

Russia in Conflict: From the Homefront to the Global Front

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Since the beginning of the Ukrainian crisis and Russia's annexation of Crimea in March 2014, both of which reflect the conflict between Russia and the West regarding influence in former Soviet regions and Russia's international standing, Russia has faced a host of new challenges in the domestic and international arenas. As a result of the crisis, Russia has experienced isolation and prolonged political pressure, while at the same time suffering from economic sanctions imposed by the United States and Europe due to its involvement in Ukraine.

In order to escape the political isolation and save its faltering economy while putting an end to Western sanctions, Russia has initiated a series of international moves, including the military involvement in Syria that began in September 2015. The intervention in Syria was both a response to developments in the region itself (mainly the rise of radical Islamic terror, a direct threat to Russia), and a result of global considerations in response to the conflict between Russia and the West regarding Ukraine and the international sanctions imposed upon Russia – which, as intended, are succeeding in undermining its stability. One of the main objectives of Russian involvement in the Middle East is advancement of dialogue with the West and termination of the anti-Russia sanctions regime.

Russia is thus politically and militarily involved in crises on two fronts – in Ukraine and Syria, the former for over two years now, and the latter, including military involvement, for approximately a year. Both conflicts are

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exacting from Russia high political and economic costs,¹ and the end results are not yet known. This article surveys Russia's efforts to cope with these constraints, and assesses the domestic and international implications for Russia of the Ukrainian crisis, the involvement in Syria, and its troubles at home.

The Struggle over the FSU Region and the War in Ukraine

The end of the Russian imperial era after the fall of the Soviet Union was traumatic for Russian foreign policy. Moscow perceived Western policy as an attempt to push it out of what was historically the region of the Russian Empire, as well as to produce regime change within Russia. This policy included the expansion of NATO, the deployment of defense systems in Eastern Europe, and encouragement of internal democratization processes. With Putin's rise to power, Russia adopted a new approach to international relations while striving for a strong foreign and security ideology. Its foreign policy is intensive and focused on many different arenas, and implemented through application of political and economic pressure on FSU states. Given that Russia's resources are limited, the main effort has been on keeping conflicts correspondingly limited. This also explains Russia's tendency to wield both soft and hard power together in what is known as a "hybrid war."

Putin's basic assumption is that Russia and the West have conflicting interests, and that failure to stand up for Russian interests represents an existential threat to Russia. Russia must thus return to the international arena as a leader in shaping the international order, while competing with the West for control and influence in Europe, Asia, and the Middle East. In this context, Putin has adopted the Eurasian ideology as a systematic doctrine that sees Russia as a civilization connecting the East and the West. The practical effect is a neo-imperial approach that aims to protect interests in FSU territories while challenging the US and its allies in a variety of arenas. In recent years, the struggle has focused principally on Georgia and Ukraine, both of which experienced revolutions seeking to promote a democratic-liberal agenda and integration with the West, including NATO and EU membership. In 2008, after NATO announced an "Intensified Dialogue" with Ukraine and Georgia on membership to NATO, the Russian military invaded Georgia. Russia has also displayed extreme sensitivity to Western activity in countries such as Belarus and nations of the Russian Caucasus and Central Asia, the latter of which have Muslim populations.

In parallel to its regional struggle, Russia is trying to establish an alternative network of alliances. To this end, President Putin launched a number of cooperation frameworks that compete with European frameworks, led by the Eurasian Union that includes Kazakhstan, Belarus, and Armenia in a free trade region and customs union. In Central Asia, Russia is attempting to maintain political leadership while trying to foster cooperation with China in order to accept Russian involvement in the region. Russia and China formed the Shanghai Cooperation Organization that also includes the membership of Central Asian states. In practice, this organization is pushing the West (especially the US) out of the region.²

Over the last two years, Russia's main international activities have focused on the Ukrainian crisis. The understanding that "without Ukraine, Russia ceases to be an empire," as formulated by Brzezinski, is engraved deeply into the Russian consciousness. For years, Russia has identified Western penetration into Ukraine as an attempt to take the country out of Moscow's sphere of influence, and has been especially concerned about the possibility of Ukraine joining NATO and the EU. The events of 2013, which began with Ukraine's intention of signing an agreement of association with the EU and ended with a revolution and the removal of President Yanukovich, were thus considered by Moscow as Western provocation aimed at the dissolution of Russian influence in Ukraine, its most important asset in the Eurasian sphere.

