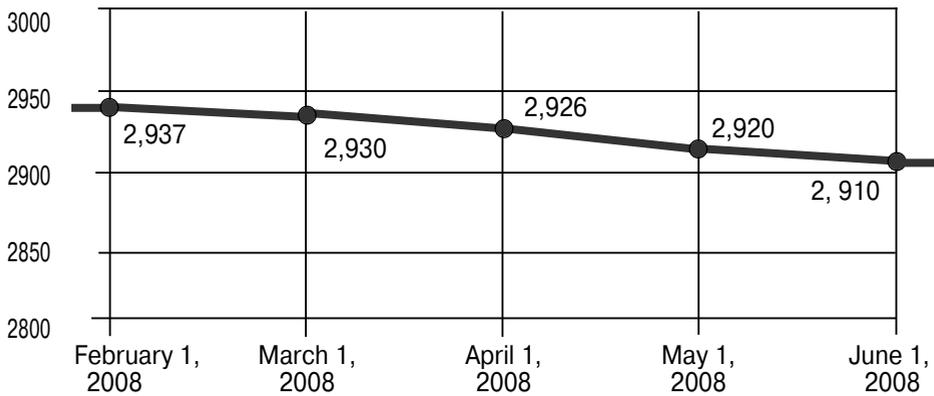


Figure 1. The *iSi* International Security Index (May–June 2008)



- ➔ **Albert Zulkharneev. THE *ISI* INDEX IN MAY–JUNE: DOWNWARD TREND CONTINUES.**
- ➔ **Yury Fedorov. A VIEW BY A RUSSIAN LIBERAL: “UNCERTAINTY GROWS.”**
- ➔ **Dmitry Evstafiev. A VIEW BY A RUSSIAN CONSERVATIVE: “ELECTRICITY TRICKS, OR MAGIC EXPOSED.”**
- ➔ **Konstantin Eggert, Dayan Jayatilleka, Andrey Kortunov, Abdulaziz Sager, and Yevgeny Satanovsky. COMMENTS BY MEMBERS OF THE INTERNATIONAL EXPERT GROUP**





THE *iSi* INDEX IN MAY–JUNE 2008: DOWNWARD TREND CONTINUES

The life, health, and wellbeing of people living on Earth, *citizens of the planet*, is the main criterion for assessing the state of the military, political, terrorist, environmental, and economic components of security, which form the basis of the universal *iSi* Index.¹ The success or failure of military action, diplomatic games, political campaigns, and economic projects is assessed precisely from the point of view of its effect on the safety of life and creative activity of people living in a specific region or the world as a whole. Military clashes, tests or deployment of new weapons, border closures or any other crises in international relations, economic destabilization – all result in a reduction of the Index, whereas any step towards resolving these issues or even just a proposal of a positive initiative improve the *iSi* by one or several points.

Growing food prices, an increased threat of hunger for millions of people, and the tragic consequences of the natural disasters in Myanmar and the Chinese province of Sichuan have if not overshadowed then considerably exacerbated political problems that normally contribute the most to the *iSi* figure. In the end of March the Index stood at **2,926** points, in April it dropped to **2,920** and by June 1 fell still further, down to **2,910**.

- **China.** The earthquake on May 12, whose epicenter was located 90 km from the capital city of the Sichuan province, killed over 62,000 people, with a further 23,000 people missing and over 350,000 injured. More than 14 million people have been evacuated from the affected area. Tremors continued for two weeks more after the quake. The situation was further complicated by torrential rains on May 27 and the danger of flooding posed by new lakes created by rivers clogged by landslides. Another problem that hit China was an enterovirus outbreak that affected over 27,500 children.

Despite these large-scale natural disasters, there has been no reduction in political activity in China and around it. At a meeting between the Dalai Lama and the Chinese authorities an agreement was reached to continue consultations. For the first time in the last 10 years the chairman of the People's Republic of China visited Japan, while on May 28 Chinese leader Hu Jintao had the first ever meeting with the chairman of the Taiwanese *Kuomintang* party, Wu Po-hsiung, who was visiting mainland China.

- **Myanmar.** On May 2 Myanmar was hit by a powerful tropical cyclone *Nargis*. Over 133,000 people were killed or went missing, with a total of 2.5 million people affected by the disaster. For the first two weeks the military authorities prevented foreign and international organizations from delivering relief aid to the affected population. One of the reasons for that was that they were wary of foreign influence over the referendum on the country's new constitution. Only on May 23 UN Secretary General Ban Ki-moon, on a visit to Myanmar, managed to reach an agreement with the country's authorities to allow representatives of international humanitarian organizations access to the affected parts of the country. The referendum was held in two stages: on May 14 and May 24. Under the new constitution that came into effect on May 29, the country will hold a general election in 2010.
- **North Korea.** Following compromises reached at the April and May talks between North Korea and the United States in Singapore and Pyongyang, tension surrounding the North Korean nuclear program has reduced. North Korea supplied the U.S. side with documents on its plutonium production. The issue of resuming the six-way talks in July 2008 is continued to be discussed.
- **Iran.** No way out of the deadlock of the Iranian nuclear problem has yet been found. Tehran agreed to hold talks with the six countries without any preconditions, invited Japan to cooperate in the nuclear sphere but failed to agree with the IAEA over its assessment of Iran's nuclear activity. According to a report by IAEA Director General Mohamed ElBaradei released in late May and presented at a session of the organization's board of governors on June 2, Iran did not disclose full information on its nuclear research.

- ❑ **Middle East.** At a meeting in Doha on May 21, Lebanese political forces reached a long-awaited compromise that resulted in the formation of a government of national unity, comprised of 30 ministers, including 11 representatives of the opposition *Hezbollah* movement. The opposition was given veto rights in the new government. After eight months of failed attempts to vote for a new president, on May 25 the country's parliament elected the former army chief, Michel Suleiman, as the new president. The country's population greeted the news of the political truce with celebrations. Fuad Siniora retained his post of prime minister.

The celebrations of the 60th anniversary of the establishment of the state of Israel in mid-May passed without any significant incidents, however Prime Minister Ehud Olmert is facing possible resignation over a corruption scandal. On May 21, peace talks between Israel and Syria resumed—under Turkish sponsorship—after an eight-year break.

- ❑ The signing on April 27 in Luxembourg of the **Serbia-EU** Stabilization and Association Agreement, marking Belgrade's first step towards EU membership, and the convincing victory in the parliamentary election of the *Boris Tadic-For European Serbia* coalition, with 38.4 percent of the vote over the 29.45 percent won by the *Serbian Radical Party* brought clarity as to the prevailing mood in Serbian society and reduced the risk of a possible escalation of tension over Kosovo. NATO built up its KFOR presence in the province ahead of the expected adoption on June 15 of the constitution of the self-proclaimed state.
- ❑ The crisis in relations between **Georgia** and Russia is becoming more tense. The UN observation mission in Georgia has concluded that it was a Russian fighter that on April 20 downed a Georgian UAV. Without casting doubt on the competence of UN experts, Moscow accused Tbilisi and *independent* experts of supplying «tendentious and biased materials».
- ❑ The problem of **growing food prices** is becoming more acute. On April 18, the head of the UN World Food Program, Josette Sheeran, announced that there was a shortage of humanitarian food aid, while on April 20 UN Secretary General Ban Ki-moon said that the current situation was threatening efforts to reduce poverty in the world.

Albert Zulkharneev

Note

¹ The index shows how much the current situation is different from *the ideal condition*, which in *iSi* terms stands at **4,210** points. The higher the threats to human life and activities are, the lower the Index is and vice versa. The chronology of events that have influenced the *iSi* Index, *the methodology for calculating the Index*, monthly *iSi* calculations, and experts' comments are published on the PIR-Center website at <http://isi.pircenter.org>. The publication of each *iSi* Index is accompanied by a survey among the International Expert Group that includes representatives from Russia, Kazakhstan, India, China, United States, France, Saudi Arabia, and other countries. The experts' comments, in no way affecting the calculated Index value, make it possible to see how changes in security are perceived in different parts of the world.



