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Resetology

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When Vice President Joe Biden called for hitting the “reset” button in the U.S.-Russia relationship in February 2009, he sparked criticism in certain circles in Washington that the new Administration was trying to wipe the slate clean too soon after Russia’s August 2008 invasion of Georgia. His plea was received with skepticism in Moscow, too, among those who doubted the Obama team’s sincerity. And yet nearly two years into it, the reset appears to have produced notable successes. Barack Obama and Dmitry Medvedev have signed the New START treaty; reached an agreement on cooperation on Afghanistan; bridged positions in addressing the Iranian nuclear program, with Russia supporting the latest UN Security Council sanctions resolution; and created an infrastructure for bilateral cooperation—the Presidential Bilateral Commission, consisting of 16 working groups on issues as diverse as nuclear cooperation, space, health, military-to-military, cultural and sports exchange, and civil society. In addition, neither leader let the summer’s somewhat surreal spy scandal spoil relations. This certainly looks like progress compared to the summer of 2008 when, at the moment of the Russian-Georgian conflict, Russian-U.S. relations came close to a confrontation.

Today, as Obama calls Medvedev his “friend and partner” and Medvedev declares that “Russian-American relations have immense potential”, there is, at the very least, a change in the air.¹ Russian anti-Americanism, for example, is way down: In 2007 only 43 percent of respondents viewed the United States positively, while 47 percent took a negative view; now 60 percent express a positive opinion and only 27 percent have a negative view.² This turnabout has suggested to some that, after two failed post-Cold War attempts to build a stable relationship of cooperation (between Bill Clinton and Boris Yeltsin in the 1990s and between Vladimir Putin and George Bush during their first terms, 2000–04), a real breakthrough in U.S.-Russian relations has finally come about. Many Americans and some Europeans, furthermore, believe that the Obama Administration deserves credit for it.

What is the case for thinking that the “reset” has ushered in the real thing? Some optimists credit the power of personality. Not only has the charming, magnanimous and artful Obama replaced the accident-prone Dubya; the less-severe Medvedev has displaced Putin, the man responsible for the previous cooling of relations. But more than personality accounts for the good news, the argument goes. Obama seems to believe that he cannot secure Russian cooperation on high-priority policy areas while at the same time kicking Moscow in the shins in all the others. The Russian leadership, for its part, now understands that the country’s status and prospects depend on genuine structural modernization of the economy and the social development that must go with it. The rational Medvedev knows what the pugnacious Putin did not: Russia, Medvedev stated clearly, “needs special modernization alliances” with the United States and other Western countries.³ These two trends are mutually reinforcing:

A less noisome tone from Washington helps Medvedev make the case for closer ties, while Moscow's new pragmatism helps Obama protect the multifaceted Russia policy portfolio from special pleaders and ideologues of various stripes.

This is the best case for optimism to come along in some time, and it is boosted, too, by the fact that many well-intentioned people in Russia and America want it to be true. We have abused each other for too long since the end of the Soviet Union, they would say. With the ideological abyss behind us now for more than two decades, it is time to dispel once and for all the shadow of the Cold War. To say it as FDR might have, we have nothing to fear but the memory of our fears!

If only reality would cooperate with such noble sentiment. What separates Russia and America are not just old ideologies and the legacy of divergent histories and political cultures, but current divergences of both values and interests. These are so pervasive and fundamental that even apparent coincidences of interest often turn out to disappoint. One can reset a computer with the push of a button, but there is no key to delete the fact that America and Russia rest on different principles, no toggle to make geography and related security and economic interests vanish only to reappear in new forms. Even at their sagacious best, Russian and American leaders do not share the same view of the world.

The optimistic view of the reset overlooks an asymmetry in each side's motivations: They want to get a lot for a little, and failing to achieve that, each will blame the other side for what went awry. Thus, in Washington's eyes, improved relations with Russia initially were instrumental to the success of genuinely big-ticket concerns: the non-proliferation agenda so dear to the President, with a particular focus on Iran, and help in stabilizing Afghanistan. To achieve agreement on these, the Administration had to profess the absence of linkage with issues, like Georgia, that could spoil the Administration's prioritized transactions. This it presented as a sign of maturity, though the appearance of trading missile defense radars in Poland and the Czech Republic for Russian consideration on other issues made the non-linkage claim a little hard to credit. In due course it revealed linkage for what it is, a fact of life and not a procedural signpost that can be turned on and off at will.

In the end, it looks as if the Administration got rather less than it hoped after protracted negotiations it did not anticipate, particularly in the arms control business, and it had to give far more than originally budgeted. The result is that an improved American-Russian relationship, touted by the Obama Administration as one of its major foreign policy successes, has become an end in itself. The Administration, in short, has made lemonade out of the lemons it happens to be holding, and served it up as public relations posturing. A genuine success it is not—at least not yet.

Russian leaders are bound to be disappointed, too. Ultimately, they want a lot: U.S. acknowledgement of what amounts to a Russian sphere of interest in its former imperial domain and a free pass on their own internal political developments. In return, they hope to give as little as possible. If Barack Obama is the Niebuhrian realist of his Nobel Peace Prize acceptance speech, maybe such a sphere is imaginable, at least as long as it is not the old-fashioned kind with occupying armies, politicians pushed from balconies and quisling Kremlin mouthpieces ruling in neighboring capitals.

But if Barack Obama is in fact a neo-Wilsonian believer in a global legal-institutional cooperative order that disparages spheres of influence as “so 19th century”, then not even a modernized, “lite” version of a Russian sphere of interest is going to go down well in Washington.

So far, the U.S. President looks more like Wilson than Niebuhr. The American side does not accept a Russian sphere of influence in the post-Soviet area. Washington has already rejected Medvedev’s initiative to create a new Euro-Atlantic security system, which would mean undermining NATO and the OSCE. The United States is not about to walk away from the post-Cold War territorial and political status quo in Europe, and its reasons could be as much idealist as realist in nature.

