

## **Briefing Memo**

### **Three Factors Supporting Russia's Assertive Diplomacy**

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#### **Introduction**

Russia's military conflict with Georgia, and its recognition of the independence of South Ossetiya and Abkhazia were interpreted as expressions of protest leveled against the United States and European countries over the acceptance of Georgia and the Ukraine as members of the North Atlantic Treaty Organization (NATO). It was also a demonstration to the international community that Russia had stepped up its hard-line diplomacy. Its decision to take bold military action beyond its borders for the first time since the break-up of the Soviet Union was to put the international community on alert to let them know that Russia had both the intentions and the capability to take military action for the protection of its national interests. This action by Russia forced the international community to review its perception of Russia's diplomacy up until then.

After Russia attacked a large number of Georgia's military bases, Russia was criticized by Western countries which claimed that its counterattacks were excessive. Although the conflict itself ceased within a short period of five days, Russia's confrontational stance against the Western countries extended to the military sphere with its recognition of the independence of South Ossetiya and Abkhazia and its deployment of a brigade of Russian ground forces to both areas.

In his annual address to the Federal Assembly on November 5, 2008, President Medvedev declared that he would deploy short-range missiles to the Kaliningrad region, Russia's detached territory. The question to be considered here is what the underlying factors have been in Russia's assertive diplomacy since the Georgian conflict.

#### **Recovery of Russia's National Strength Accompanying Economic Growth**

The first factor is the economy. Increases in resource exports and surges in international resource prices have resulted in a rapid recovery of Russia's national strength in the past 10 years. After Russia's economy bottomed out in the financial crisis of 1998, it has continued to record high growth of between 6-10% and has posted positive growth figures for 10 consecutive years. Russia's growth is also outstanding among the eight leading industrialized nations (G8), and in 2007 its gross domestic product (GDP) recovered to the level immediately prior to the break up of the Soviet Union.

Russia's gold and foreign currency reserves are the third largest in the world, following China and Japan, and immediately before the global financial crisis in September 2008, its reserves topped the combined reserves of the 15 countries of the euro zone. The Russian economy depends on mineral resource exports for almost half of its national revenue and about two-thirds of its exports. It cannot be said that record-high oil futures price of \$147 per barrel in New York in July and Russia's embarking on a bold course of military action outside its borders for the first time since the break-up of the Soviet Union one month later in August are unrelated events. However, the Russian economy has suddenly begun to slow as a result of the significant fall in international oil prices at the end of the summer of 2008 followed by the global financial crisis in the United States in September.

With plunging share prices, the outflow of foreign capital, and the negative impact on the real economy, it was as if Russia's economy, which had been on the boil during the energy bubble period, had suddenly been doused with cold water. At the end of 2007, international oil prices plummeted to \$30 a barrel and the national budget for FY2009 fell into the red for the first time in 10 years. There is also a possibility that economic growth will enter negative territory for the first time in 11 years. The sudden worsening of economic conditions is having a negative impact on Russia's assertive attitude towards the outside world, which has been evident since the Georgian conflict.

However, the slowdown of the Russian economy is expected to be only a temporary phenomenon for a number of reasons. To begin with, the International Energy Agency (IEA) and other authorities are expecting international oil prices to rise again in the medium to long term. The Russian government has also been saving a part of its oil revenue as a buffer against plunges in resource prices and has also implemented medium-term fiscal management through the introduction of a three-year budget since 2008. In addition to these initiatives, the Russian government is also promoting diversification in its industrial structure in efforts to move away from a resource-dependent economy. According to the "Economic Outlook," a report on economic forecasts published by the Organization for Economic Co-operation and Development (OECD) in November 2008, Russia's economic growth is set to fall significantly in 2009 but is expected to rebound in 2010. Russia's economic slowdown is largely attributed to the sudden fall in international oil prices rather than the global financial crisis, and international oil prices are expected to rise again in the future. In fact, a reduction in oil production by the oil-producing states to boost global demand relative to supply has resulted in an upward trend in international oil prices since January 2009.

### **Increasing Assertiveness of the Military Due to a Tandem System**

The second factor underlying Russia's assertive diplomacy is the shaky relationship between politics and the military due to the establishment of a historically unusual tandem system that allows for the

views of hardliners in the military to be reflected in Russia's foreign policy. From the end of 2007, hardliners in the military became noticeably more vocal. Yuriy Baluevskiy, then First Deputy Minister of Defense and Chief of General Staff, appeared frequently in the media making hard-line political speeches and statements with reference to actions such as unilateral secession from the Intermediate Nuclear Force (INF) Treaty and first use of nuclear weapons. It was the military clash with Georgia that marked the start of the rise of military influence on Russia's foreign policies as a result of the significant recognition given to assertions by the military's hardliners. The gist of explanations given by persons either connected with or knowledgeable about the Russian military is that political control over the military was considerably undermined at some point during the beginning of the outbreak of the conflict.

When Georgia launched an attack in the late night of August 7 in 2008, President Medvedev was away in Moscow on holiday, Prime Minister Putin was attending the opening ceremony of the Beijing Olympics, and the commander of the armed forces was absent from the local headquarter. For the Georgian side, the timing was ideal for making a move. It appears that the Russian side did not expect Georgia to launch an attack at this time by not observing the international custom of suspending hostilities during the Olympic Games. It has been indicated that Russia's decision-making was significantly delayed until the introduction of an emergency system at National Security Council held at 15:00 hours the next day on August 8. It also seems that there was a problem in communication between President Medvedev and the local commander. After Prime Minister Putin was informed by then President Bush at the opening of the Beijing Olympics that Russian armed forces had taken SS21 short-range missiles into Georgian territory, Putin hurried back from Beijing to the local headquarter in the Republic of North Ossetiya-Alaniya adjoining Georgia. It seems that Prime Minister Putin was concerned that the military was launching missile attacks arbitrarily. Even in his position as prime minister, Putin was directly informed of the progress of battles from the local commander at the headquarter and is believed to have given orders to the troops to launch a counterattack. It seems that the Russian armed forces anticipated a military scenario where Tbilisi, the capital of Georgia, would fall and it would take custody of President Saakashvili. However, Prime Minister Putin is said not to have allowed even the destruction of the pipelines.