In 2014, following the pro-Western revolution in Ukraine, Putin chose Crimea as a pressure point for leverage against the Ukrainian regime. The annexation of Crimea was accomplished through hybrid activities – first a takeover of the peninsula by unidentified forces, and then a referendum on annexation to Russia. Ukraine acquired the Crimean Peninsula, populated mainly by ethnic Russians, upon the fall of the Soviet Union, with many in Russia viewing it as an historical injustice (in 1954, Crimea was given as a "gift" by Khrushchev to the Ukrainian Republic). In parallel, violent resistance on the part of pro-Russian separatists broke out in southeast Ukraine against the regime in Kiev. Here too Russia did not employ regular military forces, and claimed that it was an independent uprising against violation of the rights of the Russian minority in Ukraine. Despite the smokescreen put up by Russia surrounding

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its Ukraine activities, the West viewed the Crimea annexation as illegal, and the pro-Russian separatists in southeast Ukraine as Russian agents. This led to economic, personal, and sectorial sanctions against elements of the Russian regime.

In 2014, the leaders of Ukraine, Russia, France, and Germany signed the Minsk II ceasefire agreement. Nevertheless, the fighting never ceased, and at this point the process seems to have reached a dead end. Recently, against the backdrop of increased Russian-Ukrainian tensions, President Putin threatened to freeze the understandings regarding Ukraine. As far as can currently be estimated, the negotiations regarding Ukraine will likely continue.

Western Sanctions and Signs of Political Instability

To Moscow, the goal of the economic sanctions imposed on Russia in 2014 by the West, in response to Russia's annexation of the Crimean Peninsula and security involvement in eastern Ukraine, is to undermine Russia's domestic stability in order to bring about regime change.³ In response, Moscow imposed a series of sanctions on European and US imports. More recently, the Russian leadership displayed signs of anxiety as a result of the economic and political damage caused by the sanctions regime.

On the economic level, the Western sanctions, and especially Moscow's counter-sanctions – e.g., a boycott of Western agricultural goods⁴ – together with sharp declines in crude oil prices,⁵ have exacerbated the economic slowdown already underway. In 2015, the Russian economy entered a recession, with the economy shrinking 3.7 percent, suffering from accelerated capital flight, plummeting exports (in 2015, exports dropped by 40 percent from 2013), and an increased budget deficit (2.6 percent of GDP in 2015). The Russian Ministry of Finance expects a deficit of 3.2 percent of GDP in 2016, and plans on reducing the deficit by 1.1 percent in the following year. Social welfare has also been affected: in 2015, the average salary plunged by nearly 10 percent, while real income dropped by more than 5 percent – the first such salary decline in over 15 years of Putin's rule.⁶ Moreover, in order to achieve a 10 percent budget decrease in 2016, the government initiated an austerity policy, which further affected the population's living conditions, and some regions of the Russian Federation even suspended benefits payouts due to lack of funds.

At the same time, and against the backdrop of the government's more extreme militant nationalist rhetoric, the military budget has not been

touched. In 2011, Moscow began a comprehensive, multi-year program to modernize its defense industry (with an investment of over \$700 billion for modernization of 70 percent of its military forces by 2020), while allocating an ever-growing share of its budget to the defense establishment. In early 2016, Russia's defense budget was estimated at approximately 4 percent of GDP.⁷

Nevertheless, the Russian government is working to correct the situation: it allowed an increase of inflation, which stabilized oil revenues in ruble terms (crude oil prices stand at approximately \$50 per barrel) and enabled the balancing of the budget. Indeed, signs of economic recovery were observed in the first two quarters of 2016. However, even if global oil prices experience a sharp recovery,⁸ without comprehensive economic reforms the Russian economy is expected to grow slowly in the medium term.⁹

