

A FIVE-YEAR OUTLOOK FOR RUSSIAN FOREIGN POLICY: DEMANDS, DRIVERS, AND INFLUENCES

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In 2014, amid the Ukraine crisis, Russia broke out of the post-Cold War system and openly challenged U.S. dominance. This move effectively ended a quarter century of cooperative relations among great powers and ushered in an era of intense competition between them. Two years on, Moscow continues to be in defiance. The conflict with the West has deepened, and confrontation with the United States and estrangement from EU countries are now the salient features of Russia's international environment. Virtually simultaneously, Russia has entered a severe economic crisis, brought about by the demise of its oil-dependent economic model, which was exacerbated by Western sanctions in response to Moscow's actions in Ukraine and especially by the plunge in the oil price. This complicated situation will last a number of years, and its outcome will largely determine the future of Russia. This outcome will also have a significant impact on the international system.

MAIN FOREIGN POLICY PRIORITIES

Moscow's immediate foreign policy goal is to withstand the pressure imposed on it by the United States and U.S. allies. Russia is seeking ways to reduce its political isolation, adjust its economy to sanctions and low oil prices, and fight back in the information space. Since February 2014, the Kremlin has been de facto operating in a war mode, and Russian President Vladimir Putin has been acting as a wartime leader. So far, the Kremlin has been holding.

Looking ahead, the Kremlin is adamant that it stands firm on its current foreign policy course. It has no intention of stepping back and reconciling itself with the West through concessions and promises of improved behavior. In the words of Foreign Minister Sergei Lavrov, appeasement of the West at the expense of Russian national interests is over. On the

contrary, Russia's operation in Syria, which began in the fall of 2015, poses a fresh challenge to the U.S.-dominated order. Moscow has broken a U.S. post-Cold War monopoly on the global use of force and has staged a spectacular geopolitical comeback in a region it had abandoned in the waning years of the Soviet Union.

Thus, Russia's principal foreign policy priorities, as evidenced by its actions in Ukraine and Syria, are checking any further advance of NATO in Eastern Europe and confirming Russia's status as a great power outside the post-Soviet space. Moscow's strategy is to create facts on the ground to coerce its former partners turned rivals, above all the United States, to acknowledge Russia's security interests—as defined by the Kremlin, not Washington—and accept Russia's importance as a great power to be reckoned with globally.

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Moscow's engagement with the West on issues such as Ukraine, Syria, or Iranian and North Korean nuclear matters is geared to these priorities. By means of the Minsk II agreement of February 2015, Moscow seeks to create an insurmountable constitutional obstacle in Ukraine to that country's accession to NATO and to insert a pro-Russian element into the Ukrainian body politic. By means of an eventual peace settlement in Syria, Russia seeks to get U.S. recognition of its equal status, regain the role of a major outside power in the region, and keep Syria as its geopolitical and military stronghold.

Russia's willingness to engage with the Europeans on Ukraine and its offer of a coalition against the self-proclaimed Islamic State in Syria are linked to Moscow's objectives of lifting or progressively easing the EU-imposed sanctions and restoring a modicum of economic relations with Western Europe. Russia is counting on European business communities—particularly in Germany, France, and Italy—to eventually get their governments to repeal the sanctions regime. Russia is watching current developments in the European Union with a keen interest, hoping for a renationalization of EU countries' policies, which would open new opportunities for better bilateral relations between Russia and individual European states.

Russia's rupture with the West has increased the importance of the country's non-Western partners. Making relations with China, a rising global power and the biggest economy that has not joined the sanctions regime against Russia, more productive is a major priority. However, the Sino-Russian entente has clear limits. The Chinese are cautious not to damage their business ties with the United States; Russia is cautious not to fall under the sway of the economically dominant partner; and the two countries' interests and strategies do not always coincide. Bolstering ties with China and keeping the relationship friendly are major priorities; forging an alliance with Beijing is not.

For Russia, the G20 and the BRICS group have replaced the former G8 (now the G7) from which the country was expelled, while the Shanghai Cooperation Organization

(SCO) could take the place of the suspended Russia-EU summitry and NATO-Russia Council. In this sense, Moscow is in the process of settling down in the non-Western world. Brazil, Cuba, India, Indonesia, Iran, Pakistan, South Africa, and Vietnam are emerging as key partners there. However, this process will take much time before Moscow feels comfortable in its new international setting.

