The Sleep of Reason:
The war on Georgia & Russia’s foreign policy

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Introduction

The attack on Georgia known as “the Five-day war” sparked anew debates about Russia and its policy. Many believe that it confirmed the gloomiest analysis of Russia’s domestic developments and international behaviour; interred the hopes that under Medvedev the country would return to normality; proved that aggressiveness results from systemic characteristics of Russia today. Supporters of such views often see Russian policy as a product of “the sleep of reason” that, as the Spanish by-word says, “produces monsters”. The sleep of political reason in Russia is seen in a yearning of ruling elites for a “historical revanche”, a superpower status and deciding vote in security related issues in Europe and Eurasia; in dreaming of restoration of the Empire; in a strong conviction that use of military force is practical for and effective in advancing Russia’s interests abroad; and in the upsurge of jingoist enthusiasm caused by the war on Georgia. Taken together it signals that Russian society is gravely poisoned by morbid mental syndromes. The decision to station Iskander missiles in the enclave of Kaliningrad in response to the US plans for ABM system in Poland and the Czech Republic announced by President Dmitry Medvedev in November 2008 confirmed this construing of Russia’s policy.

Others are still arguing that Russia is not hopeless, at least not hopeless as yet, and that it is possible and expedient to reach a modus vivendi with the Kremlin. Its use of force against Georgia was “disproportionately strong” and “unjustified”, they say, but the war in the Caucasus was essentially local incident caused by Georgia’s recklessness; strategic implications of Russian intervention should not be exaggerated; and the foresight of a new Cold War is a product of an archaic thinking. This philosophy presumes, albeit latently, that Russia is more important partner for the USA and Europe than Georgia or any other post-Soviet state (sometimes Ukraine is mentioned as the only exception); that they have no muscle and willpower to influence the Kremlin’s policy; and thus the West should make a deal with Russia.

In order to assess which of these theories is accurate - or rather which is more accurate than the other - we will look into a few issues. Was the war on Georgia a solitary episode or an essential element of Russia’s policy? If the latter is true then what are the roots of this policy? What are Russia’s possible next steps? What the West could and should do in order to counteract challenges caused by Russia?

\[\text{1 During the war on Georgia between 70 and 80 percent of Russian population supported the use of force and harsh rhetoric against Georgia. – “Rossiyane o situayzii vokrug Abhazii i Yuzhnoi Ossetii” (Russians about the situation around Abkhazia and South Ossetiya). – September 10, 2008. – Levada Centre. - http://www.levada.ru/press/2008091001.html}\]
Russian March into Georgia

The opinion that war on Georgia was a sort of watershed in Russian international behaviour is commonly accepted. It is true of course that the attack on Georgia was the first, perhaps not the last, Russia’s use of military force against a neighbouring country. However, the question of paramount importance is what the Russian invasion actually was? If it was a certain “peace enforcement mission” or humanitarian intervention, as Moscow alleges, then the international community should thank Russia for stopping violence. If it was the attempt of a regime change in a country in the region “in which Russia has privileged interests”, as President Medvedev proclaimed, then the West has to decide to concede or oppose an establishment of spheres of Russia’s “privileged” interests, in fact zones of Russian domination. Yet if it was the first “hot” battle of the second Cold War then the West should evolve a winning strategy.

Paving the Way for War

Analyses of the Five day war often begin with the statement that late at night on August 7, 2008 Georgian troops attacked Tskhinvali. This almost automatically makes Tbilisi guilty of initiating the war and thus, though indirectly, justifies Russian military intervention. It was true, for sure, that Georgia attempted to dislodge South Ossetian militants from fortified emplacements around Tskhinvali at that particular night. However taking a look at the evolution of the Russian behaviour and the history of the conflict would be helpful for getting better understanding of the origins of the war.

In the early 1990s South Ossetia and Abkhazia declared independence which was recognized by no member of international community and went through bloody wars with Georgian armed formations like Mhedrioni. Georgia suffered a defeat mainly because Russian regular troops, armed gangs from the North Caucasus and retired Soviet officers shored up weak Abkhazian and South Ossetian irregular forces. Yet Moscow neither questioned Georgia’s territorial integrity nor joined in the sanctions against Abkhazia introduced by the Commonwealth of Independent States in January 1996. Due to economic crisis of the 1990s and the first Chechen war the Yeltsin’s government had neither resources nor political will to implement active interventionist policy in the South Caucasus. However, the Kremlin prevented a restoration of Georgian sovereignty over Abkhazia and South Ossetia and supported their ruling cliques. Russia in fact “froze” those conflicts in order to use them for pressure upon Tbilisi. The main instruments of Russia’s policy in those areas were Russian troops in Abkhazia and South Ossetia stationed there as peace-keeping force.

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3 Officially, Russian military contingent was stationed in Abkhazia as the CIS Collective peace-keeping force under the mandate of the CIS Council of the heads of states. In 2003 the CIS Council of the heads of states decided that those forces were to stay in Abkhazia “until one of the parties to the conflict demands ending of the peace-keeping mission”. Russian peace-keeping force in South Ossetia was a part of trilateral Collective peace-keeping force consisting of the three battalions – Russian, Georgian and North Ossetian - established in accordance with the Russian-Georgian accord of 1992, also known as the Dagomys agreement.
Soon after Vladimir Putin had won the power almost all the residents of Abkhazia and South Ossetia who were not ethnic Georgians were given Russian passports. Moscow insisted that its reasons were purely humanitarian - the Abkhaz and South Ossetians did not want, or were not allowed by the separatist authorities to accept Georgian passports while the documents issued by the breakaway “de-facto governments” were not recognized anywhere outside those territories. Those passports were then used as an excuse of the armed invasion on Georgia, which was justified by the need to protect the life of Russian passport-holders.

In the mid of the 2000s Russian troops and the Kadyrov’s faction have achieved relative stability in Chechnya. This allowed Moscow to strengthen its interference in the South Caucasus. It intensified military support of ruling groups in Abkhazia and South Ossetia. In particular, in March 2005 Sultan Sosnaliev, then “de-facto defence minister” of Abkhazia, admitted that Abkhazian officers were regularly trained in Russia in the “Vystrel” military training centre. Russian mass media reported that by 2006-07 Abkhazian and South Ossetian armed forces, in fact illegal armed formations, had together between 140 – 190 tanks, 170 – 190 armoured fighting vehicles and 100 – 300 artillery pieces. Abkhazian Air forces had between 5 – 8 combat aircrafts. The only source of those weapons could be Russian army. At about the same time, Russian officers were appointed to leading positions in the armed and security forces of Abkhazia and especially South Ossetia. In particular, by the beginning of the war all security agencies in South Ossetia were headed by Russian military and security officers. That was evident violation of the sanctions established by the CIS and the obligation to remain neutral due to Russian official position as a peace-keeper.

In March 2006 the agreement between Russia and Georgia on dismantlement of the two Russian military bases in Georgia was reached. Strangely enough the withdrawal of the Russian troops was proceeding ahead of schedule and by the end of 2007 they left Georgia. That was the clear signal that the Kremlin saw military intervention into Georgia as a

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4 “Vystrel” is the training centre for foreign military cadres, mainly from developing countries, established in the former Soviet Union. – “Abkhaz Defense Minister: Our Officers are Trained in Russia”. - Civil Georgia. - Tbilisi. - March 24, 2005. - http://www.civil.ge/eng/article.php?id=9423
practical strategic option. In case of military confrontation between Russia and Georgia Russian troops in the depth of Georgian territory would be entrapped immediately. Pavel Felgengauer, Russian military expert, wrote: “As military facilities those bases are useless. The most of weapons was evacuated; the most part of the personnel is not fully reliable as they are recruited from local dwellers. A modest number of servicemen who arrived to Georgia from Russia are not a force yet hostages. That is why accelerated withdrawal is not a jest of reconciliation but much more probable is a precondition of starting a military solution of the Georgian problem”.

In autumn 2006 four Russian intelligence officers have been caught red-handed by Georgian police. As regards this Putin said at the meeting of the Russian Security Council: “Our military servicemen in Georgia have been seized and thrown in prison …. They (Georgian government – Yu.F.) are clearly trying to pinch Russia where it hurts most, to provoke us. … Those people think that they can feel at ease, safe and secure under the protection of their foreign sponsors, but is this really so? I would like to hear the views of the representatives of the civil ministries and the military specialists”. The representatives of the civil ministries and military specialists suggested economic blockade of Georgia and ethnic cleansing of Georgians living in Russia for a start. The blockade failed. In 2007 the Georgian GDP has risen by 12.4 per cent as against the previous year. In this light Moscow policy-making community might conclude that “a military option” would be the only effective way to “punish” Georgia for challenging Russian interests.

In 2006 and 2007 Russian armed forces held military exercises “The Caucasian frontier” in the course of which strong groupings of storm-troops have being formed nearby the northern terminal of the Roki tunnel with a view to train for armed intrusion into Georgia. The “suspension” of the CFE Treaty in December 2007 allowed Russian military to build up troops and armaments close to the border with Georgia.

The final decision on a military operation was probably made in early spring 2008. In the beginning of March 2008, Russia unilaterally lifted sanctions against Abkhazia. This removed legal restrictions on transfer of armaments and military personnel to the separatist region. At the same time Russian General Vasily Lunev, the graduate from the most prestigious Russian General Staff’s Military Academy, has been appointed as the “Defence Minister” of South Ossetia. In August 2008 Vasily Lunev played the key role in the military operation against Georgia.

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In April 2008 regular reports of Russian military build-up in Abkhazia started coming in from the Georgian government and independent sources. Russian fighters took to shooting down Georgian drones gathering information about Russian troops in Abkhazia. “We have confidential information that on May 8-9, Russian paratroopers were supposed to enter Upper Kodori,” said Yuliya Latynina, a well-informed source on Caucasian affairs. “That was cancelled after hectic shuttle diplomacy ... On May 21; we had the election in Tbilisi. Had a war broken out, the mess would have been such that anything could happen, including such an impossible thing as a victory of the Georgian opposition”.

In June 2008 Russian Railway troops have been moved into Abkhazia to restore the rail-road from the “capital” of Abkhazia to the Georgian border. During the war Russian troops and heavy armaments were transported on this road. At last, in July 2008 Russian troops have exercised in areas nearby the Georgian border. According to Russian military officials, troops were training for “special operations with a view of peace enforcement in zones of armed conflicts”. “Peace enforcement” was exactly the term Moscow used to mask the real nature of armed invasion on Georgia. What is more, shortly before this military exercise General Sergey Makarov, the commander of Russia’s North Caucasus Military District, said that the exercise was “aimed at working out actions” required in the event of a flare-up in tensions in the Georgian conflict zones and that “the provision of assistance to the peacekeeping troops” is among the major tasks for SKVO. After the exercise, the commanders of the North Caucasus military district noted the “ability of units and formations rapidly to deploy large groups of forces far from their permanent bases”. Thus by the beginning of August 2008 Russia has completed practical preparations for the war on Georgia. Actually, during the war large groups of Russian troops were deployed in Georgian cities of Poti and Gori far from their permanent bases.

