliances or with individual countries. For example, it tempts American energy companies (such as Exxon) with preferential access to Russian hydrocarbon reserves, in the hope of creating a "Russia lobby" in Washington. It buys advanced weapons (the Mistral helicopter carriers) from France, in the hope that France, eager to preserve jobs in its stricken shipbuilding industry, will be less resolute in its defense of allies in the Baltic States (the Baltic Sea being a theatre where the carriers would be particularly useful). It offers cheap gas to countries such as Bulgaria and Serbia to promote South Stream, its costly and heavily subsidized alternative to the EU-backed Nabucco pipeline. It befriends Norway (which it once had chilly relations with) in order to break Western unity on the future of the Arctic.

[20] See the late Roman Kupchinsky, "Gazprom's European Web," Jamestown Foundation, February 2009. Additionally, John Lough, "Russia's Energy Diplomacy," Chatham House Briefing Paper, REP RSP BP 2011/01.

Individually, the Russian inducements are not binding. But together they are the strands of a snare. In a crisis, all the actors in the West may find themselves constrained by obligations to Russia, or fearing the loss of promised contracts and energy supplies. Russia knows that it is too weak to stand up to a united West, to a decisive America, or to a cohesive Europe. So its medium-term goal is to create the divisions that change the balance of power. As Mr. Sherr notes, Russia's strength lies not in strategy, but in "operational art," which he describes as:

> [T]he ability to combine "arms" (institutions and resources) and methods in order to achieve intermediate goals with strategic importance. Whether the issue is missile defence, unconventional gas, Arab springs or colored revolutions, Moscow can be expected to respond directly and asymmetrically, crudely and resourcefully. It will continue to sow division where it exists and mount operational-level offensives in support of its strategic defense. Irrespective of whether these gambits succeed or fail, it will do everything within its means to consolidate those who can be consolidated in tighter schemes of integration in former Soviet space.[21]

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Assuming that these are Russia's objectives and tactics, what chance do they have of success?

One handicap is a highly specific feature of the strategic culture: **messianic superiority**. Russian leaders and policymakers no longer have any truck with Soviet-style communism. They realize that it was a political and economic dead end. But they do believe in many cases in their country's spiritual destiny, not least as the heir to the Byzantine Empire. Ideas of Russian uniqueness fit well with the rejection of foreign ideas such as political competition. They also chime with the notion — deeply held if bizarre to outsiders — that following the fall of ancient Rome and Constantinople, Moscow is the "Third Rome," besieged by enemies who must be resisted at all costs.

Indeed the seemingly arcane subject of Byzantine history has become oddly popular among the FSB and in like-minded political circles. In January 2008, Russian state television broadcast a remarkable documentary called "The Fall of an Empire: The Lesson of Byzantium."[22] Echoing the regime's view of the 1990s, it blamed the end of the Byzantine Empire on the intrigues of local "oligarchs" and Western crusaders. A further, similarly weird, element is "Neo-Eurasianism," as advocated by among others Alexander Dugin.[23] As James Sherr notes: "Although there is no longer an ideological component to Russia's relations

[21] Rika Dragneva and Kataryna Wolczuk, "Russia, the Eurasian Customs Union and the EU: Cooperation, Stagnation or Rivalry?" Chatham House Briefing Paper, REP BP 2012/01 (August 2012). On the Eurasian Union, see Vladimir Putin, "A New Integration Project for Eurasia — A Future Being Born Today," *Izvestiya*, October 4, 2011. Johnson's Russia List, No 180, October 6, Item 30.

[22] An English version is available here: http://bit.ly/WGsWIC. The script (in English) is available here: http://bit.ly/VHvIR5.

[23] Marlène Laruelle, "Neo-Eurasianist Alexander Dugin on the Russia-Georgia Conflict," CACI Analysis, September 3, 2008. Available here: http://bit.ly/UF0AzV.

with Europe, a 'civilizational' component has replaced it."[24]

For non-Russians (and for some Russians) this semi-ideological feature is not particularly attractive, in either theory or practice. The Bulgarian analyst Ivan Krastev wrote in 2004:

> A successful mixture of anti-terrorist and anti-corruption rhetoric, moderate anti-Americanism and old-style administrative politics has enabled Vladimir Putin to consolidate an 'acceptable' authoritarian regime in Russia. This model has the potential to be replicated.[25]

That is no longer the case. Russia's economic miracle has proven only to be the result of high oil prices. Russia's anti-terrorist credentials are frayed by the violence in the North Caucasus. The anti-corruption drum can no longer be credibly beaten. The casual cynicism of the job-swap between Mr. Putin and Mr. Medvedev has undermined the attraction of the Putinist political model. Anti-Americanism is a less popular cause than it was ten years ago: it is hard to see the United States now as a swaggering hegemon. Russia has not extracted any significant geopolitical dividend either from America's "pivot" to Asia or from the worst crisis in the EU's history.