Rhetorically, furthering Eurasian economic integration is among Moscow's major priorities. In reality, the economic crisis that has affected all of Eurasia, particularly Russia itself, as well as Russia's political confrontation with the West have put the Eurasian Economic Union (EEU) on the back burner of Moscow's foreign policy, where it will probably remain until 2020. Keeping close bilateral relations with the partner countries Belarus and Kazakhstan, however, will be important.

It needs to be added what is not a priority or even an objective for the Kremlin. The list includes conquering the Baltic states or establishing pro-Russian enclaves there; enhancing the humanitarian catastrophe in Syria to inundate the European Union with a critical mass of refugees and topple German Chancellor Angela Merkel; and taking over Ukraine by force.

KEY FOREIGN POLICY CONSTITUENCIES

Putin remains the decider on all key foreign, security, and defense issues. In office as president since 2000 (with a term as prime minister from 2008 to 2012), Putin is by now one of the world's most experienced leaders. He also wields absolute power in his country. Putin's power rests on his unprecedented and stable popularity among ordinary Russian people. Putin's foreign policy of great-power revival is a major element of his popularity. The Western backlash against Russia's assertiveness only helps consolidate that support.

Putin is assisted by a group of senior aides, not colleagues or peers, who make up the Security Council of the Russian Federation (SCRF). The SCRF's purview is wider than national security as usually defined in the West. The council can take up virtually any issue of national importance, including economics, finance, demographics, and even

culture. Putin's foreign policy decisions are based mostly on the information he receives from the security services.

The Russian security community plays the key role in helping Putin conceive, shape, and execute foreign policy decisions. The group's worldview presents international relations in terms of a never-ending struggle for dominance and influence among a few powerful countries. The animus in the group against the United States is sincere and runs very deep. The community's principal spokesman, SCRF Secretary Nikolai Patrushev, is very candid in his description of the United States as Russia's main adversary. The Foreign Ministry under Lavrov is taking a hardline approach to implementing the Kremlin's decisions.

The present environment of the U.S.-Russian confrontation has substantially increased the influence of the defense community, both in the armed forces and in the military industry. The use of force has again become an active instrument of Russia's foreign policy, within and outside the post-Soviet space. The military industry, supported by a large-scale defense modernization program, is also being promoted as a locomotive of Russia's attempt at reindustrialization. Defense Minister Sergei Shoigu is the most trusted politician in Russia after Putin, as measured by a Levada Center opinion poll. Deputy Prime Minister Dmitry Rogozin, in charge of the defense industry, is a rare politician in the bureaucracy-dominated government with clear presidential ambitions.

The security, defense, and industrial community benefits from the high approval ratings that ordinary Russian people give to the Kremlin's proactive foreign policy and to the armed forces. Virtually the entire political elite—from the parliament and the parties in the Duma to governors, mayors, and the state-run media—is united on the issue of Russian patriotism. The strong popular and elite approval of Putin's assertive policy contrasts with a similarly strong rejection of this policy on the part of small liberal groups and individuals who have a voice but little influence in today's Russia.

The Russian business community is much quieter but is also more concerned with the economic disruption resulting from confrontation with the United States and alienation

from the EU. Businesses favor restoration of normal trading links between Russia and developed countries, naturally dislike Western sanctions and Russian countersanctions, and certainly do not want any further deterioration of Russia's relations with the United States and EU countries. However, the oligarchic top layer of the community is too dependent on the Kremlin even to suggest a change in policy; state-owned corporations faithfully follow the government line; and many small and medium-sized businesses are patriotic and supportive of Putin.

KEY IDEOLOGICAL INFLUENCES

In 2016, Putin came up with Russia's national idea: patriotism. In the Kremlin's version, Russian patriotism is above all about the state, which has the highest civic value. Attitudes toward the state have become the main criteria in judging historical and contemporary figures and ordinary citizens. The Russian state is believed to be the center of a Russian world, a civilization that traces its spiritual and temporal roots to Byzantium and Orthodox Christianity. Besides the Russian Federation, the Russian world encompasses Ukraine (minus its Greek Catholic western regions), Belarus, and Moldova, as well as the Russian diaspora around the world. Its central pillar and main source is the Russian Orthodox Church. For Putin, his continued presidency is a God-given mission.

