

RUSSIA IN 2008 AND BEYOND

17

WHAT KIND OF FOREIGN POLICY?

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Summary

- Russia's current foreign policy should be understood as an element of the political regime that was built under Vladimir Putin's leadership. The major domestic impact on foreign policy seems to stem from the inclination among the elites and the power groups to maintain the power status quo in the country whilst profiting from the economic ties with the West. In this context the West becomes perceived as an unwanted external political factor on the one hand, and as a source of profits and financial stability for the Russian elites on the other.
- The current political system has given rise to a specific kind of foreign policy and diplomacy that both actively criticizes and challenges the West in rhetoric, while furthering economic ties between Europe and Russia's major business players. This contradiction is not self-evident as it is often couched in the assertive discourse of "strong state" and "national interest". In reality, it is the "special interests" of Russia's state-private power groups and networks that lie behind the country's international standing.
- As long as the internal order in the country remains as it is, it is not feasible to expect any critical rethinking on foreign policy. The scope for public and expert debate has shrunk tremendously as foreign policy-making becomes increasingly bureaucratic and profit-driven.
- The prevailing climate of tense relations and diplomatic bickering in Russia-Western relations may linger despite the change of president. This does not mean that stabilization of relations or even engagement with Russia should be ruled out, however. Western actors should pay close attention to the domestic development in Russia, particularly the economic side. Further growth in the economy will push Russia towards a more intense (both in terms of cooperation and competition) interaction with the West. It is in the interests of the West to respond to this development in a consistent and constructive way by anchoring Russia in the rule-based economic environment.

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President Medvedev

Photo: World Economic Forum

The current state of affairs in Russia's foreign policy and the country's relations with the West may seem contradictory, almost paradoxical. On the one hand, as is often noted, "Russia has never had it so good": the country has been enjoying steady economic growth for a number of years, the burden of the external debt has been waived almost entirely and the possibility of a military conflict with an outside power does not seem likely to most observers. Furthermore, in recent years Russia has been at the helm of some major international events such as the chairmanship of the Group of Eight in 2006, and there are more highlights to look forward to including the hosting of the Olympics in Sochi in 2014. Both at home and in the international arena, Russia has been riding on the crest of a wave in recent decades.

On the other hand, the official foreign policy rhetoric is arrogant and even hostile towards the West and its institutions like NATO, or human rights organizations and neighbouring countries. In practice, Moscow often resorts to dubious campaigns at home that have direct and negative implications for Russia's relations with other countries such as the blockade of the Estonian embassy in Moscow by the Nashi movement during the so-called Bronze Soldier incident in 2007, or the more recent closure of the regional offices of the British Council. Thus, given the relatively favourable internal and external conditions, Russia's harsh foreign policy style appears contradictory. Why is Russia's foreign policy the way it is? The question is not as trivial as it may seem as it calls for understanding of the kind of foreign policy pursued by Russia.

It can be argued that the kind of foreign policy witnessed in recent years is problematic inasmuch as it reflects the fundamental and controversial trends in Russia's internal political and economic transformation that emerged during the years of Vladimir Putin's two presidential terms. While assessing the quality of Russia's foreign policy-making, it is important to point out several crucial aspects of this multi-faceted and complex process. These concern the impact of the domestic power system on foreign policy-making, the increased role of corporate business actors, and the limited scope for critical rethinking and foreign policy debate in the country.

Foreign policy that starts at home

The fact that Russia's foreign policy is grounded in domestic developments is hardly unique. The line between internal and external policy is blurred almost everywhere, and increasingly so as the world becomes more interdependent economically and politically. What makes the domestic side of Russia's politics worth taking into account is that not only has it affected Russia's diplomacy and foreign-policy decisions, it has also transformed the realm of foreign policy into an element of the current political regime. As such, Russia's foreign policy has a specific role, purpose and agenda matching the interests of the current elites and groups in power.

One could argue that Russia's foreign policy has always been dependent on the processes and developments inside the country, at least since 1991. In the current setting however, the domestic impact is different from what it was during the previous decade;



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ultimately it has given rise to a foreign policy of a different kind. Boris Yeltsin's diplomacy was conceived and conducted against the backdrop of the collapse of the Soviet state and the need to establish Russia in the new post-Cold War international environment. Furthermore, building and maintaining strategic relations with key Western powers and institutions was regarded as one of the highest priorities for the first Russian president, both personally and for his government. Of the many directions in Russia's self-pronounced "multi-vector" foreign policy, it was the West that had attained the utmost significance.

Putin's era, on the other hand, is widely perceived as the period when the goal of securing a place for Russia befitting its historical greatness and present-day muscle has been achieved. Russia no longer needs no Western support or advice and should follow its own interests as a sovereign actor in international politics. The era of the "West first" foreign policy disposition is long gone: it is a "Russia first" foreign policy that the Kremlin leadership aspires to. Yet, what does this kind of foreign policy mean in practice? Whose interests does it promote? Is the foreign-policy rhetoric consistent with the actual decisions made inside and outside the Kremlin?

