RUSSIA AND GLOBAL SECURITY – WHAT SHOULD WE EXPECT IN 2014?

Dmitry Evstafiev, Security Index Editorial Board Member:

Thank you very much. It’s an honor and pleasure to speak at the Trialogue Club; I have collaborated with the club and PIR Center for a long time and it’s a pleasure to be invited to speak as one of the Keynote speakers at the Anniversary meeting. I’ll talk about the current state and development prospects of the Russian armed forces. At the end of a traditional period, the Russian armed forces are starting to face a number of new emerging challenges. A few words about the current trends and development of the Russian armed forces; let me highlight two trends in particular. First, growing priority is now given to increase in mobility and rapid deployment. Second, is the development of armed forces as one of the factors that could contribute to the economic development of a country. Although today still, there is no national consensus regarding the two trends. I would like to mention that less and less priority is given to social protection of the military. Of course, all high-ranking officials will continue mentioning this topic in their public statements, but, as I’m sure all of you have noticed, it is no longer as relevant it was 5, 6 years ago, and it became somewhat of a ritual, tradition rather. It might be a positive trend because armed forces are regaining their previous status and people no longer consider them to be merely means to build the prosperity of individual officers. I would like to turn attention to geopolitical factors that in my view – and I would like to stress specifically that this is just my view – influence the development of armed forces. The first trend is the destabilization of the Middle East, which has become a more and more prominent factor taken on board in Russian military planning. And in terms of regional issues, growing importance has been given to military presence in the Arctic region. However, there is a number of issues in my view, which are given little consideration in today’s Russian military planning. You probably noted that over the past 18 months, the discussion on Afghanistan has become virtually silent. Which, in my view, is a mistake because we tend to underestimate military consequences of the future withdrawal of American troops from the country. But unfortunately this is the trend; the trend is there. The general conclusion I would like to draw is that the reform helped to stabilize the political situation in the armed forces; it was a successful decision from every point of view, however, we have already received all the positive benefits, in terms of propaganda, organization and administration that we could. I think it is virtually impossible to continue making advantages from this image. More attention needs to be given to the proper development of armed forces. A few words about the grey zone in
Russian military planning, which I think exist today. Today there are no black zones or black areas, in Russian military planning, that is, areas that have complete uncertainty. It is predictable, it is possible to understand, and it is even transparent to the extent that Russian military planning can be in the Russian Federation. However, there are areas, the development of which will depend on a number of factors that defy our forecasts at the moment. So the main elements of the grey zone are relations with China. There is growing feeling that behind official statements of strategic partnership there is growing mutual discontent, intentions, in particular, because our Chinese friends basically privatized the Shanghai Corporation Organization. No one can predict today whether this issue will become a matter of military planning. The second factor, and it is also international rather than national, is our commitments made to our allies within the Collective Security Treaty Organization. Those guarantees today are applied to merely hypothetical situations or to the fight against terrorism. The reality of our political life turned out to be way more diverse than what is stated in the treaty. And the last point I would like to turn your attention to is the fate of the Intermediate-Range Nuclear Forces Treaty. In terms of military security, Russia withdrawal from the Treaty was technically a benign decision. Although, politically speaking, such a step will entail so many risks that they might have devastating consequences for Russia. Although, the matter remains on the table. And it’s not up to Russia to decide what the fate of the Treaty will be.

There are a number of factors that will define whether Russia will be able to efficiently use middle armed forces as political and geopolitical factor. Most of these factors to date are not international, but rather, domestic. And although in Russia many, including the military, smile when they hear this topic mentioned, I would say that many of those factors call upon the society to come up with a new system of relations between the military and the general public. Confidence building for armed forces officers is an important issue. Although, my view is that it is impossible to tackle the problem in the mid-term. We now have one and a half generations of officers that were brought up in the Russian armed forces and have no idea what real armed forces are. As regards challenges that Russia’s armed forces are facing, I would first like to mention its outdated infrastructure. Although this is something that will be relevant in the short term. As regards more general factors, let me highlight the increasing role that ideology will play in the armed forces. Attempts to introduce public ideology into the armed forces will result in strong ideological feeling among the armed forces. And, for me, the question remains open of whether the state will be able to control the process after it is launched. And let me say that, in the next 3 to 5 years, the priority issue for the Russian armed forces will be coming up with a new doctrine. The Russian Army cannot possibly develop on an *ad hoc* basis. It might sound embarrassing, but let me still say, but one of the things that Russia’s military forces need today is similar to the Caspar Weinberger Doctrine, if any of you remember what that is. Back in 1982, the US Defense Secretary came up with five criteria for the use of force by the American Military in case of local
conflicts. Back then, he was laughed at, but the US Military still uses the five criteria. Now, I would like to, once again, give special thanks to Vladimir Orlov, my long-time friend and colleague, and say that it is always an honor and pleasure to speak at Trialogue and PIR Center meetings.

