

## Cold Peace: “Reset” and Coexistence

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### Abstract

*American international relations with Russia until recently were governed by the Obama administration’s “reset policy.” Its goal was to work with the Kremlin to construct a harmonious global order based on democracy, free enterprise and universal human rights. This objective wasn’t realized. The policy instead led to contentious engagement, and has been “paused.” The failure was caused by both sides’ overzealous double gaming, and raises the prospect of renewed cold war. The danger can be averted on a second best basis by both camps committing themselves to the principles of “coexistence,” and mutual self-restraint.*

Keywords: cold peace, cold war, coexistence, reset

Vladimir Putin has steadfastly refused to comply with Washington’s and Brussels’s reset script.<sup>1</sup> He hasn’t been enticed by American democratic free enterprise, or EU social democratic rhetoric, and he refuses to be swept away by a “Moscow Spring.”<sup>2</sup> Moreover, Putin can barely hide his contempt for western hypocrisy.<sup>3</sup> In the hallowed Soviet tradition, he sees the west as a fading power.<sup>4</sup> America’s and the EU’s performance since 2008 has reinforced this belief.

The Obama administration, after five years of denial has begun to recognize that something is amiss in its American-Russian partnership campaign. Stung by its inability to prevent Putin from granting Edward Snowden asylum,<sup>5</sup> Washington has recently decided to “pause and reassess,”<sup>6</sup> a chill subsequently deepened by Russia’s stout support for Syria during America’s confrontation with Bashar al-Assad over his alleged use of chemical weapons against civilians. There is some speculation that Obama will relent and revert to his reset strategy to enlist Putin’s good offices in implementing Assad’s destruction of his chemical weapons arsenal,<sup>7</sup> but American policymakers still appear disinclined to consider anything besides a pause or a revived reset because they are reluctant to commit themselves to cold war alternatives: durable “coexistence” or containment.<sup>8</sup> They remain confident that the west’s economic woes are transitory, continue to believe that Russia will return to its common European home,<sup>9</sup> and are acting as if giving the Kremlin the cold shoulder is sufficient to push the process forward.

Are they right?

This paper contends that western “reset” advocates have mischaracterized the causation driving east-west relations, and disregarded the counterproductive effects of their engagement policies. American and European Union policymakers portray the reset as a sunshine campaign intended to help the Kremlin appreciate and voluntarily embrace democratic free enterprise or social democracy.<sup>10</sup> They assert that it is in Moscow’s interest to clone itself after the west; insist that any pressure exerted in the process is for Russia’s own good and express confidence that Federation leaders’ will eventually agree. The rub however is that the Kremlin has a very different perception of its interests and rejects the west’s claim that the west is a Good Samaritan. Moscow believes that the west’s “values” campaign is intended to facilitate American and European Union “velvet imperialism,”<sup>11</sup> prompting it to redouble efforts to protect Russia’s “rightful” spheres of influence (including Syria).<sup>12</sup> Leaders on both sides frame their assessments in terms of national interests, but are primarily concerned with their own wellbeing.

This suggests that resuscitating the reset with its velvet imperialist hidden agenda will prove counterproductive. A better alternative is needed that realistically takes account of motives and irreconcilable differences on both sides. A policy of self-restrained “cold peace” or durable “coexistence” that avoids feckless conflict and places all relations on a strictly business basis might fill the bill.

### **1. East-West Divide**

The irreconcilable differences that divide Russia and the west today are more ideocratic (alien world views) than institutional (market versus planning).<sup>13</sup> They are based on deeply embedded informal concepts of the best form of rule rather than the comparative merit of markets and plans. Russia is wedded to Muscovite authoritarianism,<sup>14</sup> whereas the west relies on privileged stakeholder governance masquerading as “true democracy” (the will of the people, subject to constitutional minority rights guarantees).<sup>15</sup> This makes America and Russia inherent rivals committed to maintaining and expanding their domains, rather than acting as strategic partners for enlightenment, peace and prosperity. Both parties find it expedient to idealize their own motives and hold out hope for converting their foes, rather than devising less provocative and combustible forms of “cold peace.” The smoke screen is effective for insiders, but not for restraining needless international strife, and can be easily dispelled by considering the fundamentals.<sup>16</sup>

### **2. The West**

The contemporary west operates under the fiction that individuals and governments democratically partner to maximize the people’s notion of social welfare.<sup>17</sup> Elected officials it is claimed are merely the people’s agents, operating selflessly in the national interest. They impartially listen to their constituencies’ pleas, but act scrupulously for the general good.<sup>18</sup>

Reality however is grittier. Western domestic and international relations are detached from the democratic free enterprise and social democratic ideals.<sup>19</sup> Privileged stakeholders, particularly big business and big social advocacy rule the roost in collusion with elected officials pressing their special interests at the nation’s expense. Foreign policy strategy under these conditions becomes the blanket promotion of influential stakeholder agendas and refereeing rivalries among them, instead of cost-efficiently maximizing national welfare.