If that is so, then Obama’s Washington cannot be happy with the Kremlin’s base motivation for its modernization effort. To both Western and Russian liberals, economic dynamism must rest on an institutional order that embraces freedom and social justice. But what Medvedev is up to has a long and storied precedent in Russian history: Like Peter the Great and Stalin before him, Medvedev wants to ensure the old political system’s survival and return Russia to its role as a great world power. He seeks to maintain an authoritarian status quo through the politically sanitized import of Western innovation. Nothing suggests that Russian authorities are ready to abandon the personalized system of power they lord over. Apparently, they believed that Obama would assist this project because, as a realist, he does not concern himself with Russia’s internal affairs.

Obama would face a trap were he to tie his reset with Medvedev’s attempt to reinvigorate old Russia in a new disguise. He would discover that grand bargains with even mild authoritarians always come at the expense of principles. He would realize that the “reset” and Medvedev’s modernization initiative coincide with a tightening of the screws on the Russian domestic front. Notwithstanding the soft rhetoric, Medvedev has endorsed broadening the powers of the FSB to include intimidation of opponents of the regime. To be charitable, Medvedev must not notice how law enforcement organs brutally disperse the rallies in defense of the Constitution, how human rights activists are jailed for peacefully carrying the nation’s flag to celebrate Flag Day, how journalists and ordinary citizens are beaten to show that any transgression will not be tolerated. Under his presidency, new legislation is ready to further curtail the right to organize public demonstrations and to grant law enforcement organizations the power to shut down Internet providers that host websites critical of the regime. As if to dispel any doubts as to where Russia is moving, Putin promised that those who attend non-sanctioned demonstrations would “be whacked over their heads with a trancheon.”⁴ For domestic political reasons, Obama could not ignore these facts even if he wanted to.

As the second anniversary of the reset approaches, we thus confront a paradox. The air between Russia and the United States is clearer, but its oxygen content is still very modest. Whatever each side hoped, sought or claimed in the past two years, both are now privately reconciled to more limited kinds of trade-offs. Even these trade-offs will likely prove difficult. Consider the “common interests” that almost everyone acknowledges Russia and the United States share: non-proliferation, Iran and Afghanistan.

Russia and the United States have different interpretations of the New START treaty. The Obama Administration sees the deal through the prism of non-proliferation policy, and so joins it to the President's global nuclear zero initiative. The Kremlin sees it not only as means to return Russia to great power role, but also as a tool for foiling, or at the very least complicating, American plans for missile defense in Europe.

On Iran, Moscow has supported some sanctions but resisted others, and it has sent conflicting signals over whether the transfer of S-300 missiles to Iran is prohibited under the UN resolution (at least until Medvedev decreed against transferring them on September 22). At the same time, Lukoil has announced new investment plans in Iran, and the Russian government, as of this writing, is continuing to help Iran toward its goal of bringing the Bushehr nuclear reactor fully online early next year. Neither the Russian elite nor Russian society in general perceives a nuclear Iran as a serious threat. Russia also has other reasons to avoid straining relations with Iran. Iran has shown restraint in the former Soviet area, but it could change this posture to hurt Russia if it follows the American line. Moscow's independent position on Iran also resonates among the elite as evidence of Russia's important geopolitical role. The elite's readiness to accept the U.S. position on Iran will always be limited by its desire to prevent Russia from being perceived as a junior partner of the United States.

As to Afghanistan, Russian authorities do not wish to see another Taliban government in Kabul. They do not need another source of anti-Russian Islamism near its own territory, so they do not want the United States to lose the war outright. They benefit, however, from an America bleeding slowly but continuously there, raising considerably the value of even meager Russian assistance. Afghanistan also keeps the Americans distracted, and it is a source of discord between the United States and its European allies, and among the Europeans themselves. The notion that Russian elite really wants to help the United States in Afghanistan out of nostalgia for its own humiliation there, or because it empathizes with America's suffering, is fantasy.

If Russia and the United States can transact only limited business in foreign policy areas, they will probably encounter even more limits to advancing their so-called civil society initiative. This is a U.S. policy that affirms non-intervention in Russian internal affairs while at the same time maintaining a dialogue with Russian civil society. If this sounds oxymoronic, that's because it is.

The Americans have agreed to conduct their dialogue with Russian civil society under Kremlin control. The co-chairman of the working group organizing this dialogue is none other than the Deputy Chief of Staff of the Presidential Administration, Vladislav Surkov, whose other main responsibility is clearing the Russian political stage of all but a useful token opposition. Washington made another concession to the Kremlin by agreeing to conduct the dialogue in a "sharing best practices" mode. What can America learn from Russia about corruption, education reform, a free press, judicial independence or infrastructure renewal? Some Americans no doubt could learn from Russian best practices in areas of personal enrichment schemes or the subjugation of internal migrants, but civil society?

With no real strategic vector present in its relations with Russia, Washington inevitably ends up focusing on the techniques of exchange rather than the substance of it. As a result, the instruments come to eclipse the aims, the logistics the purpose.

Since nothing can really happen as long as the Kremlin controls the action, the American officials and their supporters invariably do what they do best: They punt. In other words, they start advocating “win-win” situations and urge a “step-by-step approach” to cooperation that will transform the relationship. No one on the Russian side believes any of this. Putin, in his vintage belligerent way, accused the West and the United States of deceit and breaking promises. He reiterated that his Cold War declaration in Munich in 2007 “is relevant today.” With respect to the thaw in the relationship with America, Putin asked, “Where is this reset? So far we do not see it...”⁵

Engagement that merely imitates values instead of embodying them eventually turns into parody. The State Department’s report “U.S.-Russia Relations: ‘Reset’ Fact Sheet” says, “The Obama Administration has looked for ways to support President Medvedev’s efforts at fighting corruption and deepening the rule of law.” But Medvedev thinks that corruption is a result of the fact that “society became freer.”⁶ According to this logic, corruption is any private transaction that officials loyal to Medvedev cannot monitor or rake off, and thus limiting freedom is the way to fight it. Do Americans really want to assist a project like that? Does President Obama believe his own words when he talks about Medvedev’s “vision of an innovative Russia?”⁷

There is one more domestic Russian outcome of the “reset” that the United States may come to regret. Only 13 percent of survey respondents consider Medvedev to be Russia’s real ruler; 72 percent believe that Putin still calls the big shots from behind the curtain.⁸ The irony is that the “reset” could help Putin return to the Kremlin as its formal master. Unlike Medvedev, Putin wins no matter what the outcome: If the West helps the Russian economy without changing its political system, he wins; if it doesn’t, he wins too.