Evgeny Buzhinsky, PIR Center Senior Vice President:

Thank you dear colleagues and Mr. Evstafiev for his overview of his vision of the of the Russian armed forces. I think it would make a lot of sense if I were to touch upon some of the key aspects of the re-equipping of the Russian armed forces. Obviously, it is not realistic to try and touch upon the entire scope within the little time that I was given. Therefore, I will touch upon just one small, but very important aspect of the program. As you probably know, our President recently held a number of meetings with Senior Generals of the Russian armed forces as well as with leaders of various military enterprises. Many of those meetings were dedicated to the development of the prime status and prospects for the military development of drones. Modern-day drones are an efficient type of dual-use technology that also has large investment potential. The development of the domestic drone program takes place against the background of the rapid technological development, but, on the other hand, there are a number of technological and administrative issues that piled up both in the military-technical complex of the country, and in the armed forces themselves. In line with the public program of development of the Russian military by the year 2020, over 300 billion rubles will be allocated to drone aviation. On this slide, I tried to show the breakdown of how the funds will be used; as you can see, the bulk will be used for procurement, although a certain amount will go to critical technology and drone technology. But here, of course we are only talking about the plans of a defense ministry of the agencies, including the Federal Security Service, the Ministry of Emergencies, and the Ministry of the Interior, which are interested in the advent of this technology. There is also great demand coming from the civil sector. Giving credit where credit is due, let me just say that the Soviet Union was one of the leaders in drone aviation between 1976 and 1989. But then came the 1990s, and they were marked, as you all know, by the technological and administrative drop in many fields. Those very promising technologies were understated in statements, mistakes were made, arbitrary decisions were made, and therefore, today the Russian Federation is not at the forefront of use, development or application of those technologies. Although the situation is changing for the better; over the past 6 or 7 years more advances have been made, more money has been allocated, more attention has been given to the program, both to R&D and to the production of drones. Recently a number of important pieces of legislation that regulate and set a nominative framework for the development of the drone sector were passed. You can see them listed on the screen; these are legal acts, administrative regulations and programs concepts. Over the recent
year the number of major R&D projects in the drone field have been launched, and we are looking at 9 different types of drones ranging from long-, mid- and low-range drones. Although there are a number of low-grade drones being processed, the emphasis today is still on producing mid- and long-range drones, in particular a carrier-launch attack drone that would be known as “Fighter”. So, the situation is quite favorable today; the environment is conducive, the funding is stable, and recently good cooperation has been established between the designers and the users of this equipment, which was a problem a few years back. In the General Staff a special development was set up that oversees the development of drones; a new military training center was created in Kolomna, a Council of Leading Designers of drone programs meets on a regular basis and an inter-agency working group was set up under the aegis of the Government of the Russian Federation. A demonstration of drones took place this June in Alabino for the seniors of the Russian defense ministry. Twenty-two Russian enterprises introduced forty different drone units. The demonstration showed that the Russian industry has accumulated great technological potential, that, however, waits for better practical application.