### **3. Russia Unique, Not Universal**

Russian insider rule is similar, but its authoritarian leader (vozhd) is less beholden to stakeholders. The distinction is critical. First and foremost, in Russia both the government and the private sector serve the authoritarian vozhd, not the people (demos). Second, the vozhd is primarily concerned with great national power, military might and strategic opportunism in the Muscovite tradition.<sup>20</sup> Third, the vozhd is far more powerful than western presidents, which explains why Putin is capable of operating with a narrower base of stakeholder support. Fourth, the vozhd relies primarily on rent-granting (revocable gifts of assets and usufruct essential for sustaining the rule of men) in building political support and promoting economic production rather than on graft,<sup>21</sup> state micro and macroeconomic regulation (rule of diverse privileged

stakeholders) or market competition which are the tools used in the west.<sup>22</sup> Rent-grants of assets and usufruct are always revocable regardless of the constitution and law, making the leader the de facto freehold owner of the realm. Fifth, the secret police [Federal'naya sluzhba bezopasnosti Rossiyskoy Federatsii (FSB)] is the ultimate political enforcement mechanism. It is more powerful than the legislature, bureaucracy and the military in imposing the *vozhd's* will. Sixth, there is no durable "rule of law" both in business and politics.<sup>23</sup> Seventh, Russian *vozhds* rely more on satisficing than optimizing in pursuing their goals. They don't try to find optimal solutions to all problems.<sup>24</sup>

Kremlin rulers don't try to construct complete utilitarian objective functions essential for Arrow democratic and Paretian market efficiency.<sup>25</sup> Instead, they perpetually maneuver and gather power like masters of "positional chess," so that they can pounce when opportunity knocks. Chasing the rainbow of perfect totalitarian planning and control or perfect market efficiency from the Moscow's perspective is the enemy of the good, even though this was denied in the Soviet era.<sup>26</sup> Western leaders also satisfice, but pay more serious attention to Enlightenment and social democratic ideals.

Eighth, Russian *vozhds* and their supporters abroad tenaciously reject the claim that Muscovite authoritarianism is despotic, insisting that everything is done for the sake of the people and the nation. Authoritarianism in their view is superior to democracy. Stalin we are told killed no one unjustly, and should be beatified.<sup>27</sup>

These distinctive traits which epitomized Russian regimes from Ivan the Great to the Red emperor Stalin and now the "sovereign democratic" (*suveryennaya demokratiya*) president Vladimir Putin,<sup>28</sup> constitute Russia's Muscovite "ideocracy."<sup>29</sup> They make Russia "unique," not universal (a society based on principles that everyone considers desirable), and set it irreconcilably apart from the west's concept of just governance and broad stakeholder participation.<sup>30</sup>

#### **4. Russian Ideocracy**

Muscovite Russia has a clear ideocratic mission: the preservation and expansion of authoritarian national power, flexibly achieved with rent-granting and guided by strategic opportunism.<sup>31</sup> The Russian idea is seldom expressed this bluntly, and has been nobly glossed in various ways since Ivan the Great, but the essentials are firmly grasped by rulers, servitors and the *narod*, even if they elude most observers in the west. Russia's ideocracy is the antithesis of Platonic, Aristotelian and humanist governance based on rational order, virtue and justice, and is less scrupulous than corrupt western practice too. It is fundamentally anti-democratic, anti-competitive, anti-egalitarian, anti-humanistic and predatory;<sup>32</sup> rhetoric to the contrary notwithstanding.

Russian politics, economics and civil society deviate from contemporary western norms because of its ideocracy. They are impervious to piecemeal reform, although limited efficiency gains are always possible. The Kremlin is an indefatigable tinkerer and has often changed mundane institutional specifics, policy preferences and outward appearances, without transforming the system.<sup>33</sup> Muscovite ideocracy has kept and will continue to keep Russia firmly outside its purported common European home; a rift that cannot be bridged unless one or both sides change in a fundamental fashion.

## 5. Coexistence

Resetters, of course, expect Russia to change. Their globalist vision cannot abide Muscovy. Perhaps, they will prevail. But historical precedent suggests that durable coexistence is the more likely option. The Soviet Union and the west saw themselves in an epochal struggle for supremacy 1917-56 (a clash of civilizations), until Nikita Khrushchev threw in the towel at the 20<sup>th</sup> Communist Party Congress and the west consoled itself with extolling the virtues of democratic free enterprise in lieu of more provocative measures because it couldn't badger or bribe the Kremlin into voluntarily jettisoning communism.

The question today isn't whether coexistence is an acceptable second best, but whether both parties in an era of "cold peace" can discipline themselves sufficiently to avoid relapsing into cold war.

## 6. Clash of Ideocracies

How are Russia and its erstwhile "strategic western partners" likely to fare this time around in an epoch of "cold peace?"<sup>34</sup> Much depends on how ideocracies shape their policies and allow leaders to disregard uncongenial realities.<sup>35</sup> Russia can be counted on to remain a rent-granting authoritarian power with a formidable military, comparatively low per capita consumption and repressed political and civil rights.<sup>36</sup> Although its rent-granting economic mechanism is inferior, the Russian Federation is no longer destined to be an "impoverished superpower" because it has privatized a substantial portion of the civilian sector (with significant freehold ownership), and decriminalized markets.<sup>37</sup> No one today claims that Russia's mounting defense burden will impoverish the nation as Henry Rowen, Charles Wolf and Anders Aslund did just before the USSR self-destructed because the Kremlin's post-Yeltsin "liberalized" autocracy is manifestly superior from the consumer's perspective to the Soviet model of the early 1980s, even though the IMF has suddenly become bearish in the wake of Obama's pause. Politically motivated assessments aside,<sup>38</sup> Russia is apt to remain under-efficient in the same way that it was under "liberalizing" tsars from Catherine the Great to Nicholas II.<sup>39</sup>

This assessment may be overdrawn. There is a chance that Russia's economy could implode due to insider corruption as it did during the early 1990s, but there also is room in Muscovy for living standards to improve while political and civil liberties are repressed, as Dong Xiaoping's successes in the post-Mao era testify.

