The G-8 Strelna Summit and Russia’s National Power

During July 15–17, 2006, Russia will host the annual Group of Eight (G-8) summit in Strelna, near St. Petersburg. For some on the invitation list, which includes the leaders of the G-8 countries—Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States—the president of the European Commission, and the leaders of Brazil, China, India, and South Africa, the Strelna summit may be just another VIP-only gathering; but for the host, Russian president Vladimir Putin, and his inner circle, it is the political event of the season. The G-8, a venue for identifying solutions to international challenges, also offers an opportunity for Russia to present its contemporary sources of power to the world. Moscow’s selected agenda items consist of topics inherent to Russian power, such as energy and education, but also issues of global importance, such as health. Nuclear security, a key pillar of Russia’s power, is an obvious element in the discussions in the context of global and regional proliferation threats. Regardless of affiliation, everyone in the Kremlin agrees that the first full-fledged G-8 summit held on Russian soil offers a trump card that should be used to play a winning hand to improve Russia’s image worldwide; acknowledge the country’s status as a global player; and, of course, search for solutions to international problems.

Today, the overall mood in Moscow is characterized by a joie de vivre roughly reminiscent of the Saudi princes of the 1970s. Kremlin insiders are
hypnotized by perpetually high oil prices and strong economic growth of 7.1 percent in 2004;¹ hard currency reserves of $171 billion in 2005 and expected to surpass $200 billion by the end of 2006, even with a possible reduction of oil prices;² and a Stabilization Fund, created in 2003 to finance social welfare programs and emergency relief, of $18.7 billion in January 2005.³ Behaving in their usual relaxed manner, they feel that Russia has earned and deserves not only a place at the table but the presiding seat.

The three main items Moscow has placed on the G-8 summit agenda are ensuring energy security, addressing global education needs, and fighting infectious diseases. The presence of infectious diseases on the agenda reflects the growing need for international attention to global health threats, notably in the face of seemingly uncontrollable pandemics and disparities in health systems, medical care, and access to drugs. Although nuclear weapons and proliferation are not listed on the agenda, the topics will nevertheless solicit significant discussion in light of their associated security threats, such as the nuclear programs in Iran and North Korea as well as recent increases in the capabilities of major international terrorist networks to develop weapons of mass destruction (WMD). Other items include regional conflicts and the promotion of development assistance as well as global finance and trade. The main objective, as stated by Putin, is to improve “the quality of life and living standards of the present and future generations” of the planet.⁴ As one Kremlin insider remarked, “Yes, it is one more tusovka,” using the slang word for party, not so results driven, but rather highly process driven. “Yes, this is another chance for everyone to show off. For Russia, however, this is when it really needs to put its best clothes on to impress everyone around.”⁵

A Tale of Two Summits

In 1996, the last time Russia had a similar opportunity, Boris Yeltsin’s entourage arranged a special summit meeting of the G-7 plus Russia to discuss nuclear security issues. By hosting luxurious receptions at newly restored Kremlin palaces, their true aim was to prove that Russia, if not yet an equal, was at least playing a significant international role. At the time, of course, there was also a particular goal: Yeltsin, fading politically, was facing a presidential election and needed to garner the support of world leaders.

One year earlier, at the Halifax summit in 1995, Yeltsin had proposed nuclear security as the top item for the Moscow meeting agenda. The news made the world community quiver with enthusiasm and disbelief. Was Russia really ready to discuss openly the issues of accounting for and controlling nuclear materials, the threats of nuclear trafficking, and nuclear terrorism?
After the initial feverish reaction, the excitement gradually calmed. The issue was clearly too complex to provoke anything but a mixed response. For one thing, there was at the time no single approach to dealing with the nuclear security problem. The political sensitivity of the issue also made it practically impossible to tackle thorough group discussions. For Yeltsin, an additional challenge was to present these sensitive issues in a way that would avoid turning the meeting into a stream of reproaches against Russia.6

Although Yeltsin's proposal was eventually accepted, it was subjected to prolonged and exhaustive debate at the expert and governmental levels in each of the participant countries. At times, it seemed as though the idea might be abandoned. It was finally agreed that the meeting would be held as a “nuclear safety and security summit” concentrating on the general problems of nuclear energy and nuclear safety in the civil sector, briefly touching on nuclear nonproliferation, and completely avoiding the question of nuclear weapons. As a result, the final version of the agenda overlooked the military component of nuclear security and shifted the emphasis to bilateral consultations. In all, fewer than two hours were allocated to the discussion of nuclear issues, with a fair share of that time being devoted to the post-Chernobyl situation.