A few words on technological problems we are facing: today it has become evident that it would be impossible to design more promising drones in this country that would employ all of the cutting edge technologies unless we are ahead in the designer business. Firstly, we are talking about the development of bodies with high aerodynamic characteristics that would not be detected by radars. Second, we need to develop force units, or agents, that would consume less fuel, combat high-precision navigation systems that would be autonomous, special types of weapons that would be used and applied on drones, including non-lethal types of weapons, automated take-off and landing systems including on landing fields and on ships. According to current estimates, Russian armed forces will require about 2,000 units of drones until the year 2025. Since both land and on-board equipment is even more important than certain other characteristics of drones, special attention is currently given to training the equipment operators. The problem of the lack of qualified personnel is an international issue – because if you look at the data, in Afghanistan and Iraq, the shortage of qualified operators went up to 50%. In conclusion of my presentation, let me dwell on one more aspect: that is, equipping Russian armed forces with drones. The former leadership of the Russian Ministry of Defense said that one priority is the procurement of foreign drones for the needs of the Russian armed forces. Current senior officers of the Russian Defense Ministry introduced significant change in their previous decisions. Moreover, they highlighted the priority of domestic production of drones. The experience of operating foreign drones, which have already been procured, showed that they were designed to operate in certain climate conditions, and we faced difficulties when trying to operate them in Russia. These drones have shown very good results, have good electric senses and software and have shown very good results when operated in warm climates, but face difficulties in low temperatures and similar air pressure. Another characteristic feature of foreign
producers from which the Russian Defense Ministry procured some of the drones is that they only supply optic sensors and they remain reluctant to supply radio locators and other radio equipment. Therefore, drones that are only equipped with optic sensors are of a less value.

Vadim Kozyulin, PIR Center Senior Research Fellow

Good day ladies and gentlemen. I will tell you about the prospects of Russia’s military exports. Before we start looking into the future, let us look back. On this slide you see the dynamics of Russian exports over the past eleven years. In red you see the exports of one large company, Rosoboronexport, and total exports are in blue. Once one looks at the slide it may seem obvious and that a child could tell what the…of the current and next year. But, since I was given twenty minutes for my presentation, I have to entertain you throughout. In 2010 we saw an increase in exports of 18%, in 2011 there was increase of 26%, and in 2012 there was an increase of 15%. However, that speaks about monetary side, not number of units. And there is a trick, because every year Russian exporters raise prices 5%. But, even with that said, we can still see very dynamic growth of Russian exports. Another important thing is the portfolio of military contracts; here we can see the scope of future contracts, contracts that are currently being negotiated although have not yet been signed—they have a different status. And we see certain growth—probably not as dynamic, but still constant. For our non-Russian speaking or, rather, Russian-reading audience, let me read the content of this slide: it stood at 40 billion in 2011, in 2012 it was at 41 billion USD—Rosoboronexport accounting for 36 billion of those—, and now in 2013 it stands at 47 billion with Rosoboronexport accounting for 38 billion. The structure of the export portfolio has remained stable over the past few years; 50% is accounted for by aviation, and the remaining 50% is spread, with the navy accounting for 30%, missile defense accounting for 14%, and land forces accounting for 6%. These are the figures for the last year, although we’ve seen certain changes happen here as well. For instance, Rosoboronexport predicts that this year the export of helicopter equipment will grow by 20%, and missile defense systems will grow by 30%. A few words about how Russian export differs from export from other countries. Russian exporters are prepared to sell the newest, cutting edge equipment because not all countries are willing to do so. Another peculiarity is that Russian producers design tailor-made solutions and sometimes they export equipment that is not supplied to the Russian Army. They are even prepared to set up joint ventures to design and produce new types of weapons. And, another important feature of Russia is that, as we’ve seen from military cooperation with Iran and Syria, Russia can resist political pressure.
A few words about the geography of Russia’s shipments. India became the number one importer of Russian armed services; with about 40% of all exports from Russia go to this country. India is followed by Algeria, Vietnam and China. Over the past few years Azerbaijan, Venezuela and Syria also became important customers to Russia. In very recent news, Latin America and Africa are right now becoming more and more interested in Russian arms. Over the past few years, Russia has supplied arms to about 55-57 countries. And it has been expanding its geography at the expense of small states like Fiji, Botswana, Ghana and Equatorial Guinea. We are seeing interesting trends when it comes to the supply of arms when it comes to the Collective Security Treaty Organization Member States. While back in 2011 the volume of supplies amounted to 80 million dollars, in 2012 it already reached 500 million. By the way, it is worth mentioning that the Collective Security Treaty Organization Member States procure state of the art weapons. Continued from the first slide, here again you can see two diagrams – one in black, which shows the amount of arms exports, and one in red, which shows public procurement from 2003 to 2014. There is a natural correlation between the two figures, which I will now expand on. It is well known that statistics published in expert volumes were published in February, if not March, so we will only know that statistics for 2013 in a few months from now. However, there are some preliminary estimates now available; for instance, somewhere in the middle of this year, Vladimir Putin noted that exports have been growing as compared to the same period of the previous year, and, therefore, I believe we can say that the trend that was there over the past few years still remains relevant. As usual, public exporting companies set their benchmarks slightly above the benchmarks of the previous year. For instance, Rosoboronexport, which managed to achieve 12.5 billion last year is aiming for over 13 billion this year. And it is known from experience that the Russian defence industry producers usually go beyond what they plan. A special mention is deserved by the fact that part of the public procurement falls into the scope of what we traditionally deem to be export. What I am trying to say is that some of the arms that we export are financed by the Russian budget. We are talking about approximately 300 million dollars last year. Many probably remember that Russia promised to provide military aid to Kirgizstan, amounting to 1.1 billion dollars, and 200 million dollars to Tajikistan. As we already know, those countries are already starting to benefit from those aid programs. And the statistics will definitely be part of the final report of Russian arms producers. Therefore, I believe we can say that Russia is returning to the Soviet experience, wherein it will provide assistance on a … basis. If we try and make a forecast of the next year, let me highlight a number of trends we are already seeing manifested in our arms exports. In 2014 Russia is likely to try to regain its position when it comes to modernization and repair of military equipment. That said, our annual revenues from repairs and modernization of military equipment amount to 2.5 billion USD. In Russia today there are 21 enterprises, that are authorized to be independent operators on the market. Next year, as a Rostec Corporation initiative,
20 more enterprises will get similar authorization. This will mean that they will not be authorized to sell their products directly, but rather, to provide post-sales services, such as repair and modernization. Currently a Presidential decree is being drafted, which will authorize the establishment of centers abroad, and will also authorize the direct procurement of foreign military equipment. Thus far, these companies were not allowed to procure this equipment directly. A decision was also made to engage more actively in R&D, design and joint production of military technical equipment. The “Brahmos” cruise missile is for example a joint venture set between Russia and India to design and produce this cruise missile. The fifth-generation fighter jet with India is once again another example. In the future, we are likely to hear more from China when it comes to both aviation and military shipbuilding. Together with South Africa there can be plans to build new types of missiles, artillery shells, helicopters and various navy equipment. Another novelty when it comes to production and export of Russian arms is public private partnership, where private money would be attracted for the design, production and future export of Russian arms. I also mentioned military assistance that will be rendered through supply of military equipment; this is a form that Russia will actively use in 2014. Though, despite a cautious forecast by Russian experts and officials, my view is that in 2014 Russian exporters of military equipment are likely to be very successful. Thank you for your attention.