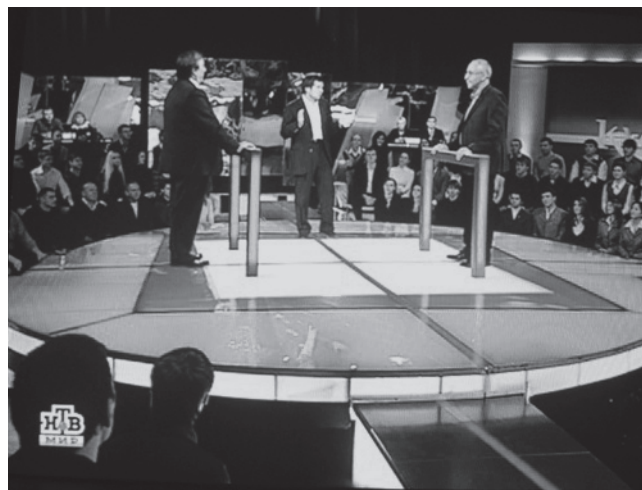
Interests: national and special

Since the political power and major financial benefits in Russia are concentrated at the nexus of bureaucracy and business, this cannot but affect the way in which the interests and decisions emerge in the system, including foreign policy-making. The current

manner in which the key decisions are made and implemented seems to be the "state-private partnership"¹: an intricate mix of state ownership and private management proliferating in the most lucrative industries and branches of the economy such as energy, transport and infrastructure as well as space technologies.

Inasmuch as Russia's internal politics is realized through establishing the "state-private partnership" ventures and state corporations, one could envisage a kind of "state-private" foreign policy emerging in Russia. Such foreign policy advances the interests of domestic power groups and networks, both at home and abroad, whilst adhering to the rhetoric of "national interest" and a "strong state". In reality the "national interest" behind foreign-policy initiatives and goals becomes infused with various "special interests" of the state-private actors. A case in point is the United Aircraft Corporation (OAK), a state-controlled corporation consolidating aircraft construction companies and state assets engaged in the manufacture, design and sale of military and non-military aircraft. It was particularly noteworthy that in his recent address to the Munich Security Conference in February 2008, Russia's first deputy Prime Minister Sergei Ivanov (also the president of the board of directors of the OAK) mentioned this project and pointed at fruitful cooperation between the OAK and Boeing. Another example is the activity of Gazprom in Europe. Among its other purchases abroad, Gasprom bought Serbia's state-owned oil-refining monopoly Naftna Industrija Srbije (NIS) in February 2008. The Russian energy giant proposed a package agreement stipulating the involvement of

¹*Tchastno-gosudarstvennoe* partnerstvo in Russian, which is often compared to the "public-private partnership" (PPP) in the West.



“Have at You”

Photo: Katri Pynnöniemi

Serbia in the ambitious South Stream project. The majority of the Western media interpreted the deal as a political backing of Serbia against Kosovo, however the reverse may well be the case. Gazprom may have effectively used the political situation to advance its strategy of acquiring the energy infrastructure in Europe.

In this regard, one could argue that perhaps what remains of foreign policy (in its traditional sense as an activity of the state to define the country's place in the world) is in fact a rhetorical, diplomatic cover to further the interests of domestic power groups.

Words and deeds

Even though Russia's foreign policy does not follow any ideology of its own, it is sustained by a diplomatic vocabulary that is almost unanimously shared by all its key drivers. This general discourse consists of criticism of the West and the EU in particular in using “double standards” on such core issues as democracy and the freedom of movement (of capital, people, services and ideas) towards third countries, and disrespecting the values and experiences of others. At the same time there are a number of discrepancies between this rhetoric and the actual decisions. Russian legislature and bureaucracy is difficult for Western business to get to grips with whenever it attempts to set foot in the Russian market. However, Moscow keeps complaining that Russian business is mistreated in the West and that it is wrongly seen as a political instrument. In the same vein, Moscow reproaches some of the EU member states such as Poland and the Baltics for politicizing history or energy

issues. In practice, however, by criticizing its neighbours, often with the use of public campaigns and diplomatic bravado, Moscow only exacerbates the degree of politicization and political tension.

Such tactics serve two kinds of goals. On the one hand, the image of an active and nationally-oriented foreign policy is projected. On the other hand, attention is effectively diverted away from the “special interests” that often underlie the self-assertive rhetoric. It is important to emphasize that despite the apparent discrepancy between words and deeds, the interests and goals of the power groups are consistent with the logic of profit-seeking and maximization of capital.

