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NATO/RUSSIA: COLD WAR REDUX?

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NATO/RUSSIA: COLD WAR REDUX?

(9:05 a.m.)

MR. ERVIN: -- last evening, but I see a few new faces, so for those of you who were not able to join us last night for the opening session, I am Clark Ervin, the Executive Director of the Aspen Security Forum. We are so pleased that you're here with us for the debut of the Aspen Security Forum Global.

As I mentioned last night in for those of you who were new to Aspen for 7 years now we've hosted in our lovely campus in Aspen, Colorado, the Aspen Security Forum which is a gathering of American government officials and national security, policy experts from outside government, and noted print and broadcast journalists to discuss and debate the issues of the day from a United States perspective with regard to national security. We are debuting here in London today beginning last night, the global version of the forum which will feature mostly non-American government officials, policy experts, and journalists to do likewise from a global perspective.

We are very pleased to be here in London given the special relationship between the United States and the United Kingdom and we're off to a wonderful start this morning with a session on NATO and Russia which we've titled Cold War Redux. To moderate this morning's session we're very pleased to have with us John Gearson. He's a professor of national security studies at the Department of War Studies at King's College, London. With that, John Gearson. Thank you very much.

MR. GEARSON: Thank you very much and good morning everybody. As you heard I'm professor of national security studies at King's College, but also leader of Center for Defence Studies, but in the early part of my career, I was and continue to be a Cold War historian. So I was delighted to hear that the Cold War is back.

(Laughter)

MR. GEARSON: Lots of material for future books

for scholars such as myself. And in trying to unpick this question, I'm delighted that we have my colleague from King's College, Sam Greene, the head of our Russian Institute; Roderic Lyne, former Ambassador to Russia, United Kingdom. And Ambassador Lute, the US Ambassador to NATO at the moment who's described as a warrior diplomat in the write-up here.

AMB. LUTE: That was not my description.

MR. GEARSON: So we're going from soft to hard cover across the panel this morning as we move forward. And in that order, I'd like to open this up by asking Sam what is driving the foreign policy of Russia at the moment, and how can we unpick its approach to NATO and the region?

MR. GREENE: Thank you. First of all, thanks for the opportunity to be here. This is an important discussion. I'll start off by saying that I don't think we're in a Cold War and I don't think we're in anything like what the old Cold War was like simply because Russia is not anything like the Soviet Union. It is integrated and independent on the global economy and on very specific kinds of partnerships with the west in ways that I don't think the Soviet Union effort was. And that in -- it gets involved in the lives and livelihoods of the people running the country in ways that it never could or would for the Soviet Union. And so there are very real limits to this conflict. But I think that what we're seeing is actually finally recognition on this side of the dividing line, right, that the relationship between Europe and Russia in particular is geopolitical.

We always understood that the relationship between Russia and the US was geopolitical when it was talking about missiles and defense and things like that, but when we're talking about a relationship with Europe, Europe wanted to see things in non-zero sum terms. Europe doesn't think about itself in geopolitical terms. It thinks about this great integration as project of trade and free movement of capital and people and things like that, and what Russia had been saying for a long time was that in fact this was at least as much of a threat to it

as NATO expansion. And so we've seen Russia go to war over a trade treaty. I don't think that that means that Russia is going to make a habit out of going to war over trade treaties, but it has proved a point and demonstrated that it will defend lines.

The question is why is that line so important and I think it comes down to fundamentally the way that Russia is governed. Russia is governed -- has done fairly well for its population over recent years, but frankly is governed for the benefit of a rent-seeking elite who benefit from a system of economic and political competition that has -- protect positions as very mercantilist, is very highly monopolized and highly concentrated, and you can make tremendous amounts of money in Russia. But those sorts of corporations, those sorts of actors don't do very well in rule of law environments that are governed more or less the way Europe is, and the more that Russia's neighborhood begins to become governed the way that Europe is or tries to be, the less rent frankly there is to distribute in the Russian system especially given that Russia at the moment is not growing. This is an existential threat to somebody like Putin whose job is not simply to run the economy and run the national security, but to keep this very hungry elite happy.