Vladimir Orlov, Director of PIR Center

Thank you very much, and I would like to mention from the outset that the topic of my presentation arrives very well with the 20th anniversary of the Club. As many of you probably remember, back in 1993 a report was published, although it was not published either by the Moscow News Confidential or by the Club. It was a foreign intelligence service report that was published on the topic of nonproliferation. The report was not confidential and for the first time mentioned in that report were about 40 peaceful uses of nuclear energy, and Iran boasted a military program, although it was noted in particular that to reach weapons-grade uranium, you must invest massively financially and would have to do much in terms of design because the technology would most likely not be available within the next ten years or so. Back in 1993, the Bushehr Nuclear Power Plant emerged on paper as part of a contract between Russia and Iran. At the same time, Russia started getting requests from Iran to start construction on a heavy water reactor and a centrifuge factory, which were rejected. Ten years later, in 2003, we could see that the military phase of nuclear development in Iran was frozen. The political decision to begin development of nuclear weapons was never taken in light of the fact that its major political rival in the region, Iraq, was defeated by the United States. Twenty years later, today, in 2013, we are seeing great political developments and great dynamics when it comes to the situation in Iran. As you know, PIR Center was always a
strong advocate of a diplomatic solution to the conflict, although that might sound too much in the spirit of the Russian Foreign Ministry. This is common knowledge we are not only proponents of a diplomatic solution, since that would not be appropriate for a center such as ours, but rather, we came up with specific suggestions in terms of bilateral and international negotiating tracks, and looked at many different dimensions – negotiations between Iran and Russia, the United States, Israel, the Gulf countries and P5+1. Irrespective of the future results of the upcoming Presidential election in Iran, when formulating our forecast for 2013, we once again were advocating for a diplomatic solution. We always said that it was needed and, twelve months ago, we had the same sentiment prevailed in Washington. Last March, in Venice we had an extensive meeting with US colleagues, most who represented the military, as well as with colleagues from other regional countries. We tried to formulate a forecast and draft a number of future documents and Trialogue Club members were among the first people to get acquainted with the report. And then things started moving; after the election the situation and domestic climate improved significantly and became more conducive to the US-Iranian negotiations. September, October and November were marked by the intensive, multilateral negotiations that culminated in the intermediate agreement of the November 24 in Geneva. Although, once again, I would like to stress that the arrangement remains temporary – intermediate – because, if we look at the current state of the Iranian nuclear program, which can undoubtedly be called advanced, and the current state of the structure of the fuel cycle, we will see that it is likely that the next 6 months will be marked by very intensive consultations and negotiations, which are needed to make the Geneva arrangements achieved in November sustainable.