Thus, Russia has pivoted away from the European choice that Putin announced in the early 2000s and that the country had de facto pursued since the toppling of the Communist system in 1991. This pivot to Russia's own cultural and historical heritage, with an emphasis on the imperial period, is often described as Eurasianism. The European cultural influence remains, but in its classical rather than a contemporary EU-shaped form. The Kremlin's current attitudes to the EU can be compared with the views on Europe exhibited in the nineteenth century by Emperor Alexander III and his grandfather, Emperor Nicholas I: Russia is in but not of Europe. The present-day Russian Federation sees itself as occupying a unique central position in northern Eurasia, equidistant from Asia, North America, the Middle East, and Europe.

While calling themselves conservatives, Russian leaders essentially remain pragmatic. They are prepared to do deals with anyone, irrespective of their counterparts' ideology, which they privately view with cynicism. What they vehemently reject is revolution. In the Kremlin's view, U.S. and EU support for democracy and human rights is a tool of foreign policy that is more effective in destroying authoritarian regimes than in subsequently building democratic systems of governance on their ruins.

In Russia, the Kremlin employs a number of liberals in the economic policy department, consistent with Putin's basic preference for the market over total state control of the economy. With his policies in Crimea and Ukraine, Putin has been able to turn himself into a hero for nationalists, who are also managed on the Kremlin's behalf by Vladimir Zhirinovskiy and his Liberal Democratic Party of Russia. The Communist Party is thoroughly domesticated in the Duma, while its founder, Vladimir Lenin, is reviled as a traitor. All these groups basically support the Kremlin's current foreign policy.

KEY GEOPOLITICAL CONCERNS AND POLICY DRIVERS

Moscow's main current concern and policy driver is the beginning of the long cycle of low energy and other commodity prices. The sharp drop in the oil price has markedly devalued Russia's geopolitical importance vis-à-vis its principal customers in Europe and Asia. The idea of an energy superpower, popular in the mid-2000s, has been finally and completely dispelled. This situation objectively pushes the Kremlin toward diversifying the Russian economy. Successful diversification, however, would require the country to adopt a wholly different politico-economic model, with a business-friendly environment, support for entrepreneurship, and an emphasis on technological innovation.

Such a model would end the domination of the ruling moneyed elites and cannot be adopted by them. Thus, Russia finds itself again at a crossroads with a three-way

choice: reform the economy and dismantle the existing politico-economic setup; go for a wholesale economic mobilization dominated by the state; or keep the system intact and face the prospect of continued decline and possibly an upheaval in the end. In the next five years, some sort of a choice between these three options will have to be made.

In the near to medium term, Russia is likely to face up to the challenge of Islamist radicalism on its southern borders. The Middle East is generating instability that is already spreading to other parts of the Muslim world, including Central Asia and areas of the Caucasus. Former Soviet countries of the region that have survived their first twenty-five years of independence exhibit some of the features that helped produce the Arab Spring. In Afghanistan, the Islamic State has built a presence with a view to expanding its influence through the whole country and beyond. Russia, which since 2015 has been directly involved in the war in Syria, may have to fight closer to home, always mindful of the dangers of Islamic State-induced extremism and terrorism in Russia itself.

In the long term, demographics remain one of Russia's main concerns. The rate of population decline has slowed down, and the incorporation of Crimea has added over 2 million people to Russia's total, which now stands at 146 million. But there is a growing shortage of workers, strategically important regions such as the Russian Far East remain sparsely populated, and the integration of immigrants from Central Asia presents a challenge.

THE ROLE OF THE ECONOMY AS A CONSTRAINT OR DRIVER OF RUSSIA'S FOREIGN POLICY IN KEY REGIONS OF THE WORLD

Geopolitically, Putin has become used to punching far above Russia's economic weight. This has produced some stunning successes, but it is not sustainable even in the medium term without reform, which would unchain Russia's still huge potential for growth and development, or economic mobilization, which would give a short-term effect but would ultimately result in Russia's economic and political collapse.

Reforming would be exceedingly difficult under conditions of confrontation with the United States, which are unlikely to ease considerably in the next five years. Even if the EU sanctions are formally lifted by 2020, the political risks for Europeans of doing business with Russia will be high, resulting in continuing serious impediments to economic relations. Japan's willingness to reach out to Russia as a hedge against China's rise will be tempered by Washington's opposition to such rapprochement. Ways will have to be found around the sanctions regime and below Washington's radar screen.

With economic ties to the West constrained by politics, Russia will need to more actively explore opportunities elsewhere. This will not be easy, as the current Russian exports to non-Western countries are dominated by products whose price structures have collapsed and will not recover much in the foreseeable future. It is not clear whether Russia and China will be able to upgrade their economic relations by 2020. However, if Russia manages to come up with more products that can find markets in China, India, Iran, Southeast Asia, and the Gulf Arab states, it can partly compensate for the losses in trade with the West and diversify its economic relations.