MR. GEARSON: I mean, I don't want to get into Brexit, but has the EU got this wrong? Why do they fail to understand the things that you've just set out?

MR. GREENE: I think fundamentally because Brussels -- at least the EU side of Brussels has never had a conversation about itself in geopolitical terms. It has thought that geopolitics was something that can and should be outsourced to the other side of Brussels, what Ambassador Lute says, and to Washington. And that to a certain extent, and not to put too fine a point on it, but there was a lot of drinking of the Kool-Aid going on that this was a win-win project. It's a win-win project if you are governed the way that most European states strive to be. Russia is not.

MR. GEARSON: All right. Let me bring sir Roderic here. I mean, is it in fact criticism of the

international and certainly the western powers misread Putin and are to partly to blame for what we now face?

MR. LYNE: Well, I think there's quite a lot of misreading that is still going on. I think Putin has changed over the period of 16 years when he's been in power, and I'd just like to quote something that he said 14 years and 4 days ago and he stated to the union address for 2002, "The period of confrontation has ended. After 11th September last year, many, many people in the world realized that the Cold War was over. A different war is on the war with international terrorism. Our major goal in foreign policy is to secure strategic stability in the world. To do this we are participating in a new system of security. We maintain constant dialogue with the United States and we work on changing the quality of our relations with NATO."

Well, what a difference 14 years makes. I completely agree with Sam, we're not in Cold War redux because the Soviet Union doesn't exist. We need a different paradigm for addressing Russia. But what we are dealing with is certainly the most hostile and confrontational period in our relations with Russia or the Soviet Union over the past 30 years. And we're also having to address something that is a continuum of not only Soviet, but also Russian history that stretches back a very long way. Frequently this is described as Mr. Putin being aggressively expansionist, and I think that's a wrong way of seeing what Putin and indeed Russia is doing and it's not just Putin. I will say this is aggressive defense and I will say you can see that again stretching back into that continuum of history.

The Russians are still trying to come to terms with 1991. When something as dramatic as that happens in the life of a power, it takes more than one generation for people to get their heads around it, and this country is still ruled by people who were adults working in the Soviet Union when the Soviet Union collapsed as far as they were concerned completely without warning. In Russian eyes, what they're trying to do is to shore up and keep the west out of what they see as being their security perimeter, their economic perimeter, and their zone of

political influence. And that explains what they've done in Ukraine which is clearly a huge miscalculation on the part of the leadership.

It explains their policy in Moldova, in Georgia, in Armenia, in Central Asia and Belarus, and indeed in the Arctic. The main justification that Putin has used to try to sell his Ukrainian operation to his own domestic audience is that there was an existential threat to Russia, that if he had not as it were taken some (inaudible) which in practice he already held in strategic terms that the US fleet was going to be there within this -- well within this security perimeter. We may know that this is complete nonsense, but that is widely believed across Russia.

MR. GEARSON: But does this explain Putin's popularity ratings despite the old price fall?

MR. LYNE: No, I think Putin's popularity ratings -- I mean, Crimea was very popular. I don't think Syria is popular. I don't think foreign adventurism is popular. I think Putin's popularity ratings are somewhat overstated if you just take the sort of high polling numbers. I think there is a sort of Ronald Reagan Teflon effect that the Russian people are pretty discontented with the way the country is being run, with corruption, the state of the economy, falling living standards, the infrastructure, law and order, you can go on and on. But they are still not connecting that with the leader and they are still I think very worried that if he were to go you might get back into a replay of the early 1990s which he assiduously builds up as the most horrible period in Russian history.

MR. GEARSON: So is this a Russian policy period or Putin policy period?