Unfortunately, a good friend of PIR Center, one of our prominent speakers, one of the keynote speakers at a previous meeting, Deputy Foreign Minister, Sergei Ryabkov unfortunately was unable to participate in this meeting. But he has a very good excuse. He is currently in Teheran with the Russian Foreign Minister, Sergei Lavrov, as most of you probably know. But last week he delivered a lecture as part of the MGIMO MA program, which was created by MGIMO and PIR Center, and, when asked what came as the most pleasant and the most unpleasant surprise back in November in Geneva, he answered, and I will give you a quote because that was a public statement: “The most unpleasant surprise was how France behaved between October and November. The most pleasant surprise was that, when you have high ranking negotiators – ministers – reported negotiation results to their capitals, namely, Washington and Teheran, those capitals very swiftly approved of the talks.” I understand full well why the Deputy Foreign Minister was so pleasantly surprised because, ten years back, on the same shores of Lake Geneva, more or less the same people walked and talked and came up with similar arrangements, but Washington did not approve of the arrangement. So no political will was shown, and we lost those ten years.
Many of you are familiar with the diagram you just saw on the screen. Now the difficult part is to comply with the steps – the road map – that was adopted – both steps in respect to bilateral US-Iranian cooperation as well as to international efforts. So, provided that this road map is violated, we are to see more turbulent and difficult months than we have before. So let us look at the possible scenarios for the next six to twelve months – of course, a very simplified model.

The first scenario I call “way forward.” There is a probability that by May or June a comprehensive arrangement or agreement on the basis that was laid out in Geneva in November will be prepared. There is such probability. Of course, the regional situation will determine the success, to a large extent, because the regional climate will either be conducive to or will, on the other hand, reverse the situation, which is negative. Currently, this negative trend is present because Saudi Arabia is entering into alliance with Israel against Iran. This scenario also provides for confidence-building measures between Iran and the Gulf countries, and that would call for much closer cooperation and dialogue between Iran, Egypt and Turkey. However, today, such a scenario seems to be romantic rather than realistic.

The “way forward” scenario, provided it becomes a reality, would be very beneficial for Russian diplomats and Russian leadership. Its occurrence would create an environment more conducive to active, substantive and strategic dialogue with Iran. At some point this country might become a full member of the Shanghai Cooperation Organization, we might see the beginning of construction of the second power unit of the Bushehr Nuclear Power Plant, and we might see more active military-technical and nuclear cooperation and preparations might begin for a very substantive visit by the Russian President to this country. What remains beyond the equation are economic factors, because, provided this scenario becomes reality, we are very likely to see a drop in oil prices because of a larger oil supply through the Hourmuz Strait. Therefore, in our view, the “way forward” scenario is unlikely.

The second scenario can be called “roll back” scenario, wherein Iran would disrupt negotiations with the P5+1 or some of the participants would put forward preconditions that would be unacceptable to this country and, therefore, negotiations would fail. Tensions in the region would be growing between Iran, Saudi Arabia and other Gulf countries, including potential further military confrontation. Provided that this scenario becomes reality, Russia will have to reconsider its positions, as it previously stated that the new sanctions were not possible, and start discussions of potential new sanctions that would be imposed on Iran. Oil prices would go up to an extent that goes beyond the boldest expectations and dreams of the State Duma. With the current state of things, let us presume that this scenario is unlikely, rather than likely, for a number of reasons.