The current economic crisis is only part of the web of domestic challenges Russia has faced for several years. The first challenge is demographic, with Russia experiencing a population decline¹⁰ and a growing labor shortage.¹¹ Russia's economically active population is shrinking, while the number of retirees is growing so quickly that it is expected to equal the labor force by 2030 due to a reduced labor force. Russian laborers are being replaced by migrant workers from FSU countries, many of them Muslim countries – and herein lies another challenge, namely, the increasing Muslim population in Russia, which already numbers over 20 million. Russia is currently forced to deal with a growing Islamic threat, including the spread of the Islamic State into the Caucasus, and, to a lesser extent for now, into other Muslim population centers in Russia (Bashkortostan, Tatarstan). The Islamic State attack in October 2015 on a Russian civilian airline in Sinai, which killed 224 passengers, may be the harbinger of a future series of attacks against Russian targets outside or inside the Russian Federation.¹² Therefore, Moscow is following developments in the Muslim sector with concern, especially in Chechnya.

In parallel, the Russian leadership must ensure political stability, although the ongoing economic crisis and Western sanctions create fertile ground for obvious tensions and fissures within Russia's ruling elite. This includes differences of opinion regarding Russian foreign and defense policy; widespread power struggles between various economic and political groups; and tension between the central federal government and the various federal subjects who are striving to demonstrate independence while frustrated by a lack of federal funding. For example, there is palpable

heightened tension between the federal authorities and Chechen Republic leader Ramzan Kadyrov, who while considered a close confidant of Putin, is displaying increasing independence. Moreover, Russia is in a prolonged period of elections (parliamentary elections were held on September 18, 2016, and presidential elections are scheduled for March 2018).

One of the signs of increasing political instability and power struggles was the murder of Russian opposition leader Boris Nemtsov in February 2015. Another warning sign of potential instability is the current “fight against corruption” campaign: starting in 2015, extensive purges have been carried out among the elite classes in the federal provinces. The governors of Sakhalin Oblast and the republics of Karelia and Komi were arrested along with their associates,¹³ and it appears that more extensive purges are likely both among provincial elites and in central Russia, including in Putin’s party itself, United Russia.¹⁴ In August 2015, one of Putin’s close allies, Vladimir Yakunin, was forced to resign in disgrace from his position as head of the country’s railway monopoly RZD. At that same time, two entities responsible for fighting corruption, the Investigative Committee of the Russian Federation and the Russian Prosecutor General, were involved in major scandals. In tandem, in the first half of 2016, the current head of the Russian military-industrial complex¹⁵ (which has been

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the most influential power group in Russia since 2011-2012)¹⁶ and his predecessor were appointed to senior provincial leadership positions, thus strengthening the military-defense establishment’s dominance on the local level.

In parallel, rumors spread regarding opposition to Putin’s rule among his potential competitors in the Russian ruling elite. Possible rivals include Minister of Defense Sergey Shoygu; Nikolai Patrushev, an influential figure who is a former head of the Russian Federation Security Council and director of the Russian Federal Security Service (FSB); and Sergei Ivanov, Putin’s former chief of staff – Putin unexpectedly fired him in August 2016 and replaced him with a young and unknown official, Anton Vaino.

The firing of Ivanov, a powerful figure who is a potential Putin competitor, is apparently a reflection of intensified power struggles among the Russian ruling elite.

In 2016, presumably in response to what for him are worrisome developments, Putin created a new National Guard built out of the domestic security services, and appointed his confidant Viktor Zolotov (former head of presidential security) as its director. The National Guard is estimated to have 350,000-450,000 troops, and is designed as a kind of personal Praetorian Guard for Putin, in addition to its task of maintaining public order and suppressing dissent among the elite. As part of its mandate, it is likely to act against Chechen President Kadyrov, in charge of 80,000 local forces¹⁷ (this was apparently the reason for the appointment of Sergey Melikov, the former presidential representative to the North Caucasus Federal District, as a first deputy director of the National Guard in August 2016). The Russian leadership has recently intensified its militant nationalist rhetoric, in parallel with its expanded investment in the military and military-industrial complex. The objectives of this include enlistment of the populace in standing up to the crisis, and augmentation of the country's defense infrastructure.

