

Putin Bets on Pragmatism

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Prime Minister Vladimir Putin's comparison of the coalition bombing of Libya to medieval crusades has been reasonably criticized as the latest example of a confused Russian opportunism. It seems rather cynical to bash a coalition that has been so careful to present the right kind of image, even though its primary purpose is protecting a population from a dictator. It is also disingenuous given that the Kremlin gave implicit support for the bombing of Libya through its abstention as a permanent member of the United Nations Security Council.

The critics of Putin's comment might be operating from the moral high ground, but they are also missing the point. Putin did not criticize the West because he wishes to side with Libyan leader Moammar Gadhafi or even because he finds it amusing to annoy the United States. Instead, his comments reflect an evolving pragmatism in foreign policy based on economic self-interest.

After two decades of trying to define itself with regard to the West, Russia is finding a role for itself on the international stage. One of the main difficulties that Russia has faced since

the Soviet collapse is that the country has been at the bottom of several peer groups simultaneously. It has been the defeated superpower, the slow-growth member of BRIC, the odd man out in the Group of Eight and the black sheep of Europe. Consequently, whenever Russia has attempted to define itself as any of the above areas, it has been perceived as a laggard at best and a failure at worst.

The foreign policy that has emerged in recent years attempts to avoid boxing in Russia to any particular classification. A combination of improved economics, a period of relative stability at home and the epiphany in 2008 that much of the Western model wasn't sustainable in the West — and all the more so in Russia — seems to have generated a new strategy both domestically and abroad. There are several components to this strategy.

The first component is a golden rule: Make no enemies — or at least as few as possible. Russia is building relationships across a wide spectrum. The improvements in relations with the United States and Europe have tended to attract most of the headlines. Treaties on nuclear weapons reductions, better cooperation with the West on Iran, progress on World Trade Organization negotiations, steady gas supply into Europe and the less-confrontational abstention vote in the UN all reflect significant improvements in relations between the West and Russia.

The growing ties with the emerging world have been just as significant. Russia is developing ties across Asia, Africa, South America and the Middle East. Yekaterinburg hosted the first BRIC conference last year. For the first time, the emerging countries are providing a significant proportion of new capital being invested into Russia.

Equally important, Russia's national champions are being encouraged to step out onto the international stage — particularly into India, Venezuela, Brazil, the Persian Gulf states, across sub-Saharan Africa and, most notably, in China.

In 2010, China became a larger trade partner for Russia than Germany, and that was before the first oil pipeline from East Siberia was officially opened on Jan. 1 this year. Compare that with trade with the United States, which now accounts for less than 4 percent of Russia's trade turnover. Asia and the Persian Gulf determine the price of Russia's major exports. The West is no longer viewed as a reliable source of long-term financing. The 2008 crisis emphasized the need for as diverse a range of investment and finance as possible.

Competing on efficiency and price competitiveness according to Western rules and institutions is not Russia's strong suit. But once politics and economics are employed together, Russia's position becomes much improved. Russia is happy mixing international trade agreements with politics, just as it has mixed together politics and business domestically. This approach may not be particularly welcome in the United States or Britain, but it is more consistent with the approach to business in much of the rest of the world where the delineation between the state and the private economy is less defined.

It is against this backdrop that Putin's unhelpful comments should be taken. Russia never got very far by defining itself as either pro- or anti-Western. It is now attempting to be more pragmatic. It may look cynical in London or Washington, but it might reflect the recognition in Moscow that the world has changed.

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