



RUSSIA: WOUNDED BEAR OR RISING PHOENIX?

By Comdt Rory Finnegan

In a continuation of his series of articles on GEO-Strategic issues, Comdt Rory Finnegan examines the state of Russia more than a decade after the fall of Communism and looks at what the future may hold for the world's largest nation.

Embroiled in a savage war in the Caucasus, equipped with a new parliament, and under the leadership of a pragmatic, young strongman in the Kremlin, Russia is in a state of extreme flux. The former superpower of 143 million people which takes up half the northern hemisphere, bordering countries as far apart as Norway, Turkey and China entered the new millennium with a dramatic flourish.

Tragedy and death permeated the last century for Russia - revolution, civil war, the Second World War, dictatorship over a period of 75 years climaxing in the collapse of Soviet Communism in 1989-91 and the implosion of the Soviet Empire in Eastern Europe.

Russia Today

After nearly a decade of failed reform, the average male life expectancy is higher than in Nigeria but lower than in the Philippines, and this for a country with 13 per cent of the world's oil and 36 per cent of its natural gas. In the pursuit of the ideology of market reform, the realities of Russian life – the halving of the GNP, the destruction of the industrial base, the loss of ordinary people's savings, the mass grab of property

stolen under the name of privatisation – were all washed away. Although Russia remains the world's second biggest nuclear power, its economy resembles more that of a developing country, dependent on mineral wealth and raw materials. Russia is hurting from 10 years of decline, resentful at its reduced international status since losing the Cold War. Rather like Weimar Germany chafing at the punitive terms of the peace imposed after the First World War, Russia is turning more nationalist, anti-western and isolationist.

Economic Transformation

Six times over the last 300 years, Russia has turned to the west seeking to modernise its economy and reform its society. The first five attempts, starting with Peter the Great and ending with Lenin, failed and autocracy reasserted itself. The sixth attempt, started by Boris Yeltsin in 1991, and now being continued by Vladimir Putin is at a crossroads. The question to be decided is no longer between radical reformers and the rest, it is whether economic perestroika will be reversed or merely slowed down. Russia inherited from the Soviet Union the centrally planned economic system created by

Stalin. This system rested on rigid lines of command. The economic condition of Russia has improved from the abysmal to the merely dismal with a spectacular contradiction in production coupled with the main policy problem of controlling the country's expenditure. To give some idea of the scale involved, the fall in gross national product (GNP) in the United States during the Great Depression of 1932 was about 14%. In contrast, Soviet GNP in 1991 alone declined by 17%. Russia has now become a market economy. The essential feature of such an economy is that the market is the main instrument of allocation. The defining characteristic of Russia in 1991 was the depth of the collapse of the State. First and most obviously, the Soviet Empire broke up in December 1991. Secondly, the communist political system fell apart in the autumn of 1991. Thirdly, the command economy founded by late 1991. Fourthly, state finances faltered as a massive budget deficit of perhaps 30% of GDP mounted up in 1991. Production fell precipitously and Russia was close to chaos. Perestroika destroyed the old system but crucially did not construct anything new to take its place, the elusive "third way." Russia has also proved that it is not essen-

"I cannot forecast to you the action of Russia. It is a riddle wrapped in a mystery, inside an enigma."

Winston Churchill

tially different from other countries. Because of the combination of a weak state and an old, vicious elite, a radical and consistent liberal strategy was needed which combined democratisation, marketisation and privatisation. This was not honestly addressed during the Yeltsin era, the three great tasks for Putin are completing the stabilisation of the economy, enforcing property rights and reforming local government so that taxes can be collected.