Overall, it appears that there is increased frustration among the general population, with noticeable, though still limited, rumblings among the Russian public expressing dissatisfaction. More specifically, despite the high public approval ratings for Putin's regime (over 81 percent, as of February 2016), there are growing signs of public dissatisfaction, which have recently been expressed through social protests (on the part of truck drivers, doctors, teachers, and retirees) regarding salary levels and the failure to pay pensions. The phenomenon is expected to spread if a severe international or domestic crisis develops. Meantime, dissatisfied businessmen or entrepreneurs tend to adopt an exit strategy by leaving the country, sending their assets abroad, or relocating their companies abroad. At the same time, some are benefiting from the situation, as the sanctions have created opportunities for state support of a considerable number of key position holders. Private companies and banks that go bankrupt are transferred to state control.

Yet despite the West's continuing economic sanctions, which are aggravating Russia's already precarious economic and political status, it appears that in the end, Putin is still in control of the situation with no immediate significant threat to his regime. Most of the elite and members of the inner circle owe their positions to Putin personally. Moreover, as of now, all the alternatives to Putin's rule appear – in the eyes of many – far worse than the status quo.

The Russian Response to the Challenge: The International Arena

Amidst this difficult reality, especially the worsening economic condition and resultant domestic political instability, Russia needs a suitable response. To this end, Russia has worked to create crises in the international arena and use them as political leverage, including for the purpose of mitigating, at least partially, the damage caused by the West's economic sanctions.¹⁸

In this context, Russia exhibited several shows of military strength in various regions, including extensive military exercises, provocative combat operations, and pressure and threats against its neighbors (such as the Baltic states, Moldova, and states in the Caucasus and Eastern Europe). An additional direction was the Middle East, with military intervention exploiting an opportunity that developed in the Syrian civil war. The goal was to advance Russia's international standing through the development of alternative theaters of conflict with the West, in order to create a distraction and political leverage that it failed to create in Europe.¹⁹ This military intervention took place in the context of the Russian coalition with the Assad regime and Iran and its proxies – Hezbollah and various Shiite militias concentrated in the area. The main effort was first directed at promoting the political process while achieving internal conciliation in areas controlled by Assad with Russian assistance, and later at action to shape the new order in Syria and the Middle East in general. In this way, Russia hoped to achieve regional influence, and consequently, international influence that would furnish Moscow bargaining chips as it faced the West while promoting parallel resolutions of the crises in Eastern Europe and the Middle East.

This has caused an expansion of the global conflict to another regional arena, making for a conflict simultaneously in Europe and the Middle East, while most of Russia's activity in the region relates to competition between the major world powers. After approximately a year of fighting in Syria, it can be argued that Russia promoted itself to its desired position of influential player, through, inter alia, continual maneuvering among all the other players in the arena. Russia succeeded in leading a reconciliation process, and even in bringing in the Western powers to cooperate with it. However, Russian efforts to terminate the Western sanctions by achieving a willingness on the part of the West to trade displeasure with Russia's East European policies for its Middle East accomplishments have thus far failed.

After a year of fighting, it can be argued that Russia achieved the desired status of an influential actor, constantly maneuvering between other actors

in the arena. The West, however, was not receptive to Russia's efforts to end the sanctions, and Moscow's attempts to convert its achievements in the Middle East to the East European arena are so far unsuccessful. Following the failed Russian-American negotiations, the crisis between the two powers on the Syrian arena and beyond it seems to have escalated. This crisis began September 18-19, 2016 and had several violent episodes, first with the US attacks on Assad forces and later with the Russians strike on a humanitarian convoy near Aleppo. These incidents were accompanied by harsh rhetoric from both sides: the US declared the cancellation of the understandings it had achieved with Russia regarding the ceasefire and ended the talks with the Russians. President Putin (on October 3) declared a unilateral suspension of the agreement for the disposal of polonium and presented a list of demands of the US, including cancellation of anti-Russian acts, such as the Magnitsky Act (used to pressure Russia) and laws that support Ukraine, adopted since 2014; removal of the sanctions against Russia; compensation to Russia for the damage to the economy caused by the sanctions as well as the Russian counter-sanctions; and reduction of NATO forces in Eastern Europe. This crisis could continue for some time in different forms and may have unexpected consequences, including further escalation of tension and a military confrontation.