The latter is the almost certain outcome. Some believe that Medvedev resembles Mikhail Gorbachev in the sense that both sought to reform the unreformable. But Gorbachev started to dehermetize the system, allowing political pluralism. Medvedev thinks he can modernize the Russian economy without modernizing its society or political system. Medvedev has already proved that he will not sacrifice the system to chase an impossible dream. Medvedev’s “innovation” mantra bears no relation to reality. Economic reform requires freeing up competition and guaranteeing property rights. A modern economy cannot arise amid tightening state control and the ongoing fusion of power and property. Similarly, Russia cannot be a high-tech innovator while it represses freedom.

When Medvedev fails, Putin will be waiting in the wings to play up the “enemy” image once again. Russian anti-Americanism can be stoked as easily as it can be quenched. When the authorities control national television and the print press, it does not take much effort to drive society back to a “besieged fortress” mentality. And when the promise of modernization evaporates, there will not be much else left than the Kremlin elite can use to justify its rule. So whether Putin turns that trick or someone else like him does so, that is the likely future of Russian domestic politics, and frustration with the reset in Russia only can push it in this direction. The real Russian reset will come when the Russian people demand it from responsible and responsive leadership.

As long as Russia's system of personalized power remains in place, any "reset" in U.S.-Russia relations is doomed merely to facilitate the settlement of some of the two parties' tactical interests, and then only temporarily. More than that it cannot be. Less than that it can be, however. This is another way of saying that, if set up wrong, it can do real harm.

Obama is carrying out his "reset" at a time when Russia is confronting a growing divide between its authorities and society. In a poll this summer, about 71 percent of respondents expressed the belief that they cannot defend themselves against harassment by state officials, and 82 percent thought that state officials do not obey the law. About 73 percent said that Russia has become a less just society.⁹ Washington is making nice with a regime that is losing favor with its own people and that has long since been rejected by the more forward-looking elements of society. It is, in a way, helping this regime domestically against those genuine Russian democrats who are America's best friends.

This is not the first time that America has driven its relations with Russia into a perplexing maze of interests and values. Pursuing its current objectives requires Washington either to renounce a values-based approach or to pretend that it doesn't have to. The dilemma is an old one. If Washington elevates a values-based approach in relations with Russia, it provokes tensions and makes a sustainable pragmatic relationship almost impossible. If it pursues a cold-blooded, transactional relationship, it can make the Kremlin friendly only when it sacrifices principles. But if it pursues the current "dual-track engagement", then Washington will become a player in a form of make believe scripted by the Kremlin, and those dramaturses are vastly more experienced at various forms of imitation than Washington politicians could ever hope to be.

So if the "reset" is not helping to achieve a genuine transformation of some sort, then it risks legitimizing the Russian system of personalized power. The reset's authors perhaps are aware of their policy's limits and dangers; let's not presume their naivety. But they may well take the view that a make-believe "reset" is preferable to a long-shot effort to forge a long-term strategy that would incentivize Russia's liberalization. Be that as it may, having chosen the reset option they need to prepare for its unintended consequences. These could include not just rolling instability in the Eurasian area but also the demoralizing influence of Russia's hybrid system on the Western world, including its business and even political elite.

From my vantage point, here in the shimmering golden shadow of Saint Basil's, Washington's optimal position, if it is not prepared to give serious thought to a strategic approach to Russia, is to pursue a policy of selective engagement that helps it avoid becoming a junior partner in the Kremlin's Potemkin Village Construction Co. If President Obama needs to deal with the Russian regime for a variety of pragmatic purposes, then he needs to stop pretending that the Second Coming is at hand. The Administration would do liberal Russia a service if it would stop singing the praises of Medvedev's modernization, and if it refrained from privileging "personal chemistry" in relations with Russian leaders.

It is possible, too, that if the Administration were to stop this pretending it might actually achieve greater success in advancing its own interests. For if the Americans

won't play the Kremlin's make-believe games, then Medvedev, Putin and the rest might come to actual decisions more quickly than would otherwise be the case. At least then everyone could see things as they are, without the illusion of a reset button.

¹Obama's and Medvedev's comments come from their meeting with representatives of the Russian and American Business communities in Washington, DC on June 24, 2010.

²Polling by the Levada Center, June 23, 2010.

³Speech at a Meeting with the Russian Ambassadors and the Permanent Representatives of International Organizations, June 12, 2010.

⁴Interview with Putin, Kommersant, August 30, 2010.

⁵Interview with Vladimir Putin, Kommersant, August 30, 2010.

⁶Interview with Der Spiegel, November 7, 2009.

⁷Meeting with Representatives of U.S. and Russian business, June 24, 2010.

⁸"The Landscape of Potential Presidential Elections", Levada Center, August 2, 2010.

⁹Survey of the relationship between citizens and authorities, June 25, 2010.

Medvedev's Potemkin Modernization

Source: Current History

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The Russian system today has only two ideas: national egotism and personal enrichment. But Russians are beginning to ask: Is our might a delusion? And who is going to make us rich, and how?"

Russia is experiencing a dramatic moment in its history. The deadly wildfires and toxic smog that spread across the country this summer underscored the government's inability to protect lives and reinforced a sense that authorities unaccountable to the people have become an impediment to Russia's survival. That the nation's system of governance has exhausted itself is eminently clear today.

Of course, Russia has endured crises before. Today's situation, however, is unique. First, the political elite understands that the Russian system is worn out, yet is unable to offer ways to reform it. Second, the nation's leaders are attempting to preserve their hold on power by imitating what for them is an alien model: liberal democracy. Russia is trying to copy the West while remaining anti-Western in essence.

All this has left Russian society stuck in historical time, not wanting a full return to the past but lacking the strength to pull itself toward the future. This "neither backward nor forward" condition could produce great political volatility in coming years.