A VIEW BY A RUSSIAN LIBERAL: UNCERTAINTY GROWS

The last two months of spring 2008 did not see any dramatic international events of global scope, fierce confrontation on the world arena, or an unexpected truce between previously irreconcilable opponents. And yet it was a very interesting and important period. In May 2008 senior political leadership in Russia changed. However, by the beginning of summer neither competent analysts nor *professional coffee cup readers*, telling fortunes on coffee grounds stolen from Kremlin cafeterias, were able to come to a definitive conclusion as to the consequences of the handover of power in the Kremlin. Questions remain: will it be possible to



avoid a devastating conflict in the bureaucratic system created by dual power and what effect will the change of power have on Russia's foreign policy; will the increasingly confrontational trend in Russia's actions on the international arena be stopped? This probably reflects the current state of affairs in Russian politics, which in the course of the next several months may follow different paths, including very risky ones.

The U.S. presidential race entered its crucial phase, however nobody would venture to predict its outcome. One thing is clear: no matter who of the three, or rather two, main contenders for the presidential post—John McCain or Barack Obama—wins the election, the foreign policy of the modern world's most powerful country will undergo interesting transformations. So it is understandable why analysts all over the world were following the twists and turns of the U.S. *primaries*, in which the presidential candidate from the Democratic Party was to be decided, with bated breath.

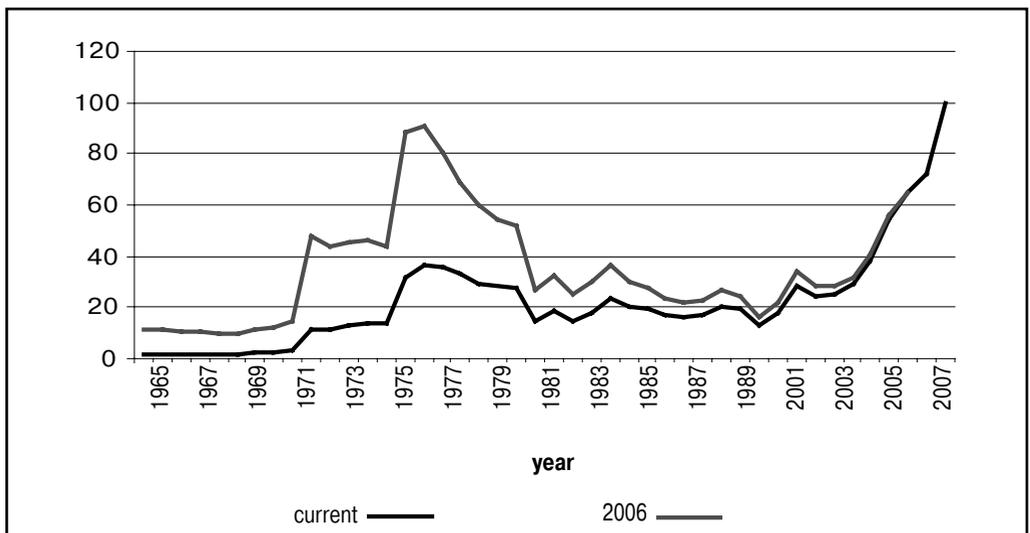
Oil prices continued to grow and in spring 2008 reached an absolute maximum for the past 150 years, not only in current but also in constant price terms. That, naturally, triggered a flow of forecasts and comments, mostly alarmist, on how the rising prices of oil and gas will affect international relations. On the whole, in early summer 2008 one could—with a fair degree of certainty—predict that by the end of the year, or even earlier, the global politics picture would develop new, exciting shades and nuances. At least, the degree of uncertainty in the international system has become much higher.

MYTHS OF OIL GEOPOLITICS

Average annual prices of oil (and, consequently, natural gas) have been consistently growing over the past 10 years, with the exception of a small and relatively brief fall in 2000–2001. In May 2008 futures prices for *Brent* crude oil (admittedly, one of the most expensive oils) went above \$130 per barrel.¹

The oil price rise has encouraged the revival of seemingly long-forgotten concepts, according to which the main driving force behind international relations at present and in the future is the struggle between countries for control over oil and gas reserves, which, according to the proponents of this theory, are depleting, and over their transportation routes. Frightening pictures of future *wars over resources* are being painted not only by popular TV shows but also by serious academic papers. Recently the Arctic has most frequently been suggested as the future epicenter of those wars since it is believed that there are huge hydrocarbon reserves under the Arctic Ocean seabed, which however—with few exceptions—has not yet been proven.

Figure 1. Oil Prices in 1965–2008, \$ barrel



According to the followers of this theory, against the backdrop of a looming global energy deficit, Russia with its enormous oil and gas reserves has become an *energy superpower* of sorts. By manipulating energy supplies it can secure its sovereignty on the world arena and impose its will on importers. At the same time Russia is inevitably becoming a target for power pressure from Western states, which have no oil and gas reserves of their own, and is therefore forced to upgrade and build up its military potential. This concept has in effect become part of the official Russian ideological doctrine known under the rather strange name of *sovereign democracy*.

The Kremlin's leading ideologist, Vladislav Surkov, once wrote: «Some people believe that no one is interested in the desovereignization of our state (or that it is not realistic). But the universal and everyday need for raw materials and security is so enormous and the reserves of nuclear weapons, oil, gas, timber, and water are so abundant here that it is hardly appropriate to feel too contented. Especially if we take into account the degree to which the possibility of recognizing, protecting and promoting our national interests has been diminished by the avalanche of corruption, the disproportions in the economy, and simple slow thinking.»²

As for slow thinking and widespread corruption, Mr. Surkov is of course right. It is also clear that the concept of *wars over resources* and the exaggerated threat of the *desovereignization* of Russia as a result of actions by certain forces that are interested in Russian oil, gas, forests, and even water and so on are in the interests of some quite influential Russian ministries. For example, the Russian Foreign Ministry can attribute constant failures in foreign policy, especially in relations with the Newly Independent States (NIS), to intrigues by *external forces* that are squeezing Russia out of zones of its vital interests, mainly linked to the production and transportation of energy resources. The General Staff can excitedly plan future operations in the Arctic, for example, the formation of mobile brigades of combat armored sledges driven by polar bears and bid for funding to build superheavy aircraft-carrying icebreakers.

Yet the key question is how well justified the concept of *wars over resources* is? Up to the mid-20th century it provided more or less adequate explanation of some of the processes taking place in international relations. However, in the early 1970s, during the first oil price hike caused by the Arab-Israeli war, several important circumstances came to light. First, the Arab countries' use of the *oil weapon* did not prevent Israel from yet again defeating the Arab armies. Second, oil-exporting countries can successfully manipulate oil prices but, themselves utterly depending on oil export revenues, cannot suspend oil exports for any lengthy period of time. Third, technologically advanced oil-importing countries partially compensate oil price rises with raising the price of industrial products they manufacture and also by the fact that oil exporters usually prefer to keep their money in Western banks. Last but not least, rising prices for oil and, consequently, natural gas, encourage developed oil-importing countries to develop and implement energy-saving technologies, optimize their energy balance, in other words, promote technological modernization. Whereas large revenues generated by the export of oil (or any other natural resources) block social, political, and technological modernization. This is the well-known effect of the *oil curse*.

The widely held opinion that oil and gas reserves are depleting in absolute terms is also not true. The ratio of the world's proved reserves to annual production for oil has remained practically unchanged for the last 15–17 years, at 40 years with minor variations, which is much higher than it was in the 1980s. That means that if the current level of oil production remains the same and no new oilfields are put in operation, the existing reserves will last some 40 years.

It is unlikely that the oil price growth, as is often done, can be attributed to the prospects of an unprecedented rise in demand in China and India. According to U.S. Energy Department forecasts, by 2020—any longer-term forecasting is practically pointless—total oil consumption in these two countries will reach 16 million barrels a day, which is 5–6 million barrels more than in late 2007–early 2008. The increase is of course quite substantial but not high enough to threaten the stability of the world oil and gas market. Given the above, the traditional *gunboat policy* becomes simply unnecessary.



Yegor Gaidar wrote: «What was an acceptable practice a century ago is becoming impossible in the modern world. The transfer of Iranian oil resources back under the control of *British Petroleum*, which had to share part of the profit with the Americans, is an echo of an era that is becoming history. After the failed Franco-British operation in the Suez in 1956 it becomes clear that the threat of the use of force against oil-producing nations that want to increase their share of oil revenues or to nationalize oil production is minimal.»³

 Yevgeny **Satanovsky (Russia)**, President of the Institute of the Middle East, – by e-mail from **Moscow**: «I think, we can predict conflict escalation in the Middle East this summer. The main problem zones are Pakistan, Gaza, which fears *cleansing*, and the areas where confrontation between Iran and Arab countries is under way. Above all, this is Lebanon. The exacerbation of the situation in Lebanon can be compensated by its improvement in Gaza, if the Israeli army conducts a long and tough operation to ensure the disarmament of the local militants.»