Also, during a few months before the war Moscow did it best to hamper American and European shuttle diplomacy, tardy in fact, aimed at political resolution of the frozen conflicts in Georgia. In particular, Moscow led into a dead end discussion of the peace plan advanced

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11 According to the Georgian Interior Minister Vano Merabishvili in early May 2008 Russia had increased number of its peacekeepers in Abkhazia up to 4,000 servicemen. In addition, 545-strong paratroopers unit from Pskov and Novorossiysk divisions were deployed in Abkhazia’s Ochamchire and Tkvarcheli districts. In April-June 2008 Russia deployed in Abkhazia and South Ossetia three BUK [NATO specification SA-11 Gadfly] ground-to-air air defence systems; forty D-30 howitzers, ten units of GRAD rocket launchers; up to twenty air defence guns; 120 anti-tank rockets and two Mi-24 combat helicopters. SU-25 and SU-27 fighter jets were deployed in the Bombora airfield in Abkhazia. - Interior Minister Testifies Before War Commission. - 27 November 2008. - http://www.civil.ge/eng/article.php?id=20032


by Frank-Walter Steinmeier, German Foreign minister, which was aimed at resolving the Abkhazia problem. Russian Foreign ministry supported demands advanced by Russia’s client regime in Sukhumi that Georgia should withdraw its forces from Upper Kodori gorge and assume legally binding obligation of non-use of force against the breakaway territories as a prior condition of any talks on political resolving of the problem. Those demands were certainly unacceptable for Georgia especially because from Sukhumi’s standpoint any solution of the conflict with Georgia presumed recognition of Abkhazian independence.

At last, at the end of July 2008 the rise of violence was orchestrated in South Ossetia. In particular, on August 4, 2008 Russian General Marat Kulakhmetov, commander of the peacekeeping forces in South Ossetia, confirmed in writing that South Ossetians used 120-mm guns forbidden by international agreements on South Ossetia in attacks on Georgian villages. Few days later Kulakhmetov recognized that he was not capable of stopping the South Ossetians 16. A few thousand of so called “volunteers” have being mobilized in Russian North Caucasian republics and moved to South Ossetia with the help of local military commissariats since August 3, 2008 17. That was the act of aggression as according to the UN definition of aggression “The sending by or behalf of a State armed bands, groups, irregulars or mercenaries, which carry out acts of armed force against another State” is aggression 18. It seems, that the rise of violence in South Ossetia was aimed either to provoke Georgia into substantial use of armed force against South Ossetian militants or, if Tbilisi not yields to provocation, to give Moscow an excuse for occupation of South Ossetia on the plea of stopping violence. In the latter case, one may surmise, the slightest resistance of Georgian police or peacekeepers stationed in South Ossetia would be used as justification of massive attack on Georgia proper, taking Tbilisi and introducing a new Georgian government headed by Moscow puppet. Igor Giorgadze, the former head of Georgian security service, defected to Russia in the 1990s, is mentioned as such figure most often. Robert Kagan, a senior associate at the Carnegie Endowment for International Peace, wrote “Diplomats in Europe and Washington believe Saakashvili made a mistake by sending troops to South Ossetia …. Perhaps. But his truly monumental mistake was to be president of a small, mostly democratic and adamantly pro-Western nation on the border of Putin's Russia” 19.

On the stormy night of August 8, 2008

The time of the first Russian troop movement into South Ossetia, in fact across the Georgian border, and the number of casualties on the first night of the war are crucially important. Russia insists that late at night on August 7, a large number of Georgian troops entered South Ossetia and opened massive fire on Tskhinvali. According to Russian officials, the city was devastated by the shelling, “razed to the ground” in fact, and civilian casualties reached 2,000 on the very first day – or rather the first night - of the war. If this version is true,

Russian action can be justified as defence of its citizens, not fully permissible by the international law yet politically and morally justified.

Tbilisi says that on August 7, President Saakashvili ordered to suppress South Ossetian armed formations and stopped Russian forces, including 150 tanks and trucks carrying soldiers, which invaded Georgia on August 7, 2008 and were progressing towards Tskhinvali. As evidence, Georgia has provided two radio intercepts in which South Ossetian military are heard talking about Russian troop movement via the Roki tunnel. Tbilisi says Russian figures of civilian casualties in Tskhinvali are wildly exaggerated; and that many of those were actually killed not by Georgian shelling but by Russian artillery fire and air strikes after Georgian troops took almost the whole city under their control. If we accept the Georgian version, Russia has committed an act of armed aggression against a neighbouring country, while Georgia merely attempted fully legitimate self-defence.

Of course, the plain truth about the events of the night of August 7-8, 2008 can be established by independent international investigation only. At the moment there is no hope that Russia and its client regimes in Abkhazia and South Ossetia will agree with such investigation. Yet at present the Georgian version appears much more plausible. In particular, Tbilisi has provided detailed chronology of the events, including the precise time when the Russian troops crossed into Georgian territory, and offered verifiable evidence. Georgian Parliament has established a parliamentary commission, including parliamentary minority members, which mostly is open to public scrutiny to study the events before and after the war. The commission with an official name Temporary Commission to Study Russia’s Military Aggression and Other Actions Undertaken with the Aim to Infringe Georgia’s Territorial Integrity, is listening to the testimonies by high rank officials from the Georgian government, including President Saakashvili. It will confirm, in full or partly, the governmental version or disprove it. Meanwhile, the Russian authorities are withholding key information. They are saying neither when exactly and in what particular form President Medvedev made the decision to march his troops into Georgia and why it was not approved by the upper chamber of the Parliament, as it is stipulated by the law; nor when precisely the Russian troops crossed into Georgia and entered South Ossetia; nor when the Russian troops joined the battle in the area of Tskhinvali. The absence of any official information about details of the first day of war suggests that the Russian authorities are hiding something important, which in itself provokes serious suspicions about Russian version of the beginning of the war as a whole.

Besides, there is evidence that the Russian troops were already in South Ossetia on August 7. In particular, Andrey Illarionov, the former economic adviser to the president of Russia, having analyzed a lot of open media information concluded that before the midnight of August 7, 2008 about 2 thousand Russian troops have been stationed in South Ossetia. Also, in the late evening on August 8, 2008 The Information and public relations service of The Ground Forces of the Russian Federation has published the following information: “The units of the 58-th Army stationed at the Tskhinvali outskirts the day before (it means on August 7, 2008 – Yu.F.) have neutralized by tank and artillery firing Georgian weapon...”

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emplacements from which Georgian troops fired upon the city of Tskhinvali and positions of the peacekeeping force. On September 3, 2008 the “Krasnaya Zvezda”, Russian official military newspaper, published an interview with a Russian officer suggesting that his unit was moved to Tskhinvali on August 7 and joined the battle with Georgian troops in the morning of August 8.

In addition, the Russian version of events is putting in doubt by the greatly exaggerated figures coming from the Russian government on civilian casualties of the first day of the war. On August 8, 2008 Vitaly Churkin, Russian Ambassador to the UN, has accused Tbilisi in ethnic cleansing. He declared “How else can we describe it when during the course of today a town of 70,000 inhabitants is being destroyed? What else can we call it when hospitals, schools and residential areas are being destroyed, when scores of thousands of refugees are leaving the Republic?” Most probably Mr. Churkin is a person in the humour for gross overestimate. According to data provided by North Ossetian experts the total population of the city of Tskhinvali in 2002 was about 28 thousand people. The next day, August 9, 2008 Sergey Lavrov, Russian Foreign minister, has announced that “about 15 hundred civilians have been killed by some count which is being verified now”. It seems that Russian Foreign ministry has verified that figure quite quickly as on August 10, 2008 Deputy Foreign minister Grigori Karasin was absolutely definite having said that more than 2000 people, most of whom were Ossetians, have been killed.

Those claims contradict independent evidence. According to Human Rights Watch data gathered by interviewing doctors of the Tskhinvali city hospital, which is where the bodies of Ossetians killed during the war were brought, as of August 13 the morgue had received 44 bodies. Some 273 people were given medical assistance. In mid-September, Ayvar Bestayev, a surgeon at the Tskhinvali central hospital, told Ossetian radio that 70 dead and 190 wounded were brought to the hospital on the first night of the war - that is, on the very

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21 “Podrazdeleniya 58-i armii, nakanune zanyavshie pozitzii na okrainah Tzhinvali, ogнем tankov i artillerii podavili ognevie tochki gruzinskich voisk, kotorie obstrelivali gorod Tzhinvali i pozitzii mirovorscheskih sil” (The units of the 58th Army stationed at the emplacements in the outskirts of Tskhinvali the day before have suppressed the Georgian artillery emplacements from which Georgian troops fired the city of Tskhinvali and positions of the peacekeeping force). - The Ministry of Defence of the Russian Federation. – Department of Mass-Media and Information. – August 8, 2008. - http://www.mil.ru/info/1069/details/index.shtml?id=49292


night when according to Russian politicians and diplomats, about 2,000 people were killed. A total of 270 people underwent surgery over the three days presumably since the start of the war. On September 4, 2008 the head of the Russian group of investigators working in South Ossetia said that the group had found the bodies of 134 people in Tskhinvali. On the same day, the South Ossetian prosecutor’s office said that 276 had been killed during the war. It did not specify how many of the dead and wounded were civilians, and how many were South Ossetian fighters. Neither did it say where exactly the bodies were found, and crucially, whether they died on the night of August 7-8 or later, during fighting between Georgian forces, South Ossetian militants and Russian servicemen.

The known facts disprove also Russian claims that Tskhinvali has been “wiped off the face of earth” during the first hours of the war. In actual fact the satellite photos made on September 19, 2008 proved that the percentage of destroyed and severely affected buildings in the city of Tskhinvali was slightly more than 5 per cent. This was serious damage indeed yet in no case it can be qualified as “wiping the city of the face of the earth”. At the same time the percentage of the destroyed and severely affected buildings in Georgian villages, especially those located along the road on which Russian troops were moving amounted up to 50 per cent.

Thus, since the mid 2000s Moscow was preparing a large scale “military option” against Georgia. Quite likely, the first echelon of Russian troops has entered into South Ossetia before the Georgian attack on Tskhinvali. Russian claims that the intervention in Georgia was a humanitarian mission, or merely a response to a Georgian aggression did not represent the facts.

The moving forces of the intrusion

Lilia Shevtsova from the Carnegie Endowment for the International Peace wrote “The war had its roots in a whole number of issues: continuing fallout from the Soviet collapse; Russia’s failure as a peacekeeper – the result of a deliberate Kremlin policy to maintain the Caucasus as a black hole providing Russia with pretext for intervention; the emergence of corrupt separatist regimes feeding parasitically on loyalty to Moscow; personal animosity between Moscow and Tbilisi; the fight to control energy transit routs; and Tbilisi inability to give the Abkhazians and South Ossetians broad autonomy within Georgia”. All those factors contributed to the opposition between Russia and Georgia and triggering off the war.