The shrinking debate

Against this backdrop, is there any likelihood of critical rethinking and reflection on the controversies engendered by Russia's current foreign policy emerging from society at large or from the community of experts and scholars in particular? Until recently there has been a virtual consensus within the expert community in Russia that the country's international standing is better under Putin than it had been during the period of rule of his predecessor. The critics have effectively been pushed to the sidelines. But the problem is not that the critics go unheard, hardly a surprise given Russia's history, but that the voice of the supporters is not heard by the powers that be. The analytical input that comes from those supporting the system, but arguing for a more constructive and cooperation-driven foreign policy, is not valued by those in power. In this regard, intel-

lectual capital does not seem to have any worth other than that of spreading the good word abroad or political spin.

The shrinking of the debate in the country and the scarcity of dialogue between intellectuals and policymakers is also reflected in the deficit of strategic long-term thinking, the inability to see the challenges that lie ahead and the inability to reflect on the mistakes that the power is making. An explanation for this is often found in the authoritarianism of the Putin regime and its intolerance of dissident thinking. While this may be the case particularly with regard to the most outspoken critics, the aloofness of the regime towards supporters is logical given that Russia's foreign policy is devoid of an independent strategic "thinking element". The bureaucratic element, which is particularly strong, does not require an intellectual support in itself, while the strategic element is directed towards economic projects. These two trends – the bureaucratization and economization of foreign policy – are mutually reinforcing and leave little room for critical feedback, which is essential for a constructive foreign policy.

Foreign policy after 2008

Can Russia's foreign policy change, particularly given the change of the head of state? In view of the fact that the assertive anti-Western rhetoric is coupled with the immediate interests of the elites to profit from economic ties with the West, it may well be that the new leader will set a new tone for foreign policy shortly after installing himself in the Kremlin. Putin's successor may, for example, take up the idea of strategic partnership and economic interdependence with Europe, pushing for a pragmatist course in relations. It would be reminiscent of the previous experience when Vladimir Putin imbued Russia-Western relations with a new positive rhetoric at the dawn of his presidency, shortly after the 1999 Kosovo campaign when relations were extremely tense. Dmitri Medvedev may try to replay this experience in order to implant hope and positive expectations in the West, as well as to pave the way for ambitious economic projects à la Nord and South Streams. Alternatively, the Kremlin might continue the assertive policy line of the later Putin years with the result that the rhetorical divide between Russia and the West might get even deeper.

It is fairly certain, however, that whatever direction the new leadership chooses, no profound breakthroughs in Russia's foreign policy are feasible as long as the domestic political regime remains as it is at present. As long as the stability of the ruling groups is based on their, or the President's, ability to stamp out internal clashes and thus maintain control, it is hardly likely that a new sweeping policy initiative will emerge on the foreign policy front. In other words, an alternative kind of foreign policy would call for another kind of power regime in the country, with power channelled through publicly accountable institutions, pluralism of opinions and more openness towards the West.

Another possibility for change may be propelled by the ultimate crisis of governance, whereby the system would no longer be sustainable under the current methods of rule. It should be pointed out that the revival of the foreign-policy debate, the emergence of ideas and policy initiatives, and the actual elevation of foreign policy from general diplomatic conduct into the sphere of strategic importance for the country's future tend to happen in Russia at a time of crisis. This was the case in the years that saw the rise of Gorbachev's "new thinking" in foreign policy as well as during the turbulent Yeltsin era.

Implications for Western actors

Does Russia still need the West? It is clear that the West has a different place in Russia's foreign policy than was the case at the beginning of Putin's presidencies. However, it would be misleading to think that Russia may go it alone. Russia might appear to be self-centred or anti-Western in rhetoric, but economically she is almost exclusively geared towards Europe and the West in general. This is particularly important for the West to recognize.

Furthermore, given that Russia's foreign policy is dependent on the current political status quo, which means that the logic and practice of foreign policy stems from the interests and intentions of domestic power groups, it is important for Western actors to examine Russia's internal development closely, particularly when it comes to the economic side. In other words, the West should be able to see beyond the "strong state rhetoric" as there are almost always "special" interests behind it. The West should not fall into the trap of politicizing the many con-



Kremlin under the moon

Photo: Katri Pynnöniemi

tentious issues with Russia by making them part of the security agenda. In all likelihood, it will increase disagreements between different countries (the lack of consensus in the EU on the energy policy towards Russia is but one example) and will confirm Russia's statements that the West cannot agree on the principles that it wants to project towards others.

Russia's economic development is of paramount importance for any possible stabilization of relations. Further growth of the economy will push Russia

towards a more intense (both in terms of cooperation and competition) interaction with the West. It is in the interests of the West to respond to this development in a consistent and constructive way by anchoring Russia in the rule-based economic environment.

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