A Time of Trouble and a Time of Opportunity

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Resume The Russian elite have realized that the country will have to live in a new reality that differs from the past rosy dreams of integration with the West, while preserving its independence and sovereignty. Yet they have not yet used the confrontation and the growth of patriotism for an economic revival.

The year 2015 will go down in history as a watershed. Firstly, it was extremely rich in anniversaries. The world marked 70 years since the establishment of the United Nations, an organization that laid the foundations of the postwar system of international relations. It was also 70 years since the tragic beginning of the nuclear age when two Japanese cities were bombed. The emergence of nuclear weapons was perhaps the most important event of the postwar period in world history. Last year saw the 40th anniversary of the Helsinki Final Act, the 25th anniversary of the fall of the Berlin Wall, and the adoption of the Charter of Paris for a New Europe, a document that promised a fair and stable European security system. However, 2015 finally turned that idea into a shattered dream. Secondly, and most importantly, 2015 marked the end of the postwar era and the post-Cold War period. Now we are entering an era shaped by new major international trends that are coming to the fore. Thirdly, last year was perhaps the most successful for Russian foreign policy in the last quarter of a century. Yet it did not solve Russia’s main problem: the deepening stagnation of the economy that can reverse any progress.

Old Rules Gone, No New Ones in Place

Let me start with global trends. The era that began with the end of the Second World War is now over. That period was characterized by a relatively orderly and stable system of confrontation. In fact, the end of the Cold War did not mean the emergence of a new order. There was a hope that the main centers of power would establish relations based largely on cooperation. Instead, an attempt was made to build a unipolar world, which predictably failed. To all appearances, the world is now being swept by a wave of turbulence and fierce competition, if not a struggle of all against all. We are witnessing a rapid redistribution of power. The rules of the second half of the 20th century no longer work: absolute respect for sovereignty and territorial integrity, non-interference, at least openly, in the internal affairs of other states, and respect for the interests and security of at least big powers. All these principles the ideologists of the “unipolar moment” sought to repeal. However, nothing has been invented to replace them, while attempts have failed to adapt the former principles to the new reality.

New macro-tendencies are tentatively making their way through this chaos, which may shape the contours of a new world.

The first such tendency is the emergence of a new kind of bipolarity. Strictly speaking, contrary to conventional wisdom, bipolarity never existed before. Or, rather, it existed only in the late 1940s and the 1950s until objective circumstances and the mistakes of the Soviet leadership resulted in the confrontation with China. Thanks to the shrewd diplomacy of Henry Kissinger and Richard Nixon in the early 1970s, there emerged de facto a tri-polar system of relations. Together with a group of expensive and unreliable allies, the Soviet Union had to confront the United States and the West all over the world, and China in the East. The Soviet Union had an enviable geo-strategic position.

At present, two centers of the world economy and politics are taking shape. Having realized the futility of its hopes to establish a unipolar world, the United States has adopted a policy of containing China and building a new U.S.-centered configuration around itself, using mainly economic and political tools. The first step was the launching of the Trans-Pacific Partnership (TPP) with a group of Asia-Pacific countries. Its members do not include ASEAN countries or even South Korea, which has yet to make the final choice regarding its geo-economic orientation. And, of course, China remains an outsider, in accordance with a strategy largely aimed at limiting Beijing’s influence. Simultaneously, the U.S., together with part of the European elites which are afraid of their own weakness, is working on the Transatlantic Trade and Investment Partnership (TTIP). Much is being done to resume the standoff in Europe and even renew systemic military-political confrontation on the subcontinent in order to prevent continental Europe’s rapprochement with Russia and China.

The future of both the TPP and the TTIP is not clear yet. They may succeed only partially or they may even fail. But the tendency is obvious: the “old” West, which dramatically lost ground in the 2000s after a seemingly spectacular victory in the 1990s, is now trying to reconsolidate its position.
At the same time, China is turning into a first-tier superpower and may well become number one in the world in terms of aggregate power during the next decade. It will not surpass the U.S. in terms of GDP per capita in the foreseeable future and will not exceed the U.S. in military power, although it will reduce the gap between them. Yet thanks to its authoritarian political system, China can direct many more resources into achieving its foreign policy goals. China’s soft power is in its enormous financial capabilities and its market, which is attractive even to competitors. Step by step, in order to avoid any suspicion of ideological expansion, Beijing is beginning to offer its own model—“the Chinese way”—to the rest of the world, especially the developing world, as an example to follow. Simultaneously, the Chinese economy is slowing down, thus seriously holding back global economic development.