Yet the main cause of it, as we will see later, was the Kremlin’s purposeful policy aimed at improving Russia’s degrading international positions.

Indeed, by unleashing the military intervention into Georgia Moscow above all attempted to restore its influence over the former Soviet states. In many respects, the war on Georgia was reaction to “colour revolutions” in post-Soviet countries, the phenomena hated by and alarming for Putin’s cabal. Public discontent arose in post-Soviet countries; combined with a split in the ruling elite it brought to power a new generation of leaders who pursue independent policies and strive for Western integration. This resulted in decline of Russian influence in the areas Moscow saw as its “god-given” domain. Since the middle of the decade fighting the “orange threat” in order to restore Moscow’s influence in the former Soviet republics was among key avenues of the Kremlin’s policy. A regime change in Georgia by means of political intrigues, economic pressure and finally, as such levers were inefficient, by military action was seen in Moscow as a demonstration of Russia’s ability to establish its dominance in the former Soviet Union.

The reasons for choosing Georgia as the main target of Russian military pressure are clear. The Baltic States, which Moscow loathes no less than it does Georgia, are NATO members, and attacking them is very dangerous. Ukraine is too big. Kazakhstan and Belarus are Russia’s allies in the Shanghai Cooperation Organization (SCO) and Collective Security Treaty Organization (CSTO). Azerbaijan, thanks to Ilham Aliev’s skilful political manoeuvring, has been able to maintain good relations with Moscow while at the same time developing strong cooperation with the West. Thus an attack on Georgia was the only possible option to give a proper lesson to all circles in the post-Soviet countries who dared challenge Russia. At last, Mikhail Saakashvili, a dynamic, flamboyant and controversial pro-Western leader, was perceived the Kremlin as an outstanding symbol of troublesome changes in the post-Soviet countries and become personal bête noire for a few figures at the very top in Moscow, including, as Russian mass media gossiped, Vladimir Putin, the former president of Russia, himself.

In addition, by the war on Georgia Moscow attempted to avert NATO’s further eastward expansion. Most likely, the NATO Bucharest summit in April 2008 was the last straw. The heads of the NATO member states gave promise to admit sooner or later Ukraine and Georgia. Yet no concrete date of admittance was fixed and the MAPs were not given. It strengthened Russia’s resolve to use force to “teach a lesson” to Georgia and Ukraine before NATO makes a decision to give them membership action plans. The announced intention to accept Ukraine and Georgia into NATO plunged Moscow, as one could imagine, into both irritation and panic. For the past several years Russia’s top circles have had the aspiration, in reality an illusion, of having Russian position taken into account when any important issues of world politics are decided. However it turned out that an issue which Moscow sees as a

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31 The declaration adopted at the Bucharest summit states quite clearly: “NATO welcomes Ukraine’s and Georgia’s Euro-Atlantic aspirations for membership in NATO. We agreed today that these countries will become members of NATO…. Today we make clear that we support these countries’ applications for MAP. Therefore we will now begin a period of intensive engagement with both at a high political level to address the questions still outstanding pertaining to their MAP applications”. - Bucharest Summit Declaration. Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Bucharest on April 3, 2008, para 23.
vital one was decided contrary to its numerous demands. Thus a prospect of a large-scale foreign policy defeat emerged. Those in Russia who still see NATO as a material incarnation of “the world evil” imagined U.S., German, Ukrainian, and Georgian tank armadas deploying along the Russian borders. Some, especially those in the governmental agencies involved in foreign policy shaping were in a panic, fearing responsibility for a looming strategic defeat. Others were using these events in the struggle for power, influence, and budget funding.

Irritation and panic lead to an irrational and aggressive reaction. Just after the NATO’s Bucharest Summit Sergey Lavrov, Russian Foreign minister, sullenly announced that “we will do our best not to let Ukraine and Georgia become NATO members”\(^{32}\). A few days later Colonel-General Yury Baluevsky, then the Chief of the General Staff, supplemented the threatening hints of the Foreign minister by no less threatening promise to take measures of not only military but also of some other kind. He reported that in case Ukraine and Georgia join NATO “Russia expressly will take actions, aimed at guaranteeing its interests alongside its state borders. These are going to be not only military measures, but also measures of a different character”\(^{33}\). Now we know that intriguing “non-military measures” promised by General Baluevsky were in fact the recognition of Abkhazian and South Ossetian independence.

In a wider geopolitical context the attack on Georgia was intended to convince both post-Soviet and Western states that Russia was losing its patience due to unwillingness of the international community to satisfy its demands, that Russia was turning from words to deeds, and that each next step would be increasingly painful for Europe. Putting it differently, the war on Georgia was born out of a widening gap between the pretensions of the Russian elites and the country’s real capabilities. The fantastic inflow of oil dollars generated the illusion that Russia has “risen from its knees”, has restored its past might and has entered the narrow circle of countries that determine the world’s destiny. However, Moscow has no real leverage over international politics not only globally, but regionally either. During a few months preceding the war Russian foreign policy suffered from a number of painful failures. The US - Czech agreement to host a radar site for America’s future ABM system in Europe was signed. The Ukrainian leadership made it clear that it will be expecting the Black Sea fleet to leave its base in Sevastopol (when its lease expires) in 2017. The pro-Western ruling coalition came to power in Serbia. Belgrade proclaimed European Union membership as its main goal. Serbian nationalist parties backed by Moscow suffered a serious defeat.

All this suggests that in the summer of 2008, Russia’s foreign policy was facing the prospect of a systemic defeat. Among other things, this seriously undermined the reputation of the top Russian leadership among the establishment, which could not fail to notice that Moscow was failing to achieve its proclaimed foreign policy goals. There were two ways out of the hole it had dug itself in. The first was abandoning the old strategic dogmas. But for this Russia’s top echelons, including the leading figures in the Kremlin should be admitting their intellectual

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and political bankruptcy. The second way was raising the stakes and taking the escalation even further. Russia chose the second way by invading Georgia.

That was an organic continuation of Russia’s escalation policy. Since Putin’s Munich speech Moscow has refused from the previous policy, which was seen often as partial and imperfect rapprochement with the West, and started challenging the latter with a dilemma: either to recognize a new Russia’s role in the international politics, or to encounter strategic confrontation with it, which uses and will use various levers to exert pressure upon Western susceptibilities. To support its ambitions the Kremlin resumed “patrol flights” of strategic bombers and “suspended” Russian participation in the CFE Treaty. The latter “had been a landmark achievement that had appeared to signal the end of East-West military confrontation. Putin could not have picked a more symbolic target for his retaliatory move” 34. Moscow fuels tensions in response to the US plans to deploy the components of the ABM system in Poland and the Czech Republic including threatening to target nuclear missiles at these facilities. It foments nationalistic kindling in Serbia in connection with Kosovo independence; and opposes effective international sanctions against Iranian nuclear ambitions in the UN Security Council.

Within the this framework the incursion into Georgia was a next step up the escalation ladder and also a test of the West’s resolution to deter Russian expansion in the post-Soviet space, to defend its allies bullied by Russia, and to stop escalation of Russian military pressure upon Poland and the Czech Republic aimed at disavowal of their ABM agreements with the USA.

Method in the Madness: the Roots of Russia’s Bellicosity

The war on Georgia posed an important question both politically and academically: whether or not Russia’s aggressiveness correlates with the systemic characteristics of the authoritarianism established during Putin’s era; and, if so, exactly how the structure of the regime influences foreign policy? In fact, authoritarianism per se does not determine the strategic orientation of a foreign policy. In the XX century there were many dictatorships that were pursuing “pro-Western” foreign policy; several authoritarian regimes were cooperating with the former Soviet Union; and a lot of such regimes were successfully manoeuvring between the two superpowers and capitalizing on the bipolar confrontation. Therefore it seems important to observe particular characteristics of the Russian regime and to bring them into correlation with its foreign policy.

Edward Luttwak from the Center for Strategic and International Studies wrote “Once hopes for a true post-Communist democracy in Russia faded, it was reasonable to expect that Vladimir Putin would at least build a proper authoritarian regime, with all power in the Kremlin but a mostly free economy. Instead, Putin has created a unique system of centrally administrated gangsterism, in which out-of-favor local capitalists and foreign investors can be expropriated overnight amid threats of criminal prosecution for imaginary offences, while assassins are elevated to party leadership in the Duma, which of course obediently legislates just as the Kremlin commands”35. This observation is helpful for understanding the Kremlin’s international behaviour. “A centrally administrated gangsterism” inside of the country cannot but be accompanied by a state gangsterism outside of it. Gangsterism, however, is pertinent rather to style and methods of Russia’s policy then to its moving power. The latter, as it is often said, is a matter of perceptions and interests.

Megalomania plus paranoia

Some deem that Russia’s escalating bellicosity results from a mixture of transient factors, like personal attitudes of few people at the very top suffering from a wounded amour-propre, post-Imperial syndrome, parochial mentality and inadequate knowledge of the rest of the world. Russian analyst, Professor Dmitry Furman, describes the behaviour of Russian ruling elites as neurotic syndrome: “This is a neurotic hysteria. You (the West – Yu.F.) have recognized Kosovo; we shall recognize South Ossetia and Abkhazia. You do not like us, and do not recognize us as equals; you do not need your love at all, we spit upon you; you will creep begging for gas from us. The Georgians do not like us and want to attend NATO, so they should and will be punished”36.

The vision of Russia’s policy as a neurotic behaviour is in some aspects correct. Current Russian official doctrine is a mixture of megalomania plus arrogance on the one hand and

36 Dmitry Furman “Neupravlyaemii korabl” (The ship that is out of control). – “Nezavisimaya gazeta”. – September 10, 2008
paranoia plus inferiority complex on the other. It asserts that the *period de reverce*, a time of retreat, chaos, and decline typical of Yeltsin’s era was over; that Russia has “risen from knees” and restored its former muscle and wealth, and accordingly is to be a forceful and in many cases decisive voice on international issues above all in the areas close to Russia. It also presumes that nowadays the West’s potency deteriorates because of Iraq, Afghanistan, Iran, American presidential elections and differences between the USA and Europe. Political correctness, disposition to a soft power rather than use of military force, considering human rights as high value typical of Europe today is seen in Moscow as signals of decadence and weakness. Thus, it concludes, the international situation is favourable for Russia; and that is why it can and should reformulate its relationship with the West.

At the same time Russian perceptions of the outer world are affected by paranoid syndrome. Many in Moscow believe that the West, especially the USA, is afraid of a new powerful Russia and is doing its best to hinder Russia’s rebirth. As President Medvedev said “Today Russia competes increasingly confidently in the economic, political and military spheres. And we must frankly acknowledge that many are not pleased with this development. Perhaps some forces in the world would like to see us remain weak, and to see our country develop according to laws dictated from outside”\(^{37}\).