MR. LYNE: Well, I think the Russian view of that perimeter and the need to defend it and I would include Syria in that, I think we ought to get on to Syria, is something that is not fundamentally different from what we saw in the Yeltsin period, and I think it's -- it's against Thames, you can trace it way, way back into

Russian history. If you take Syria, what was he actually doing in Syria? Was that expansion? It wasn't expansionist at all. He was told last summer that his ally Assad was in danger of falling within months if he didn't do something to shore him up. Russia has vital national interests, it's its sole military ally remaining in that region, it has a naval base and an airbase, and he went in there to defend that national interest. Now he has a problem which is a problem not unfamiliar to western policymakers which is how you get out, and he really needs some form of settlement in Syria because otherwise he's going to have to stay on shoring up the regime, I don't think it has to be Assad, he's made it very clear he's prepared to get rid of him. Is that popular in Russian terms? No. Foreign adventurism is not what people want. Russian soldiers coming back in body bags is as unpopular in Russia where people tend to only have one son anyway as it is in any Western society, they actually have gone to great lengths to conceal the deaths of Russian soldiers in Ukraine.

So whereas Crimea was a popular act because it was taking back something that they reckoned was theirs, Syria is something that is necessary, but if it involved Russian troops going in which there was no suggestion of happening in large numbers, I mean, I should say in fighting formation, I don't think that'd be popular at all. Can I just complete by simply mentioning that there are I think five really important constraints on Russia if you're thinking of Russia as an aggressive growing power, which it isn't, and just to list them without any detail, they are the sclerosis of this regime which is locked into personal interests and very stagnant policies and is not capable of reinventing itself. Secondly it is the economy which is in a very, very weak and declining state, not just because of sanctions, indeed essentially it went into this decline before the current crisis in 2013 because of the policies of Mr. Putin.

Thirdly it is population and consent. The Russian people would not consent to an attempt to play the role of a global power and it is a falling population and that is a real problem for them. Fourthly it is the military. They're partially modernized. They've had some

investment after years of no investment. They can achieve an effect against weak oppositions, this is Douglas' territory, but they are not I think capable of projecting power long range around the globe. And fifthly, and far from the least important, there is China. China is a constraint on Russia. Russia is very nervous about China. It is in a way frightened of China, and one of the things that Putin has done that is very unpopular with the Russian elite is to put Russia in hoc to China. It is to strike a series of deals from a position of weakness very much to the advantage of the Chinese, and I think that is a real constraint as well.

MR. GEARSON: Thank you very much. I mean, just before we turn to the history about it, let's come back to Sam. So in light of what Roderic said, if I go back to Putin, if the proverbial bus was to knock him down tomorrow, or he fell off one of his horses, what would be the effect? Do you think we'd see a very rapid change? Domestically how embedded and entrenched are his policies would you say?

MR. GREENE: So if there is non-democratic change of power, in other words, somebody comes to power because Putin is out of the way one way or another, but not through an election I think there is a lot of room for somebody to rapidly change the relationship with the west at least cosmetically, all right, to begin to tell a different story domestically as well to say that Putin may be lying, that he may be dragging the population into things that didn't need to be done and to have some fairly easy or low-hanging fruit structural reforms within Russia that might get the economy slightly back on track. But it's not going to solve the problem with this being a highly concentrated rent-seeking economy that is not going to be very effective and efficient in the long run, and it's not going to change the fundamental differences between Russia and Europe about how the continent should be governed and between Russia and Washington about how global conflict should be managed. So no, I don't think that it leads to a major change in the way that Russia functions.

MR. GEARSON: Okay. Thanks very much. Mr.

Lute, I mean, I was pointed about the EU. I've got to ask the same question of NATO. Has NATO got some hard lessons to learn from the last few years? Was this essentially a case of managing Russia?

AMB. LUTE: Well, first of all, working at NATO I have a sharp eye for emerging consensus. And I think we have an emerging consensus here that the answer to Clark's question, Cold War redux, is no, and that I think certainly is the view at NATO. I'd also agree and corroborate from the halls of NATO headquarters the basic view of Russia that my colleagues have outlined here. So essentially there's a sense that, yes, there's a new more assertive, maybe even more aggressive Russia, but fundamentally Russia is a state in decline. And we have conversations in NATO headquarters about states in decline and arrive at two fundamental models, states in rapid decline which typically lead to chaos and break-down, and states in gradual decline. And we ask ourselves which of these two models would we have our nearest, most militarily capable neighbor with thousands of nuclear weapons move along. Obviously trying to manage Russia's decline seems more attractive than a failed state of that size and magnitude on NATO's border.