It did not pass unnoticed that, beginning with the preparatory steps, the participating countries voluntarily renounced setting concrete goals for the 1996 meeting. Instead, world leaders rallied around Yeltsin. Participants agreed to largely sterilize the discussion, avoiding any acute problems and sensitive topics. French president Jacques Chirac, for example, responded to a reporter’s question about the security of nuclear materials in Russia and illicit nuclear trafficking by saying that “there are no problems I am aware of.”7 Such a response contradicted existing concerns widely expressed 10 years ago in the West and, more privately, in Russia.

Many experts within and outside Russia believe that the meeting benefited Yeltsin first and foremost by allowing him to secure the support of Western leaders on the eve of the presidential elections. Although the summit did not result in any solutions to the nuclear security problem, Yeltsin was able to achieve his personal goals: demonstrating the strength of the “Master of Kremlin” and proving Russia’s eagerness to cooperate with the G-7.8

A decade later, when a new Russian president welcomes the G-8 leaders to his country, it will be to a Russia that has been dramatically transformed.
The danger of the country’s disintegration has been nipped in the bud, the Chechen separatists have been generally defeated, the country has entered a period of political stabilization, and economic indicators show evidence of growth. In fact, Russia now hopes to pay off the debts it accumulated during the past decade as quickly as possible and has since become a donor.

The need to cling fitfully to the symbols of great-power status, such as permanent membership in the United Nations Security Council, official recognition as a nuclear power, and a permanent laissez-passer to the G-8, no longer exists. Yet, it is precisely these roles that continue to serve as Russia’s uncontestable advantages and allow it to effectively convert economic weight into influence in key spheres of world politics.

Russia’s Rocky Start

For the July 2006 summit, it appears that Putin will have a very different goal from that of Yeltsin: to distract attention from his own persona and to focus attention on Russia’s growing geopolitical strength. With his domestic popularity high, Putin does not share Yeltsin’s need for personal support from his G-8 colleagues. Moreover, for the increasingly nationalistic and anti-American Russian public, kind words for Putin from President George W. Bush, for example, might have the opposite effect, decreasing Putin’s popularity at home. This time around, the focus will not be on the president himself but rather on advancing Russia on the global stage and promoting the country to his VIP guests and to the world.

What was planned as a powerful opportunity for image promotion, however, has gotten off to a wretched start. In fact, Russia has never been fully integrated into the financial meetings of the G-8, and again in recent months, the Russian Central Bank chief has not been allowed into private G-7 discussions. Ministers of finance did meet in February in Moscow in the G-8 format, in what could be claimed as a success for Russia. It became clear, however, that even this year, financial issues will be discussed in the “7 1/2” manner, in which Russia shares the “half” with Brazil, India, and China, and that, after the end of Russia’s year-long presidency, the financial dimension of the G-8 will again revert to the historical G-7 format, with Russia included in political discussions. As described recently in an article in the Financial Times, “Russia’s membership may be appropriate to discussing security and energy issues. But for financial matters, it looks slightly out of place.”

Moreover, in December 2005 the Kremlin completely mismanaged parliamentary debates over a series of unprofessionally written amendments to legislation regarding nongovernmental organizations (NGOs). The situation
elicited sharp criticism from other G-8 members, with the exception of non-NGO-friendly Japan, and shook Russia’s image-building efforts. In the end, the draft legislation was significantly improved, and the Kremlin and the Russian Ministry of Foreign Affairs invited NGOs to consult on G-8–related issues. These steps were in the right direction, but they looked like damage control rather than strategic planning.