The west's situation is similarly precarious. Its egalitarian, "worthy stakeholder" ideocracy condemns it to mounting microeconomic sclerosis, macroeconomic imbalance (stagnation, slow growth, and high unemployment) and financial crises,<sup>40</sup> including the possibility of a black swan debacle,<sup>41</sup> while compelling leaders to aggressively press parochial agendas abroad. The EU's growth rate has been converging asymptotically to zero since 1975 despite "liberalization" and supranationalization with no trend reversal in sight, and the American economy has been anemic since 2008. Likewise, the west's military capabilities (particularly the EU's) have deteriorated at the same time it has relentlessly badgered others to embrace social democratic values (globalization).<sup>42</sup> The package amounts to a policy of speaking self-righteously and carrying a shrinking stick. It is antagonistic and certain to accomplish little beyond indulging select insider stakeholders, and fostering avoidable hostilities under the veil of strategic partnership.

## 7. Velvet Empires: Traditional and Supranational

The salad days of imperialism are dim memories in both the west and Russia. The defeat of the axis powers in World War II; postwar British, French, Dutch, Belgian, Portuguese and American decolonization, together with Europe's pursuit of supranationality put an end to the open quest for empire in the traditional guises of annexation, colonization, tributaries and protectorates.<sup>43</sup> The Soviet Union initially bucked the trend, expanding its territorial reach in a secret protocol to the Molotov-Ribbentrop non-aggression Pact (23 August 1939),<sup>44</sup> and postwar occupations of Bulgaria, Romania, Czechoslovakia, Hungary, Poland, and East Germany. Later it extended its reach to Vietnam, Cuba and other contested areas of the third world.<sup>45</sup>

This expansionary thrust however died with the Soviet Union. The Kremlin relinquished direct control of 14 republics (approximately 50 percent of the Soviet population),<sup>46</sup> hegemony over Eastern and Central Europe and sphere of influence claims over the Balkans. It continues to assert special interests in all these former dependencies including Transnistria, as well as the Arctic, but re-federation in various guises appears to be off the radar screen.<sup>47</sup>

The new reality for both Russia and the west is "velvet" empire. Neither side openly seeks colonies, tributaries and protectorates, or voices irredentist claims. However they have strong senses of turf, and aren't shy about establishing, preserving and contesting spheres of influence. The west wants those under its thrall to be social democrats (and supranationalists), or advocates of democratic free enterprise, and to share a common view of stakeholder rights and privileges ("superior values"). This includes the protection of western property rights, foreign market access, politarchic privilege,<sup>48</sup> "big social advocacy", a preference for denuclearization and downsized militaries, as well as aspirations for one world government on its own terms. Russia likewise wants those in its orbit to adopt the Kremlin's agenda, preferring autocracy to democracy, the rule of men to the rule of stakeholders, and large full spectrum militaries.<sup>49</sup>

The west at the current juncture despite diminishing military capabilities is much more aggressive in pursuing its velvet empire under the banners of democracy, partnership, globalization, development, human rights, and free trade than Russia. The diverse appeal of American and European ideals has enabled the west to spread its tentacles broadly in the post-communist age. It has fostered "globalization," "regime change," and military intervention in the Balkans, Middle East, North Africa, and Afghanistan.

Muscovite values stripped of their communist overlay however have limited appeal, constraining Russia's expansionist possibilities. It has many expedient allies, but few admirers.

These fundamentals make the west's military posture primarily offensive, and Russia's defensive. The west no longer fears a surprise continental attack from Putin's tank armies, or even direct military engagement with Russia in contested theaters like Syria. This is why it is prepared to accept substantial "balanced reductions" in nuclear forces and restrict its large scale land war fighting capabilities. The Kremlin doesn't dispute the west's offensive strategic assessment, but considers America and the European Union to be formidable threats to its velvet empire. Moscow believes that America encroached on its spheres of influence in Serbia, Iraq, Libya, Central Asia, the Ukraine, the Czech Republic and Poland, and is openly fomenting regime change in Russia, Georgia and the Caucasus.<sup>50</sup> The west in its view is responsible for the "cold peace" verging toward cold war behind the mask of strategic partnership,<sup>51</sup> despite conciliatory gestures like Russia's inclusion in various global fora and admission to the World Trade Organization.

## 8. Strategic Intransigence

Russia and the west are unlikely to blink anytime soon regardless of resets, reboots, pauses, chills and reassessments because the leadership on both sides is driven by incompatible self-interests. The west will continue playing to selected stakeholders by intimidating, cajoling and carrying a shrinking stick, while Russia succumbs to structural remilitarization due to its failed democratization,<sup>52</sup> even though the games are wasteful and dangerous for the peoples on both sides. The right policy from a “true” democratic perspective requires foreign policymakers to adhere to the people’s wishes by never undertaking missions and programs where costs exceed expected utilitarian benefits as informed majorities perceive them.<sup>53</sup> The west under this standard should never adopt foreign policies that advance special interests (Wall Street, gay rights activists, etc.) at the expense of the democratic majority, and the Kremlin should always put the narod’s wellbeing ahead of its Muscovite priorities. If this standard were adopted both sides would be less confrontational and superfluous defense spending would decline. Neither side would be compelled to capitulate to the other, but both would be less testy. Winning from this perspective entails going beyond combative cold peace to conflict averting cold peace by accepting durable coexistence and the promotion of strategic stability as opposed to pressing destabilizing special interest agendas under the pretext of enlightening adversaries.