The third scenario, is what I call “muddling through”, and is an example of what analysts do all of the time. They mix together two extreme scenarios and produce some sort of a hybrid. Within this middle scenario, the temporary agreement is being
implemented, though debate is going on about the implementation; a new agreement is concluded but is not as sustainable as many would wish, so tensions remain both in the Middle East and in the Gulf. Provided that we see this mixed scenario become a reality, it would change little in terms of Russia’s position because it does not impede Russia from building closer cooperation with Iran, with the President or with the Spiritual Leader, who is a big fan of Tolstoy and Sholokhov, Mr. Khomeini.

Lastly and most importantly, because the solution is always in detail – something that might make possible or prevent the concluding of a comprehensive agreement on nuclear aspects of the Iranian nuclear program. You can call it my notes, notes I made on the sidelines of the November meeting.

The first regards enrichment levels and the second regards limits that might be temporarily introduced for those enrichment levels. So then, the question will be: for how long and at which level will the ceiling be set? Of course it will depend on the good will that Iran is to demonstrate. It is likely that no limitations or restrictions will be introduced because they go against the spirit of the NPT.

The second is the future of the heavy water reactor in Arak – whether it can be converted into a light-water reactor. Serious assessment and analysis will be necessary to see whether Arak creates problems in terms of nonproliferation.

The third issue is simple rather than difficult. The Iranians have not ratified the Additional Article to the Safeguards Agreement. They were prepared to do so even ten years back, but I understand that full well because they don’t have very much up their sleeves so they will unlikely ratify it immediately, but rather will apply it. But, this temporary application with its modalities is what interests me most and is something which I debate about a lot with my Iranian counterparts.

In conclusion, and this is something which speakers should not do in conclusion, I want to raise a completely different and very serious topic and put a new question mark that has to do with delivery means.

I wish to bring us to a topic that is not related to Iran, but is related to strategic missile defense. From Russia’s point of view, on the one hand, discussions of not only Iran’s nuclear but of its missile dossier meets Russia’s interests. It also obviously serves the interests of other participants of negotiations with Iran. But should we add this missile component to the discussions now, when we are in between intermediate and permanent solutions, it might be too much of a burden. This might become the straw that broke the camel’s back. This is something we will have in mind over the coming weeks because we at PIR Center will have a number of bilateral meetings with Iranians and Americans in January in Switzerland and will later on have an international meeting in Bangkok. And if we come up with something … we will obviously report it to the Trialogue members.

Mikhail Yakushev, Chairman of the PIR Center Executive Board:
Thank you very much dear colleagues and guests for coming to the Anniversary Trialogue Meeting, and a special thanks to staff members and senior managers of the Club, who have been arranging those extremely interesting meetings for a number of years now. Let me say a few words about a topic that is really, dramatically different from those of all of the previous statements, but has been gaining relevance over the past few years, especially since PIR Center is focusing more and more of its attention on information security. Let me start with some facts. Let me start by saying a few words about the current discussions and international debate that is going on about the future of the internet – what it should be like, how it should be managed, what Russian national interests regarding the web should be. Mr. Snowden, previously employed by the US National Security Agency, fled the US taking with him top secret, classified information. The information he provided proves that large-scale tracking and surveillance via the web and other networks was in place. And this is something that the US authorities have confirmed when saying that such activities were not illegal and were not targeted against American citizens, but only against foreign nationals. Among the victims of such strikes were not only traditional allies of the United States, such as Germany, – the telephone of German Chancellor Angela Merkel was tapped –, but also such countries as Brazil, which no one would call a rogue state. It turned out that President Rousseff was under surveillance and so was the major Brazilian oil company, Petrobras. It turned out that other US allies were subject to such surveillance, and other allies participated in the surveillance. Therefore, Brazil and Germany co-sponsored a UN General Assembly draft resolution. And all of that launched a very active discussion on the future management and control of the internet and the limits of national sovereignty and natural interest. One question I would like to ask is whether any of that comes as a surprise. It is obvious that none of the findings came as a revelation to experts that work in the field. Although the amount of detail that was made public is of great interest.