It also looks like Russian officials sometimes believe their own lies. For instance, Mr Putin claimed that “some people in the United States (he meant the Bush administration most probably – Yu.F.) in the United States deliberately provoked this conflict to aggravate the situation and create an advantage for one of the candidates in the U.S. presidential race”\(^{38}\). This is a source of concern because policy of the second world nuclear power is determined by myths inherited from the Soviet past and inadequate perceptions of the global strategic realities.

Combination of megalomania and paranoia creates a mechanism leading Russian foreign policy down a dangerous blind alley. The bottom line is that inadequate evaluations of Russia together with Moscow’s great-power ambitions lead to the advancement of admittedly unattainable aims. The inevitable failures, of course, are explained not as due to Kremlin’s own errors, but to the hostile intrigues of the West. This distorts perception of international realities even further and aggravates the suspiciousness towards the outside world. The inability to attain stated strategic goals is perceived as a threat that had to be counteracted, by military means if necessary.

In this light the war on Georgia might be undertaken by Moscow exactly as a demonstration of Russia’s resoluteness. Sergey Karaganov, mostly known as a blabbing mouthpiece of the Kremlin’s cabal, exposed such frame of mind in November 2008 “Starting in 2007, the West stepped up its efforts to curb the rapidly growing influence of an ever mightier and more independent Russia. Georgia went into South Ossetia in August 2008, after which an attempt was made to organize a new Cold War against Russia. … Russia not only retaliated, stopping the killing of its citizens and peacekeepers, but also said “no” to NATO’s further expansion

\(^{37}\) President Dmitry Medvedev “Speech at the ceremony for officers who have been newly appointed to senior command positions and who have received high (special) ranks”. - September 30, 2008. - http://www.president.kremlin.ru/eng/speeches/2008/09/30/1359_type82912type 82913 _207068.shtml

\(^{38}\) CNN interviews Russian Prime Minister Vladimir Putin. - http://premier.gov.ru/eng/events/397.html
and to the inertia that suited the Old West. Now, even those who did not want to listen can see that the present Cold War-style system of European security, which has been artificially maintained for over a decade and a half, can no longer exist and that it only leads to the escalation of conflicts and ultimately to war.\textsuperscript{39}

**Vested interests**

The damaged national mentality, sort of the sleep of reason, is among basic roots of Russia’s aggression against Georgia and Russia’s international policy as a whole. If that is the only reason of Russian aggressiveness, then there is some chance that Russia is not hopeless, as sooner or later Russian political \textit{beau-monde} improves its perceptions of the world beyond the national borders and overcomes mental syndromes either inherited from the Soviet past or engendered by the crash of the Empire. Such reading of Russian policy is widely spread both in the West and in Russia. Conclusion that is often drawn from that understanding of Russian international behaviour is that instead of containment of Russian expansionism the West should patiently prove to Moscow its good intentions and refute wrong perceptions by engaging Russia into a mutually beneficial cooperation.

Yet Russian international behaviour is a product not only of elite’s mentality but also of essential interests of influential pressure groups in Russian political and business top circles and bureaucratic apparatus. American scholar of Czech origin, Jiri Valenta, the author of the brilliant analysis of the Soviet decision to intervene into Czechoslovakia in 1968, outlined the mechanism of foreign policy shaping in the former USSR as the “bureaucratic-politics paradigm”. “The general argument of the bureaucratic-politics paradigm can be summarized as follows: Soviet foreign policy actions, like those of other states, do not result from a single actor (the government) rationally maximizing national security or any other value. Instead, these actions result from a process of political interaction (“pulling and hauling”) among several actors”\textsuperscript{40}.

The same paradigm describes foreign policy shaping in Russia today. There are a substantial number of pressure groups, clans and cliques within the top echelons of governmental bureaucracy, armed forces, security and intelligence services merged with various business groups. They compete for control over alluring segments of national economy, flows of financial assets, and influence on making governmental decisions including those about foreign policy. As a result of this, zigzags of Russia’s policy reflect, directly and indirectly, balances of influences between different domestic actors and their coalitions existing at each instant of time.

This farrago of bureaucratic and business cliques is divided into two large parts having different interests regarding national principal strategic goals at the international scenery. The first one of them consists of those clans that are deeply involved into economic relations with the outside world, primarily associated with export oriented and raw materials branches of the economy. They shared neo-imperialist feelings and would like to reach a new Yalta-

type agreement with the West in order to achieve and secure preferred positions for Russian business, above all energy supplying companies, in Europe and in the former Soviet republics. For this they are seeking Russian dominance in the post-Soviet space and strong political influence in areas of Europe nearby former Soviet Union. Also, they would like the West to admit authoritarianism in Russia and stop criticism of Russian domestic developments. Yet this part of Russian political class is not interested in a new Cold War. The latter will result in principal redistribution of the national wealth in favour of the military and defence industry at the expense of export branches, and as well in intrusive governmental control over economy. Some experts believe that president Medvedev belonged to this part of Russian elites at the very beginning of tenure.

At the same time there are influential interest groups and lobbies in Russia that are basically associated with the security sector and high-tech branches which look for a new confrontation with the West in order to justify a jump up of defence expenditures and repairing of military science and industry by return to a mobilized economy. Partly this results from traditional Soviet-type paranoid perception of the outer world, yet partly it is a product of vested interests. One of the best Russian experts in defence economy, former high rank officer of the Soviet military intelligence, Vitaly Shlykov, mentioned “The raw material complex has created a parallel economy where there is no place for the VPK. The expectations of the Russian leadership that the impoverished defence industry would be able not only to survive by exporting arms but also to finance the rearmament of the Russian army with weapons of a new generation are truly odd” 41.

Therefore despite a recent official demagogy that the country has been restored to grandeur, Russian generals, masters of military-industrial complex, military scientists, and heads of security services cannot but understand that Russian conventional forces are far behind NATO troops in Europe, as well as American and Japanese forces in the Far East, and that Russia has not been able to take advantage of the “revolution in military affairs”. They are worried about progressive degradation of Russia’s armed forces, military science and industry, and declining ability to develop and introduce new high technologies which are of crucial importance for fighting efficiency of the armed forces. Also, despite of rocketing defence budget, which has grown in nominal terms by 7-8 times since Putin’s coming to the Kremlin, Russian military are not able to purchase modern armaments and equipment in more or less significant volumes, and to intensify essentially vitally important defence related research and development.

Those groups are concerned with Russia transformation into a “petro-state” suffering from defects typical of such states, including lack of motivations for technological modernization. In august 2008 the Russian Ministry of defence has published a few of principal fragments of “The concept of development of the armed forces of the Russian Federation up to 2030”. This document said that the most dangerous threat to Russia’s security is caused by a growing gap between threats from the West and Russia’s ability to offset them because of “increasing technological and military-technical superiority of leading foreign countries over

Russia that allows them to develop means of armed struggle of the next generations and equip their armed forces with those means in a mass manner. In this context a cohort of the diehard bosses of the Russian security sector together with governmental officials, politicians and academics closely associated with those circles, a “party of war” in a way, is seeking after re-channelling export revenues into defence sector and restoration of the privilege status they enjoyed in the former Soviet political system. With this in view they attempt to provoke Western behaviour that may be construed as violation of Russian legitimate interests and a military threat to the Russian state with in order to convince Russian society that a new militarization of the country is the only way of its survival.

Victory of the “Party of War”

Despite severe financial crisis since the war on Georgia Russian defence budget for the year 2009 has been enlarged by almost 30 per cent as against the year 2008. The scenario of “Stability - 2008” military exercise hold in September 2008, the largest since the crash of the Soviet Union, proved that Russian armed forces are preparing themselves for a military conflict with the Western armies with use of nuclear weapons. President Medvedev has announced the decision to station new Iskander missiles in the enclave of Kaliningrad in response to future deployment of American ABM components in Poland and the Czech Republic. Those were the most evident manifestations how the “party of war” capitalized on the aggression against Georgia. Yet before those developments the growing influence of the “party of war” upon Russia’s policy was also confirmed by the very fact of attacking Georgia and logic of Russia’s behaviour during the war.

Tactics of provocation

Andrey Illarionov concluded quite definitely that unleashing of the war in itself “was a spectacular provocation that had been long prepared and successfully executed by the Russian “siloviks” that almost entirely repeats in another theatre at another time the “incursion of Basayev into Dagestan” and the beginning of the second Chechnya war in 1999.”

It was also indicative that during the war Moscow step by step destroyed prospects of a political resolution of the conflict and escalated enmity and tension in relations with the West. James Sherr, well-known British analyst, wrote “Russia was given the perfect opportunity to use military force on limited and responsible scale … . It did not. Had it done so – had it ejected Georgian forces from South Ossetia and stopped at the border – it would have won a convincing military, political and psychological victory. The west would have felt humiliated, it would have been apprehensive about Moscow’s long-term game plan, but it would have been in no position to object or make demands. Russia would have secured the

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43 “The second Georgian war. The preliminary results”. The Andrey Illarionov’s analysis. - http://www.rferl.org/content/Preliminary_Conclusions_From_The_War_In_Georgia/1190743.html
moral high ground, and the west would have to live with it” 44. However, instead of defeating Georgian troops in South Ossetia and stopping at the border with Georgia proper the Russian army occupied the area of Upper Kodori gorge in Abkhazia that was controlled by Georgian forces and invaded into the “internal areas” of Georgia.

The same behavioural pattern repeated after the signing of the Medvedev-Sarkozy plan on August 12, 2008. This plan opened up good diplomatic and political prospects for Russia. Would Moscow implement it Russia emerged as a responsible and reasonable player on the international arena. It would help to minimize damage to Moscow’s relations with the West and to improve its international moral standing. At the same time Moscow could demonstrate that it had the military capacity and political will to be a dominant force in the post-Soviet space and to defend its interests by all available means, including force.

Yet Moscow did not take advantage of that opportunity. In defiance of the Medvedev-Sarkozy arrangement Russian troops were not withdrawn “to the line where they were stationed prior to the start of hostilities”, that is to the territory of the Russian Federation, and two “security zones” far in depth of Georgia proper have been arbitrarily established including the outpost just near the port of Poti, which allowed controlling cargo transferring to and from the main Georgian sea terminal. The Russian military wasted no time correcting the President. Immediately after the signing of the Medvedev-Sarkozy plan on August 12 the Defence Ministry said that it was just a pullback of forces, not a complete withdrawal that Russia had agreed to. That meant that a large part of Russian troops that entered South Ossetia and Abkhazia still remain there. That caused a huge diplomatic scandal. The West took Russia’s actions as a slap in the face and started discussing sanctions, some of which could have been quite painful.

On August 26, 2008 Russia recognized the independence of Abkhazia and South Ossetia; then signed agreements on friendship, cooperation and mutual assistance with them; and announced its intention to build military bases there. In violation of the agreement on troop withdrawal to pre-conflict positions, Russian troops remain in South Ossetia (and Abkhazia), where new military bases are to be built. And following Russia’s recognition of the two breakaway Georgian territories’ independence, Article 6 of the Medvedev-Sarkozy peace plan - on an international discussion on stability and security in the region - becomes pointless. The prospect of returning Russia’s relations with the West to the status quo ante, which could have defused the opposition between Russia and the West was erasing.