This means that the principal obstacle to better Russia-west relations is special interest agendas (privileged stakeholders in the west; Muscovite rule in the east) rather than the unwillingness of majorities on both sides to constructively coexist. There are other factors to be considered like China, but they don’t negate this essential. The deep failure in strategic thinking in Washington, Brussels, and Moscow is attributable to anti- “true” democratic hidden agendas more than to flawed threat assessments or strategic analytic incompetence.<sup>54</sup> This is a message no political establishment wants to hear, but cannot be disregarded by those seriously concerned about efficiency and human welfare. Accepting durable coexistence doesn’t require the west to desist in proselytizing free enterprise and social democratic values. It only needs to prioritize forbearance and self-restraint in the greater interest of peace and prosperity.<sup>55</sup>

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<sup>1</sup> Steven Rosefielde, “Russian Economic Reform 2012: “Déjà vu All Over Again,” US Army War College, Carlisle Barracks, 2012. Rosefielde and Quinn Mills, *Democracy and its Elected Enemies*, Cambridge: Cambridge University Press, 2013. The term reset applied to Russia refers to the Obama administration’s policy of restoring the Bill Clinton era strategy of transforming the Kremlin from an adversary to a trustworthy partner worthy of munificent assistance (Grand Bargain), after the Bush administration shifted to a “containment” strategy 2002-2008 to counter increased Russian geopolitical aggressiveness. American policymakers bent over backward to accommodate the Kremlin, with nothing positive to show for it. See “Our Friends the Russians: The Kremlin picks a fight with America in time for elections. “*The Wall Street Journal*, Review and Outlook, December 2, 2011. “One of the foreign policy priorities of the Obama Administration was to “reset” relations with Russia. How’s that working out? Dmitry Medvedev, the placeholder for Vladimir Putin in the presidency, gave one indication last week. He declared that Russia may deploy “strike forces” and aim mid-range Iskander missiles at Europe. He also threatened to pull out of the 2010 New Start arms accord, which is supposed to be the hallmark achievement of the “reset.” The excuse for Mr. Medvedev’s tantrum is the long-planned missile defense shield for Europe. Once deployed in 2020, it’s designed to stop a limited number of missiles from Iran and doesn’t diminish Russia’s nuclear deterrent. The Obama Administration scaled back the shield to please Russia in 2009, and with Russian agreement in return for the U.S. signing up to New Start, but now apparently that’s not enough. On Tuesday Mr. Medvedev opened a new Russian early-warning radar in the Kaliningrad enclave between Poland and Lithuania and

said: "When they tell us—'It's not against you'—I would like to say the following: 'Dear friends, the radar launched today isn't against you either. But it's for you and for fulfilling the tasks we have set.'" Moscow's ambassador to NATO this week amplified this message by threatening to close the transport route through Russia that the U.S. and its allies use to supply troops in Afghanistan. This so-called northern corridor was another touted achievement of the "reset." Then there's Russia's veto of a Security Council resolution to sanction Syria and its continuing arms sales to the regime of Bashar Assad. Moscow also resists putting any new pressure on Iran's nuclear bomb makers. But the lesson for the U.S. concerns the limits of friendship with an authoritarian government that has no interest in being a strategic partner with the West. Cf. Leon Aron, "A Tormenting in Moscow," AEI, April 12, 2012. "Hence, we now see an anti-American propaganda the likes of which, in crudeness and shamelessness, we have seen since 1985. Witness a "documentary" on a state-controlled national television channel, shortly after McFaul came to Moscow, in which his writings on democracy promotion were used to bolster an accusation that, in essence, he was sent by the CIA to foment a color revolution. Thus the calling out of Secretary of State Hillary Clinton as a "signaler" to anti-Putin opposition. And finally, an utterly base "Anatomy of the Protest" documentary (on the same NTV network) that showed allegedly U.S. officials distributing money and cookies (yes: evil, wanton democracy cookies) to the anti-Putin protesters. Welcome to Moscow, Mr. Ambassador..."

<sup>2</sup> Alexei Anatolievich Navalny touted as the "man Vladimir Putin fears most," was sentenced to five years in Gulag for embezzlement on trumped up charges on July 18, 2013 without any sign of insurrection. He was released the next day on appeal in what Alexander Podrabinek infers is a ploy to encourage Navalny's emigration. See Matthew Kaminski, "The Man Vladimir Putin Fears the Most," *Wall Street Journal*, March 3, 2012. He was found guilty of misappropriating about 16 million rubles worth of lumber from a state-owned company. "Outspoken Putin Critic Alexei Navalny Hit With Prison Sentence," CNN, July 18, 2013. He ran for mayor of Moscow, but lost with 27 percent of the vote in September 2013. He subsequently filed an electoral fraud suit. Alexander Podrabinek, "Navalny's Choice," *Institute of Modern Russia*, July 19, 2013. [http://www.imrussia.org/en/politics/518-navalnys-choice?utm\\_source=Institute+of+Modern+Russia+news+letter&utm\\_campaign=0a049b193a-Newsletter+07%2F23%2F2013\\_English&utm\\_medium=email&utm\\_term=0\\_279627583b-0a049b193a-321633205](http://www.imrussia.org/en/politics/518-navalnys-choice?utm_source=Institute+of+Modern+Russia+news+letter&utm_campaign=0a049b193a-Newsletter+07%2F23%2F2013_English&utm_medium=email&utm_term=0_279627583b-0a049b193a-321633205)