However, military action, including armed intervention in oil and gas producing areas or in key spots on oil and gas transportation routes may become inevitable if the production or transport infrastructure come under threat of destruction from extremist forces or regimes. For example, Iran's possession of nuclear weapons would significantly increase the risk of a nuclear conflict in the Gulf, which would have catastrophic consequences for the world petroleum market.

All this has an immediate bearing on Russia. The fuel and energy complex is a major component of its economy. According to the Russian Industry and Energy Ministry, in 2006 the fuel and energy complex accounted for almost 30 percent of GDP, for 66 percent of export revenues,

including almost 50 percent of the export revenues of the oil sector and 15 percent, of the gas industry. Its share in the 2006 tax revenues exceeded 50 percent, including 40.7 percent for the oil sector and 7.4 percent for the gas industry.⁴ In 2007 these figures were even higher.

Such—one could call it catastrophic—dependence of the economy on oil and gas exports makes any statements on Russia's energy might look absurd. Any significant attempt to reduce the export of oil or gas in order to exert political pressure on a group of importers, mainly European countries, would result not only in a drop in export revenues but also in a reduction of the imports of goods that are essential for Russia, including foodstuffs. That would make any military and political pressure on Russia aimed to impose external control over Russian oil and gas fields and pipelines simply pointless. It is another matter that Russia itself may be interested in retaining and imposing its control over oil and gas reserves and their transportation routes from Central Asia and the Caspian since the prospect of a decrease in oil and gas production in Russia looks very probable.

SUPERHIGH ENERGY PRICES: WHAT WILL THEY LEAD TO?

The question of what has been driving oil price rises for the past 10 years remains open. One of the most competent Russian experts, Vladimir Milov, attributes the oil price rise to speculative investment in oil futures.

«The current oil market is a bubble that formed as a result of an inflow of speculative capital into oil futures. This inflow became even stronger after the crisis on the high-risk mortgage market in the United States in summer 2007, when falling share prices generated additional interest in alternative investment, mainly commodity derivatives,» Milov wrote.⁵

Milov may be right, although speculation on futures contracts does not explain why oil prices have been going up for almost 10 years. Yet, the most important issue is the consequences of this price rise, especially if it is set to continue further.

Apart from everything else the *Dutch Disease* of the Russian economy will become only worse. The inflow of oil dollars makes it possible to ensure the loyalty of elite groups, alleviate social problems and finance state expenditure irrespective of the effectiveness of the bureaucratic

system and all those sectors of the economy that are not related to the production and export of oil, gas, and several other natural resources. Consequently, there are no incentives for developing and introducing promising new high technologies, for modernizing the economy, social and political institutions. Not only the authorities but society as a whole has no interest in establishing democratic procedures. As a result, the technological gap between Russia and the advanced countries will grow wider and may in the next few years become irreversible. This was as good as admitted by Vladimir Putin, who in early 2008 raised the issue of creating an innovation economy, in other words, achieving a profound technological modernization in Russia as a vital necessity.

The effect the growing oil prices have on technologically advanced oil importing countries is exactly the opposite. In addition to making their industrial production and transport less energy intensive, which in turn requires modernization of a wide range of technological processes, they are pushing those countries towards an *energy transition*, i.e. large-scale changes in the structure of the energy balance by reducing the share of oil and gas in it. A whole range of new, alternative, technologies not based on oil and gas are either ready or are nearing completion. Their downside is that they are rather expensive to implement. However superhigh oil and gas prices will make the mass use of alternative technologies economically feasible rather sooner than later. As a result, the unique role of oil and gas in the world energy balance will be significantly reduced. Consequently, the geopolitical significance of hydrocarbon exporting countries will also reduce. Those of them who will not manage to adapt to these changes quickly will be pushed to the periphery of world politics. Other deep structural changes in the international system are inevitable.

Another factor contributing to the *energy transition* is the fact that nearly 80 percent of proved oil reserves are concentrated in countries and regions associated with high and very high political risks: the Middle East, Africa, and the former Soviet Union.⁶

Table 1. Breakdown of Proved Oil Reserves by Region

	1980		2006	
	billion barrels	%	billion barrels	%
North America	92.50	14	59.60	5
Central and South America	26.70	4	103.50	9
Europe (without FSU)	14.00	2	17.00	1
Former Soviet Union	84.40	13	127.40	11
Middle East	362.40	54	742.70	61
Africa	53.30	8	117.20	10
Asia	33.80	5	40.50	3
Total	667.1	100	1,207.90	100

This consideration translates into the strategic necessity to thoroughly readjust the structure of the world energy balance. Otherwise political turmoil, social instability, armed conflicts, etc. in oil and gas producing regions may and are very likely to lead to extremely unpleasant problems for the global economy.

MOSCOW ECHO OF THE BUCHAREST SUMMIT

In spring 2008 Russian foreign policy suffered yet another bout of confrontation towards two of its neighbors, Ukraine and Georgia. It is not surprising that threatening rhetoric, which at



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times transformed into practical action, complicated Russia's relations with leading Western powers and, on the whole, noticeably damaged Russia's image internationally.

The immediate reason behind that was, most likely, NATO's officially announced decision to accept the above two countries into the alliance, albeit without specifying a timeframe for that. The declaration adopted at the April 2008 NATO summit in Bucharest states quite clearly: «NATO welcomes Ukraine's and Georgia's Euro-Atlantic aspirations for membership in NATO. We agreed today that these countries will become members of NATO.... Today we make clear that we support these countries' applications for MAP. Therefore we will now begin a period of intensive engagement with both at a high political level to address the questions still outstanding pertaining to their MAP applications.»⁷

The officially announced intention to accept Ukraine and Georgia into NATO plunged Moscow, as one could imagine, into extreme irritation and at the same time panic. Indeed, for the past several years Russia's top political circles have had the aspiration of having Russian position and interests—as the current ruling circles see them—taken into account when any important issues of world politics are decided. In fact, that was the main message of Vladimir Putin's well-known Munich speech in February 2007. However in reality it turned out that an issue which Moscow sees as a vital one for Russia was decided contrary to Russia's numerous statements and demands. In other words, there is a danger of a large-scale foreign policy defeat. Those members of the political and military elite in Russia who still see NATO as a material emanation of *the world evil* and a source of constant military threat to Russia consider Ukraine's and Georgia's joining NATO as a real threat to Russia's military security. They imagine U.S., German, Ukrainian, and Georgian tank armadas deploying along the Russian-Ukrainian and Russian-Georgian borders, ready for a flash-like advance on Moscow or, more likely, on oil producing areas in West Siberia or gas fields in Yamal. Another section of the foreign policy and defense establishment is in a panic, fearing responsibility for a looming strategic defeat. Yet another is preparing to use these events in the struggle for power, influence, and budget funding.



Konstantin Eggert (Russia), Editor-in-chief of the Moscow Bureau, BBC Russian Service – by e-mail from **Moscow**: «Among negative factors which have an impact on security in the Eurasian region I would mention the aggravation of the Russian-Georgian and Russian-Ukrainian relations, the failure of admitting Macedonia to NATO and continuing debate on Kyiv's and Tbilisi's plans to join the Alliance. However there is a growth of instability in Georgia and in summer it can trigger the flame of confrontation in Abkhazia and South Ossetia.»

Irritation and panic practically inevitably lead to an irrationally tough and aggressive reaction. In addition to adopting certain measures to expand economic ties with the unrecognized Abkhaz government, Russia deployed to Abkhazia an additional *peacekeeping* contingent armed with heavy artillery. In addition, Russian Air Force commander Col.-Gen. Aleksandr Zelin said that the establishment of a military base on the territory of Abkhazia, if a political decision to that effect is taken, would improve the quality of security and defense of the Russian state border. «If a political decision to that effect is taken, that would be for the benefit of fulfilling the task of air defense,» Zelin said.⁸ Although if a military air base like that is to house not only interceptor

aircraft but also other types of combat aircraft, such as strike fighters and fighter bombers, then the decision to set up the base would be for the benefit of not only the task of air defense but also for the benefit of achieving some other military and political tasks, too.