Prolonging the Status Quo

Not so long ago, many thought that Vladimir Putin, the current prime minister and former president, had strengthened the state by building the so-called "vertical" of power that would help Russia "rise from its knees." Today it has become clear that this "vertical" cannot guarantee stability, let alone development.

The recent global financial crisis sent state revenues and Russian stocks plummeting. In 2009, the nation's gross domestic product dropped by 7.9 percent; inflation reached 8.8 percent; and industrial production fell by 24 percent. The Russian economic "miracle" exploded. By laying bare the rot in Putin's concept of an "energy superpower" with an authoritarian regime, the crisis forced the elite to look for new means of survival.

Thus Putin's strategy of regulating closely from above, removing all hints of opposition from the political stage, and taking a confrontational line in foreign policy has given way to President Dmitri Medvedev's talk of "modernization" and his softer approach to relations with the Russian public and the outside world.

Medvedev has begun to sound almost like an opposition figure, invoking themes he raised in his November 2009 state of the union address.

"Are we," he asked then, "supposed to keep dragging into our future the primitive raw-materials economy, chronic corruption, and obsolete habit of depending on the state?" In the twenty-first century, the president declared, "our country once again needs all-around modernization. This will be the first modernization in our history based on democratic values and institutions."

However, while lambasting the system, Medvedev makes it a practice to warn against rushing into reforms: "We will not hurry," he said last year. "The changes will be gradual. . . . Russian democracy will not mechanically copy foreign models." Moreover, the president tries not to forget to repeat that "any attempts under democratic slogans to destabilize the situation and the state, to splinter society, will be stopped."

Vladislav Surkov, the Kremlin's main political spin doctor, makes perfectly clear how the government plans to implement modernization, explaining the project's essence this way: "The more money, knowledge, and technology we can receive from the leading countries, the more sovereign and strong our democracy will be." Translation: Modernization is technological, not political; and Russia will take whatever Western aid it can get to maintain the system of personalized power that the Kremlin calls "sovereign democracy."

Russia's ruling tandem never loses an opportunity to assert that the country has already taken shape as a democracy and committed itself to the same values that underpin the West. "I see no big differences when it comes to human rights and freedoms," Medvedev insists. "Is there anything dividing us? Nothing, I hope." If Putin and Medvedev see no difference between Russia and the West in terms of principles and values, then what talk can there possibly be of political reform?

This outlook obviously raises a host of questions. How can you hope to renew Russia while failing to alter its system of personalized power, a sixteenth-century governing model? How can you stimulate postindustrial development, which requires freedom and competition, by borrowing technology or buying companies in the West? The absurdity in any case is that Medvedev is criticizing a system built by his colleague, Putin, whom he has no intention of forcing out of power.

Remember that Putin in 2001 and 2002, at the start of his presidential term, also issued reformist statements and even tried to implement partial reforms. Putin fought corruption. He enhanced the role of the courts. He promoted administrative reform and diversification of the economy. The results were pathetic. Medvedev today is rerunning a failed experiment, mostly rhetorically.

In fact, there is nothing new in Medvedev's idea of modernization. It is a mere reiteration of the Russian tradition of using technological innovations from the West to strengthen the old state. This was exactly what Peter the Great did, for the same reasons, in the eighteenth century; and what Joseph Stalin did in the twentieth. Russia would borrow what it needed to bridge the military and technological gap with the West while rejecting its political standards. But because Russia never truly fostered innovation, that gap would always begin to grow anew. Medvedev (no doubt with the consent of his senior partner) is extending this tradition into the twenty-first century.

The new modernization kick allows us to draw a number of conclusions about how the Russian regime is handling its mounting problems. The ruling tandem certainly understands that it can neither maintain control over society nor pursue economic reform within the old Putin paradigm of hands-on rule. Putin and Medvedev need to "humanize" the system, but only to a certain degree, so as not to undermine their monopoly on power.

The two-headed regime allows the two men to follow mutually exclusive courses simultaneously: Putin appeals to the traditionalist part of the public, while the president, in the eyes of other observers, works toward a political "thaw." Medvedev, to deal with the effects of the economic crisis, has to rebuild bridges to the West that Putin burned. In essence, the two are reshaping the crumbling Putin consensus into a new one centered around "continuity and renewal"—which they see as a means for preserving the status quo.

Rapprochement with the West is the regime's main instrument for pursuing the modernization agenda. This change of course is natural. As Medvedev has explained, if the Russian elite wants to import Western capital and technology, it must turn to the West with a "smiling face."

Perpetual Pretense

The rhetoric of modernization so far has not changed the principles on which the Russian system is built. The Kremlin's new tactics, instead of expanding freedoms for society, only try to co-opt civil society and the opposition and discredit any viable alternative to established power. At the same time, as the international monitoring group Freedom House noted in a recent report, a "culture of impunity" has become embedded across the country: "Human rights activists and opposition journalists are killed, and the perpetrators are typically neither found nor prosecuted. This sends a strong signal to potential activists to avoid political engagement."

Surveys point to a growing gulf between the public and authorities. In an opinion poll conducted recently by the Moscow-based Levada Center, only 3 percent of respondents said they believe they can have any influence on political life in Russia. Seventy-one percent saw themselves as without protection from arbitrary action by authorities; 61 percent said that they cannot defend their rights; and 82 percent said state officials do not respect the law. Today, according to the survey, close to three-quarters of the population believes that Russia has become a less just society over the past five years, and 69 percent think there is less law and order now.

There are no signs that the state is weakening its control over the economy. The authorities, looking for cash, promise to start selling government assets, but they intend to preserve control over these assets. The state holds private investors hostage as it constantly changes the rules of the game. Meanwhile, the way in which Medvedev characterizes the roots of Russian corruption says a lot about his "liberalism." He has contended that the bureaucracy's corruption and its attempts to harass businesses have resulted from the fact that "the society became more free." According to this logic, limiting freedom would be a way to fight corruption!

Few people in Russia now see Medvedev's liberal rhetoric as anything more than an attempt to keep the ruling system afloat. According to the business news daily *Vedomosti*, only 11 percent of Russians believe that his modernization campaign will succeed. Indeed, few think that the president has the power to make an impact even if he wanted to: According to the Levada Center survey, only 13 percent of respondents consider Medvedev to be Russia's ruler.

