RUSSIA AND THE TRILATERAL COUNTRIES

RESTORING RUSSIA AS A GREAT POWER

Max Jakobson

While agreeing with what Strobe Talbott has just said about the situation in Russia, I would like to say it perhaps in a slightly different way. One could say that President Putin, having entered his second term, has restored the traditional Russian system of authoritarian rule. The power is concentrated in the hands of the president and his team, a rather large team, many of whom, like Putin himself, are former security service men and former military officers. This power elite has no special political party alignment or special ideology, but its declared goal is the establishment of Russia once again as a great power. To reach this goal, as Putin himself has declared, the Russian economy must first be raised to a level comparable to the average level in the European Union. Putin said it would take 10 years for Russia to raise its economy to this level—this is obviously the principal policy of this power elite today.

For this purpose the authoritarian regime is combined with the liberalization of the economy and its integration with the EU economy. Therefore the power structure in Russia today is on two levels. The top level consists of Putin and his team, and the other level is the government of Russia, which is composed of persons who are competent in dealing with economic matters and who have international contacts with the business world.

It will be asked in our countries: can such a two-level system work? Well, it works in China in that sense. And it is not entirely strange to Russian history. I would like to refer to Stolypin after the semi-revolution in 1905-06. I think he was trying to carry out something that Putin has adopted today.

The Russian economy has been advancing steadily in the past few years, certainly since the collapse it suffered in 1999. President Putin has been able to use quite a lot of new money to modernize the defense forces and to change gradually a system that has been based on conscription. Conscription still continues but to a much lesser extent than before. More money is being used to pay for the military.

When we judge the Russian economy, we have to take into account the key importance of oil. Part of Russian export earnings is very much dependent on oil exports, oil products, oil and gas. More than 50% of export earnings are derived from oil and about 20% of minerals and raw materials, which leaves a very small part of exports for industrial products. These are revealing figures because we can see how totally dependent the Russian economy today is on the price of oil. The price of oil has gone up and up in recent years but I suppose one day there may be a stop. And I am reminded of what happened in the 1970s, when the oil price was suddenly raised very high and the consequences in the Soviet Union were far reaching. It was believed that the Soviet Union was becoming an important economic power, which was a total illusion and led to a standstill by the end of the 70s. I am not saying that this is necessarily being repeated now, but certainly the importance of oil is decisive.

I should also just mention briefly the issue of Caspian oil and the importance of the two newly independent states: Azerbaijan and Georgia. The Caspian oil pipeline is supposed to be carried through these two countries into Turkey, bypassing Russia. These are issues that today cause a great deal of worry in Moscow.
In addition to the importance of oil, I would like to mention one more point, which is the social situation in Russia. The Russian population has in recent years suffered a great deal. Putin himself has admitted that about 20% of the population lives under the minimum income level, which is about USD 60 per month. How these people survive is a mystery to outsiders. The population is declining every year. Of course the population is also declining in Europe, but in Russia it is a completely different kind of decline: the life expectancy of men is 57 or 58 years, for women 72. How could male life expectancy be so low? One important reason, according to Russian social studies, is alcoholism, but it is also due to the spreading of various illnesses, diseases, including AIDS, which has become more widespread in Russia today. To improve the social situation would require a very great effort and a new long-term policy. And there is no sign yet of anything like that.

So what is my conclusion? What can we try to predict about the 10 years that Putin has said he needs to make Russia a great power again? No one can tell anything about 10 years ahead. The only thing that we can be quite certain about is that something will happen that none of us has expected.

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