In years to come that may look complacent. Russia has intensified its ties with Cyprus and Greece in the course of the past three years. Russian diplomats have approached the Greek opposition movement Syriza with the offer — should the party win power — of financial help for the Greek state in return for a Russian naval base there (this would be a major breach in Greece's obligations to NATO, and underline its already semi-detached status within the alliance, particularly where dealings with Russia are concerned). Georgia, Latvia, Lithuania and Moldova all look precarious in different ways. It is easy to imagine Russia making substantial gains in any of these countries given a combination of a favorable election result and an economic crisis.

Firmness of purpose in the Kremlin and ruling circles is also questionable. Private commercial interests pursue their own plans, at cross-purposes or even at odds with those of the state. Russian companies wishing to woo Western investors or gain access to Western markets or to the Western financial system will behave quite differently (at least in the short term) from those that are simply trying to promote Russian interests. But independent behavior has its limits, as the case of Yukos shows. That company — once the biggest in Russia — had adopted what could be called a "pro-Western" policy before its demise. Unless a company or individual is willing to cut loose entirely from its Russian roots (as the exiled oligarchs have done, and the London-based media tycoon Alexander Lebedev appears to be doing) they remain subject to the ties of obligation within Russia.

Mapping the internal power relations inside the Russian elite is a complicated and uncertain process. This map (see below, reproduced by kind permission of the author), by the Moscow-based political scientist Samuel Greene, does a good job in portraying both the centers of power and the complexity of their relations in what he terms "networked authoritarianism." He argues that Russian politics has two cardinal features:

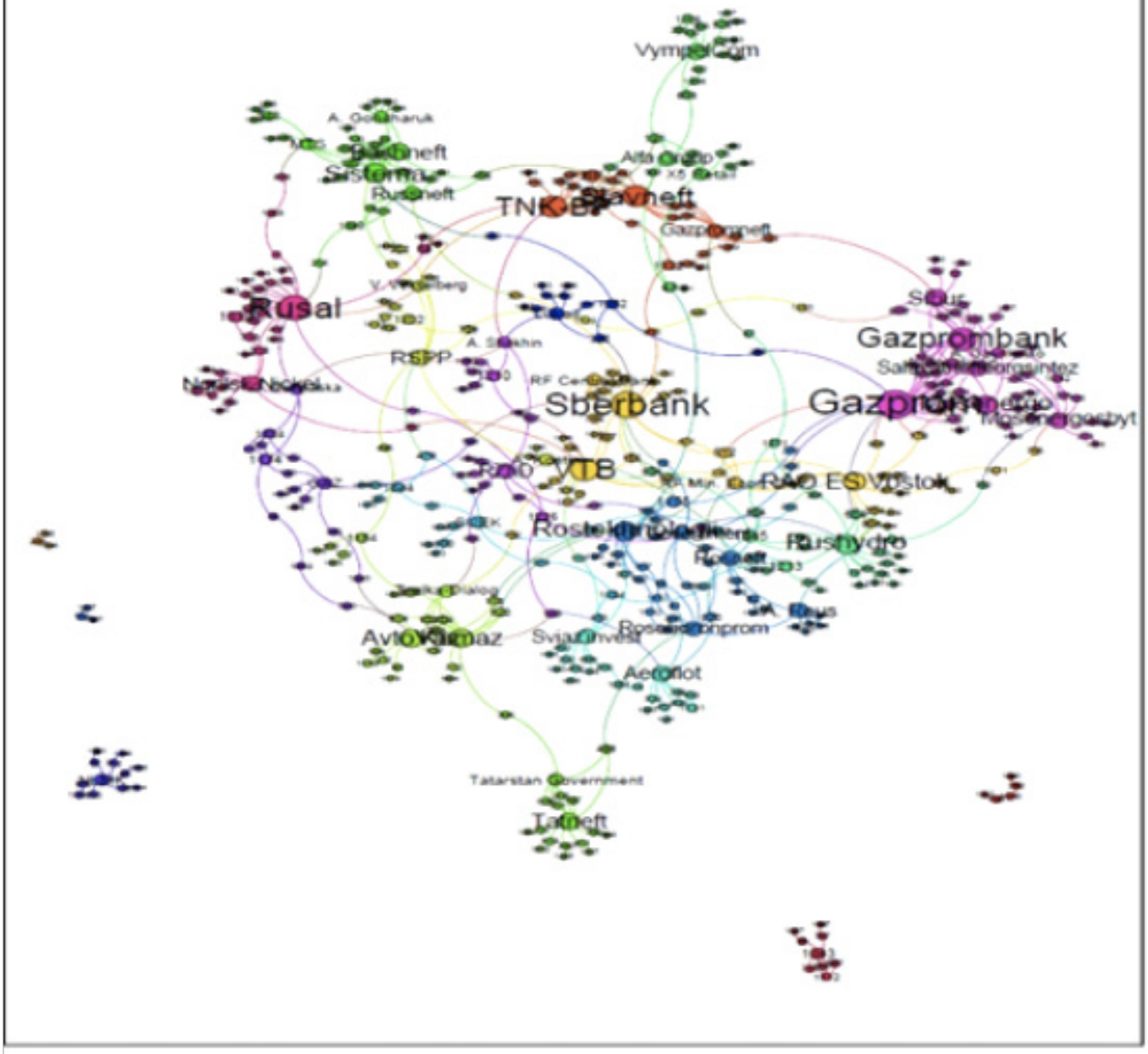
[24] Sherr, op cit.