Having met with growing resistance from the United States in the Pacific, that is, in the east, China has turned to the west. Beijing has proposed the “One Belt, One Road” strategy, which includes the Silk Road Economic Belt project, for intensive economic and logistical development of regions southwest and west of China (and involving Europe in the long run). This strategy aims to create a belt of stability and economic development around China and envelop it with new markets and friendly powers. Russia has finally commenced its long-overdue economic and political turn towards the East. Most experts predicted an almost inevitable clash between Russia and China in Central Asia. However, Moscow and Beijing had the wisdom to avoid confrontation by converting their potential differences into a potential for cooperation. In 2015 they reached agreement to integrate or “pair” the Silk Road Economic Belt project and the Eurasian Economic Union. In the future, a duumvirate, advantageous to all, may emerge in Central Asia, in which China will provide investment and resources, and Russia will contribute security and geopolitical stability.

In 2015, the Shanghai Cooperation Organization decided to admit India and Pakistan as full members and is now considering the possibility of admitting Iran and some other countries. Although the SCO is not very active yet, it has made one more step towards becoming the core of an emerging Greater Eurasia or even a Community of Greater Eurasia. Cooperation between China and Russia may play a central role in it. In contrast to the model promoted by the United States, there will be no hegemon in the Eurasian community. China will be the economic leader, but other powerful players—Russia, India, and Iran—will be able to counterbalance Chinese influence. Objectively, the new center will serve as a counterweight to the West, which is seeking to consolidate its position, but this does not mean an automatic bipolar confrontation. Cooperation and rivalry will be dialectically combined.

**Crisis in Europe and Its Implications**

Another mega-tendency that graphically manifested itself in 2015 was a new phase in the European Union’s multi-level crisis caused by various factors. This phase was catalyzed by the Syrian refugee crisis. In addition to its immediate consequences—social problems and the growth of nationalism and terrorism—it has demonstrated the ineffectiveness of the EU foreign-policy model in the new conditions. United Europe is structurally incapable of foresight, unable to work proactively, and can only work within the framework which it has invented, yet which is not adequate to the outside world. The refugee problem has called into question the strengthening of Germany’s unchallenged leadership, which was viewed as a way out of the unmitting European crisis. Only a minority in the EU supports German openness to refugees, which is quite noble, albeit forced. Moreover, German society itself does not seem to be as loyal to the influx as the German government would like it to be. As a source of violence and terrorism, the waves of refugees have dealt severe blows to the Schengen Agreement, one of the major and most popular achievements of the European project.

The difficulties of the Old World are not a reason to gloat. For three centuries the European development model was the driving force behind Russia’s modernization, but now it is losing its attractiveness. Europe may again turn from a prosperous and stable, although not always friendly, neighbor and partner into a source of problems, if not instability. Weakness and fear of the future have pushed European elites to make futile attempts to unite with the United States on an anti-Russian platform. The growing internal problems of the EU make a rapprochement with it, as a single entity, much more difficult, even in purely bureaucratic terms. A new struggle for Europe is beginning.

**A War of All Against All**

The war of all against all, which has begun in the Middle East, will be a major mega-trend in global politics for decades. The reasons behind the war are mainly domestic, but they were aggravated by the West’s repeated reckless, if not malicious, interference in the region’s affairs over last decade. In 2015, Russia directly intervened in one of the local conflicts in the region, namely in Syria, in order to keep the terrorist threat as far away from Russia as possible, and to strengthen its position in the region and the world at large. Russia’s action is quite consonant with the spirit of the status quo power and complies with the Russian and Soviet legalistic tradition; that is, it relies on the invitation of the legitimate government of Syria. But the Middle Eastern tangle of conflicts poses a danger of getting bogged down in them.

The “stab in the back” from Turkey was the first alarm bell. Unfortunately, such things will happen again due to the specific political culture and development dynamics of the region. Therefore, military and diplomatic achievements should be repeatedly cushioned by caution and the understanding that the problems of the Middle East cannot be solved in the foreseeable future.

The most frustrating of the mega-trends that emerged in 2015 was the rise of terrorism. The explosion on board a Russian airliner, the terrorist attacks in Paris, dozens of other attacks elsewhere, and the flow of refugees to Europe have once again
brought this problem to the forefront of world politics. Previously, short-sighted politicians pretended not to see it, but now this is no longer possible. The coming wave of terrorism—a rebellion of the poor against the rich (including Russians, although they are relatively poor), multiplied by the peculiarities of Islam and rooted in inequality and enduring demographic problems (see works by Russian demographer Anatoly Vishnevsky, including in this journal)—will remain the most important feature of the next several decades. Considering the growing inequality between countries and inside them, aggravated by immigration, one may expect a counter-wave of right and left radicalism in the developed world. Societies and states, including in Europe, will have to go through painful transformations to adapt to the new challenges, including by taking ever tougher police measures and limiting freedoms. Another possible response is joint international action.