Social Developments - Law & Order

A concern raised by anyone critical of the change of economic system in Russia is the excessive social costs caused by the transition to capitalism. The ultimate concern is that the Russian mortality rate has gone up sharply. Experts have argued about the exact combination of reasons for the decline, but most point to Russia's high rate of alcohol consumption, especially among men. Drug abuse and associated fatalities is widespread. The official population is now 145.6 million, down 0.49% or 716,900 people during the first 11 months of 1999 compared to the same period in

1998. The death rate is twice as high as the birth rate. AIDS is a major concern as is TB particularly within the penal system. Here again there are serious implications for the 21st Century. The gloomiest predictions estimate that by 2050 the population of this vast country could be down to 80 million, fewer than Germany.

Possibly one of the most pernicious legacies of Communist rule is the cynicism, amorality, selfishness and disposition towards criminality that disfigures Russian society.

Mafiya's. Rising from the ruins of the former Soviet Empire the new *Mafiya* has far out-classed the one flourishing under Communist rule. The *Mafiyas* benefit from a weak and unstable Russian state. It has been estimated that 40-50% of Russia's economy is currently controlled by organised crime.

Russia: Federalism or Break-Up?

Russia, like the former USSR, is a multi-ethnic state no longer held together by

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Scarcity is a breeding ground for crime, so is the virtual absence of a clearly defined and determinedly enforced set of legal norms. Criminal groups that existed in embryonic form under the old regime have been very quick to organise themselves into extensive

Marxist-Leninist ideology and police repression. Is Russia then an empire within an empire, whose inevitable fate is that of disintegration? This is not a trivial threat and was identified in the Russian National Security Doctrine.



Vladimir Putin and Gerhard Schroeder. Russia is looking to Europe as a partner for the future.



Russian soldier in Chechnya.

The threat takes three forms:

- A possible disintegration of the Federation
- The progressive enfeeblement of the State;
- The further disintegration of the economy.

The risk that the Federation might disintegrate is of course one of the main justifications for the continuing Russian campaign in Chechnya. Putin is now saddled with the problems of Stalin's divide *et impera* principle, having drawn the borders not only of the Union's Republics, but also of the autonomous republics and

regions in accordance with arbitrary political concerns rather than delicate ethnic criteria. The inability of the central leadership to exert full control over the 89 subjects (ie Administrative Units of the Russian Federation) poses a further threat to stability. The most serious threat to stability comes from regions on the periphery of the Russian Federation. Potentially if regional governments in these regions are able to finance units of the armed forces and internal security forces stationed in their territory, and form alliances with local military commanders,

this could encourage the disintegration of these forces and the proliferation of a warlord culture. The state's inability to collect taxes throughout the Russian Federation also undermines the viability of the Russian state. It is the idiosyncrasies of Russia's constitution that have effectively consolidated the power base of the regional elites at the expense of the development of local democracy and essential basic economic reform. It is this potential conflict between these regional elites and the centre, over control of Russia's assets that poses a threat to the functioning of the state. It is this area that is perhaps the key to the future of Russia as a Federal State. A more precisely defined constitutional framework would clarify the role of government and regional administrations. Furthermore, a similarly defined and codified fiscal system should give rise to more coherent and transparent money-based local economies.

Russian Security & Western Perception

It is often forgotten by Western analysts that Russia does have good reason to feel much more concerned about its external and internal security than many other European states. From the 18th & 19th centuries and into the modern era, Russia faced a constant flow of military invasions, 36 foreign wars launched from the east, west and south and 4 internal wars. Historically Russia was an arena of rivalry for spheres of influence between competing powers. The two biggest wars of the 20th century, which brought tremendous devastation to Russia, originated in Europe. During the Second World War (Referred to as the "Great Patriotic War," in Soviet parlance), a staggering 20 million Russians perished. During the Cold War, The Iron Curtain that dissected Europe was the interface of confrontation. On the other hand, historically and culturally, Russia has always been inextricably linked to Europe.

Through a Russian Geo-Strategic prism, what constitutes the kernel for Russian security and its relationship with Europe?