Medvedev himself has asserted repeatedly that he and Putin have no political differences. Despite rhetorical differences and signs of possible spats between the two leaders' teams, there is no evidence of a split within the tandem. So what are the grounds for believing that the president will reform the personalized power built by his predecessor, who remains in charge?

For all the skepticism regarding Medvedev's modernization plan, the plan nonetheless enjoys the West's support. Apparently some in the West who have decided to aid the Kremlin in its modernization drive hope that technological and economic progress will lead Russia to democratization. But how can we expect economic innovation to become possible in a system that stifles competition and knows no rule of law? And why place such hope in economic reform, which the Russian elite has been attempting to carry out since 1991, and which has not stopped Russia from turning authoritarian, or dissuaded it from being hostile toward the West?

Russia, some suggest, needs "gradual reform." The so-called gradualists argue that specific areas of the Russian system should be reformed first, creating "oases" in which new principles can be tried out, thus allowing reform to be extended to the system as a whole. But Russia's postcommunist evolution shows that attempts at gradual or local implementation of new principles ultimately produce only imitations and never the real thing.

The Omnivorous Chameleon

The ruling tandem's search for a survival strategy has given rise to several paradoxes. Medvedev's image as a modernizer in some sense loosens Putin's hierarchy and begins to weaken his hold on power. But keeping Putin on as national leader prevents Medvedev from becoming a serious figure, and his empty calls for modernization discredit the idea of change. These paradoxes are evidence of the dead end at which the regime finds itself.

Being everything at once and nothing in particular, cynically adapting rhetoric and adopting new slogans, superficially imitating models, and following mutually exclusive courses of action—all this helps the Russian political class maintain continuity by appealing to all public forces. But systemic—indeed civilizational—uncertainty makes it impossible for the nation to formulate a clear strategy.

How serious are the obstacles that prevent Russia from moving out of this gray zone of uncertainty and imitation, toward truly liberal rules and standards? In the early twentieth century transformation was hindered by Russia's cultural and historical baggage, by its economic backwardness, and by its archaic society. Today, the causes of failure in Russia's liberal-democratic project lie on a different plane.

The first cause is the very nature of the post-Soviet Russian elite, which cannot survive in conditions of political competition. The second resides in the Soviet Union's nuclear and great power legacies, including Russia's permanent membership in the United Nations Security Council and the nation's ambition to be one of the pillars of the global security system.

Indeed, international status is the main condition for perpetuating both a superpower identity and the tradition of personalized power. The combination of great power status and personalized power, each of which reinforces the other, is the basis of the system that the elite is trying to reproduce under the banner of modernization.

Russia's civilizational blurriness is manifested in the simultaneous existence of democratic slogans and authoritarian instruments; liberal, conservative, and leftist rhetoric; reactionary populism and liberal technocracy; and cooperation with Western states and hostility toward them. The regime is trying to find support in the most varied strata of society, ranging from liberal Westernizers to extreme nationalists. The state alternately shows paternalism toward and alienation from the public; overwhelming force and total impotence.

The ruling team and the groups serving it include former members of the security services (*siloviki*), statist, Westernizers, proponents of dictatorship, and supporters of liberalization. The existential model for the Russian system is an omnivorous chameleon. It is not surprising, then, that the contemporary Russian project has no ideological framework; by the time you have defined it, it has mutated into something else. It is telling that the Russian political class cannot clearly articulate what it has created and what its goals are.

How will the prospects for Russia's transformation be affected by this official pretense and civilizational uncertainty? One might think that reforming an imitative system would be easier than transforming a strict authoritarian system. Ukraine and Serbia, where hybrid regimes eased transformation toward political pluralism, are evidence of such a possibility. But it may be that reforming the imitative system in Russia will prove much harder. Liberal principles and ideas were deformed here, losing their original meaning and turning into their opposites. As a result, the transformation of this system, a cocktail of mutually exclusive ingredients, is a daunting and uncertain task.

The Dilemma of Captive Minds

The Polish sociologist Piotr Sztompka coined the expression "dilemma of the captive mind" in trying to explain the personality syndrome of "homo sovieticus." It boils down to a desperate clinging to old stereotypes in mentality and behavior and an inability to comprehend a new reality. This dilemma can also help describe the approach of many observers who try to justify the current Russian system. The following three lines of thought have influenced analysts and politicians who deal with Russia.

First, "Russia is not ready for democracy." To be sure, many in the country still maintain undemocratic values.

Yet significant numbers of Russians are capable of moving toward a freer and more competitive society. Second, "Democracy will come to Russia after capitalism, which is the determining factor." In fact, Russia provides the world's best evidence that this notion is wrong. In Russia, economic growth and capitalist development have gone hand in hand with an antidemocratic drift. And third, "Russia is a unique country." This is a truism; the real question is how this "uniqueness" is manifested. In the inevitability of the country's authoritarian thought? Then why have the Ukrainians, who are culturally quite close to the Russians, behaved differently?

Let me single out several structural and psychological traps that Russia encounters on the path to democracy. One problem is that *success can be detrimental*. Russia survived the global financial crisis and has started to post some positive economic indicators. This creates hope that the Putin-constructed system is sustainable; such hope hinders the system's transformation.

The *instability of stability* is another such paradox. Russia's leaders view the current lack of massive social discontent as evidence that they can control the situation indefinitely. But the lack of legitimate channels of self-expression could in time trigger destructive and destabilizing protest.

A *digging-one's-own-grave* syndrome is at work today as well. The ruling team's fear of leaving the Kremlin has created a dynamic such that the longer the team stays in power, the more inevitable becomes its own forced removal from power. If this becomes the only exit option, it will be painful.

Then there is the problem that can be called *how to lose your reputation*. The success of a transformation depends on the emergence within the system of pragmatic forces ready for change and intellectuals ready to work on an alternative. Yet the involvement of liberals, intellectuals, and pragmatists in the orbit of the corrupted regime undermines their integrity. This makes dissent more aggressive and broad consensus in favor of change less feasible.