WHAT SHOULD WASHINGTON AND ITS EUROPEAN ALLIES EXPECT FROM MOSCOW?

In the next five years, Russia's relations with the United States and Europe will be competitive and tense. Russia will not invade NATO territory unprovoked, but incidents along the new front line from the Arctic to the Baltic to the Black Sea, as well as elsewhere, may occasionally endanger peace between Russia and the United States and its allies. Operating from a position of weakness vis-à-vis its adversaries, Russia will continue to resort to a number of equalizers. These will range from increased reliance on nuclear deterrence to the creation of local balances in Moscow's favor; from swift decisionmaking and bold action, including the use of force, to ambiguity and hybrid operations; and from the fact that the stakes for Russia in this resumed rivalry are higher than for Western countries to Russia's willingness to run greater risks and suffer more losses than its opponents.

Managing Russian-Western conflict under these circumstances will be of utmost importance. Key issues are preventing incidents involving military aircraft and naval ships by means of confidence-building measures; ensuring that channels of communication function properly, including at the military-to-military level; and having groups of trusted individuals on both sides capable of engaging in confidential and constructive dialogue on contentious topics and on matters of common concern, such as strategic stability.

In the general environment of confrontation, Russia's interaction with Western countries will be at best transactional, based on national interests when those happen to coincide or come sufficiently close. Rather than shying away from partnering with the West, Moscow will be ready to work with Washington and its allies on those issues. However, Russia will engage only when it is satisfied that the United States treats it as an equal and takes Russian interests into account. For the Kremlin, this is the ultimate foreign policy goal.

Specifically, attaining this goal would require getting the West to honor Russia's security space by ruling out NATO membership for Georgia, Moldova, Ukraine, or any other former Soviet republic; giving those countries a neutral status between Russia and NATO; managing international crises jointly under the aegis of the UN Security Council, in which Russia has veto power; and restoring normal economic ties between the West and Russia while resolving the issue of Donbas on the basis of the Minsk II agreement and finding a formula for recognizing Crimea as part of Russia, in accordance with the wishes of Crimean residents.

On the issues on which Russia and the West basically agree, Russia should, in the Kremlin's view, be a full partner of Washington. When they fundamentally disagree, their differences should be bracketed, so as not to block cooperation when it is possible—as with the status of Abkhazia and South Ossetia during the short period of the U.S.-Russian reset attempted in 2009. On all issues in between, mutually acceptable compromise should be sought.

On broader issues of world order, Russia has offered no alternative design to what exists today and no comprehensive reform blueprint. It is not the world order as such that Moscow has challenged, but the U.S. domination of that order. Thus, Moscow's claims have been more procedural than substantive. The Russians have wanted a permanent seat at the high table, with de facto or de jure veto power—such as at the UN Security Council. Russia has desired to be a part of the rules-making mechanism, not sit at the receiving end simply taking the rules developed by the U.S.-led international community. Therefore, the UN Security Council has always been the right model for the Russians, while the NATO-Russia Council, in which Russia was confronted by 28 allies bound by alliance solidarity, has disappointed them.

After the break that occurred in 2014, however, few Russians expect the West to make room for them. With the confrontation and alienation becoming more deeply entrenched with each passing year, the Russians have become

more skeptical about a truly global order. In their view, this order is being replaced by regional arrangements: the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP), in addition to historical alliances with the United States; China's One Belt, One Road initiative; and so on. The sanctions imposed by the West have demolished the One World concept that they bought into at the end of the Cold War. Thus, Russia has started paying more attention to regional and subregional compacts: the BRICS group, the SCO, the EEU, the Collective Security Treaty Organization, and others. Of the remaining global councils, the UN Security Council and the G20 are still considered useful.

However, whether Russia's foreign policy will achieve its objectives at whatever level will depend primarily on the success or failure of Russia's economic relaunch. The next five years will provide an answer to this.

TASK FORCE ON U.S. POLICY TOWARD RUSSIA, UKRAINE, AND EURASIA

The task force will assess the strengths and weaknesses of U.S. and Western policy toward Russia, Ukraine, and Eurasia since the end of the Cold War and offer a set of guiding principles for a durable U.S. policy framework. The task force is a joint effort with the Chicago Council on Global Affairs and is supported, in part, by the Carnegie Corporation of New York.



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