Furthermore, because of either the Kremlin’s traditional bureaucratic maze or a desire to concentrate on Russia’s economic success, Moscow initially declared that it did not intend to invite any other leaders besides those of the G-8 countries to Strelna. In a speech to the Royal Institute for International Affairs in London on November 8, 2005, Putin’s aide and sherpa to the G-8, Igor Shuvalov, said “We believe, and this is not certain yet … we should not invite other countries as was done by Great Britain and by the French in the past…. Instead we could invite the heads of multilateral organizations,” rather than heads of individual countries such as China or India. This approach contradicted the course set by Putin, however, for turning Russia into a bridge between the wealthiest countries in the world, the so-called fat cats, and the developing markets of India, China, Brazil, and South Africa. Amends were made and invitations sent out, but the overall situation looked awkward at the very least. Moreover, the Kremlin organizers of the 2006 summit still tried to emphasize that Russia is against expanding the membership of the elite club: “If we imagine even more people (more than eight) around the common discussion table, there is a chance that the meaning of their gathering could be lost. Of course, a suggestion about expanding the work to the G-20 could be made. But in doing so, it is important to realize that the ‘Big Twenty' would not be as effective.”

Finally, Russia’s demand that Ukraine accept higher prices for imported gas, which had been scheduled long before, happened to coincide with the first days of Russia’s G-8 presidency, as well as a cold front passing through Europe. As a result, the Kremlin’s plan for Russia to be praised as a guarantor of European energy security was overshadowed by suspicions about Russia as a source of energy insecurity. Many in Europe proposed the immediate diversification of energy imports to decrease dependence on Russia. Shuvalov labeled this backlash “black PR.” Shortly afterward, scholars at the Foreign Policy Center, a British think tank, as well as U.S. senator John McCain (R-Ariz.), called for Russia’s expulsion from the G-8.

When one considers Russian power today, energy is what first comes to mind.
Putin responded without delay, that

[regarding those adversaries … who say that Russia does not belong in the G-8, I know that our country has such adversaries. They are stuck in the previous century—all these Sovietologists. Despite the fact that the Soviet Union ceased to exist, they are still there because they do not have another occupation. What can we say to them? I know how G-8 leaders feel. Nobody is against Russia being included and actively participating in the club because nobody wants the G-8 to become a meeting between the fat cats…. Russia’s participation in the G-8 is absolutely natural. Let critics say what they want…. It is their job. The dog barks, the caravan rolls on.]

Even if Putin’s “absolutely natural” characterization is an overstatement, it has become clear that Russia does not question its own place among the upper echelons of twenty-first-century world powers. The Kremlin views any manifestation of doubt in this regard as a sign of an inferiority complex, to whose extirpation Putin devotes the majority of his time both in the corridors of the Kremlin and in Russian society.

**The 2006 Agenda and Russia’s National Strength**

In a March 1, 2006 statement, Putin effectively linked all of the items on the upcoming G-8 agenda to the development and security of the international community. Identifying the correlations between global challenges, he called for international cooperation to overcome these threats. Energy deficits contribute to poverty and underdevelopment, hindering international economic growth; new strains of diseases, natural disasters, and humanitarian crises can lead to pandemics; and lack of education negatively impacts economies, the security of migrant populations, and ultimately can contribute to the growth of terrorism.

Putin expressed the need for global cooperation in responding to these challenges. He hopes to build on the results of the Gleneagles G-8 summit and the Tunisian World Summit on Information and has proposed several ideas for contributing to the architecture of world security. His forward-looking discourse takes the needs of the global community into account, but Russia, similar to all of the G-8 members, will also approach the summit with its national interests in mind. Russia’s confidence rests on three pillars: energy, nuclear weapons, and the education level of Russian population. It is by focusing on these strong aspects of the Russian state, as well as on the current needs of the global community, that Putin has aligned the agenda for the Strelna summit.
Energy

When one considers Russian power today, energy is what first comes to mind. This is the area, along with women's tennis, for which the country is most often cited in the global media. Russia has the third-largest quantity of oil resources in the world, accounting for approximately 10 percent of global reserves, or 27 percent of global oil reserves outside OPEC countries. It is the world’s second-largest oil exporter and oil extractor, behind only Saudi Arabia. In gas reserves, Russia is the undeniable leader, with 38 percent of the world's gas resources estimated to be within its territory, while 27 percent of all gas extracted from the earth annually is in Russia. Russia accounts for 30 percent of global gas exports.¹⁹

The energy discussions at Strelna will focus on a theme of equal importance to all eight member countries: the security of energy flows, whether through pipelines or nuclear plants, and their diversification, with particular attention on Asia, as well as the development of reprocessing capacities. These energy security discussions will be linked both to oil and the war on terrorism. The summit will mark the beginning of the dialogue on the renaissance of nuclear power, which is already supported by Russia, France, Japan, and Canada. The United States is not only prepared for this development but indeed views it as a key issue. Italy has also recently expressed an interest in nuclear power, and Germany under Chancellor Angela Merkel at a minimum will not object.