[25] Ivan Krastev, *Shifting Obsessions: Three Essays on the Politics of Anticorruption*, (Budapest/New York: Central European University Press, 2004). p. xv.

[D]ominated by a closed but internally competitive elite, presided over by a nominally elected but publicly unaccountable president who enjoys broad formal and informal power. Second, economics is dominated by rent-seeking behavior, defined as "activities whereby individuals seek returns from state-sanctioned monopoly rights."[26]

[26] Samuel Greene, "How Much Can Russia Really Change? The Durability of Networked Authoritarianism," PONARS Eurasia Policy Memo No. 194. Published in *Dividing Lines in Russian Politics and Foreign Policy Policy Perspectives*. Available here: http://bit.ly/WpR0is.

Figure 1: Russia's Economic Elite (2010)



The durability of this is a matter of dispute. It has some resilient features. The subgroups are not especially tightly knit. All players in the system depend on its survival. They are prepared to accept different (and lesser) positions rather than to try to overturn it. Individual defections, when they do occur, are not fatally damaging. On the other hand the system is inefficient. Vladimir Inozemtsev, a Russian economist, argues: "the elite's most important goal is the preservation of a system that enables incompetents to control the country's wealth."[27] Public spending does not deliver the desired results; prices are higher than they should be, investment and entrepreneurship lower. Until the system reaches a breaking point, this creates a large but passive constituency in favor of reform, yet no powerful constituencies are ready to risk their own welfare for sweeping and immediate change. When people believe that the system is doomed, however, they will act.

That time has not come. Russia's "networked authoritarian" system (others might call it feudal or piratic) still works. When it fails, it does so because the forces against it are too strong, or because the tools it is using are inadequate, but not because of internal divisions. As a sign of the system's resilience it is worth noting in this context that outside efforts to play "divide and rule" within the Russian elite have been remarkably unsuccessful. The oblasts bordering the European Union, which have the most to gain from good relations with Europe, have exerted no noticeable pressure on foreign policy (Kaliningrad is a signal example here). Since Yukos, the "pro-Western" business lobby has exerted no significant pressure on policy, except in pushing quietly for Russia to join the WTO (now accomplished). No outsider has played off say Gazprom against the military-industrial complex, or the transport industry against defense planners.

The most obvious potential victims of Russia's paranoid strategic culture are countries in its neighborhood. At the two ends of the risk spectrum are Belarus (which is already in Russia's camp, with little sign that the West can do anything about it) and Poland (an important American ally, a heavyweight member of the EU which is both capable of defending itself and strongly deserving of allied support should the need arrive). In between are the Nordic countries, plus those in Central Asia, the Caucasus, the Baltics, the Balkans and Central Europe, plus Moldova and Ukraine.

It would be wrong to describe these countries as "enemies" of Russia: the Kremlin does not want to attack them militarily (except perhaps in the cases of Georgia and the Baltic States, both of which have formed part of aggressive military drills in recent years). But it does wish to constrain their sovereign choices. A good example of this came with General Nikolai Makarov's visit to Finland in June. Speaking at the Finnish military academy, he delivered an extraordinarily blunt warning to his hosts: to cease defensive military drills in the east of their country, to stop any closer cooperation with NATO, and to increase cooperation with Russia.[28] This brought an unusually robust response from Finland (and increased, rather than chilled, support for the country's possible NATO membership). But it did not bring any public expressions of support

[27] Vladimir Inozemtsev, "Neo-Feudalism Explained," *The American Interest*, March-April 2011. Available here: http://bit.ly/VA0Lfg.

