
Russia and the Shifting Global Order

Dr Bobo Lo

Associate Fellow, Russia and Eurasia Programme, Chatham House; Author, *Russia and the New World Disorder*

Chair: James Nixey

Head, Russia and Eurasia Programme, Chatham House

8th July 2015

The views expressed in this document are the sole responsibility of the speaker(s) and participants do not necessarily reflect the view of Chatham House, its staff, associates or Council. Chatham House is independent and owes no allegiance to any government or to any political body. It does not take institutional positions on policy issues. This document is issued on the understanding that if any extract is used, the author(s)/ speaker(s) and Chatham House should be credited, preferably with the date of the publication or details of the event. Where this document refers to or reports statements made by speakers at an event every effort has been made to provide a fair representation of their views and opinions. The published text of speeches and presentations may differ from delivery.

10 St James's Square, London SW1Y 4LE T +44 (0)20 7957 5700 F +44 (0)20 7957 5710
www.chathamhouse.org

Patron: Her Majesty The Queen Chairman: Stuart Popham QC Director: Dr Robin Niblett Charity Registration Number: 208223

James Nixey

Good evening ladies and gentleman, and first of all, well, welcome to Chatham House and thank you very much for defying the strike on the London Underground. Bobo and I, and Chatham House in general, are very appreciative. We know your journeys home will not be easy tonight, so thank you very much indeed for that. I'll just get the administrative detail sorted, if you don't mind, to start with.

First of all, this event is being held on the record. Secondly, if you would like to tweet please use the hashtag #CHEvents. And most importantly of all, please do the author, the respective author, the courtesy of turning off your mobile phones, and I will lead by example because I've not yet done that.

Dr Bobo Lo had a stellar career in the Australian foreign service for... during the 1980s and 1990s, and almost inexplicably gave it up, but then it turned out it was for a stellar career in academia and scholarship, and Chatham House in particular is especially grateful. He's written four books in the last 15 years, and this one, which we are here to discuss today, I think it's taken four years, correct?

I think there was a one year delay because it was a larger topic than Bobo possibly conceived, and another year because of a certain thing happening in Ukraine a couple of years ago. But it is, for my money, for what it's worth, the most lucid and eloquently argued examination of Russian foreign policy around and it is... I just don't know anybody more intellectually honest than Bobo Lo.

And I think you'll find in this presentation, and when you read the book, that it is entirely without any ideological prejudice, and that's what I admire Bobo for most of all. Now, this is a regular Chatham House meeting. Bobo will speak for approximately 25 minutes, and then I will take questions and discussion; you can grill him. So for now, I hand the floor to you, sir. It's all yours.

Dr Bobo Lo

Thank you very much, James. I really appreciate that. I don't know about a stellar career in either but I'll take the compliments anyway. My story today really is to... with apologies to Dickens, is really a tale of two worlds. It is a tale, really, of Putin's view of the world on the one hand, and a world... an actual world that is dynamic, but also increasingly disorderly.

Over the past 15 years, the course of Russian foreign policy has been shaped by the conflict between an idealized version of the new multi-polar order as envisaged by the Kremlin, and the anarchic impact of events and larger international trends. So if we start off with Putin's view of the world. I think it's best to look at this in terms of three layers.

The first is what I'd loosely call strategic culture: Putin's view of the way of the world, the realities... the underlying realities of international relations. The second part of his worldview is how he sees the current international system, and in particular here, I focus on the idea of a new post-Western multi-polar order. And the third is: where does Russia fit into this 21st century world?

So if we start off with the way of the world. Putin proceeds from the basic Hobbesian premise that the world is a harsh and unforgiving place where the strong prosper and the weak get beaten. In this world, geopolitical influence and military power are the primary virtues. The major powers run things and the smaller countries are mere objects of larger foreign policy realities, and at the behest of the will of major powers.

And in this world, Putin sees that Russia must play to its traditional strengths and fight for its interests unapologetically. It cannot trust in the benign intentions of others, in feeble international institutions and in woolly notions of shared norms and values. The second part... the second layer of Putin's worldview on the nature of the international system?

Well, in the Kremlin's eyes, the international system is multi-polar, and this multipolarity has been created by three realities: the decline of the West, the rise of the rest and the shift of global power to the East. Now multi-polarity here is both strategic and normative. It is not just about there existing several centres of global power, but they're also civilizational poles, if you like.

The era of American global leadership and Western-led moral universalism is over. The European project is dead. And even the idea of a unitary West has been thoroughly discredited. So where does Russia fit in this world? Well Putin sees Russia as one of three major powers in the world, three independent centres of global power, along with China and the United States.