I do think, to get to your question, I do think NATO's at a fundamental breaking point or not a breaking point, a phase line perhaps or an inflection point in its long history. So just a couple of weeks ago we passed the 67 year anniversary of the signing of the Washington Treaty. I think that we're in a period today that is only rivaled, it's only paralleled by the period of sort of 1989 to 1991 in terms of a break in continuity and a shift into a completely different pattern for NATO. And obviously with the end of the Cold War, there may be a few other Cold Warriors here in the room, we knew what the first 40 years of NATO looked like, we then went into after the fall of the Berlin Wall and the dissolution of the Soviet Union about 25 years of a pattern where we imagined that we had broken the mould of the Cold War and moved into even maybe a strategic partnership with Russia. And now after that second phase if you will, I think we're on the verge of another phase line that says, well, we didn't quite get it right in terms of this image of

strategic partnership with Russia. There are elements of that that made sense, but now looks more like we're into perhaps an extended period of dealing with Russia's decline and Russia's failure to reform fundamentally in that 25 years after the Cold War.

And so -- less a military contest with Russia, but more a contest of values where NATO feels firm in its values, but sees a Russia that has essentially defied all the values codified by -- I go all the way back to the UN Charter, but the UN Charter, the Helsinki Accords, the NATO-Russia Founding Act (phonetic), are all of the values underpinning those agreements have essentially been violated with the seizing of Crimea, then the destabilizing of the Donbas. So we're in a new phase and it looks familiar. I think the hazard for NATO and maybe the hazard for the west is it might look a little too familiar, and there could be a rush to revert to something that seems familiar, the Cold War, I mean, even the opening question of the opening session in the Aspen Forum seems a little too familiar, doesn't it? We should be careful not to associate too much these conditions today with what seemed familiar which is the Cold War.

MR. GEARSON: So does Russia have a veto on NATO expansion now until it settles down to this post-post-USSR state that you speak about?

AMB. LUTE: Well, look, I think the -- I think Russia plays an important part in the strategic environment and the strategic environment will put a brake on NATO expansion. And if you accept the premises that we've heard here about Russia's internal weakness and perhaps steady decline and so forth, it may not make sense to push further now and maybe even -- and maybe accelerate or destabilize that decline. So in practical terms I don't think there's much additional room in the near term, next several years perhaps or maybe even longer for additional NATO expansion. You know, the policy line of course is that the open door remains open. In fact it's embedded in Article 10 of the Washington Treaty which says that NATO's door will remain open for additional new European members. So in policy terms it won't go away and we won't set it aside, but in practical terms I don't

think there's much promise for the next several years anyway.

MR. LYNE: Can I just butt in on that one, John? NATO made probably the most disastrous decision of its entire history at the Bucharest Summit 2008 where it adopted a paragraph on Georgia and Ukraine which said on the one hand they will be members of NATO and on the other hand they can't have membership action plans right now, so go away. So it phased in both directions. This was utterly, utterly stupid. If you took Russia out of the equation, Russia's never had a veto on NATO membership self-evidently, take Russia out of the equation, it made no sense for NATO in 2008 to even think of bringing Ukraine and Georgia into NATO. It was not in NATO's interest to do so, for different reasons in those two cases, in the case of Ukraine partly because of its size, partly because of its condition, and partly because at that stage no more than a quarter of the most of the population of Ukraine wanted to be in NATO; in the case of Georgia because it does not make sense for NATO to put its footprint into a very, very volatile region of the world, it has enough other issues to deal with.