The former is already taking place; the latter has been insufficient so far. Factors standing in its way include the old and new distrust and reluctance—primarily on the part of the West—to admit that the strategy of promoting democracy through outside interference and multiculturalism from the inside has failed, and to learn lessons from it. For the time being, green shoots of cooperation are being suppressed by the negative propaganda and actions driven by the principle that can be described as “Your terrorist is my freedom fighter,” (and vice versa). Yet limited accords seem possible, in particular on Syria.

**Globalization Challenged**

Another mega-trend which came to the four last year was the change of the former type of globalization, dictated by the West, for a new, different kind of globalization, or even de-globalization. The WTO is at an absolute impasse and doomed to slow decay. Numerous regional trade and economic agreements and blocs are replacing it, with the TPP and the TTIP as the most obvious examples. Imposed without UN approval and contrary to WTO rules, international economic sanctions are no longer the exception, but a “new norm,” as Fyodor Lukyanov, editor-in-chief of this journal, argues. Sanctions against Russia were extended in 2015. And almost everyone even in Russia has forgotten that the sanctions are illegitimate, as if everyone has agreed that this is inevitable. Following this bad example Russia has introduced sanctions against Turkey. Retaliation, perhaps even much more severe, had to follow. But sanctions are in the gray area. And as a rule, they are ineffective or even counterproductive. The IMF has used various kinds of stratagems and broken its “golden rule” of not giving money to governments that have failed to pay sovereign, that is, intergovernmental debts. Ukraine has been allowed to receive loans for purely political reasons in order to extend the life of the anti-Russian regime.

Things may come down to real trade wars, especially in view of the illegitimate sanctions that are one of their subvarieties. Of course, one is reassured that trade wars will not lead to real wars, as they did in the past, much less to a global conflict. That a global conflict has not begun yet, despite all the prerequisites for it (above all, an incredibly rapid redistribution of power), is due not to people but to nuclear arsenals and the nuclear factor. The return of the nuclear issue to the forefront of world politics was another important trend in 2015.

There are several reasons for that. The main one is the universally growing concern and even fear about uncertainty and instability. This uncertainty and instability per se are major mega-trends of the contemporary world. Objectively, the world has been in a pre-war state, similar to the one that had developed by 1914, for seven to eight years. Concern is growing in the professional military-political community that strategic stability, which seemed almost unshakable by the end of the 1980s and not really important during the first two decades after the formal end of the Cold War, may be eroded and undermined (Strategic stability is an indicator of the level of the risk of nuclear war). Talk is increasing of the possibility of a new war. The sharp escalation of the conflict between Russia and the West, which for decades was based on nuclear confrontation, has also brought the nuclear issue to the fore. Against this background, Russia has drawn international attention to the role of this factor. At the level of propaganda, the rhetoric may sometimes go too far, but at the official level it was quite correct.

Launches of sea- and air-based long-range cruise missiles against ISIS targets in Syria gained worldwide attention. Theoretically, these missiles are capable of carrying nuclear warheads and are not covered by the Intermediate-Range Nuclear Forces Treaty. When the treaty was being negotiated, the United States, which had a monopoly on such missiles, took advantage of the Soviet Union’s weakness and insisted that they not be subject to the treaty’s limitations. Now the United States must be regretting this. But the main role in giving a high profile to the nuclear issue has been played by Western propaganda, which seeks to demonize President Vladimir Putin and Russia, accusing them of nuclear blackmail and violations of international treaties.

The United States has announced nuclear rearmament plans. The present semblance of hysteria further increases anxiety, but it also deters reckless decisions, such as large-scale interventions, as was the case in Yugoslavia and Iraq, or the escalation of conflicts, as in Ukraine or Syria. Despite the universal propaganda rampage, rationality and caution, which were almost lost during the “unipolar moment,” are returning to politics.

The partial restoration of the role of nuclear weapons and the return of military power as one of the key political instruments countries use have not reversed the main macro-tendency, but sidelined it. The weight of states and societies and their ability to promote and protect their interests are still determined by economic and technological power, which chiefly depends on the quality of human capital.