[28] Gerard O'Dwyer, "Russian Military Chief Stirs Anti-NATO Pot," *Defense News*, June 13, 2012. Available here: http://bit.ly/UF13SL. See also my Wilder Europe column in *European Voice*, "Driven into NATO?" Available here: http://bit.ly/VHwmy2.

for Finland from other countries, though U.S. Secretary of State Hillary Clinton visited Helsinki shortly afterwards, amid speculation that she might give at least a private message of support to her hosts. Shortly after that, Finland hit a snag in its attempt to buy 70 new ground-to-ground missiles from America (a clerical error in the communication between the Pentagon and Congress was blamed).[29] And then on August 23rd, a Russian warplane violated Finnish airspace (one of a number of such incidents in recent years, but the first to be leaked to the media).

Such pressure is in a sense trivial: Finland is a member of the EU, has a strong military of its own, and is engaged in increasingly strong defense cooperation with its Nordic and Baltic neighbors. Yet the speech, like the airspace violation, is also a test. How would Finland react? What would its friends and neighbors say? What penalty if any would Russia pay for such clear bullying of its much smaller neighbor? Although the episodes passed almost without comment in the world media, Russian foreign policy makers will have closely scrutinized their aftermath.

A common error is to appease Russia's paranoia rather than to counter it.

It would be a huge mistake to respond to this with a "therapeutic" approach, based on the idea that if Russia is happier it will behave better. A common error — even among professional Russia-watchers — is to appease Russia's paranoia rather than to counter it. From this point of view, NATO expansion was a terrible blunder, which turned Russia from friend to adversary. The task now is to reverse the policy of promoting Western influence in Russia's "back yard" and to reassure the Kremlin that we are not meddling in their internal affairs. Sir Roderic Lyne, for example, believes that:

> Enlargement has brought few benefits to the alliance; and it is questionable whether in reality NATO membership has enhanced the security of the states in question. It has not prevented them from coming under economic pressure or even cyberattacks.

This thinking sends exactly the wrong signal. Russian paranoia can be appeased only by dominance of neighboring countries. Given that in almost all cases the countries will object to this dominance, this is a recipe for instability at best and war at worst. A better approach would be to say that so long as Russia remains paranoid, the West's response must be particularly robust.

But this is a burden that America cannot carry alone. For a start, the American defense, security and foreign policy system is not set up to deal with an adversary like Russia, which uses a mixture of traditional and innovative means in pursuit of its revisionist foreign policy, from deep-cover long-term "sleeper" agents to high-profile diplomatic *démarches* and military saber-rattling. It is wholly unrealistic to expect America to react each and every time that Russia bullies its neighbors, or plays divide and rule in Europe. It is much easier to dismiss Russia as being, in the greater scheme of things, weak and irrelevant, at most a nuisance but not a threat.

But the Kremlin thrives on inattention. When it meets robust resistance, it retreats, amid a

[29] "Pentagon Admits Mistake - Finland Expected to Get Missiles," *Helsingin Sanomat*, August 1, 2012. Available here: http://bit.ly/UxjiYt.

flurry of rhetorical camouflage. When it meets no resistance, it notes a new benchmark has been set. Behavior and statements that would have counted as outrageous only five years ago now pass without comment.

An important immediate step is to bolster the alliances of countries immediately threatened by Russia. Here the Nordic-Baltic cooperation efforts, endorsed by the United States, play an important role.[30] Chivvying European countries to spend more on defense is useful; making sure that they spend the budgets wisely (smart defense) even more so. But as the main threat from Russia is not military, it is not especially useful to respond by beefing up the military defenses of countries that it threatens. This may have a symbolic value, but it is no substitute for maintaining the integrity of legal, political, media and financial institutions that are being, or could be, subverted by Kremlin money and other pressure.

The most important thing to be done in constraining the Kremlin is what might be termed information-warfare. Highlighting the shortcomings of the system inside Russia (especially corruption and ineffectiveness), as well as its meddling and bullying in neighboring countries, and its attempts to influence the political and economic systems elsewhere in Europe and in the United States are a national security priority — or should be. Such efforts were a serious part of Western defense efforts during the Cold War, but have fallen into some disuse. Universities, think-tanks, media outlets, public broadcasters, human-rights organizations and others all have a part to play here. The most important points that can be widely grasped are these: Just because Russia is a nominally capitalist economy and holds what look superficially like multi-candidate elections does not mean that it is run well. Nor does the fact that Russia is weak in overall terms mean that it cannot pose a specific threat to our interests. It does.

[30] See for example my essay in "Nordic-Baltic Security in the 21st Century: The Regional Agenda and the Global Role," Available here: http://bit.ly/XGnQ5f and "Widening Nordic-Baltic cooperation to the South" by the former Latvian Defense Minister Imants Liegis, *The Baltic Times*, August 9, 2012. Available here: http://bit.ly/VHwzkB.

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