This is not an exhaustive list, and new Catch-22s are constantly arising. Most stem from the fundamental Russian political paradox: *the law of failure*. When a liberal opposition is not ready to take power, society may have to pursue a false avenue before recognizing that it leads to a dead end. Only after hitting the wall does the public start looking for another way out of its predicament. Failure could be the only way to understand the need for the system's radical restructuring.

This is Russia's conundrum today. On one hand, the nation's elite wants dialogue with the West so it can gain access to technical and material capabilities. On the other hand, it wants to protect Russian society from the "corrupting influence" of Western values. It cannot permit even limited liberalization because that would threaten the elite's property and its monopoly on power.

It is quite possible that Putin's ruling team will retain control over the country and secure the continuation of its power beyond 2012, when the next presidential election is scheduled. (Putin has said he is considering a run for the office that he held from 2000 to 2008.) Such an outcome would mean that Russia would stagnate for an indeterminate length of time.

If oil prices remain high, society continues to be passive, business interests willingly serve the regime, the opposition stays fragmented, and the West supports the Kremlin, then the most probable scenario for Russia's future would be continued inertia and atrophy.

But we cannot exclude the possibility of another scenario: a new systemic collapse. With the highly centralized system recreated by Putin, dysfunction in one area might set off a chain reaction, which could lead to a repeat of the Soviet collapse of 1991. All that such a chain reaction requires is an economic crisis more serious than the one that befell Russia in 2008.

Even without an economic crisis, the failure of individual elements in the political system—for example, a disruption in the connection between the center and the regions— could send dominoes falling. Collapse of the system could also result from a series of technological catastrophes within Russia's Soviet-era industrial infrastructure.

Opinion polls demonstrate that the mood of the Russian population is changing. A July 2010 Levada Center survey found that 43 percent of the population are not expecting "anything positive" from Putin, and only 23 percent support him because he is "dealing successfully with the country's problems." Sixty-seven percent agreed that Russia "needs a political opposition." And nearly 30 percent of respondents said they are prepared to take to the streets if necessary to protest government policies.

Drift and Demoralization

Russian society and the political system are now drifting in opposite directions. The last time that happened, the Soviet Union fell apart. The system is saved by just one thing—the lack of a credible opposition. But the fact that social anger and frustration are growing faster than the political process can channel them increases daily the danger of public degradation and demoralization.

The time is approaching when the Russian regime will not be able to provide the standard of living and the consumption lifestyle that the most dynamic strata of Russian society have come to expect over the past two decades. The social basis of the system, which has kept the country stable throughout the Putin-Medvedev period, may be undermined at any moment.

One paradox here—among the many—is that the forces that once helped to strengthen the system have now begun to undermine it. Take corruption, for example. Until quite recently, it was one of the pillars of the Russian state. Today it has become a dreadful source of weakness. Corrupt police and public officials provide little support for the ruling team. The corrupt state apparatus disobeys orders from the center with impunity.

The regime understands the threat posed by corruption, but taking decisive measures against it would mean rejecting principles on which the system is built. It would mean guaranteeing an independent press, judiciary, and parliament, thereby ending the regime's monopoly on power. In fact, the ruling team is moving in the opposite direction.

Under Medvedev's presidency, political opponents are routinely harassed, and rallies in defense of constitutional protections are dispersed and the participants brutally beaten and arrested.

Or consider another factor: elections, whose management the Kremlin has mastered. Until recently, manipulating elections and falsifying their results helped preserve continuity of power. But making a pretense of holding elections only works when the public agrees to play "Let's pretend." The time may come when the public says, "We don't want to play that game anymore!" That is what citizens did in Serbia and Ukraine.

To win support in the parliamentary and presidential elections of 2011 and 2012, the ruling elite will have to practice fraud on an even greater scale than before. Eventually, a regime based on rigged elections will lose any pretense of legitimacy. The only way it will be able to hold on to power is through repression. Yet the state is not ready for massive repression. Corrupted law enforcement organs would hardly be an effective instrument for supporting the regime. Besides, the petrostate and the rentier class that survive through cooperation with the West understand the consequences of raw repression for their friendly relationships abroad. This, of course, does not mean that they will not try to turn to violence if they discover they are losing power.

No matter how hard the political class tries to keep Russia drifting through the zone of uncertainty, sooner or later it will have to acknowledge that the current pseudo-project has exhausted itself. A state that satisfies narrow vested interests while pretending that it is satisfying national ones—and that has no means to shut the society off from the outside world—is doomed, and its superficial imitation of liberal models in order to survive only brings closer its inevitable collapse.

Escaping the Trap

What does Russia need to do to break out of its vicious cycle and take on a European identity? It must reform its state matrix. This presumes three achievements: a transition to the principle of competition in economics and politics; a rejection of the principle of merging power and property; and a systematic commitment to the rule of law.

Achieving these reforms, in turn, requires a review of the Putin-Medvedev foreign policy doctrine that justifies simultaneous cooperation with and containment of the West. A liberalizing society cannot consolidate freedoms and the rule of law while attempting to contain the democratic West. This does not mean that the interests of liberal Russia will always coincide with the interests of particular Western democracies. It means only that their interests should not be antagonistic.

Today the Kremlin's "modernization" mantra proves that the ruling elite is not ready to start dehermetization. This leads to an unpleasant conclusion: that a crisis—whether social, economic, or political—is needed to persuade members of the elite that the system is threatening their own survival. Regrettably, no examples exist in Russian history of preventive reform before a crisis hits.

Meanwhile, the logic of history moves on. In its day, the Soviet Union based its existence on a global missionary project. That project was bound for nowhere, but at least it conferred an idea and passion. The Russian system today has only two ideas: national egotism and personal enrichment.

But Russians are beginning to ask: Is our might a delusion? And who is going to make us rich, and how? The authorities do not have the answers.

About a third of Russians could now be considered among the modernist part of society—people who are psychologically prepared to live and work in a liberal system. The modernist part, together with the passive strata that could join it, make up perhaps two-thirds of the population. In the Levada survey, 53 percent of respondents said it is "most important" to respect civil, political, religious, and other rights, while only 27 percent said that the highest priority should be "subordination of the minority to the majority." Only 23 percent of respondents said Russia does not need a democracy.