Conclusion

Recent developments reflect the increased tension surrounding Russia's conduct in the international arena. Russia went to war first in Ukraine and later in the Middle East with the ambition of protecting its interests both in the FSU region – keeping NATO forces out – and the international arena in general. But at the same time, these wars have become a burden for Russian foreign policy that harms Russia-EU and Russia-US relations, as well as the possibility of achieving objectives in the international arena. Furthermore, Russia now finds itself under the pressure of Western economic sanctions, which harm its economy and its ability to serve the region's states as an alternative model for economic development while promoting the Eurasian vision.

Notwithstanding the crises aimed to upset the present configuration of Russian-Western relations, in both the Middle East and Eastern Europe, Russia still has not succeeded in relieving the political and economic pressure applied by the West.

Ukraine was and remains the Russian weak point. True, Russia annexed Crimea and disconnected the southeastern region from the rest of the country. However, it has lost the lion's share of Ukraine to the West. Russian activity there continues to be perceived as aggressive and engenders resistance among the other countries of the FSU, which now feel more threatened. As Russia issues threats, there is concern in Ukraine and the West regarding aggressive Russian designs and the outbreak of hostilities. Russia fans the flames with belligerent declarations, and even threatens to abandon the dialogue with Ukraine held under Western auspices. The Russian activities have highlighted the need for military reinforcement in Europe, and the expansion of NATO activities in Eastern Europe and the FSU. The Warsaw NATO summit in July 2016 advanced a hawkish stance against Russia.

In the Middle East, there is growing Russian-American tension as the coalition led by Russia – including the forces of the Assad regime and its Shiite allies – increases pressure on the opposition. This is despite the exhortation of the US, which has threatened to cancel the understandings reached thus far. Another item casting a pall over the already tepid relations is the recent Russian-Turkish détente, which at least in part is designed to harm Western interests. This is now joined by the expansion of Russian-Iranian cooperation, and the possibility of three-way cooperation among Russia, Iran, and Turkey in determining the future regional order.

Russia thus creates crises to upset the present configuration of Russian-Western relations, including in both the Middle East and Eastern Europe. Yet despite its recent series of moves, which have involved efforts to expand the crises, Russia still has not succeeded in relieving the political and economic pressure applied by the West. Indeed, in June 2016, the EU extended the sanctions against Russia for an additional six months.

Notes

- 1 The annexation of Crimea cost a total of over \$3 billion for the Russian Federation, while capital flight was estimated at \$151 billion. In contrast, the war in Syria has been much cheaper, costing \$3-4 million per day as of the end of 2015, according to sources in Jane's Information Group. However, these sources noted that it is possible that the cost is actually higher, as the calculation does not include cruise missile attacks. See Peter Hobson, "Calculating the Cost of Russia's War in Syria," *Moscow Times*, October 20, 2015, <https://themoscowtimes.com/articles/calculating-the-cost-of-russias-war-in-syria-50382>.