The summit also provides an opportunity to close the book on Chernobyl. In September 2005, the UN, with the participation and approval of the Russian government, among others, released the report “Environmental Consequences of the Chernobyl Accident and Their Remediation.”²⁰ It provided an updated evaluation of the nuclear reactor accident, acknowledging the fear, rumors, and controversy created by previous conflicting reports. The report concludes that “the vast majority of [...] population residing in contaminated areas of Belarus, Russia and Ukraine in the early 2000s, receive annual effective dose less than 1 millisieverts (mSv) (equal to national action levels in the three countries). For comparison, a worldwide average annual dose from natural background radiation is about 2.4 mSv with the typical range of 1 to 10 mSv in various regions.”²¹ In addition to allaying health and environmental concerns, this finding also alleviates negative feelings toward Russia created by the myriad misunderstandings and exaggerations surrounding the Chernobyl incident.
Furthermore, the summit will address Russia’s remarkable and future-oriented initiative to create a network of centers to handle uranium enrichment. As Putin stated, “These centers would be equally accessible to all those who want to participate in developing atomic energy together. There would be no discrimination.”\textsuperscript{22} Russia has already won tentative support for this bold project from most G-8 members. It is not inconceivable that others, namely China, India, Kazakhstan, or Uzbekistan, might join at a certain stage. Iran was the first to be invited to participate, but its reaction from the very beginning was negative. Russia will also promote its fast-breeder reactor concept, a new generation of nuclear reactors expected to be more energy efficient and proliferation resistant than existing types. This is another ambitious and forward-looking project and an attractive idea for at least some of Russia’s G-8 counterparts.

\textbf{Nuclear Weapons}

The second unquestionable pillar of Russian power is its nuclear arsenal. Russia maintains the second-largest arsenal of warheads on the globe. In January 2006, Putin stated that “[t]he G-8 is a club which addresses … first and foremost, security problems. Can someone imagine resolving problems concerning global nuclear security without the participation of the largest nuclear power in the world, the Russian Federation?”\textsuperscript{23} The questions of nuclear nonproliferation and nuclear security, along with nuclear terrorism, are certain to occupy their traditional, influential place on the summit agenda. As part of Russia’s preparations to discuss global nuclear nonproliferation issues, Sergei Ivanov, the minister of defense and Putin’s closest ally, has initiated the drafting of a white paper on nonproliferation issues for the Strelna summit “to set forth our views on the situation in the non-proliferation area, including particular states and regions, and also Russia’s approaches to the resolution of key international problems in that area.”\textsuperscript{24} In this regard and in contrast with previous summits, Moscow does not intend to worry about its nuclear inheritance, just as it does not plan to reject it. The Kremlin is not concerned about the controversy surrounding questions of nuclear security, long a ritual at G-8 summits and particularly dominant on the Strelna agenda. Rumors about the scale of illegal trafficking in nuclear materials, originating from various countries, and the very existence of the international nuclear black market have proven greatly exaggerated. According to the International Atomic Energy Agency (IAEA), the total of all materials reportedly stolen or lost worldwide in the last decade would result in just two percent of the material necessary for one nuclear explosive device.\textsuperscript{25} Moscow’s largest challenge, securing nuclear facilities, primarily those under the jurisdiction of the Russian Defense Ministry, has been
solved either through Russian budgetary funding or through international assistance. The latter includes support provided within the framework of the Global Partnership Against Proliferation, established at the June 2002 Canadian-hosted G-8 summit with a commitment to provide up to $20 billion to reduce nuclear and other proliferation threats emerging from the Russian Federation primarily as a result of nuclear arms reductions.