There was no benefit to NATO in either of these things. What is critical now and I think very difficult for Douglas and his colleagues is sustaining NATO cohesion and we need to work on that. And NATO cohesion could not possibly be enhanced by going back into expansionism, it wasn't actually expansionism because the open door policy was countries applying to join NATO and not NATO going out and asking. But that was -- we went down that track and it was a disaster. So we don't need to go down it again. And next thing to do with the Russian vetoes, it's about what is good for NATO, this really important alliance.

AMB. LUTE: If I may just add on it, the treaty itself actually has the three requirements from four applicants, right? It must represent the values of the treaty, so these are democratic values and so forth, and they must contribute to the collective defense. So imagine now the string of aspirants, do they really contribute to collective defense? Then third it's got to be a decision taken at 28, in other words, it's got to be

a consensus decision. So to my colleague's point, there's no way we're going to get consensus anytime in the near future on adding sort of Georgia or Ukraine.

MR. GEARSON: I think what I was getting at, is there not a danger that NATO becomes reactive to Russian actions, rather than shaping those actions? You know, the criticism could be that in the crisis that we're still in, you know, we have played catch-up very effectively in some respects, but if we're talking about an uncertain view of Russia in the coming years as it settles, what is the way that NATO can actually take control of the situation?

AMB. LUTE: Well, fundamentally NATO is a defensive alliance, so that puts it in the reaction mode. And fundamentally it's a body of 28 that if agreed that internally and collectively we're going to abide by international commitments which also gives us some sort of standards that govern our behavior. When you're dealing with a -- in a contest with an opposing number, an opposing party like Russia which has the initiative because he can choose to move into the Donbas or not, where he can choose to move to Syria or not, and an opponent or a opposing number who throws out the rules and makes up his own rules and is not bound by international commitments, then we're always going to be a bit reactive. But I don't think we would have NATO any other way.

MR. GEARSON: Okay. Before I open it up to the floor, I have one last question for the whole panel. Russia, the West, an ISIL partner or participant? I mean, how do you see the relationship developing, not just about Syria, but the -- what used to be called the Global War on Terrorism, the counter-ISIL campaign? You're almost --

AMB. LUTE: Reminds me of the consul -- the United States. Sorry. Look, there are a number of -- even under Putin, and even given his aggressive actions over the last years, there have remained a number of policy portfolios where we have found ways to cooperate. So I mean, fundamentally I suppose the premier example is the Iran nuclear Accord. That would not have happened if Russia had not been part of that. Assad would have his full arsenal of chemical weapons today if we had not

cooperated with Russia and done away with those. An American astronaut does not get to the space station today without cooperation with Russia and there's CT cooperation, counterterrorism cooperation going on with Russia as well. So one thing that I think separates and distinguishes this period from the Cold War is that there are these policy areas where we can continue to cooperate.

I think it's -- there is some promise that we might add Syria to that list, but it's a bit too soon to tell. I think what will really be telling is if Russia first of all shifts the weight of its military effort onto ISIS and away from the Assad opposition forces, and that's a mixed picture right now, but not long ago something like 90 percent of the Russian strikes were against Assad opposition parties. So that will be important to watch. The second thing is how -- do they play a constructive role in the political process? By bringing Assad in the regime figures and importantly Iran and Hezbollah and the other members of this sort of counter-counter-ISIL coalition if you're still with me, right, can they bring that group of players to the political table? And I think that's -- it's just too soon to tell.

MR. LYNE: If I can --

MR. GEARSON: Sorry.

MR. LYNE: Just going to say on this issue as on I think all other issues we should have a transactional relationship with Russia. We've worked together where it is in our interest to do so, where there's interest overlap. I think what happened over Iran nuclear was quite a good example of that. The problem we have with terrorism is not -- you know, we're all against terrorism because self-evidently we are -- they don't like ISIL any more than we do, it's a question of how you do it, and Douglas was rightly talking earlier about the gulf in values and the fact that they do not have any respect, this current regime in Russia, for the rule of law, be it domestic law, international humanitarian law, or whatever.