Now for Putin, independence here means several things. It means asserting national sovereignty against those who would seek to limit it. It means reinforcing regime legitimacy by repelling subversive external influence, particularly liberal influences. And it means opposing Western-led global governments. Putin also believes that Russia is indispensable in regional and global affairs.

Now geopolitically this is reflected in ideas of balancing: Russia as the pivot between East and West. And in security terms it is reflected in the conviction that there can never be true security at a regional or global level without a strong Russian involvement. Now Putin's thinking about the world translates into three broad policy goals.

The first is to facilitate an external environment that supports the stability of his regime. The second is to secure international respect, if not support then at least acquiescence for Russia's interests in the post-Soviet neighbourhood. And the third is to promote Russia as one of the world's leading powers, while retaining strategic flexibility. Now, seen from the Kremlin current international trends, particularly the decline of the West, make these aims highly achievable.

So that's Putin's worldview. What about the world as it actually is? Well I see the world going through a new world disorder, and I think this new world disorder is both less promising and more challenging for Russia than the Kremlin believes. And I think there are five key problems here.

The first is that many of Moscow's... many of Russia's strengths are much less significant than they used to be. For example, military power, as we have seen, can achieve

operational successes, but its ability to achieve... to realize longer term strategic goals is very limited and much less influential than economic power or technological advancement. And we'll see this in relation to Ukraine, which I'll talk about later.

The second is that we have seen a decline not just of the United States, in relative terms, but I would argue a decline of all the great powers, with the partial exception of China. Their capacity to lead is much diminished, and even the weakest of states has an unprecedented freedom of manoeuvre. It's... people talk about the end of leadership, or the decline of US leadership, but in a sense the problem is a broader one.

We're seeing the end of followership; no one wants to obey, no one wants to follow, everyone wants to do their own thing. Third, there's been a general de-universalization in norms and values. Now we tend to think naturally that this means the end of Western liberal universalism. But it also has strong implications for Russia because Putin finds it very, very difficult to promote a Russian world in the post-Soviet space, again because people don't want to follow. People have their own visions of cultural sovereignty.

Fourth, I think Russia is especially vulnerable to strategic shocks in this highly globalized, yet increasingly anarchic, world. So we've seen a financial crash, falling energy prices, demographic pressures, crises in foreign relations, and even domestic turbulence as we saw at the end of 2011, early 2012.

And finally, Russia has very few friends in the international system. Now I don't mean few Western friends, that's obvious. But I think it has very few friends more broadly. There's a lot of talk, as we'll see later, about strategic convergence with China, but this is very much susceptible to changing interests and priorities in Beijing.

Now, it's certainly true that many non-Western countries resent the arrogance and the intrusiveness of the West, but this in no way implies a pro-Russian choice. It's important to make that distinction. So how does this all translate in Russian foreign policy in practice? Well I think we can look at this by examining four areas: global governance, relations with the post-Soviet neighbourhood, the so-called turn to the East, and interaction with the West.

Starting with global governance. Now, as we've seen, Putin promotes Russia as an equal to China and the United States, yet the reality is that Russia plays only a peripheral role in framing and realizing a 21st century global agenda. It can obstruct, it can destabilize, but it cannot create, at least not yet. Putin is committed to replacing the existing Western-led international system with an alternative world order, and to this purpose he emphasizes the BRICS.

He wants to convert the BRICS not just into a loose forum, but into a cohesive body that would directly challenge the G8 and various Bretton Woods institutions; IMF, World Bank and so on. For Putin, promoting the BRICS is part of affirming Russia as one of the global leaders because standing alongside China in particular, but also India, confers a certain success by association.

You are aligned with the dynamic, rising powers of the world in contrast to a decaying, clapped out, discredited West. But for Putin, and Russia, I think the practical results have

been, frankly, disappointing. And one reason is that it is a sideshow for Beijing and New Delhi. Chinese scholars tell me, for example, that they see the BRICS as kind of useful, but it's an add-on to existing institutions. It's almost like a grace note, in a way.

They certainly... neither the Chinese nor the Indians subscribe to the basic rationale of the BRICS, which is to counter the dominance of the West and particularly the United States, and I think it's highly significant that the Chinese, when they're looking for an Asian investment authority... institution, did not go with the new development bank that was established at the Fortaleza BRICS summit last year, but established their own Asian infrastructure investment bank.