To limit the scope of our discussion, let us just talk about two points in particular tonight. They can be entitled using professionals’ slang. Is the information disclosed by Snowden a bug, or a feature, rather, was it the result of a mistake or was it one of the characteristic features of the system in we call the internet? If we are talking about a bug, then we should see persecution of those responsible and apologies given through diplomatic channels. However, if it was, rather, a feature, then what the National Security Agency did was made possible by the structure of the internet, then we are all in trouble. At the moment, as you probably see, there is no final answer. So when we speak about various proposals regarding international control and management of the internet, we need to consider a number of aspects. If we look at the functional side, we shall see that there are a number of tiers and levels on the internet, including telecommunications, IP names, various applications and software, and there are different regulations in place on different levels. And there can be no unified approach. Institutionally speaking we are
seeing a number of actors, ranging from international intergovernmental organizations and privately funded companies. To find an ultimate solution, we would have to adopt a multi-stakeholder approach, wherein public and private authorities and business communities are working together. What is important to keep in mind is that, unlike nuclear security or military security – the development of armed forces –, when it comes to the internet, the positions of the Russian Government, business circles and civil society differ considerably.

Let me just very briefly name the issues that Russian experts in civil society call for immediate solution to in light of the materials published by Snowden. The first issue is privacy; then its the admissibility or rational for so-called greater “sovereignization” of the internet, and, finally, the inadmissibility of the use of the internet as a weapon – cyberwarfare nonproliferation. For a number of years, the issue that was on everybody’s mind after Snowden exposed the information became public. Because of that, for a number of years, we had difficulties agreeing on terms. What is known all over the world as cybersecurity, or cybercrime, is known in the Russian Foreign Ministry as “international information security”. Therefore, attempts to come to any sort of arrangement was blocked for many years. A compromise was reached and a number of bilateral and international documents were published, which talk about the safety and security of ICT (information and communication technologies). It is likely that a compromise is possible and such solutions can be found in other areas when it comes to privacy, combating cybercrime and establishing identity on the web.

And finally, what are we to expect in the near future in 2014? First, Brazil offered to host a conference on web management in Sao Paulo in April of next year. Second, we are yet to assess the situation after the ICU meeting in Dubai that was held last year, where Russia sponsored IT regulations, which were unfortunately not supported by most of the countries. And there are other forums. For instance, currently in preparation is the next stage of the Information Society Summit where debate will take place regarding the status and developments of internet governance. So what can the forecast be? Unfortunately, unless the position of the Russian Federation changes, unless Russia chooses to drift away from confrontation with the West, unless independent experts in Russia and representatives of business circles are engaged in the drafting of the Russian position on the matter, it is highly unlikely that we will get to a joint position that would receive consensus from all stakeholders in Russia. Should that be the case, next year will very likely be marked by very intense but, unfortunately, futile, discussion. Should, on the contrary, the positive scenario become a reality, and should all stakeholders seek compromise, next year, 2014, is likely to be very optimistic. Should positive trends that emerged last year continue, we would be able to resolve common problems and overcome negative trends that manifested after Snowden published his materials. Thank you very much.
Question and Answer session

Evgeny Maslin:

I have two questions for Mr. Evstafiev. The first has to do with the INF Treaty. You mentioned that the final decision on Russian withdrawal from the Treaty depends not only on Russia. Could you touch on that in more detail and explain what it is you mean and whether that would be one step towards the next Cold War. And my second question has to do with the nuclear strategy; you mentioned that the nuclear strategy of Russia has changed recently. Could you reflect on those changes? Are we still talking about deterrence? Is it still about life in fear or has something really changed?

Dmitry Evstafiev:

Let’s start with the second question. I never said that Russia’s nuclear strategy changed. What I said is that there is a need for change in Russian nuclear strategy. For instance, there is urgent need to come up with approaches that would have to do with the application of nuclear weapons in isolated instances. Because nuclear weapons can be an instrument of military and political influence, there is a need of a real strategy of its application. When there is no such strategy in place, we can as well not waste money on storage of these highly hazardous materials.

Now, as regards your first question on the INF Treaty, I agree with you that that would indeed be a step towards the next Cold War. And of course another question is whether this next step towards the new Cold War will have significance in the system of international relations we will likely find ourselves in within the next five years. If it does have significance, then I would of course give extra thought to withdrawing from the Treaty. And if not, provided things continue the way they are right now, it is unlikely that anyone would even give that a thought. Because it is likely that three years from now we will see ourselves in the next Cold War. And whether or not the INF Treaty is in force, it will not have significance in terms of the next Cold War for anyone except for one country called Russia. Because, the less confidence our European partners have, the more likely they will be to make take hysterical steps. And unfortunately, what the European Union is currently doing in the Ukrainian capital does not inspire much optimism.