And if you look at the example of Chechnya, we were no sense in favor of the Chechen secessionists who

were using terrorism to try to secede from Russia. But the way in which the Putin regime waged its war against Chechnya, indeed this is a continuing conflict that goes on, (inaudible) was completely unacceptable to us because it was in grotesque breach of international humanitarian law. So we could not align with it. Putin just wanted us to say, we're all against terrorism, so you guys back me in Chechnya, and was furious when we didn't, and then accused us of backing the other side. So the how question is important too and has to be factored in --

AMB. LUTE: But if I may, I think also the who question is important because there's this question of who's a terrorist and who's not a terrorist. So I mean, there's a definitional problem, there's an operational problem because we do have forces in Syria operating in close proximity to one another, and then there's a question of -- the deeper question of values and basis of (inaudible).

MR. GEARSON: And that's a problem within NATO as well.

AMB. LUTE: It can be, yeah. That's right. I think if you look at our Turkish ally for example, we don't have common definition of who's a terrorist and who's not a terrorist in that example either.

MR. GREENE: There's -- I get very worried about this conversation in particular because I think that the atmosphere of mistrust between Moscow and Washington in particular at the moment is such that I find it hard to see how we're going to get to a conversation that allows us to overcome some of these differences, and some of these definitional differences are very deeply held. I think that Russia genuinely does not see a distinction between ISIS and other anti-Assad combatants. In Syria it's part of the same problem to the extent that we in the west continue to insist that they need to be treated differently and there needs to be differentiated fight. I think they begin to see us very much as part of the problem.

They certainly see Turkey very much as part of

the problem and they see this is a problem that -- if it is not resolved in Syria, will come home to Russia. There are thousands of young men from the north caucuses, from Dagestan in particular who have gone down to fight in the region. They're very well aware of this and they're very well aware of the fact that they can come home and fight in Russia. I think Russia thinks that its stakes in this are higher than ours are, and that it -- if it wants to be successful and success for it is again keeping the fight there rather than coming back to the caucuses --

SPEAKER: it is.

MR. GREENE: -- that it may have to fight not alongside us or with us, but quite separately.

AMB. LUTE: This is a really important point that is often missed, and that is that Russia has the largest number of Sunni foreign fighters of any Western European state that has moved from Russia into the fight in Syria and Iraq, joined ISIS and I don't think we've yet seen the beginning of the return on that phenomenon as we have perhaps in Paris and Brussels and so forth. But they have the largest number. They are Sunnis. The Russians in the Syria campaign are aligned against the Sunnis and I think there's a big issue there with the -- with one of the eight branches of ISIS, one of the geographical eight branches of ISIS being in the north caucuses.

MR. GEARSON: All right. I'd like to get up to the floor now and we don't want to get too cozy, especially if you've got some things raised with the panel where you may have a different perspective. If you could identify yourself when you ask a question.

MR. BARON: Good morning gentlemen. I'm Kevin Baron, I'm the executive editor of Defense One. Welcome and thanks for having the panel. My question is back to the question of is this Putin or is this Russia? I've posed this question to former Chairman of the Joint Chiefs General Dempsey at the Aspen Forum last year or maybe the year before that because just a few years ago we were being told how the United States was increasing to a great rate the amount of exercises we were having with Russia, a

very good opening relationship, military to military, especially the senior level. And there was a sense that this was some part of Putin, some part of the military that supported Ukraine and all the other adventurisms, but that there was also a much larger other part of the military perhaps from the population that just wasn't supportive, but was laying low. Is there any sense of that now, how much of this is Putin versus Russia?

MR. GREENE: I'll kick it off. I mean, I think Washington certainly seems to have to come to the conclusion that it will not have a fruitful relationship with Putin, but that it could have a fruitful relationship with somebody else even if that somebody else is not fully democratically legitimate in Russia and I think there's some truth to that. I think it's very difficult at this point to have a transactional relationship with Putin and I think that to the extent that we're interested in transactional relationships that can change. I do think however that whoever comes into power is going to be dragged back into the same kinds of behaviors that Putin is exhibiting because I think that they're driven by the interests of the Russian elite and to say that this is Russia, that is what I mean.