There was a sharp deterioration in Russia's relations with Ukraine. On a visit to Sevastopol on May 11, 2008, Yury Luzhkov announced that the issue of the status of Sevastopol «remained unresolved», that Sevastopol had never been handed over to Ukraine and should be returned to Russia. Kyiv responded by declaring the Moscow mayor *persona non grata* and banning him from entering Ukraine. The fact that Yury Luzhkov's statement was not just a personal outburst is further supported by a commentary released by the Russian Foreign Ministry. This is a truly impressive document. It says, literally, the following: «The Ukrainian authorities' decision to ban Moscow mayor Yury Mikhaylovich Luzhkov from entering Ukraine was met in Moscow with

bewilderment. The Moscow mayor is unjustifiably incriminated in some kind of encroachment on Ukraine's territorial integrity. Yury Mikhaylovich Luzhkov has never allowed himself to make unfriendly statements regarding Ukraine.... Yury Mikhaylovich Luzhkov just expressed an opinion that, by the way, coincides with the point of view of the majority of Russians.... We view the said decision of the Ukrainian authorities as an unfriendly step that goes against bilateral efforts to build an atmosphere of trust and mutual understanding in Russian-Ukrainian relations.»⁹

In other words, in Russian diplomats' bewildered opinion, the statement from one of the most prominent and influential Russian politicians that a part of Ukrainian territory does not belong to Ukraine and should be returned to Russia is not an encroachment on Ukraine's territorial integrity but is something else, for example, an attempt to restore historical justice. Still more interesting is the notion that Luzhkov's opinion coincides with that of the majority of Russians and that the ban on him to enter Ukraine goes against efforts to build an atmosphere of trust in Russian-Ukrainian relations. One could wonder how the Russian Foreign Ministry would comment on, say, the arrival in Kaliningrad of the burgomaster of a large German city who would say that East Prussia does not belong to Russia and should be returned to Germany? Does the Russian Foreign Ministry believe that its above quoted commentary contributes to creating an atmosphere of trust in Russian-Ukrainian relations? Answers to these are probably obvious.

THE ISSUE OF THE BLACK SEA FLEET

The scandal that unfolded following Yury Luzhkov's statement highlighted a far more important in the practical sense and a rather explosive in the military and political sense question of when the Russian Black Sea Fleet will be withdrawn from Sevastopol. According to the agreements signed on May 28, 1997 on the division of the fleet and the presence of its Russian part on the territory of Ukraine, Russia was given the right to keep its warships in Sevastopol and several other locations on the Ukrainian Black Sea coast for a period of 20 years. These agreements will be automatically extended for another five years unless any party not later than a year before the term of the agreements is due to expire notifies the other party in writing of the termination of the agreements. The Ukrainian side back in 2007 warned that the agreement would not be extended and suggested starting a discussion on the schedule for the withdrawal of the Russian fleet from Sevastopol.

It must have been Yury Luzhkov's statement in Sevastopol that prompted the Ukrainian authorities to adopt a law according to which the Russian-Ukrainian agreement on the Russian Black Sea Fleet's presence on Ukrainian territory is terminated from 2017. The Ukrainian Foreign Ministry yet again invited Moscow to start talks on the schedule and procedure for the fleet's withdrawal. The Russian Foreign Ministry yet again, with arrogance which has recently become its trademark, rejected that proposal. At first, in a rather aggressive tone, it said that the issue of the duration of the fleet's presence was too premature to discuss and that one should better focus on resolving practical matters related to ensuring the necessary conditions for the Russian Black Sea Fleet's normal operation and presence on Ukrainian territory. Later this position was toned down somewhat. A Russian Foreign Ministry spokesman announced that Moscow was prepared to consider increasing lease payments for the naval base in Sevastopol and also to start negotiations on the future of the agreements on the fleet's presence in the Crimea but only in several years' time, approximately three to four years before the current agreements are due to expire. At the same time it was said that Russia was interested in extending its Black Sea Fleet's presence in Sevastopol beyond 2017.

The position of Russian diplomacy is shortsighted, to say the least. One can of course flatter oneself with the hope that in several years' time Ukraine would undergo certain political changes and Kyiv would give up its current demand for the Russian fleet to withdraw completely by May 2017 and would agree to extend its presence in the Crimea indefinitely. However, hopes like these are typical *wishful thinking* and are not based on reality, especially given the tone of Russian official and unofficial rhetoric and Kyiv's hardly reversible intention to join NATO. And since such is the case then common sense demands that Russia not only starts negotiations about the fleet's withdrawal but conducts them in as polite and friendly manner as possible so as to fully defend its national interests by prompting its negotiation partners to adopt a similar tone.



It is also necessary to start preparing in advance the locations where the Black Sea Fleet will be based in the future since this is a very expensive and, which is more important, a very laborious and lengthy process. If that is not done, then the extremely complex and serious political and technical questions will need to be decided in a hurry, which naturally will result in the fleet's relocation to poorly prepared bases. The later the establishment of Russia's future main naval base near Novorossyisk begins, the more probably it is that the only thing built in time will be just the harbor. As a result the fleet will for a long time lose its combat readiness since the latter is largely defined by the effectiveness of the complex set of coastal facilities, including airfields, hydrographic infrastructure, command posts, communications stations, warehouses, barracks, accommodation for officers, and many other things.

There is of course another option: Moscow may try to keep putting off the practical discussion till 2017 and then say that the fleet will remain in Sevastopol until a schedule for its withdrawal is agreed, all the other issues resolved and all the necessary components of the coastal infrastructure are built. Clearly, these talks and construction may drag for years. It is equally clear that in that case Russia would oppose not just Ukraine but a large group of countries and would find itself involved in a serious international conflict without having any chances of success.

GAP BETWEEN WISHES AND REALITY

The current bout of belligerence in Russian foreign policy appears to be born out of a widening gap between the pretensions of the political elite and the country's real capabilities. Indeed, today the economic situation in Russia is very much different from what it was during the previous decade. The fantastic inflow of oil dollars has made it possible to alleviate many social problems, remove the threat of a financial crisis that has been haunting the Russian establishment, and to increase political stability. At the same time there has appeared and widely spread the illusion that Russia has *risen from its knees*, has restored its past might and has entered the narrow circle of countries that determine the world's destiny. In terms of concepts, these sentiments have been shaped into the ideological myths of *real sovereignty* and *sovereign democracy*. However Moscow has not developed any real leverage over international politics not only globally, but regionally either. It cannot in any significant way cut the amount of its oil and gas exports; its dependency on high-tech imports, including for its raw materials industry, is growing, while its nuclear weapons are good for deterring potential aggression but are absolutely useless as a means of achieving any other strategic goals.

Hence the temptation to bang one's fist on the table. Over the past 18 months that happened on several occasions and each time with counterproductive consequences for Russian national interests. Russia has in effect destroyed the Treaty on Conventional Armed Forces in Europe (CFE). That had no effect on the vital interests of Western countries' security but eliminated the only legal instrument preventing the potential military build-up by NATO member states next to Russian borders. An attempt to prevent Kosovo's independence failed, and Serbia's nationalist circles did not win the parliamentary election. The threats of *adequate measures* in the event U.S. missile defense elements are deployed in Poland and the Czech Republic and if Georgia and Ukraine join NATO only serve to convince the West of the need to deploy missile defense and to admit Ukraine and Georgia into the North Atlantic Alliance. However, instead of realistically assessing Russia's true interests and ways of achieving them, it would seem that Moscow is trying to further exacerbate the situation by putting more military and political pressure on Georgia and building up tension around the Crimea and Sevastopol.

Most probably, Russia would be able to annex Abkhazia without provoking a military conflict with Georgia and its possible NATO allies. Georgia's military potential is incompatible with that of Russia, while for NATO member states Abkhazia does not present any significant strategic interest. However, politically, Russia, would find itself not only in practically complete international isolation but also in a partial blockade, whereas Georgia will be admitted into NATO at double speed. Europe would of course continue buying Russian gas, in exchange supplying foodstuffs for the masses and top-quality cars for the elite. As for importing high technologies, Russia would have to kiss those good-bye. Also Russian officials may suddenly encounter problems with their accounts in Western banks and holidays in Courchevel.

The situation with Ukraine would develop differently. Russia would not be in a position to impose its Black Sea Fleet decision on Ukraine with use of force. If, in defiance of Kyiv's position, the fleet remains in the Crimea beyond May 2017, it may find itself in a tight blockade. One is left to wonder how Russia would break that hypothetical blockade. Ukraine's army and navy, especially if over the next few years they adopt NATO standards, would be quite capable of resisting military pressure from Moscow. If by that time Ukraine joins NATO, then military pressure against it could provoke a very serious international conflict, comparable in terms of its scope and consequences with Cold War confrontation. Back then the situation was very dangerous. Documents that have been gradually released in recent years show that there were several occasions when a nuclear war was averted all but by miracle.