Evgeny Buzhinsky

I disagree with what Mr. Evstafiev said. It is a very arguable statement that nuclear weapons are useless unless there is a clear-cut strategy and potential military application. Nuclear weapons are a means of deterrence – a political instrument, rather
than a military one. Because military application especially of strategic nuclear weapons, would mean the virtual destruction of our beautiful motherland. Thank God the leaders of our countries came to the very fortunate conclusion that it is enough to destroy Earth once and that one does not have to destroy it more than once. And therefore, the reduction of the stockpiles of Russia and the United States became possible. When I referred to a number of thematic meetings that were held by our President in respect to the public procurement of military equipment, one of the most important of those meetings was dedicated to the development of strategic use of nuclear forces.

Konstantin von Eggert:

I have two questions for Mr. Yakushev regarding the position of the Russian Federation in the ITU. You mentioned, in respect to internet control and management that there is need for greater engagement of civil society in the consultation process when it comes to internet regulation. You said that this was needed to change the position of the Russian authorities. So, my question is: which change are you referring to – what change would you welcome? And the second question is: in which direction should we be going? Now, if we look at the current position of Russia and the ITU, we should see that it advocates strong national sovereignty on the web; it is in favor of separating the internet into individual parts. So my second question is, and it also has to do with the position of civil society: you are saying that it must be involved and that its advice must be taken on board; how is that possible, considering that its opinion is not taken into consideration even on less urgent issues than internet control and management.

Mikhail Yakushev:

Thank you for the question. The good news is that Russia’s position is changing. If we look at the document that Russia endorsed in Dubai, which was not supported by the majority of developed countries, we shall see that there is nothing that would really limit the development of the internet in it. But it was the rational that was given – the reasoning behind the document – that resulted in this reaction of the developed countries. The internet is a transnational network, and therefore those who operate on the web and make money on the web advocate for more common sense when it comes to regulation. Therefore, one must be very cautious when suggesting some sort of sovereignty on the web. Most well-known Russian companies that operate on the web such as Kaspersky Lab mostly deal with combating cyber crime or preventing cyber attacks. And yesterday, at one of the PIR Center meetings, we all witnessed that diplomats from the Russian Foreign Ministry accused Kaspersky Lab staff of engaging more in cyber security rather than in international information safety; according to them, it was neither politically correct nor in accordance with Russian international interests. What I call moving toward
more common sense would be avoiding such confusions when it comes to terminology. And that would help us speak the same language with foreign partners.

Konstantin von Eggert:

And my second question was: why would the Russian Government ever listen to anyone in this country?

Mikhail Yakushev:

Well, Russia is a democratic country; therefore, the authorities have to listen to the opinion of the voters, who are the source of power in this country. Therefore, I do not see any problems in that respect.

Albert Zulkharneev:

My question goes to Mr. Evstafiev, though I would appreciate if some of the other colleagues were to respond as well. We are so used to reading your comments in every issue of our magazine, but unfortunately, the next issue is already in print. Therefore, instead of waiting two months before we read your comment, I would like to ask my question straight away. My question has to do with the current situation in Ukraine—events that have taken place in Kiev’s central square. When the whole ordeal first began, many, and I was not an exception, had the feeling that it wasn’t quite serious, that what we were seeing was a manifestation of European public diplomacy. But now it appears that the situation is very serious—probably even more serious than the events on Maidan five years ago, during the Orange Revolution. So, instead of waiting for two months for your comment in the next published magazine, I would like to ask you directly for your opinion on the situation.

Dmitry Evstafiev:

I am the last person in this country that should be asked about Ukraine. My position has not changed since 1989, and few people appreciate it. I think that the secession of Russia from Ukraine was a very beneficial thing for my country. I will answer you with a joke. Right now, Maidan is in Kiev, right? People who gather in Maidan Square, in Russian are called “maidanshiki”. Who knows how to translate the word “maidanshik” to literary, or high, Russian language? It translate into Russian, literally, as “bootlegger”, someone who purchases stolen property. You back in your home countries have no idea how sick and tired we all are of Ukraine. I teach and I have a student from Ukraine; last Tuesday she tried to say something about Maidan in the
middle of a lecture. And I myself teach at the Higher School of Economics, which is a stronghold of liberal ideas in this country. So, before I could open my mouth, she was literally shut down by a student of, I would say, the last, liberal, higher educational establishment in this country. He said “You have no idea how likely people are likely to start protesting should Ukraine become a member of the Customs Union.”