I don't think that this sort of confrontations in the interests of the vast majority of the Russian population, but the vast majority of the Russian population isn't being asked what's in its interests, right? There is an elite in fact which at this point is probably not interested in this depths of confrontation, but if this confrontation is to a certain extent at least driven by the fact that Russia needs to make some part of the world safe for kleptocracy, then they have very much an interest in making sure that's -- that remains safe for them. That's how they're making their money, right? They're not going to be competitive in highly institutionalized rule of law economic environment. And so they do need to keep Russia governed more or less the way it is, and to the extent that EU expansion is a threat to that even through things like association agreements puts pressure on them to change the way they do business domestically, they're going to want a leader in the Kremlin who's going to stand up for their interests.

AMB. LUTE: I mean, I agree. I think my colleagues have made a persuasive argument that it's the underlying conditions in Russia that have resulted in Putin being empowered and I think therefore even if Putin were passed from the scene those same underlying conditions would largely dominate a successive regime. So we may be in for a long haul here. If you buy the premise that Russia is fundamentally a state in decline, and that over the last 25 years it essentially took a pass on an opportunity to reform its economy, its politics and so forth, we don't turn around those factors quickly. So my guess is that we're in for the long haul here.

MR. LYNE: I don't think he did take a pass on the opportunity to reform for 25 years. From 1988 till 2003, end of maybe 2004, Russia was on a broadly convergent course with the west. It was in a broadly reforming modernizing mode. A huge amount was done in Putin's first term, but in terms of domestic reform and restructuring and in terms of rebuilding very close, increasingly close relations with the west, we tend to forget that, he's been on a different course since 2004. I think Putin has articulated and manipulated very skillfully popular feelings in Russia, so to that extent I think he does represent a large body of opinion there.

He leads and represents a very powerful conservative constituency within the Russian elite, obviously heavily dominated by security and military elements, but not only, and self-interested people who've made gigantic amounts of money. But this is not the only faction in the elite. In the 1990s, there was a liberal modernizing element that actually still represented within Putin's regime, but doesn't have a lot of traction, but if you look at the governor of the Central Bank, the Ministry of Economic Development and Trade (phonetic), some of the deputy prime ministers and so on, there are still some liberal modernizers within the system. Beyond that, in the Russia intelligentsia and the business elite, there are people who would want a very different sort of Russia, and Dmitry Medvedev raised and asked last September at great length in which he articulated the case for this, he's not capable of leading it, he's too weak a figure, I

think he didn't even write the article, actually he signed it.

Interestingly enough, it was seen by Putin before it was published and among other things it called for a radically improved relationship with the west, not least in order to get more western investment into Russia. I think what's going to happen is I don't think Putin is capable of changing. We're going to have to wait this one out if you like. He's leading the country downwards. He's leading it towards increasingly difficult territory. This regime will eventually end in failure. I think then it will be a rather messy period, but I think at that point there is a serious chance that they will decide to revert to the course they run from '88 to 2003, and try to modernize the country which has considerable potential in terms of human resource, brain as well as wealth to become a much more modernized state in their own interests. We may have to wait a long time for that to happen. Remember that Robert Mugabe is still running Zimbabwe down and he's still in power. There is sadly a sort of Mugabe thesis over Russia in which case it may be a very long game.

MR. GEARSON: Okay, I'm not sure I want to go down that combative route, but just to close this topic off, Putin, strategist or tactician, and you talked about skill, how skilful he can be. Is he strategic or tactical essentially?

AMB. LUTE: Well, I'll take a first stab at that. I think he's an opportunist. I think he's more a tactician than he is a strategist. I mean, if he were a strategist, I mean, at least by sort of western strategic logic, right, why would you do something that -- so for example, in Ukraine that unites Ukrainians as they've never been united before. Or why would you seize Crimea when you already had the base there and it was really not under threat, but doing so put you under sanctions for an indefinite period of time and essentially cast you as a -- as the renegade in the international order? Why would you take steps along the periphery of NATO to unite NATO in a way that quite frankly I didn't expect when I went there. I don't take great credit for the solidarity of NATO, but it was actually Vladimir Putin that solidified NATO in a

very helpful way. And why would you take steps that unite the European Union, the United States, and the sanction regime at a time when your economy is already under stress? So there's some strategic ill logic here that doesn't I think point to sort of a grand strategic plan.