- 2 US involvement in Central Asia began with the fall of the Soviet Union (the involvement focused on the dismantling of Soviet weapons and promotion of democratic regimes). Following September 2001 and the commencement of the war in Afghanistan, the US began operating in Central Asian countries as bases for its Afghanistan operations. Many scholars estimate that one of the motives for the founding of the Shanghai Cooperation Organization (SCO) was to contain US involvement in Central Asia (in addition to mutual containment of the members). See also Lionel Beehner, "Asia: US Military Bases in Central Asia," Council on Foreign Relations, July 26, 2005, <http://www.cfr.org/russia-and-central-asia/asia-us-military-bases-central-asia/p8440>; Eleanor Abert, "The Shanghai Cooperation Organization," Council on Foreign Relations, October 14, 2005, <http://www.cfr.org/china/shanghai-cooperation-organization/p10883>; and Eugene Rumer, Richard Sokolosky, and Paul Stronski, "U.S. Policy toward Central Asia 3.O," Carnegie Endowment for International Peace, January 25, 2016, <http://carnegieendowment.org/2016/01/25/u.s.-policy-toward-central-asia-3.0-pub-62556>.
- 3 Official statement of the secretary of the Russian Federation Security Council, Nikolai Patrushev, July 3, 2015, cited in *Rossiyskaya Gazeta*, <https://rg.ru/2015/07/03/patrushev-site.html>.
- 4 To fight the economic sanctions, Russia initiated a counter-sanctions plan of tremendous scale that includes a boycott of food products from the US, EU companies, and other allies, together with a plan for alternative imports. However, the import alternatives have proven quite expensive for Russia. In May 2015, Russian Minister of Industry and Trade Denis Manturov announced that the alternative import program may cost \$50 billion. See "Import Substitution to Cost Russia \$50 Billion," *Moscow Times*, May 20, 2015, <https://themoscowtimes.com/articles/import-substitution-to-cost-russia-50-billion-46721>.
- 5 Revenues of oil and natural gas represent more than half of Russia's exports.
- 6 During the Russian economic crisis in 2009, the government was able to protect incomes and prevent a sharp rise in poverty levels by introducing a large scale support package. In 2015 and 2016, Russia no longer had the reserves required for such economic support.
- 7 According to World Bank data, in 2015 there was an increase of 26 percent in the military budget versus 2014, while military spending represented 5 percent of Russian GDP. See "Military Expenditure," <http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS>.
- 8 Keith Crane, Shanthi Nataraj, Patrick B. Johnston, and Gursel Rafiq oglu Aliyev, *Russia's Medium-Term Economic Prospects* (Santa Monica, CA: RAND Corporation, 2016), http://www.rand.org/pubs/research_reports/RR1468.html.
- 9 Ibid.

- 10 In 2015, Russia was home to 142 million people. Despite positive immigration from Central Asia and neighboring countries (some 9 million immigrants to the Russian Federation between 1990-2014), the population dropped by 3.7 million during these years. In 2015, Russia experienced a growth rate of 0.04 percent.
- 11 Russia is expected to lose 1 million working-age residents per year between 2011 and 2020, and 0.3 million per year from 2021 to 2031.
- 12 On August 17, 2016, the FSB, the Russian federal security service, announced that in the course of counterterror operations in St. Petersburg it killed four terrorists associated with northern Caucasus terror organizations.
- 13 Sergei Tikhonov, "Wanted some Planting?" September 28, 2015, <http://expert.ru/expert/2015/40/hoteli-posadok/media/preview/>.
- 14 A special independent unit within the FSB was reportedly established under Putin's direct leadership for the purpose of conducting extensive purges in the provinces and the United Russia party prior to the parliamentary elections in September 2016. See: *ibid*.
- 15 The Siloviki are members of the military-defense establishment. They are currently the most influential power group inside Russia.
- 16 Velimir Razovayev, "A Second Wave of Chekists is Coming to Power," *Nezavissimaya Gazeta*, March 3, 2016.
- 17 An estimate presented in the documentary film *Family*, released on June 3, 2015 by the Open Russia Foundation. See <https://www.youtube.com/watch?v=EFjpXJkAED0>.
- 18 Joseph Nye, "The Russian Connection between Syria and Ukraine," *National Interest*, February 17, 2016, <http://nationalinterest.org/feature/the-russian-connection-between-syria-ukraine-15237>. See also the remarks by Ukrainian President Petro Poroshenko (September 21, 2016), who labeled Ukraine and Syria two of Russia's "instruments of leverage," and reported that Russia is using Crimea as another base to demonstrate its military power in Syria. See *Rosbalt*: "Poroshenko: 'The Syrian Conflict and Events in Ukraine Unfold According to a Similar Scenario,'" September 21, 2016, <http://m.rosbalt.ru/world/2016/09/21/1552180.html>.
- 19 Ben Aris, "Russia Angles for Deals on Ukraine, Syria at G20 Summit," *IntelliNews*, September 5, 2016, <http://www.intellinews.com/russia-angles-for-deals-on-ukraine-syria-at-g20-summit-105357>.