Despite the alarming trends, some positive ones emerged in 2015. A big war did not materialize and there are still no signs of it yet, despite the sense of anxiety in the air. The democratization of the globe continued: vertical democratization took place within societies and horizontal democratization developed further in the international community. Old hegemons are getting
weaker, while no new ones have emerged. Countries and people feel freer. Masses of people have an unprecedented and growing influence on the policies of their governments. Their main demand is well-being. This factor, along with growing interdependence, strengthens the party of peace and restrains the party of war, although, of course, neither demands for more prosperity nor interdependence guarantee peace. But here the nuclear factor enters into play, thus giving time for the solution of numerous problems, while creating new ones, and, in short, continuing history.

Another encouraging trend, boosted by the Climate Change Conference in Paris, is that humanity has begun to think in “greener” terms. Now almost no one questions the need for vigorous joint action to limit greenhouse gas emissions and the pollution of the planet. It is heartwarming that moral-political leaders in this field now include the United States, which earlier impeded international climate agreements despite a strong environmental movement inside the country.

Finally, despite the rise of terrorism and the wars in the Middle East, the general level of violence in the world has continued to decrease (if one counts the number of violent deaths and domestic violence, and not only casualties in armed conflicts). Humanity has not stopped moving towards a more advanced form of a civilized state, where a low level of violence is one of its main features. However, the destabilization of countries and mass terrorism can reverse this reassuring tendency.

**Russian Policy: Turning Misfortune into SUCCESS**

The year 2015 was one of the most successful years in the history of Russian foreign policy.

In early 2014, Russia decided to put an end to its latent confrontation with the West, which had become obvious in the previous year, and hit first, thereby bringing this confrontation into the open. This turn of events sharply strained Russia-West relations. Russia was faced with unpleasant sanctions and the West’s attempts to organize its international isolation, while centripetal tendencies were increasing within the Western alliance.

However, Western hopes for a regime change in Russia through a palace coup—provoked by the discontent of oligarchs targeted by the sanctions or even through hyped public discontent—predictably failed. Faced with strong external pressure, Russian society and elites united around the Kremlin, with only a tiny part breaking away. More importantly, the incorporation of Crimea and support for the rebels in southeastern Ukraine allowed Russia to fulfill the minimum program of creating conditions to prevent the further expansion of Western alliances into territories that Russia considers vital to its security. Now there is no further talk of expansion. Russia’s demonstration of its readiness to resolutely defend such vital interests did not make the West love the country more, but increased its fear of Russia and, therefore, its readiness to respect Russian interests. Unfortunately, the expansion of Western alliances had to be stopped not by mutual agreement, but by a harsh policy. It turned out that Russia’s partners did not want to understand a different language. Now they are getting used to the new reality and rules of the game based on respect for others’ interests. Crimea is almost never mentioned now. It only remains in the (somewhat toned down) rhetoric of the United States and its most obedient allies in Europe. New attempts to add fuel to the Ukrainian crisis are possible. But Russia has withstood the first round of confrontation and pressure and scored a political victory in the conflict over Ukraine. Conditions have been created for healthier relations with Western partners, based on respect for each other’s interests. But this is only a potential possibility. The burden of mutual distrust, past mistakes, and illusions is great, and both parties still have the desire to use the image of an external enemy in order to consolidate their societies.

In 2015 it became finally clear, at least to me, that the European security system formed after the end of the Cold War had totally and probably irrevocably failed. That system was based on the de-facto domination of the West, its political organizations, and views. This domination, which is unacceptable to the majority of the Russian elites, has not brought peace and stability to the subcontinent. I am sure that the old system cannot be restored, even if the OSCE steps up its activity. This conclusion is based on my own twelve-month experience on the OSCE Panel of Eminent Persons, which was expected to offer proposals for a European security system reform. Despite sustained efforts, almost no progress has been made.

The OSCE is an organization that carries the genetic memory of the Cold War. It was not allowed to become an effective tool for building a post-bloc security system. As a result, for twenty years the organization played a largely negative role, allowing countries to pretend that everything was fine in Europe and to preserve the Cold War spirit by constantly accusing each other of violating principles that belonged to a different era. It is not fortuitous that the OSCE proved to be useful only when the cinders of the past war, which had not been extinguished completely and which this organization had been safeguarding, flared up in Ukraine. Here the OSCE came in handy as the coordinator of a peacekeeping mission. Perhaps the organization will live on for some time yet as a forum for dialogue and an anti-crisis center. But there are no signs of a real willingness by Western partners to fill the gaping security vacuum in Europe by overhauling the organization or creating alternative institutions. Meanwhile, this vacuum is dangerous.