From a Russian perception, the safeguarding of Russia's security depends first and foremost on resolving internal economic, political, and social problems. The main threat of war and large-scale conflict is attached to the social, political, territorial, religious, and national-ethnic tensions and conflicts found in the former republics of the Soviet Union and within Russia itself.

Most of Russia's frontiers are not secure, demarcated international borders, the exceptions being those in the Pskov and Leningrad regions with Latvia and Estonia.

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The rest are referred to as 'soft' borders. Kaliningrad for example is a Russian enclave in former East Prussia that will be surrounded by the EU after 2004. The Russian *Mafiya* are deeply entrenched and this, of course, has meant that smuggling and drug trafficking are rampant.

Russia's New Strategic Concept

This new thinking is reflected in Russia's new Strategic Concept which came into effect on January 10th 2000, and which will

and parts of the Russian Federation, a form of domino theory for the 21st century. This is why following 9/11 the Russians so enthusiastically endorsed the war on terrorism declared by the Bush administration, as they in effect saw the war in Afghanistan being a proxy war waged against the Taliban for them by the US military. This is also why there was little if no opposition to the establishment of American bases in the Caucasus. For Russia the haunting spectre is the spread of radical/militant Islamic fundamentalism to other Muslim states

In August 2003 the nuclear submarine K-159 sank while being towed in the Barents Sea. This was in tandem with the debacle following the loss of the Kursk, the flagship of the elite Northern Fleet in August 2000. The military parades across Red Square are long gone, and Moscow's once mighty military machine is now an accident prone force beset by corruption, ill discipline and chronic under-funding. More than a decade after the demise of the Soviet Union, the military is one of the least reformed aspects of Russian society. Although their ranks have been roughly halved since 1990, they receive only a fraction of the investment ploughed into the Soviet military complex during the Cold War. What spare cash is available is being sucked into the war in Chechnya. Half of the army's fighting forces are poorly trained conscripts who serve for two years while surviving on meagre rations, a paltry \$3 a day, and for many a diet of physical abuse from comrades and superiors.

Russian policymakers frequently contrast the multipolar international system which became a possibility after the Cold War, and which Russia supports, to the unipolar world which they believe that the US wishes to construct and dominate. Most Russian analysts and ordinary people see NATO as a direct threat. NATO and the United States are seen as synonymous. The NATO air strikes of 1999 against Serbia were regarded by Russia as an act of aggression. Equally NATO's adoption of a New Strategic Concept, which implies the conduct of use-of-force operations outside of the traditional zone of application as originally envisaged in the Washington Treaty and without the sanction of the UN Security Council, is a major cause of concern to Russia. The formal admission of Poland, Hungary and the Czech Republic led to a new NATO strategic concept and an announcement that the doors of NATO are still open. The Kosovo intervention caused a furore in Russia, even among liberal pro-western groups. NATO is now viewed as having undergone a metamorphosis from being a collective defense agency towards a self-appointed regional, or possibly even global policeman.

New Geopolitical Realities

At the end of the first decade of post communist governance, the consolidation of Russia's relationship with an enlarging European security order will prove pivotal to stability in the post Soviet world. Putin has argued that the fundamental principles, which unite Europe, are also the basis of policy within the Russian Federation. The



Russian planes over the Kremlin. Russia's military reputation has taken a severe beating.

mould Russian security doctrine for the foreseeable future and into the 21st century. This latest version essentially repudiates the earlier Concept, which spoke about a 'partnership' with the West. The new concept condemns alleged American efforts to dominate other countries through the use of force, and it dwells at length on the "increased level and scope of military threats" to Russia, as well as "grave threats" posed by organised crime, separatism, and terrorism. The former in the Russian sense being an synonym for Islamic Fundamentalism.

