

“Putin’s Plans and U.S. Foreign Policy”

by

Ambassador Stephen Sestanovich

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March 18th will almost certainly see Vladimir Putin reelected President of Russia. Despite the impending coronation, not all things are playing out well. Amb. Sestanovich framed his comments by asking, *is Putin on a roll, or on the ropes*. He delved into this question by examining 3 areas – economics, domestic politics, and foreign policy.

Economically, Russia is seeing some undeniable good news.

- Over the last year or so, growth of GDP has resumed, inflation is declining, Foreign Direct Investment (FDI) is up, trade with key states (Germany and China) is up, Russia has become the world’s largest grain exporter, and S&P Global has raised the rating of Russian sovereign debt to *investment grade*.

However, there is troubling news as well.

- In context, even some good news is underwhelming – e.g. FDI rose from an extremely low base, and trade with China is still below historical highs. More significantly, median household income has dropped 4 years in a row, and GDP per capita has fallen 40% over recent years.
 - Polling shows popular discontent with these income figures.

Politically, while there are no serious electoral challengers to Putin, there are some worrisome signs.

- In recent Moscow municipal elections, young reform-minded candidates made significant inroads. And opposition figure Alexei Navalny, who has produced striking videos exposing high-level political corruption, has been barred from the Presidential ballot, signifying regime unease over his potential impacts.

In foreign policy, there have been successes.

- Moscow’s moves in Syria have been unprecedented and bold, making it a player in the Middle East, and a sought-after interlocutor by officials from such countries as Turkey, Israel, Egypt, Jordan, etc. Its energy diplomacy with Saudi Arabia has also produced results. And Putin has presided over a huge military buildup, with defense budgets rising more than 100% over the last decade.
- Yet some of the Putin regime’s key foreign policy aspirations have not panned out. The crisis in relations with Washington has deepened. The U.S. Congress has passed increased sanctions relating to Russia’s incursion into Ukraine, and Europe has not rolled back its sanctions. Additionally, the West has provided lethal equipment to Kiev. Moreover, Washington has codified this adversarial relationship, with its recently published strategy documents naming Russia as a *core competitor*.
 - Popular polling in Russia suggests some Syria fatigue, and misgivings about lack of cooperation with the West.

Some of the premises we held in trying to understand Russian developments/behavior might not be true; for example:

- Increasing material benefits will lead to increased popular political support.
- Russia’s leaders seek to benefit via a *détente* with the United States.

So where do these questions, and all of the aforementioned plusses and minuses leave us? They suggest that going forward Russia will be a more **unpredictable** actor.

- But, remembering Gorbachev, Amb. Sestanovich pointed out that unpredictable is not necessarily bad.

Paul F. Herman, Jr.