In 2015, Russia made important real steps towards its economic turn to the East. It established areas of priority development that are expected to attract Russian and foreign investments. While Russia’s foreign trade decreased due to an economic downturn, falling oil prices, and the devaluation of the ruble, the share of Asian markets in it increased. This trend will continue, making the structure of Russia’s foreign trade more balanced and advantageous. The agreement between Russia and China on the integration of the Silk Road Economic Belt and the Eurasian Economic Union opens up vast opportunities for the creation of a new center of economic growth in Greater Central Asia together with adjacent regions of Siberia and western
regions of China. But this is only a potentiality. Translating that vision into reality requires systemic bureaucratic efforts, which have been almost non-existent since the agreement was signed. Also, concrete projects are needed.

Another undoubted success in 2015 was the settlement of the Iranian nuclear problem. A solution would have been impossible without the active and creative participation of Russian diplomats. The Iran deal helped to avoid not only a chain reaction of nuclear proliferation in the most unstable region of the world but also a war against that country, which had seemed quite possible even two or three years ago. A war would have not only blown up the Middle East but have had global consequences. Now we can hope for constructive relations with potentially the most powerful country in the region.

Last year Syria’s chemical weapons were finally destroyed. This is one more major achievement of Russian diplomacy. The success was further boosted when Russia sent an air force to Syria in order to fight Islamic terrorism away from its borders, prevent the fall of the legitimate government, avoid the expansion of ISIS-controlled areas, strengthen its international position, demonstrate the new strength of its armed forces, and increase its ability to actively influence developments in the Middle East. So far Russia has brilliantly succeeded at that. But I keep repeating that the Middle East crisis will remain unresolved for decades to come. We must be extremely careful not to get bogged down in this quagmire, something many would desire.

We should also have the courage to withdraw quickly if such a danger appears and prepare society for such a possibility.

Interaction on the Syrian issue has helped defuse the confrontation with the West, which would be disadvantageous in the long term, and develop elements of cooperation with it. Yet the confrontation is not over and will not be in the near future due to many factors, including Western domestic ones: some of the elites, especially in Europe, want to have an external enemy for internal consolidation. Another part wants revenge for the setbacks suffered in the past decade. Others are trying to save the collapsing world order, whose rules were largely dictated by the West to its own benefit.

In 2015 almost the entire Russian elite realized that the confrontation with the West was not accidental and that it would last for a long time. Russia will have to live in a new reality that differs from the past rosy dreams of integration with the West, while preserving its independence and sovereignty. These dreams prevailed in the Russian political class almost until the end of the 2000s. This realization, however, has not yet led to the required fundamental changes in the vector of economic and social development or to a firm commitment by the state, the bourgeoisie, and society to economic development and growth.

Many of those who supported the turnaround in Russian foreign policy in 2014 had hoped for such changes. However, the Russian ruling class does not want to see reality or draw conclusions from it yet. But this reality is very simple: one of the main motives behind foreign pressure is the hope that continuing economic stagnation will, sooner or later, force Russia to back down, if not capitulate or collapse. Such concerns restrain both allies and friends; for example in China, which fears that Russia may return to the policies of the 1990s.

So, Russian foreign policy was successful in most areas. For all its fluctuations, it was strategically correct and consistent. Russia managed to move competition for international positions to areas where it is stronger—the military-political sphere and the competition of brains and will. I would like to congratulate Russian diplomats, the military, the political leadership, and the country they represent.

But it is too early to celebrate. After all, a country’s capabilities and influence almost always, and especially in the contemporary world, are determined by its economic strength, technological development, and the quality of its human capital.

Yet I repeat: the quality of a country’s leadership also plays a significant role. Here is one example. In the early 2000s, the United States was the undisputed economic and technological leader. Its defense spending exceeded that of the rest of the world combined. The United States was also a moral authority in many respects. But these advantages were wasted due to poor governance and dizziness from success, which led to involvement in no-win wars, delay in crucial economic reforms, and growing debt.

The Russian elites and leadership have not yet used the confrontation and the growth of patriotism for a domestic, above all economic, revival on a liberal or anti-liberal basis, or, more likely, a combination of the two. Without it, the present brilliant foreign policy achievements will become more difficult to retain. Russia objectively lost after the end of the Cold War. In recent years, it has reversed the trend. But in order to win in the future, Russia urgently needs a new forward-looking strategy and policy, above all, for the domestic economy.

Otherwise, Russia will most likely lose again, and lose unequivocally.

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