Apart from everything else, further military action against Georgia and pressure on Ukraine would hit a final blow to the Commonwealth of Independent States (CIS) and would considerably complicate Russia's relations with all NIS. The peacekeeping operation in Abkhazia is carried out by mandate from the CIS supreme bodies. However Russian peacekeepers in Abkhazia act exclusively on orders from Russian commanders, without any sanction from the CIS Council of Heads of State, who in a situation like that may very well wonder why they should continue to preserve the CIS.

There is also something else that is even more important. The annexation of Abkhazia would set, say, Kazakhstan leaders thinking whether a similar thing may happen to the areas in the north of Kazakhstan that are largely populated by Slavs. Baku would immediately recall that its border with Russia runs along lands populated by Lezgins, who have been from time to time contemplating unification with Russia's Lezgins from across the border. The president of Belarus, Alexander Lukashenka, let alone his successors would get a convincing argument in favor of restoring relations with the West rather than creating a union state with Russia. If Minsk is prepared to end its military cooperation with Russia, the West may well reconcile with the Belarusian regime.

Good politicians and diplomats should be capable, like chess players, of foreseeing the consequences of their actions at least two to three moves ahead. Therefore either officials in the Russian Foreign Affairs and Defense ministries are simply incapable of forecasting or, which is the worst of all, both ministries are for some reason satisfied with the consequences Russia's current foreign policy moves may yield.

TURKMEN MARCH

A new and very dynamic player has appeared in Central Asia: the new president of Turkmenistan, Gurbanguly Berdimukhammedov, is capable of causing a serious shift in the static international landscape of that region. This however would have nothing to do with domestic reforms. As was expected, the arrival of a new leader in Turkmenistan did not lead to any significant changes in the country's political regime. It remains to be extremely authoritarian, there is no movement, or indication of a future movement, towards democratic changes. Moreover, in May 2008 the country's parliament proposed extending the presidential term from five to seven years. The proposal does make sense. Indeed, what is the point of spending money on more frequent elections when their outcome is known in advance? The proposal would allow the incumbent president, Gurbanguly Berdimukhammedov, to remain in power till 2014, which, according to Turkmen parliamentary circles, would increase stability in the country.

However, another thing springs to attention. A sweeping personnel reshuffle is continuing in Turkmenistan. Over the 18 months since the death of Saparmurat Niyazov, several ministries have had their heads replaced two to three times. On the one hand, that can be attributed to a quite natural desire of the new president to fill senior posts with people who are profoundly loyal to him and at the same time at least relatively competent. After the previous leader's 15 years in office this is a rather challenging task. On the other hand, continued reshuffles may indicate a fierce struggle for power between various clan and subclan groupings and the presence in the Turkmen nomenklatura of a serious opposition to Berdimukhammedov, who—despite all efforts—has so far been unable to gather a more or less considerable team of reliable supporters.



At the same time the country's new leadership is clearly trying to get rid of the most notorious and ridiculous elements of the past, to improve the life of ordinary people and to make governance more effective. Some ideological changes are also of note. In early 2008 the Turkmenistan state news agency solemnly announced that President Berdymukhammedov «had put forward the national idea of universal wellbeing and prosperity through peace, progress, achievements of human civilization, of which centuries' old history and culture of the Turkmen people is an integral part.» Speaking at a meeting with the country's cultural figures, Berdymukhammedov said that «Turkmen society needs a completely new ideology based on the realities and demands of modern time and centered around the slogan 'the state is for the people'.» In other words, the ideological doctrine of the recent past, a Turkmen version of the *sovereign democracy* theory as it were, based on the teaching of Turkmenbashi outlined in his seminal book *Ruhnama* has in effect been renounced.

One can assume that the new ideology is aimed to ensure mass support for President Berdymukhammedov's foreign policy. It is here that truly dramatic changes are taking place. To begin with, the country's new leader began taking active steps to improve Turkmenistan's rather strained relations with Uzbekistan and Azerbaijan. For example, the president of Uzbekistan, Islam Karimov, was awarded with the title of an Honorary Elder of the People for «services for the good of developing friendly relations between Turkmenistan and the Republic of Uzbekistan, strengthening the unity and solidarity between the two brotherly nations that are traditionally linked by ties of friendship, good neighborly relations and spiritual affinity» and also «for special contribution to raising the level of political, economic and cultural relations» between the two countries.

Still more impressive has been progress in relations with Azerbaijan. Diplomatic relations between the two countries have been resumed. In May 2008 Gurbanguly Berdymukhammedov paid an official visit to Baku, where a number of agreements on developing bilateral relations in various areas were signed. This visit is believed to have opened a path for resolving a number of acute problems that have so far been blocking practical cooperation between the two countries, including settling the issue of sea borders in the Caspian and ending disputes over several offshore oil and gas fields.

The improvement of relations with Azerbaijan and Uzbekistan is important, among other things, for implementing a strategic project to diversify export routes for Turkmen gas in order to end the monopoly of Russia's *Gazprom* on transporting gas from Turkmenistan to Europe. One of the possible new routes is expected to run across the Caspian Sea and to link Turkmen gas fields to Azeri terminals to later be linked into the EU-lobbied *Nabucco* gas pipeline. For its part, the construction of the Trans-Caspian gas pipeline may prompt the construction of a similar oil pipeline from Kazakhstan to Baku.

Its policy towards diversifying gas export routes has enabled Ashgabat to considerably improve its relations with the West. In May 2008 the president of Turkmenistan and the European commissioner for energy, Andris Piebalgs, signed an agreement on cooperation in the oil and gas sector between the EU and Turkmenistan. In particular, it envisages expanded cooperation in this sphere and European investment in the development of the Turkmen oil and gas industry. It looks like Gurbanguly Berdymukhammedov may be capable of meeting his promise to supply 10 billion cubic meters of gas to Europe every year, starting in 2009. It is understandable that under these circumstances European leaders are prepared to overlook some of the less attractive features of the Turkmen political regime.

Thus, spring 2008 saw the emergence of three main factors of a growing uncertainty in world politics.

First, the increasingly confrontational nature of Russia's strategic course. It may have been caused by various reasons but if this course is not changed, the result will be only one: a new serious conflict with the West, in which Russia will have no allies or even friends. It is practically impossible at this stage to predict the consequences of such a conflict, both domestically and internationally, but one thing is clear: Moscow's chances of winning it are practically nil.

Second, the active, one could even say assertive, foreign policy pursued by Turkmenistan. This country cannot claim for leadership in Central Asia but it can eliminate the region's transport dependency on Russia and consequently considerably change its role in the Eurasian international system.

Third, the U.S. presidential campaign. Whoever makes it to the White House, John McCain or Barack Obama, foreign policy changes are inevitable. However, none of the candidates probably knows what exactly these changes will be. 

Yury Fedorov

Notes

¹ Futures prices are usually higher than delivery prices (both FOB and CIF). In May 2008 futures prices went above \$130 per barrel, whereas the average monthly delivery price in January-April 2008, shown in the chart, stood at approximately \$100 per barrel. Source: *British Petroleum* and Energy Information Administration, U.S. Department of Energy.

² Vladislav Surkov, «Nationalization of the Future», *Expert*, № 43 (537), November 20–27, 2006, http://www.expert.ru/printissues/expert/2006/43/nacionalizaciaya_buduschego (last accessed May 29, 2008).

³ Yegor Gaidar, *Collapse of an Empire: Lessons for Modern Russia* (Moscow: ROSPEN, 2007), p. 109.

⁴ Ministry of Industry and Energy, «On the current situation in industrial production development (January-December 2006)», <http://www.minprom.gov.ru/ministry/dep/eapp/stat/9> (last accessed May 29, 2008).

⁵ Presentation by Vladimir Milov, Institute of Energy Policy, February 28, 2008, http://www.energypolicy.ru/files/milov_Feb-2008.ppt (last accessed May 29, 2008).

⁶ *BP Statistical Review of World Energy 2007*, June 2007, p. 6.

⁷ Bucharest Summit Declaration. Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Bucharest on April 3, 2008, para 23.