Although one cannot go so far as to say that the Russian military was out of control in the Georgia conflict, it can be said that the intentions of the military were plainly evident in its excessive counterattacks. As was evident in the problem with Chechnya, because of the rise of terrorism as a new threat, the role and influence of the military, whose original duty is to ward off threats to the country, has been greatly diminished. In this instance, a military conflict outside the country provided the perfect opportunity for the military to demonstrate the importance of its existence, and it

seems to have spared no effort in its response in the Georgian conflict. After the conflict in Georgia, the intentions of the military were clearly reflected in Russia's diplomacy, such as the decision to station a brigade of ground forces each in Ossetiya and Abkhazia after their independence was recognized and the significant delay in the withdrawal of military forces from Georgian territory despite a political decision calling for an immediate withdrawal of troops. In his annual address to the Federal Assembly, President Medvedev also announced that Iskander short-range missiles would be deployed to the Kalinigrad region, Russia's detached territory, as a countermeasure in response to the deployment of MD missiles to Europe by the United States. This was exactly what the hardliners of the Russian military had been insisting upon for some time.

On the other hand, there have been visible moves on the part of the government, which is wary of an increased military presence, to tighten control over the armed forces. One example is the plan to restructure the Russian military that was announced in October 2008. In content, it is quite bold. Total military personnel are to be cut from the present 1.13 million to one million and the number of officers is to be reduced from 350,000 to 150,000 by 2012. In his annual address to the Federal Assembly, President Medvedev also announced plans to amend the constitution to extend the term of the next president from the current four years to six years. The necessary procedures for the amendment of the constitution were completed in the space of only two months. This move by the president strengthened the perceived likelihood of a return of the Putin Administration. There are also indications that restoring relations between the government and the military, which had been undermined following the establishment of the tandem system, is one of the aims of the government's restructure.

### **Deterioration in the Political and Military Elite's Perception of the United States**

The third factor underlying Russia's assertiveness is the perception held by politicians and the military that the unilateralism of the United States is in relative decline, thereby creating a situation where Russia is in a position to take a hard-line policy towards the United States to a certain extent. First of all, there are signs that the influence the United States once had over former Soviet regions is fading. The so-called "color revolution," which Russia believed had the backing of the United States, did not eventuate in Uzbekistan and Belarus, and US military forces were compelled to withdraw from Uzbekistan in November 2005. After this, Uzbekistan signed the Treaty of Alliance Relations with Russia, and strengthened its orientation towards Russia including a return to the Collective Security Treaty Organization (CSTO) spearheaded by Russia in June 2006. Furthermore, Kyrgyz President Bakiyev, immediately after his meeting with President Medvedev, revealed his intention to do away with US bases stationed in Kyrgyz. Consequently, the US military forces deployed in Central Asia after the September 11 incident finally had to withdraw from the region.

Furthermore, the United States insistence on the signing of the US-Russia Strategic Framework Declaration at the Sochi Bush-Putin Summit Meeting gave rise to the perception by Russia that the United States was weakening as a consequence of waging two wars simultaneously in Iraq and Afghanistan. Given this perception of the United States, it can be assumed that the Russian side firmly believed that the United States would not actively support Georgia in the event that a military conflict with Georgia should arise.

After the conflict in Georgia, Russia's relations with the United States and Europe fell to their lowest point with President Medvedev declaring that Russia was not afraid of another Cold War. The hard-line view towards the United States seemed to be gaining momentum. There were two reasons for this. First, the United States had been a proponent of expanding NATO to include Georgia and the Ukraine as members, and, second, the United States had provided military assistance to Georgia under the pretext of deploying troops to Iraq.

*The National Security Concept* and *the Military Doctrine*, two new national strategic documents, are currently in the process of being revised. According to Russian military experts, the significant delay in the revision of the documents is due to Russia's inability to settle on a medium- to long-term national security strategy because it cannot determine the direction of the power relationship between Russia, which is strengthening its hard-line diplomatic stance, and the United States, whose unilateralism is on the decline.

## **Conclusion**

This briefing cited the recovery of Russia's national strength, the rising influence of the military, and a deterioration in Russia's perception of the United States as three factors underlying Russia's assertive stance in its foreign diplomacy. In terms of the recovery of national strength, Russia's economy is expected to show signs of recovery in the future despite a temporary slowdown in economic growth due to the impacts of sudden falls in international oil prices and the global financial crisis. In terms of the rising influence of Russia's military, *the new military doctrine*, which is due to be released soon, is expected to incorporate bold assertions by the military hardliners, despite visible moves by the government to strengthen political control over the military. In terms of a deterioration in Russia's perception of the United States, Russia's main concerns are the expansion of NATO and the MD problem. Although the new Obama Administration is expected to follow a more cooperative approach toward Russia, it is unlikely that this factor alone will fully dispel these two concerns. While the impact of these three factors, which underlie Russia's assertive stance in foreign diplomacy, has peaked, it can be said that they still exist as underlying factors.

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