The World HandCOV'd: Restoration of Russia and the New World Order

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Key takeaways

- The Russian Federation has re-emerged among the major powers as a military and raw materials stronghold.
- The resurgence takes place at a time when the unipolar world order is giving way to a multipolar setting. Russia is consciously striving for this multipolar arrangement, in which it has the role of an equal major power.
- The dispute between Beijing and Washington is intensifying. At the same time, the "West" is ridden with internal tensions, and globalization faces its first major crisis. The coronavirus pandemic acts as a catalyst. There are various scenarios for Russia's future geopolitical role under such circumstances.

Security and geopolitical setting

Over the past 20 years, the Russian government has managed to dodge the impending state collapse and leave behind the economic chaos of the 1990s. This reinstatement as a major power was achieved primarily through incremental but effective upgrade of the armed forces. However, there is still a critical dependency on raw material exports.

While Russia was dragging, other countries managed to catch up and overtake, especially the People's Republic of China. And while Russia was recovering, it was also China that clashed with the United States economically over global leadership. The People's Republic is one of the great winners of globalization and the free movement of goods, but it did not turn into a liberal democracy. The conflict between the USA and

China escalated to a new level with the coronavirus crisis. In this context, some Russian experts, albeit very pathetically, believe the impending economic and financial crisis to be as earth-shattering as the assassination attempt in Sarajevo in 1914.

The relationship with the West has been severely damaged. The creation of a "common European house", as Kohl and Gorbachev described the vision, has so far failed. The Ukraine crisis and the resulting Western sanctions against Russia are currently putting a massive strain on Russian-European relations.

Due to the climate change, the future of the Arctic will offer numerous new geo-economic opportunities, from new mining areas to new seafaring routes.

> The Russian Federation is currently best positioned among all players in the race for the Arctic due to its geographical location and existing infrastructure.

Russia is the only nation that has a merchant navy of nuclear icebreakers and more deep-water ports and expanded airfields than any other neighboring country. In addition, four of the five largest cities in the Arctic Circle are located in Russia.

In the East, Russia formed an alliance with China, which currently plays to its benefit. The Chinese ally will enable Russia, as an alternative buyer of its raw materials, to become part of a huge Eurasian goods transport space through the Belt and Road Initiative in the future.

Moscow also keeps pragmatic friendly relations with the former Central Asian Soviet republics, while having found a way to communicate with almost all Middle East countries. Russia is in a privileged situation in the Orient and is currently unavoidable as a partner in conflict resolution. The stalemate in the South Caucasus is in the hands of Moscow as Armenia and Azerbaijan remain mutually hostile and Georgia's westward turn is not generating any significant progress.

Russia and the pandemic

State reserves such as the National Wealth Fund have not been used to support the general public, contrary to the demands of some opposition politicians and experts. Russia remains on a relatively stable financial footing even in the event of a major economic crisis due to unaltered state reserves and very low public debt. The oil crisis that broke out at the same time as the pandemic, which initially devalued the ruble, appears to have been mitigated for Russia and has had a far greater impact on the

private US shale gas industry and the more strained Saudi Arabian national budget. And the societal split between the supporters and opponents of the isolation regulations has only been observed in the Caucasian region of Russia.

Specific developments

The future development of Russia will depend on its economic performance. Human capital and raw materials are available. Optimistic economic forecasts assume that the Russian Federation could catch up with Germany, the largest European economy, by 2030. The current administration continues to rely on stability; there must be no surprises, especially in the 2024 presidential election. In the immediate neighborhood it still remains to be seen whether the process of deeper integration with Belarus will get more dynamic.

> A departure of Belarus from Russia could encourage proponents of Russia's anti-Western, Eurasian or pro-Chinese course.

Overall, the country shouldn't be seen as something monolithic. Its foreign policy makers historically oscillate between the Western and the Slavophile and Eurasian schools of thought.

Russia's role in a post-pandemic world

The way Russia emerges from the crisis will have a decisive impact on its positioning in the conflict between China and the United States. Russia could find itself in the role of the "kingmaker" in the competition between China and the USA, while it also has the necessary influence to have a calming effect on the conflict. However, there are currently many indicators that Russia, despite its current proximity to China, will not make a clear commitment. The pent-up economic demand would also play a role here.

For a long time now, Russia has pursued a multi-vectored foreign policy. The Kremlin maintains good relations with India and China, which are mutually hostile. Something similar is seen in the Levant, where Moscow has good relations with Tel-Aviv, Damascus and even Turkey. There are more cases in point.

This sets the context for Russia's most recent security policy take on the U.S. Former Prime Minister and current Deputy Chairman of the National Security Council Dmitry Medvedev announced that Russia was ready to renew the START-III treaty immediately

and unconditionally. He also offered conciliatory words here: "Ten years ago, Russia and the United States demonstrated that they can overcome and negotiate differences – not only for the benefit of their peoples, but for the benefit of all of humanity."

However, he considers China's accession to the START-III Treaty to be unrealistic. Donald Trump has made several unsuccessful attempts to involve China in the trilateral arms control negotiations. Since then, the USA has started withdrawing from disarmament control agreements. The real dilemma is that Russia is more likely to benefit from disarmament agreements with the United States, while hindering Washington from containing China.

At the Crossroads

There are various scenarios for Russia's future geopolitical role. While turning away from the West, the Russian Federation can focus on cooperation with China. Beijing's new Silk Road could open up new economic prospects for Russia as a transit power. The Northern Sea Route, which is becoming increasingly navigable in the course of the global warming, could become an important merchant route – an Arctic Silk Road, in fact.

An alternative scenario would be closer cooperation with the West or better contacts with the EU and/or the USA. The Ukraine crisis and the resulting sanctions have so far precluded such an approach. If this got resolved via honoring the Minsk Agreements, there would be an opportunity to intensify the relations between the European Union and Russia back to their 2003 level, when the EU and Russia had agreed on four "common areas": business, freedom, security and justice, and education.

> Russia could offer a Western-leaning vision of how to shape the economic territory from the Atlantic to the Pacific.

Russia's industry, in particular, would benefit from technology transfer. In return, Europe would benefit from Russia's digital progress and a huge commodities and goods market. French President Emmanuel Macron also recently outlined the "new European security structure" with Russia. US strategy papers also recommend that Russia be kept out of the Chinese orbit.

The third way is a pendulum policy. Since the emerging competition of the 21st century has not been guided by ideologies so far, every major power has more room for maneuver. The wars and conflicts in the Middle East highlight how changeable and interest-based future alliances could be. In this case, Russia would benefit by working

with the EU, China, the United States, Iran or Turkey, depending on its interests. And if the conflict between China and the United States escalated, Moscow would only get involved to a limited extent.

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The paper is part of the project The World HandCOV'd: Assessing longer-term implications of the pandemic disruption for international security. The project is implemented by the Minsk Dialogue Council on International Relations and KAS Belarus. The content of the publication represents the views of the author only.



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