Cf. "Russian Prosecutor Seeks Moscow Court to Declare Sergei Magnitsky Guilty and Not Be Rehabilitated in First Posthumous Trial in Russian History," *Heritage Foundation*, July 3, 2013. "Magnitsky is fully incriminated, and there are no grounds for his rehabilitation," said prosecutor according to Interfax news agency, <http://www.interfax.ru/russia/txt.asp?id=316392>

<sup>3</sup> He isn't alone. See Peter Morici, "America's Mess in Egypt," July 5, 2013, <http://finance.yahoo.com/blogs/the-exchange/america-mess-egypt-164639195.html>

<sup>4</sup> Nodari Simonia and Anatoly Torkunov, *Globalization, Structural Crisis, and World Leadership: Myths and Reality*, International Affairs Library, Moscow 2013. Ministry of Foreign Affairs of the Russian Federation, "Russian Foreign Policy Concept Ratified by Russian Federation President V.V. Putin, February 12, 2013, [www.mid.ru](http://www.mid.ru) Stephen Blank notes that this view mimics Vladimir Lenin's treatise "Imperialism the Highest Stage of Capitalism," 1916. See Stephen Blank, "Lt. Kizhe Rides Again: Magical Realism and Russian National Security Perspectives," paper presented at the Annual Strategy Conference of the US Army War College, April 9-11, 2013. Cf. Lilia Shevtsova, *Lonely Power: Why Russia has Failed to Become the West and the West is Weary of Russia*, Carnegie Endowment for International Peace, Washington 2010, p.202. "Putin Triumphant at the G-8," June 29, 2013, <http://imrussia.org/russia-and-the-world/503-putin-triumphant-at-the-g-8> Cf. Vladimir Shlapentokh, "Two targets of a leading Russian liberal's contempt-Putin and the West," June 18, 2012. <http://shlapentokh.wordpress.com/2012/06/18/two-targets-of-a-leading-russian-liberals-contempt-putin-and-the-west/> Shlapentokh insists that Russia's intellectuals are committed to westernization.

<sup>5</sup> Dmitri Trenin, "The Snowden Case as the Mirror of U.S.-Russia Contentions," Carnegie Moscow Center, August 2, 2013. <http://carnegie.ru/eurasiaoutlook/?fa=52572>

<sup>6</sup> Matt Williams, "Obama Says US Will 'Pause and Reassess' Relations with Putin and Russia," August 9, 2013, <http://www.theguardian.com/world/2013/aug/09/barack-obama-us-putin-russia> Matthew Lee and Deb Riechmann, "Obama Cancels Vladimir Putin Meeting In Moscow After Edward Snowden Granted Asylum," August 7, 2013. [http://www.huffingtonpost.com/2013/08/07/obama-putin-meeting\\_n\\_3718825.html](http://www.huffingtonpost.com/2013/08/07/obama-putin-meeting_n_3718825.html) Emily Heil, "Obama: Putin is slouchin," August 9, 2013, [http://www.washingtonpost.com/blogs/in-the-loop/wp/2013/08/09/obama-putins-a-sloucher/\\_Obama-described-Putin-as-a-sloucher-and-bored-kid-in-the-back-of-the-classroom.-Leon-Aron,-'The-Russian-Pause,'-AEI,-August-14,-2013.-http://www.aei.org/article/foreign-and-defense-policy/regional/europe/the-russian-pause/?utm\\_source=today&utm\\_medium=paramount&utm\\_campaign=081513](http://www.washingtonpost.com/blogs/in-the-loop/wp/2013/08/09/obama-putins-a-sloucher/_Obama-described-Putin-as-a-sloucher-and-bored-kid-in-the-back-of-the-classroom.-Leon-Aron,-'The-Russian-Pause,'-AEI,-August-14,-2013.-http://www.aei.org/article/foreign-and-defense-policy/regional/europe/the-russian-pause/?utm_source=today&utm_medium=paramount&utm_campaign=081513) Cf. Aron, "Russia's Quest to Rebuild the Soviet State," *Foreign Affairs*, March 8, 2013. <http://www.foreignaffairs.com/articles/139049/leon-aron/the-putin-doctrine>

<sup>7</sup> Donald Jensen, "Will the Syria Crisis Revive the U.S.-Russia 'Reset?'" *Institute of Modern Russia*, September 13, 2013. [http://imrussia.org/en/us-russia/552-will-the-syria-crisis-revive-the-us-russia-reset?utm\\_source=Ins](http://imrussia.org/en/us-russia/552-will-the-syria-crisis-revive-the-us-russia-reset?utm_source=Ins)

titude+of+Modern+Russia+newsletter&utm\_campaign=94b3c080. Russia and America signed an agreement September 14, 2013 to have Syria's chemical weapons eliminated by mid-2014. "US, Russia Seal Landmark Deal on Syria Weapons", Yahoo! News, September 14, 2013. <http://news.yahoo.com/us-russia-agree-syria-chemical-weapons-plan-kerry-104641212.html>

<sup>8</sup> Soviet Leninists and Stalinists contended that capitalism would inevitably be vanquished by communism. This made the east and west implacable enemies until Nikita Khrushchev embraced the possibility of peaceful coexistence at the 20<sup>th</sup> Soviet Communist Party Congress in 1956. Under this doctrine each side was free to try and persuade the other without recourse to violence. Containment is an American variant of peaceful coexistence that rejected force in rolling back Soviet conquests, but advocated steadfast resistance to further expansion. The concept was elaborated by George F. Kennan in 1946.