They clearly don't believe that the BRICS has much to offer beyond symbolism, so they're looking for something more practical. Now, as I see it, the BRICS highlights the virtual nature of much of Russia's approach to global governance. Its importance is overwhelmingly symbolic rather than practical. When actually Moscow really wants to engage in earnest on issues of global governance, then it resorts to the time-honoured approach of great power diplomacy with what it sees as the powers that matter; mainly the United States, China and, today, Germany.

Moving to relations with the ex-Soviet republics. I think in general terms, Putin seeks to reassert a dominant Russian influence in the post-Soviet neighbourhood. That doesn't mean he wants to conquer it. No, I think the objective here is control, not conquest. But for Putin, and Russia, Russian influence in the post-Soviet neighbourhood is declining. I would argue that Russian foreign policy, Russian policy towards Ukraine, has been a fiasco. As the great French statesman Talleyrand once might have said, 'It's worse than a crime. It's a mistake.'

And although Putin has gained Crimea, and although he has succeeded, in a sense, making south-eastern Ukraine ungovernable, I would argue that Russia has lost in virtually every other respect. Kiev is more committed to European integration than it has ever been, this time with much enhanced public support.

The Americans and Europeans have, in spite of themselves, been forced to take a much greater interest in Ukrainian affairs. They don't particularly like it, but they feel they have no choice. NATO, after years of stagnation, has been reenergized; it's sort of rediscovered a sense of purpose. Russia is more strategically dependent on China than at any time in the history of their relationship.

There is a real danger of an escalation of tensions between Russia and the West, and of course, as you know, the Russian economy has suffered significantly as a result of sanctions. And no less significant, Russia is encountering growing resistance to its plan for post-Soviet integration. Even its allies, like Kazakhstan, like Belarus, sure they subscribe to some of Moscow's rhetoric, but in reality they are trying to step back.

There are genuine fears, right, wrong, doesn't matter, but they fear it, that Moscow has neo-Imperial designs; so eastern Ukraine today, possibly northern Kazakhstan when Nazarbayev leaves the scene. And the problem with all this is that while Russia is certainly able to upset, destabilize its neighbours, it finds it much more difficult to establish a Pax Russica that would assure its long-term strategic, political, economic

interests. It's true that much of the post-Soviet neighbourhood subscribes to Russian popular culture; they love it. But this does not equate to wanting to be a direct part of the Russian world as envisaged by the Kremlin.

Engaging with Asia. I think the first thing to say here is that for Putin, engagement with Asia is not so much an end in itself but part of a larger Russia grand strategy, namely establishing Russia... reaffirming Russia as an independent centre of global power. China's importance to Russia, in my view, does not point to a new Asian direction, but rather a reversion to traditional geopolitical balancing. China matters, not because it's Asian, but because it is the next global power.

Now, the reality is that Russia's turn to the East has underachieved. Yes there have been several energy agreements. We are seeing more arms agreements. But beyond that, we have witnessed few significant changes in Russia's Asia policy. Moscow, significantly, has shown little interest in Asian collective security, regional security management or Asia-Pacific economic integration. Russia's footprint in Asia remains very modest, and beyond the partnership with China, Russia's relationships with Asian countries and organizations are very undeveloped.

If we focus more directly on the China-Russian relationship, well certainly this appears to be going very well. Economic ties are expanding. Clearly, Chinese leader Xi Jinping and Putin get on very well. But, their partnership nevertheless remains one of convenience. It is driven by a pragmatic appreciation of the benefits of cooperation, not by a deeper like-mindedness, as some would have it.

They work in areas where they have common interests, but there are critical differences in perspective and policy between them. And this idea that there is a Sino-Russian authoritarian alliance, or, I saw in *The Guardian* yesterday, superpower axis, is a nonsense. Crucially, they have very different visions of the world order.

Whereas Putin really wants to fundamentally change the international order, the Chinese are actually not too unhappy with a US-led international system because over the last 30 years they have been the prime beneficiaries. It's under the US-led global system that China has completed, arguably, the greatest socio-economic transformation of our times, or even for several centuries.

And whereas Putin envisages a multi-polar order that is tripolar: Russia, China, the United States, the Chinese really see the United States as their only true global counterpart, and there is very little desire in Beijing for any kind of strategic confrontation with the United States. Sure, there are major policy differences, let's not underestimate them, but this is a relationship that the Chinese want to make work.

Now looking slightly ahead, China will remain Russia's major partner in Asia for the next decade and probably beyond. Russia's weakening position in the international system essentially leaves it no option but to lean towards China, and the Chinese are not unhappy about this, of course, because they feel they can control this relationship.