“Medvedv´s doctrine”

The set of military-political views of crying anti-Western, above all anti-American, character presented by President Medvedev since the war was another evidence of a growing influence of the generals’ cabal upon Russian policy. Just after the recognition of Abkhazian and South Ossetian independence he was quite open and brave enough to say “We are not afraid of anything, including the prospects of a new Cold War. … In such a situation everything depends on the stance of our partners in the international community and our partners in the West. If they want to maintain good relations with Russia, they will understand the reason for our decision, and the situation will remain calm. If they choose a confrontational

scenario, well, we have lived in different conditions, and we can do so again." 45 To put it differently, Medvedev has actually said that if the West wishes to avoid a new Cold War it should agree with the Russian annexation of the two Georgian territories (that was exactly what he had in mind speaking about “understanding” of Russia’s reasons) and putted on a show of bravado having said that Russia did not afraid of a new confrontation with the West. The statement just mentioned was not a single one.

The views on Russian foreign policy and security advanced by Medvedev since the war on Georgia, “the Medvedev’s doctrine” in a certain sense, may be summarized in a following way:

- Since the war on Georgia the world has changed and Russia needs to revise its approaches to global and regional security. A strategic confrontation with the West is coming. Medvedev stated that “the determination with which Russia was forced to stand up for ordinary people, for those who had Russian passports, carrying out its obligations under international mandate, was never going to satisfy the large number of forces that believe that only they have the power to influence the climate on our planet, that only they are capable of taking meaningful action. I would go even further: they will not forgive us for this.” 46 Most probably, Medvedev was correct when said that many in the world “will not forgive” Russia for aggression against Georgia. Yet, in his address to the Russian parliament the president of Russia had in mind that the West “simply testing our strength” by “the construction of a global missile defence system, the installation of military bases around Russia, the unbridled expansion of NATO and other similar ‘presents’ for Russia” 47.

- There are powerful foreign actors that are encroaching upon Russia’s rich raw material recourses. “Russia, - the president said, - can either be big and strong, or it will cease to exist. This morsel will prove too tasty to resist, our lands and our natural resources will attract too many envious glances, all our capacities will be sought after. The world has not become any easier, but another force has emerged that is capable of maintaining order in the world. And perhaps that is the principal lesson of the Caucasian War.” 48.

- There are regions in which Russia has “privileged interests”; those are areas where the countries located with which Russia shares “special historical relations”, with which it is “bound together as friends and good neighbours”, and with which it will “build friendly ties” 49. The war on Georgia revealed the methods by which Moscow plans to

46 Speech at the ceremony for officers who have been newly appointed to senior command positions and who have received high (special) ranks. - September 30, 2008. – http://www. president.kremlin.ru/eng/speeches/2008/09/30/1359_type82912type82913_207068.shtml
48 Speech at the ceremony for officers who have been newly appointed to senior command positions and who have received high (special) ranks. - September 30, 2008. – http://www. president.kremlin.ru/eng/speeches/2008/09/30/1359_type82912type82913_207068.shtml
“build friendly ties” with countries with which Russia is “bound together as friends and good neighbours”. Also, “special historical relations”, “good neighbours”, “friendly ties” are used in the Russian political jargon with reference not only to the former Soviet republics but also to the former Soviet bloc members.

- In this context it is of vital importance for Russia to modernize, “completely remodel” its armed forces, generally improve its combat preparation and training. For this Russia needs to create new organisational structures, develop new types of weapons and put them on combat duty, and develop social support systems for personnel faster than in the past. In particular, Russia has to strengthen nuclear deterrence forces, establish a unified system of air-space defence, and increase its status as a great maritime power. Building of new aircraft carriers is “obviously the most important area for the future development of the Navy” and there is “absolute need to restore the navy’s aircraft carriers”50. Modernization of the armed forces including building new battle ships will be implemented regardless any economic crisis.

None of those odious and offensive ideas was new; all of them were developed by the Russian diehard military, political and academic circles long before the war on Georgia. Yet now they were systemized and presented by the president as principal elements of Russian official strategic thinking. Thus Medvedev has appeared as a mouthpiece of the “party of war”. He reproduced and supported some absurd ideas appeared in the military milieu like the one of building air-carriers despite the apparent fact that there is no shipyards in Russia able to build such warships, that construction of such shipyard and air-carriers is unbelievably expensive, and that power-projection in the areas of the World Ocean, remote from Russian shores, which is the main task of air-carrier battle groups, is not in the list of Russia’s primarily strategic goals.

Quite likely, Medvedev seeks for support from the military command, with a view to turn the armed forces’ officer corps into the core of his own power base. His remark that Russia “cannot rest on what has been established previously, with all due respect to the traditions and forms of organisation that existed before” was a plain hint that during the previous reign Russian army was lacking a proper care despite rocketing rise of export revenues51. If a political alliance between Medvedev and the generals occurs it will help the president to improve his position as against the prime-minister. Yet at the same time it will turn Medvedev into a puppet falling into the generals’ hands, especially because he has little knowledge of strategic issues.

Russia’s Policy after the War & European Security

The war on Georgia resulted in Russia’s military victory and political failure. Georgian army was defeated and Russian military bases are appearing in South Ossetia and Abkhazia. This improves Russian ability to threaten Georgia with a new offensive against its main economic and political centres including Tbilisi. Yet Moscow did not reach its strategic goals. No regime change happened in Georgia. Even if Saakashvili is forced to retire the next Georgian leader will not be a pro-Russian figure as there are no pro-Russian politicians in Georgia today and no personage of that sort will appear in years ahead. Prospect of Georgian and Ukrainian membership in NATO was not blocked. Ukrainian elites realize that a threat of Russian political and military intervention in the Crimea is quite visible. They think about membership in NATO in much more practical terms than before and do not agree to prolong Russian military presence in the Crimea after 2017. Instead of preventing future deployment of the US ABM components in Poland and the Czech Republic (dubbed “the third site”) the US have signed the agreements with those two countries. No fatal differences between the USA plus a few of new NATO members and the “Old Europe” were triggered.

At the same time Russian international standing was seriously damaged. Russia fell into isolation regarding recognition of the two Georgian breakaway territories. Even the closest Russian allies, Byelorussia, Kyrgyzstan and Kazakhstan, forbore from recognition of those two quasi-states. China, often mentioned as Russian strategic partner, dissociate itself from Russian policy in South Caucasus in a pointed manner. Former Soviet republics are concerned about Russian use of military force and cannot but think about strengthening their security by development strategic relations with the West. Russia’s status of the G8 member was questioned. Instead of discussing whether Russia is a problem or opportunity the international community is debating how dangerous Russia is.

Moscow’s zigzags

In a few days after the start of the war it became quite clear that Moscow was violating its commitments to stop military operations and return to the pre-war positions taken in accordance with the Medvedev-Sarkozy arrangement of August 12, 2008. Russian troops were moving into Georgia proper, have seized two key Georgian cities, Poti and Gori, and were threatening the capital of Tbilisi. That caused a tough reaction of the West, which took Russia’s actions as a definite threat to the post-Cold War European security environment and started discussing sanctions, some of which could have been quite painful. On August 13, 2008 President George Bush warned Russia about severe consequences in case armed hostilities were not stopped. He directed “to demonstrate our solidarity with the Georgian people and bring about a peaceful resolution to this conflict”. Secretary of State Condoleezza Rice was instructed to travel to Tbilisi, “where she will personally convey America's unwavering support for Georgia's democratic government. On this trip she will continue our efforts to rally the free world in the defence of a free Georgia’. President Bush also directed “to begin a humanitarian mission to the people of Georgia, headed by the
United States military. ... In the days ahead we will use U. S. aircraft, as well as naval forces, to deliver humanitarian and medical supplies.”

Appearance of American warships in the Black Sea carrying humanitarian aid to Georgia and as well long-range nuclear tipped cruise missiles was a convincing argument indeed. Also, the financial crisis, capital outflow and the fall of global oil prices in the aggregate made Russian economy much more vulnerable to possible sanctions from the West. Moscow had to change tactics. The second Medvedev-Sarkozy arrangement was reached in the beginning of September 2008. According to it in October 2008 the Kremlin withdrew its force from so called “security zones” in Georgia proper and then asserted that it did not want a new Cold war and looked for normalization its relations with the West. It reduced a bit the tensions in Russia’s relationship with the West, engendered by the Russian attack on Georgia.

Moscow signalled that it wanted a deal with the West. The Kremlin, as we may surmise, suggested continuation of the NATO’s non-military transit to Afghanistan via Russian territory; political guarantees of Ukraine’s territorial integrity and of non-use of “energy weapons”. In return it most probably demanded the West to dismiss Saakashvili; to freeze Georgia’s and Ukraine’s membership in NATO; and to refuse from: deployment of American ABM components in Poland and the Czech Republic; hypothetical deployment of Western (above all American) troops in Georgia; arms supplies to Georgia; and from supporting Ukraine in terminating Russian naval presence in the Crimea in 2017. Such a deal was definitely aimed at getting by political means goals the Kremlin failed to achieve by launching the military assault.

At the same time Moscow continued to seek regime change in Georgia, pressed for imposing a ban on arms supplies to Georgia, refused to revise its obdurate stance on recognition of Abkhazia and South Ossetia, rattled the sabres in relationship with the USA, and continued rude anti-Georgian and anti-American propaganda campaigns, including the KGB-style “active measures”. Moscow announced the joint Russian-Venezuelan naval exercises and has sent two strategic bombers to Venezuela with the only possible aim to demonstrate its readiness to military confrontation with the USA.

In the beginning of November 2008 the Kremlin decided to change tactics a bit and intensify pressure upon the West. On November 5, 2008, the very day when Obama’s election victory has been publicized, Medvedev announced the “countermeasures” to the American plans for ABM in Europe. That was a clear challenge not only to the just elected American president but also to Europe, a large part of which would be within the battle range of new Russian missiles. Most probably, that zigzag of Moscow’s policy had two reasons. Firstly, Russia had not reached its most wanted goals like definite refusal from further NATO’s eastward expansion and American ABM in Europe. Secondly, the Kremlin was inspired by the fact that its intrusion into Georgia was not reprimanded by sanctions and that the global financial crisis diverted attention, political and intellectual resources of the West from Russian behaviour.

The boom of Russian bellicosity was semi-successful. The threat to station Iskander missiles in Kaliningrad area had highly negative effect on Europe. Some of European leaders made it clear that they would prefer making deals with Russia rather than performing a sort of “neo-containment” policy. At the EU-Russia summit in Nice in November 2008 the EU agreed to resume talks on the new Treaty on Partnership and Cooperation between Russia and the EU. Medvedev and Sarkozy also agreed that new security architecture in Europe should be negotiated and established. What is more, President Sarkozy of France has said that deployment of American ABM “will add nothing to (European – Yu.F.) security but only complicates the situation”\(^\text{53}\).