<sup>9</sup> Alexander Yanov, "Putin and the Russian Idea," July 1, 2013, Institute of Modern Russia <http://imrussia.org/society/504>. Yanov views Imperial Russia as a laggard Europe. The Soviet period is interpreted as a reactionary tragedy, and the present moment as "broken Europe," with the possibility of ultimate progressive democratic triumph. Cf. Mikhail Gorbachev, *Perestroika: New Thinking for Our Country and the World*, New York: Harper and Row, 1987.

<sup>10</sup> Samuel Huntington, "The West: Unique, Not Universal," *Foreign Affairs*, Vol.75, No.6 (November/December 1996), pp.28-46.

<sup>11</sup> "Kremlin Warns Kiev Over 'Suicidal' Ukraine-EU Trade Deal," August 19, 2013. <http://en.ria.ru/russia/20130819/182849320/Kremlin-Warns-Kiev-Over-Suicidal-Ukraine-EU-Trade-Deal.html>

<sup>12</sup> Kim Jong-un shares the same view of American-North Korean relations. The "rightful" spheres of influence concept echoes the Brezhnev Doctrine. See Matthew Ouimet, *The Rise and Fall of the Brezhnev Doctrine in Soviet Foreign Policy*, Chapel Hill: University of North Carolina Press, 2003.

<sup>13</sup> Steven Rosefielde and Ralph W. Pfouts, *Inclusive Economic Theory*, Singapore: World Scientific 2014. Steven Rosefielde, "Soviet Economy: An Ideocratic Reassessment," *Ekonomicheskaya Nauka Sovremennoy Rossii*, #3, November 2013. The term ideocratic is connected with Max Weber's concept of legitimation. Authorities usually have a clear idea of how they want to rule, and portray their schemes in the best possible light to consolidate their sovereignty. See Max Weber, *Economy and Society*, Berkeley CA: University of California Press, 1978.

<sup>14</sup> Steven Rosefielde, *Russian Economy from Lenin to Putin*, New York: Wiley, 2007.

<sup>15</sup> Steven Rosefielde and Quinn Mills, *Democracy and Its Elected Enemies*, Cambridge: Cambridge University Press, 2013.

<sup>16</sup> Stephen Blank, "Lt. Kizhe Rides Again: Magical Realism and Russian National Security Perspectives," paper presented at the Annual Strategy Conference of the US Army War College, April 9-11, 2013.

<sup>17</sup> Jean Jacques Rousseau distinguished stages of human development. He thought that good democracy required "civilized" people. Social democrats see themselves as the vanguard of civilization.

<sup>18</sup> Vilfredo Pareto, *Manuel of Political Economy*, 1906. Abram Bergson, "A Reformulation of Certain Aspects of Welfare Economics," *Quarterly Journal of Economics*, 52, 1, pp. 210-34. Kenneth Arrow, *Social Choice and Individual Values*, Wiley, 1951. Bergson, "Social Choice Under Representative Government," *Journal of Public Economics*, 6(3), 1976, pp.171-190.

<sup>19</sup> James Meade, *Liberty, Equality and Efficiency*, New York: New York University Press, 1993.

<sup>20</sup> Steven Rosefielde and Stefan Hedlund, *Russia Since 1980: Wrestling with Westernization*, Cambridge: Cambridge University Press, 2007.

<sup>21</sup> Rent-granting can be construed as an extreme form of gift giving where the size of favors granted far exceed the minimal bribes. Putin has recently moved to strengthen his rent-granting leverage of servitors by requiring them to repatriate their assets. See Donald Jensen, "Putin's Foreign Asset Ban in Action," *Institute of Modern Russia*, September 4, 2013.

<sup>22</sup> Rent-granting is a governance technique where authoritarians permit servitors to informally administer assets as they desire without strict accountability in return for a stipulated compensation and fealty. Rent-seekers (recipients) don't profit-maximize. They subcontract and satisfice, each exploiting inferiors at every level. Rent-granting moreover is usually anticompetitive even when it involves market activities.

<sup>23</sup> Russian Prosecutor Seeks Moscow Court to Declare Sergei Magnitsky Guilty and Not Be Rehabilitated in First Posthumous Trial in Russian History 3 July 2013 – Today, the Russian prosecutor has asked the Tverskoi court in Moscow to declare that Sergei Magnitsky was guilty and that he should be refused rehabilitation. The request was made during the last session of the trial of Sergei Magnitsky who has been deceased for three and a half years after being tortured and killed in police custody. The prosecutor asked the court not to apply any punishment to Sergei Magnitsky, and to cease the case with the verdict of guilty and no chance of future rehabilitation. "Magnitsky is fully incriminated, and there are no grounds for his rehabilitation," said prosecutor according to Interfax news agency