⁸ «Navy commander: Creation of a Russian military base in Abkhazia will strengthen Russian air defense,» RIA Novosti, May 15, 2008, <http://www.rian.ru/politics/20080515/107438618.html> (last accessed May 29, 2008).

⁹ Russian Foreign Ministry, «Commentary by the Information and Press Department of the Russian Ministry of Foreign Affairs in connection with Ukraine's decision to ban Moscow mayor Yury Mikhaylovich Luzhkov from entering Ukraine», May 12, 2008.



A VIEW BY A RUSSIAN CONSERVATIVE: ELECTRICITY TRICKS, OR MAGIC EXPOSED

Foreign politics does not allow for constant pretence and *make believe*. There comes a time when veils around a country or an organization that were created by clever PR or even by its partners' and opponents' illusions fall and reveal an unpleasant truth that some have been determined to hide, while others have been equally determined to ignore. And then a faint murmur ripples across the serried ranks of *progressive* and not so very much so *public*: «who would have thought...» This is only natural: foreign politics indeed is very much an area of illusion and deceit, however sooner or later there comes a moment when this or that political leader or country as a whole is asked the famous question from the old Soviet film *Cinderella*: «Excuse me, what it is that you've got to show for yourself?» Once this question is asked, spin doctors' and PR professionals' skills and ability cease to have any significance whatsoever.

The past two and a half months have probably been exactly that moment in history when many, although of course not all, masks came off and a very useful exposure of many illusions and



misconceptions took place. And this is for the benefit of Russia and the whole system of international relations since the disappearance of illusions and misconceptions ultimately makes it possible to pursue a sensible strategic course that is rooted in reality.

Of course, new illusions and misconceptions will appear and sometimes not in good faith: such is the nature of international relations. They will even be created and developed on purpose. However, despite all that, the experience of exposing *foreign policy magic* will forever remain in the consciousness of both the political elite and society as a whole. That means that we are moving forward.

ON THE FOREIGN POLICY VALUE OF THE RUSSIAN ELECTION

The main foreign policy value of the Russian election and the subsequent period of *interregnum* consists in that they reveal as openly as possible what our Western and Eastern partners are trying to hide in the course of normal contacts and talks. Over the past several months we have learnt more about ourselves, about what we should do and what should be done to us than over the past three to four years. We have discovered what our Western as well as Eastern partners expect from us, what causes their concern, what kind of Russia they would like to see. It would not be accurate to say that we have learnt something completely new about ourselves and about our partners' attitude to us but there are certain things worth mentioning.

First, foreign commentators on the Russian election are very much concerned by the possibility that Russia may continue its practice of strengthening state influence in the sectors producing raw materials. Our Western partners are little interested in small business or the environmental and energy-saving credentials of the Russian economy. Equally, they are little concerned over welfare standards at Russian enterprises. Their only concern revolves around foreign companies' chances of once again being given almost unlimited access to Russian oil and gas. This is what the majority of discussions in the foreign media ahead of and immediately after the election focused on. This is what politicians and analysts were busy discussing, too.

Second, our Western partners are very much worried about who Russia's current bodies of power are made up of and they would very much like to see certain individuals leave the ranks of the Russian political elite. Their expectations on that account must have been rather high, judging by the sigh of disappointment that rippled across Western capitals and press after appointments to the new Russian bodies of power were made public. It turned out that the *Putin consensus* of the political elite and bureaucracy had not only remained intact but had even become stronger, albeit at the expense of the effectiveness of governance. This also came as a huge disappointment for our Western partners.

 **Andrey Kortunov (Russia)**, President, New Eurasia Foundation – by email from **Moscow**: «The first positive factor is the smooth change of command in the Russian leadership. Secondary, one would note the early speeches of the new Russian president that characterize him as a young, educated and liberal rather than conservative politician, though it is early to make any far-going conclusions. It means the rise of expectations about Russia's rapprochement with the world and positive impact on security. For example, new agenda for relations with the EU is being elaborated.»

Third, our Western partners are doing their utmost to warn the new president of Russia against *flirting* with what they consider *nationalist sentiments* in Russian society. In other words, the appreciation of one's strength and dignity—albeit not always fully justified—that Russians now have is becoming a factor that the West, and partially the East too, perceives as a threat and a far more significant one at that than Russia's military activism.

Fourth, note the enthusiasm with which our Western partners welcomed the fact that the newly elected Russian president gave his first interview to Western media (which was far from the wisest decision) and the disappointment with which their increasingly more serious ranks reacted to the fact

that the new president's first foreign visits were to Kazakhstan and China. There is a reason for that: Russia's move towards the East is being perceived as one of the most significant foreign

policy issues for modern Russia because it reduces Russia's dependency on Western markets for the distribution of its raw materials, control over which has in recent years been an important tool of the West's influence over Russia.

Interestingly, our partners were not particularly concerned on the subject of Russia's position on the Anti-Ballistic Missile (ABM) Treaty, which only recently caused such heated arguments and was considered to be nearly the core of the whole foreign policy process. U.S. and European politicians were equally little perturbed as regards the future of the CFE Treaty, withdrawal from which was only recently painted as a universal tragedy. There was a little bit more interest in the matter of Kosovo and the Kosovo precedent, which is understandable, given modern Europe's ethnic issues, but it was far from dominating their agenda either. In other words, all key Russian actions, military and political by form, which outwardly provoked a passionate reaction and were interpreted as a monstrous manifestation of Russian imperialism, in fact do not worry our partners too much. What they are truly worried about is the opportunity (or lack of it) to reconfigure domestic economic relations in Russia in the interests of major transnational companies. From that point of view, our Western partners' utmost ambition is the return of the economic regime that existed in Russia under the late Boris Yeltsin and that has led to a systemic collapse of Russian statehood.

Our Western partners' approach to Russia, which was revealed with alarming clarity during the election and the subsequent *interregnum* period, is as simple as can be: economic changes will result in political changes. This leads one to a simple and almost banal conclusion: main issues in relations between Russia and the West are not about military or foreign policy but about the economy. And it is Russia's ability to defend its independence in the economy that will define Russia's future as that of a foreign policy player to be reckoned with. And God forbid us from ending up in the company of those whom ruthless history will *unmask* at its next lap.

ON THE FOREIGN POLICY VALUE OF THE U.S. ELECTION

The main foreign policy value of the U.S. election is that it is only during an election campaign that a top-ranking U.S. politician is allowed to say what they really think. At all other times the U.S. leader and senior politicians, unless of course they are an *enfant terrible* of the likes of Tom Lantos or Pat Buchanan, have to temper their thoughts in accordance with the foreign policy obligations and conventions and say what they are expected to say rather than what they want. Whereas, during an election campaign, especially in the period of *primaries*, an American politician has the right and the opportunity to openly express their views. From that point of view, the recent period has been extremely useful for Russia and the whole international community. So, what have we heard about how our U.S. partners view the situation in the world and future U.S. foreign policy?

The main thing that the U.S. presidential *candidate hopefuls* have in common is the painful realization that America is beginning to lose the battle for the *hearts and minds* of the international community and this is gradually diminishing America's standing in the world. In effect, the only difference between the candidates is that Hillary Clinton thought that America's prestige could be restored with the help of a smile, i.e. that it was possible to go back to the *good old times* of the ideological supremacy of the world's *only superpower*. For his part, Barack Obama focused on the stomach, first and foremost the stomachs of Americans themselves, who are beginning to doubt that each new generation in America will live better than the previous one. Whereas John McCain seems to have resigned to America's loss of spiritual leadership and seeks to compensate it with *fire and sword*, possibly rightly thinking that the best way to improve a country's international standing is to win a *short victorious war*. For the outside world, these options do not offer much of a variety. One should of course realize that the last thing that would interest American voters is the future U.S. president's views on foreign policy. Yet, the options to choose from are most telling as they show that for the U.S. elite, unlike the U.S. public, the issue of America's influence in the world is far from purely theoretical or idle.

At the same time a number of interesting details spring to attention.

First, the state of the U.S. economy is of course an important issue, but not important enough to dominate the election campaign, at least not in its initial phase. Of course, all the candidates





Dayan Jayatilleka (Sri Lanka), Permanent Representative of Sri Lanka to the United Nations Office at Geneva – by e-mail from Geneva: «There is a possibility that adventurist rightwing elements in the USA would try to create situations of tension internationally, mainly in the Middle East but perhaps also in Latin America this summer, so as to damage candidate Barack Obama's credibility on security issues and boost the credentials of Senator John McCain.»

exchanged statements on the subject of *restoring America's economic might* but it seemed their *hearts* were not in it and they were doing it more for the sake of putting voters' minds at rest. That of course may mean either that things are not so bad or that things are so bad that it is better not to touch the economy at all. But in any event, it would be naïve to expect that the future American president would be dealing with economic issues. It is all the more sensible to remember that for the United States the main recipe for stabilizing the economy is a superactive foreign policy. Sometimes, even a war.