At the moment most Russians are atomized and just hoping to get by on their own. It is not clear who or what could awake them, or what will happen when they do awake. But an enormous part of the Russian public is ready to accept new ways of doing things.

The attempt to modernize the country without changing the rules of the game may be the last Russian illusion. It is in any case an illusion that few in Russia seem inclined to believe in. The leaders are confused, and we can see that they do not know where they are leading the country. The elite is trying to guess what is ahead, while safely squirreling away families and finances in the West—just in case. The political regime cannot halt the growing dissatisfaction in its own ranks.

One should not be lulled by the fact that for now things in Russia remain quiet. It is a deceptive quiet. A significant part of the public and a not-insignificant part of the elite have concluded that they are living in a temporary shelter that needs to be rebuilt, and this in itself is a condemnation of the current system of government. The elite can keep "engaging" with Western colleagues, and the society may look as though it continues to sleep (or pretends to sleep). But deep down, the society is stirring.

The rampant, fatal wildfires of 2010, by highlighting the authorities' helplessness, offered still more evidence that one-man rule has become a threat to Russia's very survival. A moment of truth inevitably approaches. Unfortunately, it will have to wait until Moscow and the West overcome the illusion that Russia can modernize without changing its old genetic code.

How the West Has Become the Kremlin's Hostage

Source: Carnegie Moscow Center

The history of the twentieth century is one of confrontation between the West and a Russian autocracy legitimized by communist ideology. The start of the twenty-first century highlights a new phenomenon—the desire of Russian personalized power, devoid of any ideological framework, to survive by using the West. It does so by integrating the ruling Russian elite into Western society while rejecting liberal principles inside the country.

Although it would surprise the West, I would argue that the policy of the U.S.-Russia “reset” and new partnership between Europe and Russia plays a crucial role in the survival of the existing Russian system and has helped to legitimize the Russian status quo. Moreover, President Medvedev’s liberal rhetoric and the West’s faith in his ability to reform Russia—or at least its faith in his differences from Prime Minister Putin—have become pre-requisites for the reset itself.

While Moscow and the West form closer relations, the Kremlin builds a new police state. The Russian government has dismissed constitutional provisions guaranteeing civil and political rights. It has strengthened repressive policies as Russia’s next election cycle approaches and the ruling team seeks to stay in power. Russia’s evolution toward hard authoritarianism is a logical result of Russian personalized power, which—having exhausted softer aspects of leadership, including economic means to consolidate society—turns to outright force.

The unfair verdicts handed down to oil businessmen Mikhail Khodorkovsky and Platon Lebedev, the dissolution of peaceful demonstrations and single picketers, the prosecution of opposition leaders, the complete disregard for the requirements of civil society—all of these are symptoms of repressive tendencies. Russian authorities are gradually moving from imitative democracy to using threats of violence or even engaging in direct violence. Furthermore, the merger of authorities with criminal factions is resulting in a police state with a criminal bent.

The ruling authorities’ attempts to revamp their image, engage with the intelligentsia, and bribe representatives of the opposition cannot stop this hardening of authoritarianism. And we see this tendency not only in Russia but in Belarus and Ukraine as well. From this we can conclude that hybrid regimes imitating democracy—when lacking internal or external resources for democratization—will inevitably evolve into “iron fist” rule. Imitation of democracy breeds frustration in the society, and moving from imitation to real democracy is usually much harder than building effective institutions from the start. The democratization of the hybrid regime in Serbia was largely due to external factors like Serbia’s desire to join the European Union. In Russia’s case, this is not a consideration. This means that *the West’s agenda to engage Russia, Ukraine, and Belarus and bring them into its own orbit has failed.*

The fate of the reset between Russia and the West, and in particular the United States, is not encouraging. The reset can continue only under the following conditions: if the West agrees not to meddle in Russia’s internal affairs, if the West endorses Russia’s “spheres of interest,”

and if the West accepts the Kremlin's understanding of "common interests." One gets an impression that the Western leaders either accept these conditions or, in trying not to vex the Kremlin, take an ambiguous position that allows the Kremlin to believe that its conditions are acceptable.

It is true that the strengthening of Moscow's repressive syndrome has prompted the West to react, albeit belatedly and reluctantly. Statements were made about "concerns" with processes in Russia. But so far, the West's actions have been limited to rhetoric. Proposals from the U.S. Congress and European Parliament suggesting that they would impose restrictive sanctions on Russian bureaucrats responsible for the death of attorney Sergei Magnitsky while in police custody and on those responsible for the guilty verdicts handed down to Khodorkovsky and Lebedev were never implemented.

In contrast, the Western reaction to Belarusian dictator Alexander Lukashenko—who rigged the elections and repressed the opposition—was more severe. Herein lies the problem of Western "double standards." The EU and Washington are ready to pressure Lukashenko; with the Kremlin, however, Western leaders limit themselves to a soft-sell approach. The reasons to tread carefully with Russia are understandable—the West's disbelief in Russia's transformation and the threat of losing an important and willing partner. Whatever the reasons, though, the West's selective approach to upholding democratic principles discredits both it and the principles themselves.

While some observers would counter this argument by saying that the West does in fact condemn the actions of Russian authorities, Moscow by ignoring those statements, puts the West in an awkward position of impotence. This is exactly how the West's response to Russian realities is perceived—both by the Russian society and the authorities themselves. It is unlikely that this helps the West maintain its reputation or role as a moral arbiter.

On the contrary, the Russian elite has found ways to influence the Western establishment. Khodorkovsky, apparently, was right when he said that Russia exports two things to the West—natural resources and corruption. In any case, Italy's *Repubblica*'s investigation of Putin and Italian President Berlusconi's "joint private initiatives" supports Khodorkovsky's conclusions.