It looked like a signal that some people in Europe were ready to forget about Russian aggression against Georgia and thus a short period of Russia-Europe tensions was coming to an end. Just after the EU-Russia summit Medvedev gave an assuaging speech to members of the Council on Foreign Relations in Washington CD on November 16, 2008. He explained that he delivered his speech of defiant anti-American tune on November 5, the day when many in the world commemorated Obama’s victory, simply because he “absolutely forgot about the political event that was to take place on this day” (sic!). And also he has said that Russia “will take no action (deploy no missiles in Kaliningrad – Yu.F.) unless America takes the first step” in stationing ABM facilities in Europe\(^\text{54}\).

However, Medvedev’s appeasing gestures have been accompanied shortly by new threatening statements made by high rank Russian officials. In particular, in late November 2008 the Russian Defense Minister Anatoly Serdyukov has announced that “dragging Georgia into” NATO may provoke “much more severe conflict than the August events”\(^\text{55}\). At about the same time, on November 24, 2008 the Prime Minister Vladimir Putin, most probably the real master of Russia, has outlined his vision of new security architecture in Europe: “First, it should guarantee that one nation's security is not ensured at the expense of another's security. Second, it should prevent any country, military union or coalition from taking any actions that could weaken common security and unity. And third, it should prevent development and expansion of military unions from harming other parties in the agreement. We also propose that the new document stipulate basic parameters of control over armaments, including the fundamental principle of reasonable sufficiency and cooperation formats to fight proliferation of weapons of mass destruction, drug trafficking, terrorism and organised crime”\(^\text{56}\). Dmitry Trenin, one of the well informed Russian analysts, has deciphered that gaggle of lofty principles as “four no”, in fact as four basic conditions of stabilization of the Russia-West relationship: “no NATO in the CIS countries; no American


bases in the CIS countries; no any support of ‘anti-Russian regimes in the CIS countries; and no ABM deployment nearby Russian borders”

Thus, most probably the Kremlin tests Obams’s strength and ability to develop and implement towards Russia effective “anti-blackmail” policy in the context of acute global financial crisis and also to enlist the support from a few European leaders who still believe that engagement of Russia can turn its foreign policy to normality, or for whom energy security is more important than hard security. In addition the “party of war” does not get yet a convincing pretext to accelerate militarization of the country. In this context Moscow might decided to escalate belligerence. There are two issues in Europe that may easily spiral into military-political crises more dangerous than the war on Georgia: the American ABM in Europe and Russian-Ukrainian conflict over the Sevastopol naval base.

The American ABM in Europe

Moscow alleges that US ABM components in Europe will challenge Russian strategic forces. Commenting the signing of the US-Czech agreement on the US missile defence the Russian Foreign ministry declared that the US administration “stubbornly pursuing a line fraught with threat to Russian strategic forces” “on the pretext of an imaginary Iranian missile threat” Yet Russian officials were not able to explain in an intelligible way why exactly American missile defence in Europe threatens Russian security.

Optimistic statements that there is no Iranian nuclear and missile threat to Europe contradict to credible academic assessments and well known facts. According to the IAEA data published in September 2008 Iran had 3 000 operational centrifuges to enrich uranium and additional 3 000 of such machines were assembling. David Albright, one of best experts in proliferation matters, noted that 3000 operational centrifuges of the type Iran has are able to produce during the year enough highly enriched uranium to manufacture one or two nuclear bombs. He concluded that “Iran would need approximately 6 – 12 months to produce enough highly enriched uranium for its first nuclear weapon” In addition, Iran has developed and recently flight-tested the 1,300 km-range a single-stage liquid-fuelled ballistic missile, Shahab-3, capable of reaching Israel and implements an aggressive missile development effort that includes developing longer range ballistic missiles, cruise missiles, and a space launch capability. In August 2008 Iran has tested a space launcher, which means that it is

already able – or will be able in a near future – to manufacture a ballistic missile capable of delivering nuclear warheads at distance of two - three thousand kilometres.

Many Russian experts and political figures state that the American ABM facilities in Europe will not be capable to defend Central Europe against Iranian nuclear tipped missiles. Therefore, they infer that the radar in the Czech Republic and ten interceptors in Poland are designed to damage Russian strategic forces. This is a gross defect in logic. If a missile defence system is incapable against primitive Iranian warheads, then it is definitely incapable to destroy Russian strategic missiles which are a few generations ahead of Iranian weapons.

Professional analysis shows that the antiballistic missile facilities that are planned to be installed in Poland and the Czech Republic are simply incapable of striking intercontinental ballistic missiles launched from Russia. For that the ABM components, ballistic missile interceptors above all, need to possess truly extraordinary performance characteristics that are unachievable in the foreseeable future, starting with speed. In fact, the launch of an antiballistic missile can only take place after the detection of a Russian ICBM’s launch, and only if the potential margin of error has been eliminated. In addition, it is essential to determine, even in the most general term, the flight trajectory of the missile. Only then can the decision to launch an interceptor missile be made. All these steps require time even if it is just a matter of a few minutes. These short minutes may make the ICBMs simply unattainable. Finally, it is unclear how in fact ten interceptors can pose a threat to Russian strategic forces that possesses several hundred land-based intercontinental ballistic missiles, launch sites of most of which are more than two thousand kilometres away from Poland.

The group of Russian and American missile experts with worldwide reputation, including General Vladimir Dvorkin, the former head of Russian military research institute specialized in missile issues, have concluded “Even if the United States expands the system, say, by increasing the number of interceptors, it would not be able to neutralize the retaliatory capability of the Russian missile force. … The location of the radar in the Czech Republic would not allow it to see missiles launched from any of the Russian test sites used for launches of sea-based or land-based ballistic missiles. The curvature of the Earth completely prevents this. Thus the radar cannot be used to gather intelligence on Russian missiles. … Overall, the European system in the configuration that is proposed by the United States today cannot present a significant direct threat to the Russian strategic force”62.

So, Russian violent objections to the ABM in Europe are not valid. Yet despite experts’ conclusions Russian military command and top figures claim that American ABM in Central Europe will threaten Russian security. Commenting the US-Czech agreement in July 2008 on deployment of the American ABM radar President Medvedev said that “We are extremely saddened by this situation,” “We are not happy with this…. We are not going to

throw hysteric of course, but we will be thinking about our steps in response”\(^\text{63}\). Immediately the Russian Foreign Ministry deciphered the president’s words about “steps in response”. “If the agreement with the United States, which is subject to ratification in the Czech parliament, enters into force, and strategic American ABM system starts to be deployed near our borders, we will have to react by military-technical rather than diplomatic means,” the ministry said in a statement \(^\text{64}\). Such warnings have been made before but have never achieved their purpose. In November 2008 the Kremlin staked on further escalation of tensions and announced his decision to:

- abstain from the plans to decommission three missile regiments of a missile division deployed in Kozelsk from combat readiness and to disband the division by 2010;
- deploy the Iskander missile system in the Kaliningrad Region to be able, if necessary, to neutralise the missile defence system that are planned to install;
- carry out electronic jamming of the new installations of the U.S. missile defence system from Kaliningrad \(^\text{65}\).

The refusal from decommissioning of 46 old Russian ICBMs SS-19 stationed near Kozelsk is rather of symbolic and political then of military importance\(^\text{66}\). It can neither change significantly military balance in Europe, nor stop decline of the Russian strategic rocket forces and their lagging behind American strategic assets. Most probably this move has been undertaken in order to demonstrate Russia’s resoluteness and toughen its stance on the eve of possible Russian-American talks on strategic weapons. Some Russian experts believe that it virtually impossible to jam the ABM radar planned to be installed in the Czech Republic by means of electronic warfare. However Medvedev’s decision to deploy Iskanders in the Kaliningrad region made any improvement of Russia’s relations with the USA and Europe questionable; moreover a new missile crisis in Europe is in sight.

Russian mass-media made it known that up to five missile brigades equipped with Iskander missiles are planned to be stationed in the Kaliningrad region\(^\text{67}\). In order to understand better strategic consequences of this one has to have in mind a few circumstances. First of all, there


\(^{66}\) The Kozelsk division had 60 UR-100NUTTH/SS-19 missiles in 1991, when the START Treaty was signed. Removal of missiles began in 2007 and by July 2008 only 46 missiles were still in their silos. These would not be the same missiles, however - most likely the Rocket Forces would use the Kozelsk silos to deploy the "Ukrainian" UR-100NUTTH missiles - about 30 "dry" missiles that Russia received from Ukraine and which could stay in service until 2020-2030. - http://russianforces.org/blog/2008/11/changes_in_the_kozelsk_division.shtml

are three modifications of Iskander missile. The first one, so called Iskander-E, also known as SS-26 Stone, is a ballistic missile of battle range of about 280 kilometres and payload of about 480 kilograms designed mainly for export. International regulations, The Missile Technology Control Regime, forbid export missiles of battle range more than 300 kilometres and payload more than 500 kilograms. Deployment of Iskander-E in Kaliningrad is pointless as they can strike neither future launching pads of interceptors in Poland, nor radar in the Czech Republic.

The second modification is a ballistic missile, Iskander-M, of the battle range up to 500 kilometres or more. If deployed in the Kaliningrad region 120 those missiles are able to strike targets all over Poland but can reach almost no target at the territory of the Czech Republic. From military point of view this will be of limited rationality as interceptors launchers in Poland will be “hard targets” while radar in the Czech Republic will be “soft target”; and destruction of radar will make the whole ABM site in Europe incapable. In addition, Russia will have either to prove that Iskander-M’s battle range can not exceed 500 kilometres, which is really difficult from technical point of view, or withdraw from the INF Treaty as the latter forbids testing, production and deployment of ballistic and cruise missiles of 500 kilometres and more battle range.

At last, on May 27, 2007 Russian military have tested cruise missile R-500, also known as Iskander-K. In 2007 it was tested with a range of about 400 kilometres. However, information appeared that this missile could be of battle range up to 2 000 kilometres, as it is an upgrade modification of former Soviet land-based cruise missile RK-55, also known as CSS-X-4 Slingshot, deployed in the begging of 1980s and destroyed in accordance with the INF Treaty. Being deployed in the Kaliningrad region 360 those missile will threaten all countries of Central Europe, Scandinavia, the Baltic states, Ukraine and some other. Their testing and production, not to mention deployment, will be a definite violation of the INF Treaty.

It is important, that Russian missiles stationed in Kaliningrad will be a “first-strike weapon”. It is absolutely senseless to use them in any kind of a response strike against the ABM components after interceptors are launched. Besides, stationing of 100 – 120 Iskander-M missiles, not to mention 350-360 Iskander-Ks, will by far exceed a number of weapons required for destruction of ten interceptor launchers and one radar. It means that by deployment those missiles in the Kaliningrad region Russian military pursue much more ambitious and dangerous objects. Politically, if Russia stations Iskander-M and Iskander-K missiles in Kaliningrad, or in some other parts of the country, then Europe will be divided

70 Ibidem
into “two zones of different security”. This will challenge European and transatlantic unity and create serious security risk for the countries that are within battle range of Russian missiles. At last, the only response to appearance of Iskanders in Kaliningrad that may offset threat to Europe’ security and transatlantic unity would be reinforcement of American forces in Europe including intermediate range missiles. Thus, if Russia deploys its new nuclear missiles nearby its western borders it most probably will trigger a new crisis in Europe similar to the missile crisis of the 1970-80s.