Second, it has turned out that not only in Europe but in the United States too the time when *Euro-Atlantic partnership* was considered secondary, with priority given to strengthening positions in the Asia-Pacific region and distancing away from former European partners, is over. The primaries debates have shown that the U.S. elite are on the whole focused on the further development of Euro-Atlantic relations, albeit in the *Sarkozy format*, i.e. involving open geopolitical humiliation of European partners, mainly from *old Europe*, but without pushing them away from the United States altogether. America of course needs a weak Europe, but a Europe that at least at the political level would be together with the U.S.A.

Third, although compared with abortion or human cloning, the topic of Russia was secondary in the campaign, all the presidential candidates considered it necessary to speak on the subject of Russia. Which is interesting, especially given that four, let alone eight, years ago Russia hardly featured in U.S. primaries. This is a sign, and not a bad sign, which shows that the U.S. elite has a relatively realistic understanding of what is happening in the modern world.

In other words, the overall conclusion is quite simple: even if the U.S. presidential post goes to Barack Obama, which is relatively unlikely, the United States will have to pursue an active, to a certain degree an aggressive, foreign policy. And Russia will have a far from minor part to play in that foreign policy. Which should make us feel concerned since despite some periods of tension that have from time to time appeared in recent years, Russia was enjoying a comfortable position on the periphery of U.S. attention. Whereas now, having dealt with their internal problems, our U.S. partners may deal with us in earnest. One should not give way to illusions: rumors of the collapse of the U.S. economy are largely exaggerated and the degree of the future involvement of the American elite in post-election internal political arguments is being clearly overstated. The Americans will have time left to deal with us, too. So instead of comforting ourselves with the talk that the United States will be primarily occupied with its own issues, we should prepare ourselves for another serious discussion with our American partners, and a very serious discussion at that.

SMALL KOSOVO AND GREAT SERBIA

There was a lot of talk in Russia that the Serbs would never let Kosovo go, that they want to restore their nation's unity, that their patriotic feelings are very strong. However, when the time came, all those theoretical and emotional constructs came up against a quite clear and unequivocal response: despite all the hopes of the latter-day Slavophiles, the Serbian parliamentary election was won by the pro-Western party of President Boris Tadic, which intends to *cede* Kosovo. And not only intends to (this is what all Serbian political forces seem to be ready for) but is already doing it and fairly openly at that. In Russia that victory had the effect of a depth bomb explosion: on the surface there were just minor ripples, however in the depth of the Russian political elite, which on the whole expected the radicals led by Vojislav Seselj to win, there were tectonic changes, almost tragic for Slavophiles' forever elated psyche. It turned out that *Serbian brothers* had voted for the EU and the West, having altogether forgotten not only about the country's greatness but also about its territorial integrity.

This is not so much to do with the Serbian president's pro-Western leanings as with the sentiments of the Serbian public, who are crazy, both literally and figuratively speaking, to join Europe. In that desire, they are ready to cede not only Kosovo but Vojvodina, too (which, incidentally, may become the next step in *Serbia's integration into Europe*). Thus, the regular and surprising for many Russians victories of pro-Western forces in *brotherly Serbia* are based not on the influence of the CIA, George Soros, and local *orange revolutionaries* but on the attitudes of Serbian society itself; the attitudes which up to a certain point are disguised by PR and statements of determination to *fight till the end*, but when the time comes force Serbs to make *the right choice* without giving a thought to *saving face*.

We can draw one truly significant conclusion from all that has been happening in the Balkans: communication with representatives of that region, especially those of them who keep speaking about *historical ties* with Russia (which are a myth too) should be conducted with maximum and almost undisguised cynicism. The task is now not just to stop being more Serbian than Serbs, but to stop being Serbian at all.

On the other hand, it is obvious that Kosovars and the Albanian community are becoming one of the most significant factors in Europe, so far in terms of crime but give it a little more time and that will be true in terms of the economy, too. So instead of pretending that this force in Europe does not exist, we could—of course still preserving our *principled* position and conveying, when possible, to *Serbian brothers* our words of support and sympathy, but this time for a separate fee—start building relations with that new European country. For it is very likely that it will be Kosovars and not fat Bunderburgers or Poles, obsessed with the idea of getting to Heaven on the shoulders of U.S. taxpayers, who will be setting the rules of the game on the European continent. This is a force that sooner or later we shall have to deal with, so instead of waiting till the need to establish contacts with that influential force comes as an unpleasant surprise to us, it would be good to start moving in that direction.

CHINESE COLLAPSE

It would seem that the majority of events that have recently been taking place in the Celestial Empire could hardly be classed as falling under foreign or defense policy issues. All that our Chinese friends have been busy doing is dealing with scandals surrounding the Olympic torch relay, combating yet another outbreak of a mysterious disease, or saving earthquake victims from beneath the rubble. Beijing has not taken any significant foreign policy steps recently. And yet China too has found itself in the company of those whom we have recently seen *unmasked*.

 **Marian Abisheva (Kazakhstan)**, Deputy Director of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan, – by e-mail from **Almaty**: «I would like to note the following recent event – the UN has published the 2007 list of ten stories the world may wish to hear more about. These issues do not get sufficient press coverage, but they are topical for today's agenda. Well, the natural disasters are in this list. Why do I focus on this? Simply because the natural disasters are the additional cause of the index decrease.»

Surely, modern China is a world apart from the China of the campaign *to catch up with and outstrip England in steel production*, when blast furnaces were built in every backyard, or the campaign to kill sparrows. China now launches people into space; is trying, albeit with doubtful success, to make its own aircraft; it has built several showcase cities. But all that has turned out to be just the tip of an iceberg, hiding the unpleasant reality of an inefficient system of state administration and obvious internal social and national problems.

Actions by the Chinese authorities, confused, incompetent and at times simply panicky, have shown to the rest of the world that the façade of the polished Chinese reality covers a multitude of problems, primarily the inefficiency of the

state administrative machine. Which practically rules out China's chances of conducting an aggressive foreign policy, let alone an aggressive foreign policy in relation to a state that has



accumulated massive experience of using foreign policy issues to fight its geopolitical opponents, i.e. the United States. A country that is unable to independently cope with a large-scale natural disaster cannot be considered a global leader. The United States understood it very well when it refused to accept any significant foreign aid after September 11, 2001. That is why the Chinese leaders' dreams of restoring at least a semblance of bipolarity, this time on the strength of China's economic potential, turned literally into *ash* and remained under the rubble of buildings destroyed in the earthquake in the Sichuan province. Or, to be more precise, under the piles of humanitarian aid and tents sent to China from far less prosperous countries, for example, Tajikistan which sent 100,000 dollars' worth humanitarian aid to the country of metropolises and flashy skyscrapers.

Figuratively speaking, in the story with the earthquake China and its leadership suffered a collective *loss of face*, which is unforgivable in the East, both Middle or Far. So Russian *geopoliticians* and political analysts who have forecasted that global competition between China and the United States will start really soon, will have to wait till their forecasts come true.

Wait for some 20 years or so.

GEORGIAN WOES

Why did Mikhail Saakashvili put a brake on a military operation against South Ossetia, and possibly against Abkhazia too, which was expected any day in May? Was it only because he felt a drop in U.S. support? Unlikely. On the contrary, the logic of the situation was pushing him towards starting military confrontation. Saakashvili needed an armed conflict exactly so that the United States could not wriggle out of helping its ally and would have been forced to get involved in a conflict which they did not need. Was it because Russia made it clear that it would also get involved? Also unlikely: the Georgian leader as well as the whole elite of the *small but proud* nation clearly do not believe in the reality of a Russian intervention. Was it because of problems with the opposition? Even less likely: a military operation in the breakaway republics would, unlike anything else, have brought Georgian society together almost to a monolith-like state. Was it because the Europeans had sent a very clear message to the Georgian leader, having granted asylum to the fugitive defense minister, Irakli Okruashvili? Also unlikely, since Saakashvili had long ago made his choice in favor of Washington—indeed, who else?—and was little interested in the Europeans' opinion or signals they were sending.