MR. LYNE: His strategic objective is to retain power for himself and his associates, for the 200 people or so and an assortment of clans who underpin him and whom he leads. He is a very skilled opportunist and can move fast and flexibly and keeps people in doubt all the time as to what his next move is going to be. Even people in Russia simply do not know. The decision-making is very much centered in himself. If he was a strategist, he would not have ignored the advice from people very close to him like Alexei Kudrin 12 years ago. The way that he was shifting Russian domestic policy-making, economic and indeed wider than economic in terms of restructuring was going to lead Russia into a new period of stagnation which Russia has been in since 2013.

The projected growth rates for Russia when it comes out of its current recession are only in the region of about 1-1/2 percent of GDP which is not enough to achieve the objective that Putin articulated when he came into power of catching up with the more advanced nations of the world. So in terms of Russia's social and economic development, quite apart from its external position, Putin has been -- has not pursued any kind of coherent or sensible strategy, but he has acted in a way that has enriched and empowered a small group of people who are now in a very, very strong position within this weakening country.

MR. GREENE: We agree with that broadly. I mean, I think that Putin's strategic objectives are entirely domestic, that the international field is important to him, but only to the extent that it helps him achieve what he thinks he needs to achieve at home, but I also think that part -- the cornerstone of his strategy really is to be inscrutable. The minute that his strategy becomes legible and transparent, people whether domestically or overseas can be -- can begin to outmaneuver him, can begin to plan for responses. And

because of all the reasons that the ambassadors have both mentioned for which Russia is not institutionally strong, is not conventionally powerful, Putin has to maintain his power and the power of his elite by managing, creating, manufacturing and manipulating uncertainty. And that's something that he does extremely well, again both domestically and internationally.

MR. GEARSON: Thanks very much. We started a bit late, I'll take the time for one last question from --

MR. BARRETT: Thank you. Richard Barrett from the Soufan Group. I just wondered if you could say a little bit more about the Russian spat with Turkey and the likely trajectory of that and the extent to which that's a bilateral issue or an issue that involves NATO more broadly? Thank you.

AMB. LUTE: Well, from NATO's perspective it's a NATO issue obviously because Turkey is one of the 28 -- in fact it's probably as you imagine the alliance geographically perhaps is the one of the 28 under most duress right now. It is at borders Syria and Iraq, a 1,500 kilometer border essentially with ISIS and then of course it has all its own internal domestic struggles as well, most prominently from the Turkish perspective against having to do with their Kurdish -- internal Kurdish challenge. So from our perspective this is very much -- very much features Turkey as a frontline state.

I think what has really changed over the last months as Russia has begun military operations right up against the Turkish and sometimes across the Turkish border with Syria, it has illuminated that the challenge to NATO with Russia is not only a Baltic Polish sort of eastern flank Black Sea flank challenge, but it's also a challenge in NATO's southeast corner. So it's both. I mean, Turkey is -- obviously this is NATO challenge, but there are bilateral dimensions, Turkish Russian bilateral dimensions of the problem that are really complicated. Of course the two are linked, right, because an attack on one is an attack on all.

So one of the things we're doing carefully in

concert with our Turkish allies is to make sure that Turkey tries to retain its position as the -- bear with me, the responsible, predictable player along that border when it faces Russia and Russian forces in particular that don't tend to play by the rules and therefore are quite unpredictable and potentially very destabilizing. And this all came to a head in one vignette with the downing of the Russian airplane several months ago. So it's a very -- it is perhaps the most delicate 1,500 kilometers of the NATO periphery.

MR. GEARSON: Thanks very much. Our time's up. On your behalf, I'd like to thank the panel for a really interesting session, and if you'd join me in showing your appreciation too. Thank you.

(Applause)

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