All of this begs the question of how much coercion and corruption in Russia is needed before the West will act? Or, to be less politically correct, how many Russian opposition leaders must be thrown in jail and how many more Russian journalists must be killed for the West to abandon its policy of connivance towards the Russian regime? These concerns are not meant to suggest that the West isolate Russia or impose sanctions on the country. My colleagues James Collins and Matthew Rojansky are correct when they distinguish between the Belarusian state and the Belarusian society while discussing Lukashenko's regime; a similar approach should also be used when dealing with Russia. The West should both impose sanctions against those in the Russian elite and bureaucracy who are involved in corruption, money laundering, and repressive practices, while extending an "open-door" policy to the Russian society. The society should not suffer as a result of penalties against the ruling regime.

Who exactly should Western sanctions target? To begin, sanctions should affect those officials whose names are on the list of 60 Russian officials who should be denied American visas, drawn up by U.S. Senator Benjamin Cardin, as well as those who participated in the Khodorkovsky and Lebedev trials. Punitive measures against the second-tier of bureaucrats will serve as a warning to Russian authorities and show them that implementing their corporate and personal interests in the West will depend on how the authorities behave inside the country. Let us not forget that the America's refusal to issue a visa to oligarch Oleg Deripaska caused significant discomfort at the Kremlin.

With respect to the corrupt Russian elite, sanctions that hinder its personal integration into Western society can be particularly painful for the regime. These can include refusing to grant visas, freezing bank accounts in Western banks, seizing property in the West bought with dirty money, investigating the corrupt activities of Russian regime's Western partners, and possibly boycotting Putin's pet projects like the Sochi Olympics and the FIFA World Cup. If Western leaders fear annoying the Kremlin, they could at least resist making gestures that can be interpreted as overt support of Russian authoritarianism.

Even if the West takes just some of these steps, it will have an effect, because today the West is the key guarantee of the continuation of the current Russian regime. If it does not take such steps, the least its leaders can do is stop schmoozing with Kremlin officials—a frankly humiliating sight for the West.

So far, the Western political and business establishment seems unable to abandon its role as the savior of the Russian system. One example is the recent share swap between the British oil company BP and Rosneft to form a global strategic alliance. Given that Rosneft owns Yukos—which was seized from Khodorkovsky—this “marriage” transforms BP not only into the owner of the pilfered company but also into a legitimizer of Khodorkovsky's trial and Russia's repressive regime. Moreover, this experiment shows that the Kremlin has found a new way to survive with the transfer of criminally acquired assets to the West, with the help of Western partners. While this may be just what the Kremlin wants, what does this say about the West?

In conclusion, the West must recognize the simple truth—appeasing the Kremlin will not make it more accommodating or predictable. On the contrary, it will only increase the aggression of the Russian elite both at home and abroad. Western leaders and businesses will have to realize this—and very soon.

Rule Against Law

Source: Carnegie Moscow Center

<http://www.carnegie.ru/publications/?fa=show&id=42214>

A court that strengthens the prosecutors' accusations. A court that cares not for its own reputation, making absurdity a matter of principle. A court that reflects the essence of the System. A court that becomes a tool for the exercise of the personal vendettas of the "national leader," himself elevated to power by chance but unwilling to leave. That is the court in which Mikhail Khodorkovsky and Platon Lebedev were tried.

On December 27, judge Viktor Danilkin began reading out his guilty verdict, which turned out to be even stronger than the prosecutors' own accusations. That was to be expected. How could a court, integrated into the "vertical" of executive power, rule that the "vertical"—in the face of Vladimir Putin, who announced even before the trial that Khodorkovsky was guilty—was wrong?

The trial of Khodorkovsky and Lebedev has many facets, human, socio-economic and political. The long and persistent persecution by the government of these two people, which began in 2003, has laid bare the level and drama of the passions involved: anger, vindictiveness and fear of reprisal on the part of the ruling elite and its leader; the stubborn defense of human dignity and will on the part of the defendants. *This trial* became a turning point in Russia's development, confirming the Kremlin's purposeful turn towards bureaucratic capitalism and repressive rule. *This trial* made it clear that the Russian system cannot be liberalized under the existing regime. *This trial* proved the helplessness of President Medvedev and bears witness to his unenviable role, the role of a façade that allows the "national leader"—with whom everyone (including the elite!) is fed up—to remain in power.

Those who ask about where Russia is heading and the nature of its system of governance should require no further proof or argumentation. The trial of Khodorkovsky illustrates the dead-end road that Russia is on and underscores the personalized nature of Russia's regime, despite attempts to don a "human face" over the past two years.

Of course, the Kremlin's gambit continues. The latest trick was to time the verdict for the Christmas holidays in the West and for the eve of the New Years holidays in Russia. The Kremlin thus calculated that political life would go into hibernation for two to three weeks, after which time Khodorkovsky would cease to be news. The object of the game is to allow Medvedev to save face and to lessen the sentence (as Putin did the last time) by, say, a year. It is not clear, however, whether Putin will allow his shadow that possibility.

But what impact does this have on Russia's trajectory and the fate of the country's most famous prisoners, whom the authorities have turned into political martyrs?

For many people, a guilty verdict is an uncomfortable result. In Russia, the verdict makes it harder to save face for those in the elite who seek to prove that Medvedev's Russia is changing and that the president has "reform potential." The verdict is also uncomfortable for Western governments, who began their "reset" with Russia on the basis of hopes for the country's liberalization. How can Russia's bellwethers preserve their reputation, despite being part of a repressive system? How can Western leaders justify their embrace of Medvedev? They must all be thinking, "Confound it all! Couldn't Putin have just let those guys go? He'd solve his image problem, and it would be easier for us to conduct our own business."

The problem is that Putin and his team, including Medvedev, simply cannot free Khodorkovsky. They have turned him into a "systemic factor." Khodorkovsky in jail is confirmation of the stability of the system, of the omnipotence of Putin and his team and of their drive to hold onto power at any cost. Releasing Khodorkovsky in that context would be tantamount to political suicide. And this regime is not interested in suicide, particularly during an election year. To the contrary: the regime is girding itself to rule permanently.

Keep an eye on the case of Khodorkovsky and Lebedev. It will provide more information about Russia, the stability of its regime and the sentiments of its elite and society, than any other source. The Khodorkovsky case is the core criterion of Russian reality.

And what of Khodorkovsky himself? Thanks to the Kremlin's efforts and his own choices, he has become a political and moral alternative to the current regime. That is something the regime cannot forgive.