Unfortunately, the Global Partnership is now floundering, partly because a number of states, France and Japan in particular, have yet to follow through on their financial promises. Nevertheless, it is highly unlikely that the Russian government plans any political hysteries regarding the failure to receive these funds. Russia believes that its G-8 partners should be as interested as it is in providing for nuclear security, as well as in the completion of the Global Partnership’s two chief tasks: the destruction of chemical weapons and the dismantlement of nuclear-powered submarines. The key word is reciprocity, transparency in exchange for transparency. The Kremlin is convinced that the era of the one-sided game has ended.

On the topic of “traditional” nonproliferation, the summit agenda could still change repeatedly, depending on particular regional dynamics. Russia prioritizes its chief concerns as Pakistan, North Korea, Iran, and nonstate actors. Pakistan is a weak state with nuclear weapons and delivery systems led by a shaky if not yet failing regime and surrounded by violent nonstate actors. The world knows too little about Pakistan’s nuclear arsenal to feel safe about its security. In addition, the refusal by Pakistan’s leaders to provide IAEA representatives with access to Dr. Abdul Qadeer Khan raises questions about whether the entire history of his network has indeed been uncovered and whether Pakistan and other states involved have learned from their mistakes.

Russia is greatly concerned about the status of North Korea’s nuclear-weapon and missile programs. Consequently, it regards progress in the six-party talks among North Korea, South Korea, China, Japan, Russia, and the United States with great importance. Russia has only limited influence over Pyongyang, but China’s influence provides partial compensation. Moscow believes that progress achieved at the talks should not be consolidated in a bilateral U.S.–North Korean format but rather in a multilateral format, gradually bringing North Korea back into the IAEA and the Nuclear Non-Proliferation Treaty.

The Kremlin believes that education and knowledge will be the leitmotif of the new century.
When assessing the current situation in Iran, many in Moscow believe that the world must recognize a dichotomy. On one hand, because Iran is a proud nation that wants to stand on equal footing with the most technologically advanced states, it will develop its nuclear energy, space exploration, and biotechnology programs at almost any cost. On the other hand, Iran’s leadership has repeatedly proven itself untrustworthy. In recent years, Russia has been witness to a variety of falsehoods from Iran about its nuclear program. Yet, this history of deception does not necessarily mean that Iran has decided to produce nuclear weapons. Russia still believes, as Foreign Minister Sergey Lavrov indicated in December 2005, that neither the use of force nor the use of sanctions against Iran would be productive. 27 Yet, if Russia learns of hard evidence that Iran’s current advanced nuclear program also has military components aimed at the eventual acquisition of de facto nuclear-weapon status, Russia’s position toward sanctions will change. In practical terms, this means that Russia will continue to be very supportive of the diplomatic efforts by France, Germany, and the United Kingdom (the EU-3) vis-à-vis Iran and its nuclear program. Russia’s current official position that Iran should voluntarily cease, indefinitely or at least temporarily, the enrichment of uranium coincides with that of the EU-3.

Finally, Russia has concerns about nonstate actors seeking weapons of mass destruction. As Ambassador Nikolay Spassky, deputy secretary of Russia’s National Security Council, said recently, “It is not whether, but when.” 26 With such a deeply pessimistic assessment, Russia is putting the following items high on Strelna’s agenda: suppressing the financing of the most aggressive, ambitious, and imaginative terrorist organizations; implementing legal measures such as universal adherence to the Convention on Suppression of Acts of Nuclear Terrorism to minimize risks of WMD terrorist attacks; and conducting practical simulations of the consequences of WMD terrorist acts to reduce the potential damaging effects in the event of a real crisis.

**Education**

Having energy and nuclear weapons on the G-8 summit’s agenda increased the Kremlin’s confidence, but something was still missing. Officials looked to education to fill the gap, supported by the commonly held Russian belief that national greatness is also determined by the education level of its citizens.
In the UN Human Development Index, Russia lags behind in 62nd place, in the company of countries such as Malaysia and Romania, as compared to Canada at fifth place, the United States at 10th place, and Japan at 11th place. Russia’s low ranking is due primarily to its low life expectancy, as well as the modest incomes of its citizens. On the educational index, however, Russia is a head above some of its G-8 partners, even Japan. Russia has a traditionally high level of intellectual capital and a high-quality educational system that is woven closely to Russian cultural history.

Similar to its nuclear strength, Russia’s educational strength was inherited from the Soviet era. In this arena, Russia has hung on tenaciously in its efforts to stay competitive. Russian academics are still highly valued abroad. Russian universities attract fewer foreign students than during the Soviet era, however, and can no longer contend with Australia, Ireland, New Zealand, and Canada, the emerging new leaders.