Thus, besides other things, by threatening to deploy new missiles in Kaliningrad, Moscow is entrapping the USA and Europe. If the USA, Poland and the Czech Republic go ahead with deployment of the third site of the ABM defence then it will be they who are responsible for a new missile crisis, which European would very much like to avoid. Yet if the Obama’s administration under the pressure of some European states and Russia refuses from this project, it immediately engenders serious doubts about reliability of American security guarantees to Europe, which of course will diminish Europe’s capacity to resist Russian political pressure and blackmail. The latter was among Moscow’s strategic goals since the mid of the XX century.

**Russo-Ukrainian conflict**

Another hotbed of tensions and opposition between Russia and Europe may emerge in the Black Sea region. Leon Aron, director of Russian studies at the American Enterprise Institute, wrote “Ultimately, this short war is likely to be remembered as the beginning of a decisive shift in Russia’s national priorities. The most compelling of these new priorities today seems to be recovery of the assets lost in the Soviet Union’s collapse in 1991, which Vladimir Putin has called the ‘greatest geopolitical catastrophe of the 20th century’”. Among the assets Russia would like to get the naval base of the Black Sea fleet in Sevastopol is of special importance.

The Russo-Ukrainian agreements of May 28, 1997 gave Russia the right to keep its warships in Sevastopol for a period of 20 years. These agreements will be automatically extended for another five years unless any party not later than a year before their term is due to expire notifies the other party of the termination of the agreements. In 2007 Ukraine warned that the agreement would not be extended and suggested starting a discussion on the schedule for the withdrawal of the Russian fleet from Sevastopol. In summer 2008 the Ukrainian Foreign Ministry yet again invited Moscow to start discuss those issues. The Russian Foreign Ministry yet again, with arrogance which has recently become its trademark, rejected that proposal. It said that the issue of the duration of the fleet’s presence was too premature to discuss and that one should better focus on resolving practical matters related to ensuring the necessary conditions for the Russian Black Sea Fleet’s normal operation and presence on Ukrainian territory. At the same time it was said that Russia was interested in extending its Black Sea Fleet’s presence in Sevastopol beyond 2017.

The response of Russian Navy commanders was incredible. Instead of hastening construction of a new naval base in Novorossiysk, extremely time and resource consuming

task, they said that the fleet (or at least some of it) will be based in the Syrian port of Tartus. The latter is completely unsuitable for a permanent base. It has virtually no infrastructure, and any ships stationed there rather than at a Black Sea port would be much more vulnerable in the event of a conflict with the United States and NATO. They also promised to bring the number of ships in the fleet to about a hundred - an increase of about 60 percent. This can only be done by relocating some ships from other fleets - an idea even more questioning than moving the base to Tartus. At last, it was said that Russia has to have a few aircraft carrier striking forces despite the evident fact that the only shipyard able to build air-carriers belong to Ukraine. In truth those statements were just a reflection of how dazed and confused the Russian military commanders were. Yet also statements made by the Russian admirals signalled that they did not consider a withdrawal of the Black Sea fleet from Sevastopol as a practical option for Russia. In this light by unleashing the intrusion into Georgia Moscow would like to demonstrate to Kyiv that Russia has enough resources and political will to enforce Ukraine to refuse from its plans regarding Sevastopol naval base.

Probably, Moscow flatters itself with the hope that in several years’ time Ukraine would undergo political changes and Kyiv would agree to extend Russian naval presence in the Crimea indefinitely, especially if Moscow is able to exert political and military pressure on Ukraine. Hopes like these are typical wishful thinking. Common sense demands that Russia starts negotiations about the fleet’s withdrawal as soon as possible and immediately starts building new bases for it since this is a very expensive, laborious and lengthy process. If that is not done, then the fleet will be relocated to poorly prepared bases. The later the establishment of Russia’s future main naval base near Novorossiyansk begins, the more probably it is that the only thing built in time will be just the harbour. And the fleet will for a long time lose its combat readiness since the latter is largely depends on the huge set of coastal facilities including airfields, command posts, communications stations, warehouses, barracks, accommodation for officers, hydrographical infrastructure, and many other things. However, instead of speeding up construction of a new naval base in Novorossiyansk the Kremlin thinks about building of a fleet of aircraft carriers, which is extremely expensive freak. It confirms, although indirectly, that Moscow has already decided that it would not evacuate its fleet from Sevastopol. To enforce Ukraine to prolong Russian naval presence in Sevastopol beyond 2017 or annex Sevastopol Russia plans to stir up discontent and disturbances in the Crimea with a view to provoke harsh measures of the Ukrainian government against pro-Russian groups and to get thus pretext for military intervention. Thus a prospect of a conflict between Russia and Ukraine is emerging. This will enforce Europe and the USA to make really difficult decision: either to oppose Russia effectively or “swallow” such behaviour. Tough reaction will trigger an acute crisis in Europe’s relations with Russia, which European nations definitely would like to avoid. Yet European passivity would be a signal that Russian violent behaviour, although unwelcome, does not result in essential negative consequences for Moscow. This will stimulate Russia’s similar or even more defiant actions towards other post-Soviet countries and some European states.

**Russia’s Energy Weapon**

Tensions between Russia and Europe pose the question: will Moscow use its unique position of the largest oil and gas supplier in order to blackmail Europe by threatening its energy security? Europe’s dependence on Russian energy is a fact. In the middle of this decade it
supplied to the EU about one quarter of the EU gas consumption, which mount to 40 per cent of its gas import; and also about 25 per cent of the EU oil consumption representing around one third of the EU oil import. Many in Moscow think that Russia should use this dependence for political purposes. Putin, then the president, clearly said in 2003 “‘Gazprom’ is the key element of the state’s energy security system and national export potential. Yet what is of the same importance, it is a powerful lever of Russia’s economic and political influence over the rest of the world”\textsuperscript{74}.

There were a few cases of using “energy weapon” since the fall of the Soviet Union. Moscow has used it against the Baltic States in 1990 and 1992 to prevent their independence and then to mitigate their demands to withdraw Russian troops at the earliest possible date. In 1993 and 1994 Russia manipulated with gas supply to Ukraine having in mind not only economic considerations yet also to influence its stance towards Black Sea Fleet issue. In the late 1990s Gazprom has blocked transportation of Turkmen gas through Russian territory. It resulted in radical fall in Turkmen gas production, almost to the level of domestic consumption, and deterioration of the Turkmen gas industry. In 2004 “gas weapon” been used against Belarus as a result of Gazprom attempt to get of Belarus gas pipelines\textsuperscript{75}. In January 2006 Russia used “gas weapon” to influence domestic developments in Ukraine and to avenge the “orange revolution” of 2004. In 2006 and 2007 Russia held up or has threatened to hold up oil and gas supplies to Belarus, Georgia, Moldova and Ukraine to achieve both political and economic goals.

In a few cases use of “energy weapon” was of benefit to Russia. It has helped Gazprom to acquire about one third of gas downstream in the Baltic States. In 2007 Moscow’s “gas attack” against Belarus allowed Gazprom to purchase 50 per cent shares of the company owning Belarusian gas pipelines. Yet in general manipulations with energy exports were futile and counterproductive for Russia. They stimulated quest of diversification of energy import and as well fuelled anti-Russian feelings including in the groups in the new independent states that were known as initially being in sympathize with Russia. Despite of Russian domination over the Baltic States’ energy markets, these states do not follow Russian line in the international politics. The attempt to exert pressure upon Ukraine by cutting off gas supply resulted in a reduction of Russia’s position there. The principal victim of the rise of gas prices was the Ukrainian heavy metallurgy located mainly in the eastern regions of the country that are believed to be “pro-Russian”.

In order to assess Russia’s capacity to use “energy weapon” against Europe we should point out the difference between the oil and gas markets. As of today, European energy dependence on import of oil and petroleum products from Russia (share of import in the total primary energy consumption) is about two times greater than dependence on Russian gas. Yet the oil market is a global one, a main share of oil supplies transporting not by pipelines but along sea lines of communications. For that reason European countries are able to compensate reductions in Russian oil supplies, yet not their full cessation, with oil from

\textsuperscript{74} Speech at the Gazprom 10th anniversary meeting. – February 14, 2003. - http://www.president.kremlin.ru/appears/2003/02/14/2026_type3376type6378_29774.shtml
other sources. Besides, if Russia diverts a part of its oil supplies away from Europe, to Asia above all, Asian countries will buy less oil in other segments of the global oil market. Contrariwise, gas markets are mainly regional ones with a great share of gas supplied by pipelines. Thus for many countries of Europe it is really difficult if ever possible to compensate decreasing gas export from Russia by gas from other sources. Also, various European countries depend on Russian gas export to a variable degree. The EU-27 countries may be classified into four main groups subject to share of their total primary energy consumption imported from Russia.

The EU-27 oil and gas import dependence on Russia by groups, mid 2000s

<table>
<thead>
<tr>
<th>IMPORT FROM RUSSIA</th>
<th>GROUPS</th>
<th>Super-dependence</th>
<th>High dependence</th>
<th>Medium dependence</th>
<th>Low/non-dependence</th>
</tr>
</thead>
<tbody>
<tr>
<td>C R U D E O I L</td>
<td>Mtoe (mln tones of oil equivalent)</td>
<td>15.86</td>
<td>24.45</td>
<td>105.15</td>
<td>31.88</td>
</tr>
<tr>
<td>% of oil consumption</td>
<td>95.0</td>
<td>70.0</td>
<td>29.7</td>
<td>11.85</td>
<td></td>
</tr>
<tr>
<td>% of total energy consumption</td>
<td>28.0</td>
<td>25.3</td>
<td>12.6</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>G A S</td>
<td>Mtoe (mln tones of oil equivalent)</td>
<td>24.71</td>
<td>12.72</td>
<td>68.7</td>
<td>9.05</td>
</tr>
<tr>
<td>% of gas consumption</td>
<td>83.5</td>
<td>63.9</td>
<td>30</td>
<td>5.46</td>
<td></td>
</tr>
<tr>
<td>% of total energy consumption</td>
<td>23</td>
<td>9.2</td>
<td>8.3</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>Total energy dependence</td>
<td>51</td>
<td>34.5</td>
<td>21.0</td>
<td>5.8</td>
<td></td>
</tr>
</tbody>
</table>

Sources: BP Statistical Review of World Energy 2007; Eurostat

“Super-dependency group” consists of Bulgaria, Estonia, Finland, Hungary, Latvia, Lithuania and Slovakia. Share of total primary energy consumption imported from Russia average for this group was above 50 per cent. “High dependency group” includes the Czech Republic and Poland. Share of total primary energy consumption imported from Russia average for this group was about 35 per cent in 2006. Eight European countries - Austria, Belgium/Luxemburg, Italy, Greece, Germany, The Netherlands, Romania and Sweden – form “medium dependency group”. Share of total primary energy consumption imported from Russia average for this group was about 20 per cent in 2006. At last, Cyprus, Denmark, France, Ireland, Malta, Portugal, Slovenia, Spain, and the UK belong to “low/non-dependency group”. Share of total primary energy consumption imported from Russia average for this group was less than 6 per cent in 2006. The main balk – more that 70 per cent - of the Russian gas export to Europe accounts for medium and low dependency groups countries whose individual export dependence on Russian gas is rather low; it amounts on average less than 7 per cent of their total primary energy consumption. At the same time countries highly dependent on the Russian gas supplies swallow up a relatively minor share of it.