The Russian leadership sees Islamic extremism as one of the main threats to the security of the Russian Federation. It fears that Islamic extremists forces could gain control of all of former Soviet Central Asia

outside Chechnya. But the Chechen misadventure is a guerilla war that has arguably become Russia's Vietnam. Russian forces first invaded Chechnya in the summer of 1999. More than four years later, they are still there, unable to either smash the rebels or pull out for fear that the Chechen guerillas will storm back to power with their ultra-puritanical Wahhabist strain of Islam, which is predominant in Saudi Arabia and of whom Osama bin Laden is an adherent. Amongst the main casualties has been the reputation of the once feared and vaunted Russian military. The hallmarks of this savage conflict are massacres, severe human rights abuses and indiscriminate destruction on a large scale, emphasised with the almost total destruction of the Chechen capital, Grozny.

process of integrating Russia into a European security order, a project for the 21st Century, will largely stand or fall on a number of inter-linked issues that are generated by the process of European enlargement. The issue for European security cannot be overstated as Russia straddles the strategic axis from Kaliningrad in the west to Vladivostok in the Far East. Because of this a key litmus test of the viability and integrity of the EU's crisis management capability will be the extent of Russia's involvement. The EU's holistic approach to military and non-military aspects of security, combining military and economic sticks and carrots, will in time stand or fall on the level of Russian participation.

Russia may well resume its downward spiral into economic, social, environmental and demographic disaster and cease to be a significant power. If it avoids that fate, however, its size and economic/military potential means that for Europe its destiny is inextricably intertwined with that of Russia.

The Foreign Policy Concept of the Russian Federation proclaims relations with the EU as having key importance for Russia. Indeed according to this concept the EU is seen as being a pivotal political and economic partner. Furthermore there is a solid basis for this belief, the EU consumes 32% of Russia's exports, Russia in turn receives 35% of its imports from the EU and Western Europe receives some 40% of its energy supplies from Russia. Linked to this is the realisation by the Russian leadership of the increasing importance of energy as a factor in Russian/Euro relations. In other words using energy as a lever to make concrete her aspirations to be, and to be recognised as, a great power in the international arena. It is possible that a revitalised Russia would be a democratic and dynamic state that would be a status quo power content to rely on economic rather than military might to spread its influence. The alternative is a resurgent Russia reverting to the authoritarianism and confrontation of the Communist era. A Russia that remains weak and unstable would geopolitically create an arc of instability from the Balkans, through the Caucasus to Central Asia, all regions where there are potential conflicts.

Conclusion

There are several aspects to the Russian psyche that are not either properly comprehended or appreciated in the West. These are as follows:

Firstly the Russians of today don't feel themselves responsible for the Soviet Union. They maintain they were exploited by Stalin and the Military Industrial Complex.

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Strongman in the Kremlin: Vladimir Putin.

Secondly there exists in Russia an almost tangible anti-western feeling and the almost unshakeable view that Russia is being treated as the vanquished in the post-Cold War world. When Mr Yeltsin was first elected president of Russia, the streets of Moscow were filled with pro-Western euphoria. Today,

as an organisation synonymous with economic cooperation, which is mutually beneficial to Russia. The strengthening of ties with the EU in the security sphere has and will remain a long-standing Russian aim. The Russians see such a development not only in security but also in economic

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the West is seen, even by intellectuals, as venal, self-serving and hypocritical.

Thirdly Russia is very committed to remaining an integrated state, the Chechen adventure must be viewed in this light. Arising from this the Russians feel that their national interests extend over former Soviet space.

Finally the Russians are keen to emphasise that while Russia may no longer be a superpower, it is still a great power, to be taken seriously on the world stage. NATO remains in the Russian psyche a major enveloping threat, while the EU is perceived

issues as a means of cementing their relationship with a Europe increasingly independent of the US. This would fulfill a long-standing Russian strategic vision of the emergence of a less Atlanticist Europe.

Russia's short-term future lies neither in apocalyptic chaos, nor in orderly capitalist development. In the midst of a political crisis whose parameters change daily, the only certainty in Russia's future is uncertainty. It is obvious that Russia is undergoing a turbulent transition; the ultimate destiny of that transition, however, remains unclear.