- <http://www.interfax.ru/russia/txt.asp?id=316392>
- <sup>24</sup> Steven Rosefielde and Ralph W. Pfouts, *Inclusive Economic Theory*, Singapore: World Scientific 2014. Reinhard Selten, “What is Bounded Rationality?” in Gerd Gigerenzer and Reinhard Selton, eds, *Bounded Rationality: The Adaptive Tool Box*, Cambridge: MIT Press, 2002, pp.13-36. Herbert Simon, “A Behavioral Model of Rational Choice”, in Simon, *Models of Man: Social and Rational- Mathematical Essays on Rational Human Behavior in a Social Setting*. New York: Wiley, 1957. Herbert Simon, “A Mechanism for Social Selection and Successful Altruism,” *Science* 250 (4988), 1990, pp. 1665–8. Herbert Simon, “Bounded Rationality and Organizational Learning,” *Organization Science* 2 (1), 1991, pp. 125–134. Ariel Rubinstein, *Modeling Bounded Rationality*. MIT Press, 1998. Clem Tisdell, Clem (1996). *Bounded Rationality and Economic Evolution: A Contribution to Decision Making, Economics, and Management*, Cheltenham, UK: Brookfield, 1998. Daniel Kahneman, “Maps of Bounded Rationality: Psychology for Behavioral Economics,” *The American Economic Review* 93 (5), 2003, pp. 1449–75.
- <sup>25</sup> Kenneth Arrow, *Social Choice and Individual Values*, Wiley, 1951. Vilfredo Pareto, *Manuel of Political Economy*, 1906.
- <sup>26</sup> Stephen Blank, “Lt. Kizhe Rides Again: Magical Realism and Russian National Security Perspectives,” paper presented at the Annual Strategy Conference of the US Army War College, April 9-11, 2013. Blank makes the same point by claiming that any good historian of Tsarist Russia understands that the system is fundamentally “unsystemic or even anti-systemic.” Andrew Monaghan, “‘Calmly Critical’: Evolving Russian Views of US Hegemony,” *Journal of Strategic Studies*, XXIX, NO. 6, 20-06, pp. 996-999.
- <sup>27</sup> Grover Furr. *Khrushchev Lied. The Evidence That Every “Revelation” of Stalin’s (and Beria’s) Crimes in Nikita Khrushchev’s Infamous “Secret Speech” to the 20th Party Congress of the Communist Party of the Soviet Union on February 25, 1956, is Provably False*. Kettering, OH: Erythros Press & Media. 2011. Furr, *The Murder of Sergei Kirov: History, Scholarship and the Anti-Stalin Paradigm*. Kettering, OH: Erythros Press & Media. 2013.
- <sup>28</sup> According to Vladislav Surkov, sovereign democracy is popular consent to the leader’s programs. See Masha Lipman, “Putin’s Sovereign Democracy,” *Washington Post*, July 15, 2006.
- <sup>29</sup> Ideocratic is a term used by Martin Malia to describe ideologically guided government policy. It should not be confused with idiocratic, meaning idiotic governance as satired in the 2006 cult film “Idiocracy.” See Martin Malia, *The Soviet Tragedy: A History of Socialism in Russia, 1917-1991*, The Free Press, 1994. Steven Rosefielde, “Soviet Economy: An Ideocratic Reassessment,” first draft August 2013.
- <sup>30</sup> Cf. Samuel Huntington, “The West: Unique, Not Universal,” *Foreign Affairs*, Vol.75, No.6, November/December, 1996, pp.28-46. Andrei Shliefer and Daniel Treisman, “Russia: A Normal Country,” *Foreign Affairs*, March/April 2004. Cf. Steven Rosefielde, “Russia: An Abnormal Country,” *European Journal of Comparative Economics*, Vol.2, No.1, 2005, pp.3-16.
- <sup>31</sup> The strategy is close to the non-satirical interpretation of Machiavelli’s *Il Principe*, where rulers affect virtue, but don’t scruple to seize the day when opportunity knocks. See Niccolo Machiavelli, *Il Principe*, Antonio Blado D’Asola, Florence, 1532.
- <sup>32</sup> Clifford Gaddy and William Partlett, “Russia’s Financial Police State,” *The National Interest*, July 19, 2013, <http://nationalinterest.org/commentary/russias-financial-police-state-8746?page=1>
- <sup>33</sup> Gertrude Schroeder, “The Soviet Economy on a Treadmill of Reforms.” in *Soviet Economy in a Time of Change*. Washington DC: Joint Economic Committee of Congress, 1973, 312-66
- <sup>34</sup> Russian signed a strategic partnership agreement with the European Union in 1997. It has been under renegotiation since 2008. The results have not lived up to expectations, prompting calls for a strategic pause. See Jana Kobzova, “Time for a Strategic Pause in EU-Russian Relations?” *EU Council on Foreign Relations*, May 13, 2008. [http://ecfr.eu/content/entry/commentary\\_eu\\_russia\\_relations\\_time\\_for\\_a\\_strategic\\_pause130](http://ecfr.eu/content/entry/commentary_eu_russia_relations_time_for_a_strategic_pause130) Cf. Garry Kasparaov, “The Myth of a U.S.-Russia Strategic Partnership: Are Russians still supposed to act grateful that we no longer live under Brezhnev or Stalin?” *Wall Street Journal*, May 20, 2012.
- <sup>35</sup> Lilia Shevtsova, “‘The Fall of the West’ and ‘the Russian Matrix’,” Carnegie Center, August 5, 2013, <http://carnegie.ru/2013/08/05/fall-of-west-and-russian-matrix/ghm0>
- <sup>36</sup> “Mr. Putin’s War on Gays,” editorial, *New York Times*, July 27, 2013. [http://www.nytimes.com/2013/07/28/opinion/sunday/mr-putins-war-on-gays.html?\\_r=0](http://www.nytimes.com/2013/07/28/opinion/sunday/mr-putins-war-on-gays.html?_r=0)
- <sup>37</sup> Henry Rowen and Charles Wolf, Jr., *The Impoverished Superpower: Perestroika and the Soviet Military Burden*, San Francisco: ICS Press, 1990.
- <sup>38</sup> “IMF Says Russian Economic Growth Model Exhausted,” RIA Novosti, October 9, 2013. <http://en.ria.ru/russia/20131009/184030741/IMF-Says-Russian-Economic-Growth-Model-Exhausted.html> “The International Monetary Fund warned in a report published Wednesday that Russia’s economic model has exhausted itself and predicted that future growth will be constrained by negative demographic trends.” The IMF predicts that growth in Russia will be 1.5 percent in 2013, down from the 2.5 percent forecast in

July. Cf. *World Bank, Country Partnership Strategy (CPS) for the Russian Federation*, Report No.65115-RU, November 2011.

