

## Strategy Still Needed to Deal With Putin's Russia, Despite Oil Prices

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Supporters of a rules-based international order are probably just a little bit pleased that neo-reactionary Vladimir Putin and his inner circle are experiencing an economic meltdown of unprecedented proportions thanks to tumbling oil prices. However, any *Schadenfreude* one might experience should surely be tempered by the understanding that the real victims of Russia's economic woes are ordinary Russians, average citizens who can ill-afford the turmoil already underway and undoubtedly to continue. More importantly, Russia's economic woes are no guarantee of change in the Kremlin, and provide the U.S. and its European allies with an unforeseen opportunity to finally craft an effective long-term strategy to deal with Putin's Russia.

Despite Russia's current travails, we must be wary of any triumphant rhetoric from Washington and European capitals declaring that a sanctions-led response to Moscow's cynical yet determined revanchism is now working, and that no further action on the part of the U.S. and its European allies is required. These proponents of sanctions against Russia are confusing good luck for strategic foresight. The reality is that Western sanctions have had little impact on Russia, and they have done nothing to stop Putin's support of the murderous militias in eastern Ukraine or his continued and unjustified political warfare against Russia's immediate neighbors, such as the Baltic states and Kazakhstan. Now that tumbling oil prices have sent the Russian economy into a death spiral, these same proponents might be tempted to declare "mission accomplished."

If only these matters were that simple. When Putin's actions in Crimea and eastern Ukraine finally forced Western leaders to act earlier in 2014, sanctions seemed like the most painless means of taking on Moscow without any real strategic commitment. Other, more substantial alternatives, such as arming Ukraine, bolstering its crumbling economy, or increasing the defense spending of European NATO members in order to better the prospects of deterring Russian adventurism were ultimately rejected, or became merely the subject of lip-service. None of the leaders pushing sanctions over these alternatives could have foreseen the

precipitous drop in oil prices that have inadvertently provided real teeth to these otherwise lackluster Western sanctions. That the sanctions are now biting is undoubtedly a good thing, but to use falling oil prices as a vindication of what was at best a mild rebuke to Moscow is both disingenuous and potentially dangerous.

To base a strategy on a menu of sanctions aided and abetted by an unforeseen fall in oil prices is to leave something vital to chance. For starters, the price of oil may rise as quickly as it fell thus easing Russia's economic woes and yet again diminishing the effectiveness of sanctions. More important – and more ominous for the West – is the key realization that the combination of sanctions and cheap oil provides no guarantee of a chastised and tamed Russia or a reduced and weakened Putin.

No matter how positive the current situation might seem, there are good reasons not to be overly optimistic about the prospects of a political and diplomatic retreat by Putin.

First, regardless of how badly the Russian economy fares in the coming weeks and months, it should be no surprise that Putin – a wily and cynical political operator – has parlayed the economic hardships of ordinary Russians into further resentment of the West. Russian nationalism has been on the rise in recent years, and many Russian people have bought into the Kremlin's resentful and reactionary worldview that posits all Russian misfortune as plots perpetrated by a West Hell-bent on the destruction of Mother Russia. One can easily envision ordinary Russians strengthening their loyalty to -- rather than turning against -- Vladimir Putin as a result of increased economic hardship.

Second, the historical tendency of authoritarian regimes under severe economic pressure is to strengthen their resolve, not weaken it. Desperate to maintain power and its privileges, Putin and his inner circle are just as likely to resort to even more reckless and open military adventurism in Russia's near-abroad in order to try to spook and divide what Moscow rightly sees as a weak and fragile Western alliance. Doing so could then cynically tap into -- and further galvanize -- Russian nationalism and even xenophobia, creating a vicious cycle where Putin and the Russian people egg each other on *ad infinitum*.

Third, indications from Moscow suggest that despite the growing economic hardships the Kremlin intends to carry out its military modernization plans, said to cost approximately \$760 billion over ten years. Of course, talk – especially from the Kremlin – is cheap, and there is every possibility that the economic situation could become so dire that Putin and the Russian military will have to abandon their plans altogether. But, again, there are plenty of historical precedents, not least from the Soviet period, where

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the economic wellbeing of a country's people is sacrificed at the altar of a self-serving and corrupt military and the regime it props up.

It is tempting for many in the U.S. and Europe to impose their own cost-benefit calculations and strategic preferences onto Vladimir Putin. Surely, the thinking goes, he wouldn't sacrifice the economic health of his own people and further besmirch Russia's standing in the world? Surely, now of all times, Putin will withdraw his support of pro-Russian militias in Ukraine's east and cease all attempts to subvert and destabilize Russia's neighbors?

Unfortunately, Vladimir Putin has long demonstrated a different set of cost-benefit calculations and a strategic mindset that defies our values and political sensibilities. Instead, we must deal with the Putin who exists rather than the one that we might wish for. Amazingly, despite his clear actions over the past year, there are still those in senior policy positions in the West who think they are dealing with the Putin they wish for. None are so blind, it seems, than those who do not want to see.

Oil prices fall, oil prices rise. For the moment, the circumstances suit us rather than Russia, but we should not fool ourselves into believing that this favorable situation will last forever. Instead, we should take this opportunity – or second chance – to work with our allies to develop a comprehensive strategy that deals with Putin's Russia for the long term, and which is not based on fleeting fortune (falling oil prices) or wishful thinking (that this is the beginning of the end of Putin's rule). Such a comprehensive strategy certainly involves a sanctions regime – but it must also include economic and military aid to Ukraine, a complete recast of Europe's energy infrastructure and policies, an increase in European defense spending, and the restructuring and permanent deployment of NATO forces into Eastern Europe, reassuring our allies there and signaling to Moscow that our resolve is both strong and serious.

All of this, of course, should be coupled with a calculated and comprehensive diplomatic effort that helps Russia eventually return to the family of civilized nations, but only after it casts off its resentments, abandons revanchism, and respects the sovereignty and political integrity of its neighbors.

Until then, Putin's Russia will remain a serious problem for all -- regardless of the price of oil.