Sure, they have to be nice to Putin, they have to talk up Russia's importance, they have to engage in joint projects, but essentially they feel that provided they observe the necessary

proprieties, that they can manage this relationship to their great benefit. And it has to be said also that Putin may have concerns about China in the long-term, but for Russians the Chinese threat, which was once so immediate, has actually receded into the distance and it's rather abstract, whereas for Putin the United States today is the clear and present danger.

Speaking of which, interaction with the West. Russia–West relations are set on a path of negative continuity. There's... now, what do I mean by this? I mean a generally downward trend, punctuated by major crises and, less commonly, brief upturns. There is little appetite for a systemic confrontation along the lines of the Cold War, but there are growing policy differences, there are clashing values, and there is also, perhaps most important of all, the perception of shrinking common interests.

And these problems have sapped the desire for cooperation on all sides. Russia–US relations in particular are worse than at any time since the mid-1980s. The mindset, as you will have noticed I'm sure, is almost entirely negative and pessimistic. The relationship is crippled by mistrust. The two sides disagree on just about every regional and international issue.

There is a widening ideological chasm, and basically leaders on both sides hate each other's guts. Although a major confrontation between Washington and Moscow seems unlikely, it's certainly true that the chances of some kind of confrontation are greater than they have been for a long time. Now, the situation is scarcely any better with Russia's relations with Europe.

Putin's emphasis on bilateral relationships with the major European powers, Germany, France, well that's sort of unravelled because even before the Ukraine crisis made things really dramatic, Russia's relations with Germany were already unravelling. And of course since the Ukraine crisis, and sanctions in particular, things have got much worse.

Russia differ fundamentally in terms of institutional culture, in terms of values, on a whole host of specific issues, energy, security, Ukraine, the Eastern partnership, and the problem with this is that the hopes of a common European vision, or not even a common European vision, but just some kind of rough accommodation, they have given way to mutual alienation.

So, looking further ahead, what's the outlook? Well, there's little reason to think that Russian foreign policy is going to change for the better any time soon. No one expects it, and I think they're right. And the main reason is this: Putin believes that Russian foreign policy, under his watch, has been overwhelmingly successful, and in this he is supported by the vast majority of the Russian population.

They see he sees a resurgent global power emerging out of the wreckage of the 1990s. And far from being cowered by Western sanctions, I think Putin is set to raise the ante. In the short to medium term, so two to five years, I think we can expect continuing military build-up, increased pressure on the Baltic States and on Russia's neighbours generally, and open antagonism towards the United States.

If there is to be cooperation, then it will be on a strictly case-by-case and largely transactional basis. But as an Australian, I tend to sort of like to look at the world in slightly more optimistic terms. And I think it would be wrong to dismiss the prospects of positive change out of hand, because I think, other than the fact that I'm Australian, I believe that is to underestimate three critical factors.

The first is the mutability and suddenness of history, which can produce wholly unexpected shifts. So witness the collapse of the Soviet Union, China's transformation post-Mao, the collapse of authoritarian regimes across the Middle East after decades of misruling their peoples. These things happen out of the blue. Just because we can't see it today, doesn't mean it can't happen tomorrow.

The second point is that we are in the midst of a world of unprecedented transformation, and this world, this disorderly world, undermines the attempts of all regimes, from the authoritarian to the democratic, to establish and maintain order. And the third aspect is mounting domestic, regional and global pressures on Russia, whether that's economic recession, demographic decline, unstable neighbours, and perhaps most important of all, larger geostrategic and geo-economic shifts.

And I think the great challenge for Russia, looking ahead, is to find a way to prosper in this ever more dynamic, but also fluid, unpredictable, disorderly, world. And I think to do this it will have to modernize, because only through modernization will Russia be attractive to its neighbours, become a credible player in Asia and strengthen its position vis-à-vis the West. Such a Russia would be in a position to shape global governance, and to receive the respect its elite so craves.

Now of course there are many paths to modernization. The path chosen by China differs fundamentally from the path adopted by countries in Central and Eastern Europe or even India. But, ultimately, modernization is about the willingness to adapt and even to reinvent oneself. It is this drive for change that has been behind the rise of every superpower in the last three centuries; Britain at the end of the 18th and early 19th century, the United States at the end of the 19th and early 20th centuries, and China in the post-Mao period.

As I see it, a leading... a modernizing China would be a leading player in the 21st century world. It would exert a critical influence in many aspects of global politics, economy, society and culture. But a Russia that seeks refuge in an archaic authoritarian nationalism, in economic isolationism, and a besieged fortress mentality, I think, is set to become one of the principal casualties of global transformation. Overtaken by trends and events whose significance it has singularly failed to grasp. I'll leave it at that.