It seems that there is a far simpler explanation: Saakashvili suddenly realized that the might of his army, which holds frequent parades in central Tbilisi, which was trained by American instructors and which consumes colossal, by Georgian standards, amounts of budget funds, may turn out to no more than just another illusion. At the moment, there is nobody who knows how strong the Georgian army really is: too much time has passed since the last Georgian-Abkhaz conflict. Both sides have changed but even Saakashvili is not too keen to test the theory of the strength of his army at the risk of losing the relative prosperity that has been achieved with so much effort. This goes to prove an assumption that at first glance seems utterly fantastical: Saakashvili is not mad after all. He is just pretending.

Of course, all the above does not rule out the possibility that Mikhail Saakashvili may after all decide on a military operation against the breakaway republics, although the triumph at the election makes this somewhat less probable: the Georgian leader no longer has to prove his right to power by trying his luck in Abkhaz forest and mountains. Now all that he needs to do is to provoke far less dangerous crises in relations with Russia and spend generous American aid.

The increasingly *murkier* story with the Georgian UAV allegedly shot down by a Russian fighter of course raises certain questions but not about the Georgian side, whose behavior is absolutely logical and predictable. The questions are about the position of the United Nations, which without giving it a second thought, practically *without looking*, accepted the Georgian theory of events. Which begs the question: wasn't Russia's support of the U.S. protégé, Ban Ki-moon, who turned out to be not just a protégé but an ordinary puppet whom the United States manipulates almost openly, a result of a—hopefully honest—mistake? And isn't it time to correct it?

As for Russian-Georgian relations, there are hardly any grounds to expect any significant changes there. The illusions that some politicians in Russia had that the victory of the Georgian opposition could have changed anything were not so much dangerous as just empty. There is no real difference between the Georgian opposition and the authorities except that the latter already have access to the trough into which foreign aid arrives, while the former are just struggling to get there too. In this situation, the best option for Russia is to ignore Georgia, be prepared that the Georgian leader may easily provoke tension in the conflict zone but, in the current policy, just ignore Georgia and not react to Saakashvili. And then the lion share of the Georgian president's greatness will evaporate and he will turn out to be no more than yet another U.S. protégé, who has successfully tapped foreign aid and got himself a place on the Caspian oil pipe.

IRAQI ZIGZAG

The fanfare announcing the arrival of a relative calm in Iraq was hardly over when the situation there again deteriorated to its norm and did it in a way that looked frighteningly natural. The number of U.S. soldiers killed there once again began to go up, as did the number of sectarian attacks, once again oil pipelines were blown up and the light at the end of the tunnel that seemed to have appeared in spring 2008 went out. And all that was provoked by just one thing: for financial and political considerations, the United States began to withdraw its additional contingent from Iraq. As a result, militants began to feel more freedom; it once again became clear that the leaders of Iraq have very little in common; that the new Iraqi army and secret services are just a shop front and a cover for corruptionists and sadists of all stripes; and, most importantly, that the current system of power in Iraq is surviving exclusively thanks to U.S. military presence.

 **Abdulaziz Sager (United Arab Emirates)**, Chairman of the Gulf Research Center – by e-mail from **Dubai**: «Iran and Iraq remain the two main areas of concern while there has also been no forward movement in the Arab-Israeli issues as was to be expected. Meanwhile, the situation in Pakistan, Afghanistan and now also Georgia remain explosive and this could quickly enter the equation in a negative sense. The fact that Iran refuses to engage with its Gulf neighbors to address their security concerns is to the detriment of regional stability. Similarly, the failure to move the political process in Iraq means that potential for a splitting of the country remains part of the agenda. Direct violence may have decreased but this does not mean that the internal situation in Iraq is indeed improving or that a breakthrough has been achieved.»

As a result, the *balloon* under the name of *Iraqi stabilization* that the Republicans, not least for the sake of the election campaign, have been blowing up has *deflated* as if it had never been. So here too politics, both foreign and domestic, has firmly dispelled illusions and misconceptions which the American administration was busy putting up.

The moral of the story is that in a conflict like the one in Iraq, no matter what tactical positive gains and successes are achieved, the main success factor is the creation of firm and effective power, no matter how tough; power that is capable of defending itself and of bringing order into its relations with society by itself, without any intermediaries and—let us reiterate—irrespective of how tough that power is and what ways of suppressing dissent it uses, although it is obvious that in modern Iraq these ways are likely to be rather tough. But power like this, especially in a situation in which modern Iraq is in now, can only be built by strong personalities, personalities who would do anything for

the sake of power, who would shed blood and commit crimes for the sake of power, paranoid dictators if you will; not a bunch of political nobodies, who are successfully spending U.S. money under the protection of U.S. tanks in Baghdad's *Green Zone*. Iraq does not have the main stabilization force, i.e. firm power, and—given the current format of the U.S. policy—will not get it, irrespective of who comes to the White House.



In other words, the United States in Iraq is in an even worse situation than the Soviet troops were in Afghanistan. After the Soviet withdrawal, the pro-Soviet regime in Afghanistan remained in power for a relatively lengthy period of time. Whereas the U.S.-sponsored rulers of Iraq, once the so-called *multinational force* is withdrawn, will last for no more than two months, of not less. The moral: what were those hundreds of thousands deaths for if in the end the Americans' mission in Iraq would boil down to a search for yet another dictator who would give them the opportunity to leave Iraq and at least for a while pretend that they have won?

FOREIGN POLICY ILLUSIONS AND FOREIGN POLICY RESPONSIBILITY

The unmasking of foreign policy magic, illusions, and misconceptions is in itself a useful process, while the emergence of those illusions is a natural and normal thing for any society. Any society and any country, as a rule, has a more flattering opinion of its own international prospects than they really are. The question is about the ability to draw the right conclusions from sometimes unpleasant revelations. The most dangerous thing is when foreign policy illusions become a cover for foreign policy irresponsibility, which—there is no point in trying to ignore it since, as the Russian saying goes, a word dropped from a song makes it all wrong—has for the past several years been the hallmark of the Russian political elite. The most striking example of this illusion-driven irresponsibility is the situation around Ukraine. All that has happened in Russian-Ukrainian relations over the last 20 years is partly a result of the dominance of corrupt mechanisms in the economy and partly, of old illusions that have been actively promoted in the Russian political elite.

From the very beginning since the establishment of *independent Ukraine*, many experts said that this territory that had been artificially put together by the Communist regime could only survive on the basis of animosity towards Russia; that sooner or later Ukraine would become a base for NATO and the United States that could be used, among other things, to exert military pressure on Russia; that there would probably be NATO tanks outside Smolensk. Back then those experts were roundly condemned and called extremists; appeals to have them punished could be heard from all quarters; they were accused of undermining the prospects of cooperation between two brotherly nations. In other words, everything was being done to drown their voices in a flow of *constructive* attitude brewed on stolen Russian gas. So what about now, when all of the concerns raised by those *extremists* are becoming an objective reality, which will very soon be given to us in sensation? Nothing. None of those people who, with their irresponsible statements about *Russian-Ukrainian partnership*, have done almost irreparable damage to Russia's security have lost their jobs or been expelled from the expert community. All of them are *keeping themselves busy*, either working as advisors to the authorities or traveling around the world in the uncertain capacity of either a state official or a tourist. And some are still continuing to build *constructive interaction* with Kyiv, naturally, on the basis of gas.

Whereas *the extremists*, whose forecast of how things would progress has turned out to be accurate, are still considered to be extremists. They are still being pointed at and accusations are still being heard that were they given their way, they would wreak havoc on Russian-Ukrainian relations, would destroy the alleged *atmosphere of partnership*. It is clear that *the extremists will never be given their way*; simply out of fear. Which is a pity. Because if *the constructively-minded continue to keep themselves busy*, Russia will be too late to spot yet another dangerous illusion, another misconception and, as was the case with Ukraine, will lose another 10 years in pointless attempts *to find a formula for interaction*. The elite's lack of responsibility makes it less competitive, which is a direct path to foreign policy defeats.

Thus the lesson one could draw from this historical period, from a period of unmasking and exposing illusions, is that it is high time Russians stopped being the world's only nation to step on the same rake thrice.

As Victor Tsoy once sang: «Everybody says, we are united. Everybody says it but few know what we are united in.» It is time we began to understand what it is that we are united in. 

Dmitry Evstafiev