The topic of education is not just a priority of the Strelna summit meant to create a new image of Russia. The issue runs much deeper. The Kremlin believes, perhaps intuitively but more likely consciously, that education and knowledge will be the leitmotif of the new century. Russia can comfortably enter the new century and into its elite club with big oil in its front pocket and nuclear bombs in its back pocket. Yet, these they are not enough to win club membership. Brains are needed as well, both to make use of oil and bombs competently and to avoid being thrown out of the club and into the company of those countries where the era of knowledge has yet to begin.

Although the Kremlin understands this, it has yet to take bold new steps toward the path of full-scale education reform. On the G-8 2006 agenda, there is still room for new initiatives in education. Currently, they include the question of mutual recognition of diplomas; the global “Education for All” program to eliminate illiteracy, primarily in the poorest countries; and educational programs for migrants seeking integration.

The Kremlin’s reflections on its domestic priorities, as well as its priorities for the 2006 summit, have evolved in a fairly interesting way. There has been a noticeable shift away from hard security problems, the classic, familiar subjects about which entire statements can be written far in advance, toward soft security issues. The prominent position of education on the 2006 agenda illustrates this shift.

Russia’s Place at the Table: G-8 Is Not the Only Club in Town

Because the G-8 members’ interests vary widely on many key issues, the Kremlin realizes that the Strelna summit will not consist entirely of placid
photo ops. The topic of nonproliferation alone makes this abundantly clear, as the ritual pronouncements of a unified position vis-à-vis Iran completely mask the varied national interests at play. As for education, the EU has adopted a policy of absorbing the best minds from other countries, including Russia, directly contradicting Russian interests. Similarly, a possible future Kremlin policy aimed at luring back their Western-educated specialists will hardly please Canada, Germany, or the United States.

This global discord is even more evident in the energy arena. Russia has taunted its G-8 partners by saying that the line for Russian oil and gas no longer starts in the West but in the east and south, suggesting that they will have to take their place in line after China and perhaps India as well.

Noticeable tension is growing on the threshold of a serious battle for nuclear power exports among Russia, France, and the United States. When the issue of oil prices is raised, Moscow wonders why it must consider high prices a national catastrophe as the United States or other major oil consumers do. For Russia, a drop in oil prices below 15 dollars per barrel would constitute such a crisis, but, needless to say, for the majority of Putin's guests in Strelna this coming July, this turn of events would lead to a national celebration.

Russia is gradually outgrowing the euphoria it initially felt about joining the G-8 as a near equal, replacing it with a calmer, more nuanced view. Acknowledging its status as a global player, Russia also recognizes that there is more than one theater in which to act. Consequently, Moscow is examining the possibility of forming other elite clubs in which it might be an equal member. The Shanghai Cooperation Organization (SCO), an international organization founded by China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan that abides by the principles of the UN Charter, already appears likely to be modified toward this end. India, Pakistan, and Iran have become observers, and the door is open to others. The SCO's working languages are Chinese and Russian, and the organization accounts for approximately three-fifths of Eurasia and nearly one-quarter of the world's total population. Its purposes include the strengthening of friendship among member states, the maintenance of regional peace, and the development of economic cooperation. The head of the Russian State Duma committee on defense, Gen. Victor Zavarzin, stated quite explicitly that "the SCO can effectively take the role of a collective deterrent force in Eurasia."
Today, Russian strategists are not as bothered by the existence of some conflicts of interest between Russia and its G-8 partners as they would have been a decade ago. Similar to medical doctors, they simply and coolly diagnose such conflicts. Their reactions to criticisms are more proactive than defensive. Bolstered by confidence in its energy supply, nuclear strength, and intellectual capital, Russia today is more confident of its role in the international community and especially in the G-8. It welcomes its counterparts to the summit with its head held high, knowing that it has become indispensable to this club.

Notes

5. Senior Russian official, interview by Orlov, Moscow, December 2005.
7. Jacques Chirac, comments at the Nuclear Safety and Security Summit, April 1996 (from notes taken by Orlov).


21. Ibid., p. 16.

22. Putin press conference

23. Ibid.