- <sup>39</sup> Alexander Gerschenkron, "Russia: Patterns and Problems of Economic Development, 1861-1958," in Gerschenkron, *Economic Backwardness in Historical Perspective*, Harvard University Press, Cambridge, MA, 1962, pp.119-151.
- <sup>40</sup> Steven Rosefielde and Quinn Mills, *Democracy and its Elected Enemies*, Cambridge: Cambridge University Press, 2013. Steven Rosefielde and Quinn Mills, *Preventing Another Crisis and Restoring Global Economic Growth*, Singapore: World Scientific Publishers, 2014.
- <sup>41</sup> Nassim Taleb, *The Black Swan: The Impact of the Highly Improbable*, New York: Random House, 2007.
- <sup>42</sup> Christine Leah and Bradley Thayer, "The End of Strategic Stability in the Asia-Pacific?" *RSIS Commentaries*, No.157/2013, August 23, 2013. "The United States' strategy of Extended Nuclear Deterrence (END) is not what it should be. This is, perhaps, not very surprising, given that the degree of threat is the most important driver of such capabilities. As Soviet power waned, there was less need to devote the time and energy to extended nuclear deterrent capabilities. Accordingly, the US was able to reduce its forces and take a "holiday" from the demands of END against a peer competitor."
- <sup>43</sup> Supranationality is a multilevel form of transnational governance where traditional nation states delegate control over some state functions like monetary policy to a collective body, while retaining sovereign control over others like fiscal policy. Its stated purpose is to eradicate national enmities and imperialism, but is susceptible to velvet domination if some states like Germany and France act hegemonically.
- <sup>44</sup> The pact divided Romania, Poland, Lithuania, Latvia, Estonia and Finland into Nazi and Soviet "spheres of influence." Stalin invaded Poland on 17 September 1939. Part of the southeastern region of Finland was annexed during the Winter War, followed shortly thereafter by annexations of Estonia, Latvia, Lithuania, Bessarabia, Northern Bukovina and the Hertz region. The only pieces of the USSR's annexation of Poland returned after World War II were the region around Bialystok and a minor part of Galicia. Karelia, Petsamo, the Ingrian and Petseri areas of Estonia, and Abrene region of Latvia were never returned and remain part of the Russian Federation. Northern Bukovina, Southern Bessarabia and Hertz remain part of the Ukraine.
- <sup>45</sup> China followed suit annexing Tibet and promoting communism in Vietnam, Cambodia and Laos.
- <sup>46</sup> The 14 lost republics are: the Ukraine, Belarus, Uzbekistan, Kazakhstan, Armenia, Georgia, Azerbaijan, Lithuania, Moldova, Latvia, Kyrgyzstan, Tajikistan, Turkmenistan, and Estonia.
- <sup>47</sup> Russia forged a customs union with Belarus and Kazakhstan on January 1, 2010, and the Commonwealth of Independent States (CIS) has morphed into the Eurasian Community, but there are no overt efforts being made to transform this economic integration into a new Soviet-type federation or a supranational equivalent of the European Union.
- <sup>48</sup> Politarchs refers to government officials primarily in the business of peddling public services, including international relations for personal gain at the expense of the national interest. See Steven Rosefielde and Quinn Mills, *Democracy and its Elected Enemies*, Cambridge: Cambridge University Press, 2013.
- <sup>49</sup> Vital Shlykov calls the Kremlin's approach "structural militarization." See Steven Rosefielde, *Russian Economy from Lenin to Putin*, New York: Wiley, 2007
- <sup>50</sup> "Russia's Sergei Lavrov: Ukraine Getting 'Out of Control'", *BBC*, January 21, 2014. "He described violent clashes between anti-government protesters and police as "scary" and accused EU politicians of stirring up the situation." <http://www.bbc.co.uk/news/world-europe-25823091>
- <sup>51</sup> Moscow, ITAR-TASS, in Russian, February 9, 2007, FBIS SOV, February 9, 2007.
- <sup>52</sup> Stephen Blank, "Lt. Kizhe Rides Again: Magical Realism and Russian National Security Perspectives," paper presented at the Annual Strategy Conference of the US Army War College, April 9-11, 2013. "This failure to institute democratic controls in this sector of state policy lies at the root of the contemporary Russian security crisis which remains a permanently unstable state whose legislation permits its leaders to wage war abroad with no accountability to anyone on the flimsiest of bases and which actually started the war with Georgia and deliberately planned to dismember Georgia in 2006 not 2008 as Putin has admitted."
- <sup>53</sup> Steven Rosefielde and Quinn Mills, *Democracy and its Elected Enemies*, Cambridge: Cambridge University Press, 2013.
- <sup>54</sup> Stephen Blank, "Lt. Kizhe Rides Again: Magical Realism and Russian National Security Perspectives," paper presented at the Annual Strategy Conference of the US Army War College, April 9-11, 2013.
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