Distribution of Russian oil and gas export to the EU-27 by groups, mid 2000s

<table>
<thead>
<tr>
<th>GROUPS</th>
<th>Share of Russian oil export to the EU-27 (%)</th>
<th>Share of Russian gas export to the EU-27 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super-dependency</td>
<td>15.9</td>
<td>21.5</td>
</tr>
<tr>
<td>High-dependency</td>
<td>12.7</td>
<td>11.0</td>
</tr>
<tr>
<td>Medium dependency</td>
<td>54.8</td>
<td>59.6</td>
</tr>
<tr>
<td>Low/non dependency</td>
<td>16.6</td>
<td>7.9</td>
</tr>
</tbody>
</table>
This hampers development of the EU joint and coherent policy towards energy relationship with Russia. In turn, it encourages Moscow’s penetration into the European gas market, helps Russia to develop some “privileged” relationships with a number of European states increasing thus its economic and political influence in Europe and deepening economic vulnerability of the countries highly dependent on Russian gas.

However, Russia’s ability to use “energy weapon” against Europe is substantially limited by its own dependence on revenues generated by export of its oil and gas to Europe and on import from Europe food, medicines, high technology equipment for industry, luxury goods for elites et cetera. Actually, Europe is the largest market for Russian energy and also the largest supplier of vitally needed products of industry and agriculture. Thus, any attempt to use “gas weapon” will definitely provoke adequate reduction of supplies of foodstuffs, medicines, and other vitally needed consumer goods to Russia from and via Europe.

**Geographical distribution of Russia’s oil and gas export, mid 2000s**

<table>
<thead>
<tr>
<th></th>
<th>Crude oil &amp; petroleum products</th>
<th>Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>7.1</td>
<td>0</td>
</tr>
<tr>
<td>China</td>
<td>4.3</td>
<td>0</td>
</tr>
<tr>
<td>Europe</td>
<td>62.0</td>
<td>63.5</td>
</tr>
<tr>
<td>CIS</td>
<td>Around 20-22 (15 % of crude oil export)</td>
<td>36.5</td>
</tr>
<tr>
<td>Other destinations</td>
<td>4-5</td>
<td>0</td>
</tr>
</tbody>
</table>

Sources: Eurostat, Gazprom, US EIA DOE, IEA

In *toto*, Europe consumes more than 60 per cent of total Russian oil and gas export, which means, roughly, that energy export to Europe produces about 40 per cent of Russia’s total export revenues. In money terms, Russian energy export to Europe provided in 2007 about 40 per cent of its federal budget incomes and 12-14 per cent of GDP. It is also important that Russia’s ability to redirect its gas export from Europe to other markets is minimal as its main gas pipeline are going to Europe and new pipelines (North Stream and South Stream) are directed to Europe too. Under the circumstances it is hardly possible that any Russian government, including strongly anti-Western, may risk to lose many tens billion dollars by deliberately stopping its energy export to Europe. The financial crisis and the fall of oil prices essentially reduce Russia’s ability to use “energy weapon”. Since August 2008 Moscow spent many billions US dollars of its currency reserves on support of Russian financial system and saving indebt business. At the same time Russian export revenues are decreasing. Under the circumstances Russia is vitally interested in maximization of oil and gas flows and cannot permit itself manipulations with supplies of those commodities.

However, one cannot exclude selective politically motivated reductions of gas supply to some European countries, above all located nearby Russia, which are highly dependent on Russian gas supplies but at the same time consume relatively small share of its gas export. Will Russia use such methods, or not, depends basically on balance of political pluses and minuses for Moscow, solidarity of the European states with victims of gas aggression, and ability of the European institutions to help them to overcome economic consequences of gas supplies reductions.
A Longer-term Prospect: Four Scenarios

Fedor Lukyanov, known Russian analyst and Editor in Chief of the “Russia in Global Affairs” monthly, wrote “The United States and its European allies face the dilemma of taking a strong position, leading toward the containment of the resurgent ambitions of Moscow, or to attempt to find a balance of interests with Russia (Lukyanov means to make a deal with Moscow – Yu.F.), recognizing its right to its own sphere of influence. The outcome of this dilemma is not obvious” 76. Actually, in a longer-term prospect, trajectory of Russian relations with the West may evolve along a few scenarios.

Making deals with Russia

One cannot fully exclude that the West makes a deal with Russia. If so, Russia achieves some of its basic goals - prevention of further NATO’s eastward expansion, retaining its naval base in Sevastopol beyond 2017, and even America’s refusal from ABM deployment in Poland and the Czech Republic. This will be the West’s strategic defeat not only because the Kremlin capitalizes upon its armed aggression against Georgia yet also because Moscow will definitely perceive the West’s consent to such a deal as a practical proof of its military weakness and lack of political will to oppose Russia’s further expansion. Most probably, Western weakness will encourage Russian top echelons to undertake next steps, aimed at transformation of Central Europe into de facto “neutral belt” between Russia et cetera. Sooner or later this will enforce the West to respond by hard measures. If a hypothetical deal with Russia includes the US refusal from the ABM in Europe it will have dramatic consequences for European security. Many in Europe will perceived it as practical evidence that the US is not a reliable ally and being under Russia’s pressure may break its word. Doubts of American security guarantees may result in deep structural changes in Europe’s security arrangements unpredictable in details at the moment. Stephen Sestanovich, Ambassador-at-Large for the former Soviet Union from 1997 to 2001, wrote “… ‘Let’s make a deal’ approach to diplomacy has a tempting simplicity to it. … Diplomats are widely thought to be negotiating such deals all the time, but it is in fact very rare that any large problem is solved because representatives of two great powers trade completely unrelated assets. The “grand bargains” favoured by amateur diplomats are almost never consummated” 77. In fact, the arrangements in Yalta and Potsdam in 1945 had not prevented the first Cold War, or the Munich agreement of September 1938 had not prevented the Second World War.

Western sanctions

It is also possible that sooner or later the West applies punitive severe sanctions upon Russia, like denial of bank credits, reduction of economic relations, refusal of political dialog and semi-isolation, expulsion from the G8 and some other international bodies et cetera. At the

moment such scenario does not look very probable. Financial crisis, wars in Iraq and Afghanistan, Iranian nuclear problem and some other developments divert attention of the Western leaders from Russian aggression against Georgia. In the current strategic context most of Western states would like to avoid escalating crisis in relations with Russia because it will add one more difficult problem to the already long list of strategic challenges to the community of democratic nations. Yet punishing of Russia may be inevitable – or likely - if Moscow undertakes new aggressive actions, for instance, annexes the Crimean peninsula. Imposing severe sanctions upon Russia will most probabll result in a new Cold War type opposition between Russia and the West. Russian “party of war” will interpret sanctions as a proof of its theory of West’s irremovable hostility to Russia to justify principal, few times more, rise of defence budget and then transition to mobilized economy.

A new Cold War

This leads us to the scenario of a new Cold war. Under this scenario Russia deploys nuclear weapons and their delivery vehicles in Kaliningrad and perhaps in Byelorussia; withdraws from the INF Treaty; undertakes aggressive actions against Ukraine, Georgia, and against oil pipelines coming through Georgia; cuts off NATO’s transit to Afghanistan; and hampers Western efforts to stop the Iranian nuclear program. Escalating military-political confrontation with the West will result in a new arms race and a number of crises, including a new missile crisis in Europe.

Russia will not be able to win a new Cold War. The Soviet Union has lost the first Cold War and collapsed largely because it was unable to sustain the burden of the arms race. The Russian economy, poisoned by petro-dollars, and based on its own dimensions, significantly gives way to the Soviet variant. The burden of military programs needed to counteracting to the West will be greater than in the USSR. In Russia we will see growing political influence of the “party of war”; transition to mobilized economy; fall of the standard of living; a rapid growth of popular dissatisfaction; and essential changes in economic and political systems which will be strongly resisted by groups in the elite and society which are flourishing in the export-orient sectors of economy. In the aggregate it will result in a deep political crisis in Russia which in turn may evolve either into a democratic “colour” revolution, or into establishment of fascist military dictatorship, or into disintegration of the country. But before such crisis results in a democratic revolution, if it ever happens, Moscow may cause of a few dangerous conflicts. A military-political confrontation with Russia enfeebles Western capacity to deal with other hot issues like Iran nuclear ambitions, for instance. Also, a disintegration of the second world nuclear power and the largest supplier of energy to Europe, which is Russia, will be a serious challenge to Europe.

Russia returns to normality

At last, one cannot exclude that Russia may withdraw troops from Abkhazia and South Ossetia; de facto or de jure refuses from recognition of those territories; and started talks about status of Abkhazia and South Ossetia and/or security and stability arrangements in those territories start. This is most welcome and optimal variant of resolution of the current crisis in the Caucasus; yet realization of this scenario is quite improbable at the moment as for this Moscow should recognize a failure of its current strategy and minimize political
influence of the “party of war”. This may happen if only Russia is confronted by an economic catastrophe and vitally needs large-scale economic assistance from the West.

**Conclusions**

The Russian war in the South Caucasus was anticipated by few analysts both in Russia and beyond, but it was not expected by the mainstream of the Western political and academic milieus. Due to this the West was not ready to oppose Russian aggression with coherent and united policy. The global financial crisis broke out in the autumn 2008 diverts attention, intellectual and political resources of the democratic nations from developments in western Eurasia. Yet when the crisis subsides the question what should be Western response to Russian bellicosity will rise again.

There are weighty reasons why this bellicosity will continue. Russia’s foreign policy is increasingly created by traditional Soviet motivations: morbid suspiciousness; an imperial syndrome; attempts to play the U.S. off against Europe; the desire to preserve Central and Eastern Europe as zones of probable expansion, et cetera. The war in the Caucasus proves that Russian international behaviour for the most part is decided by the “party of war” which wittingly provokes Russia’s defiant and aggressive international behaviour with a view to restore a mobilized economy and its privilege status in the political system.

Being faced with Russian challenge developing into a threat the West should refuse from abortive policy of “engaging with Russia”, reassess its relationship with Russia and find the right balance between cooperation, containment and deterrence. The Kremlin should be convinced, by deeds not words, that aggression and blackmail do not yield fruits it wishes to get.
The Sleep of Reason:
The war on Georgia & Russia’s foreign policy
–
December 2008

About the Author

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