

As Russia returns to its logical, regional, strategic roots, the US under Obama is slowly waking up after its neocon nightmare, argues Eric Walberg

The irony in current relations between Russia and America is that the US has been far more ideological, perversely so, in the past two decades than Soviet foreign policy ever was. Russia is now expanding its economic and political relations with its former comrades both in the “near abroad” and in the Middle East without any of the scheming subtexts of Washington’s manoeuvring in the recent past

One of the many signs of this is the rapid realignment of Ukraine since the election of President Viktor Yanukovich. Russian Prime Minister Vladimir Putin not long ago floated the idea of merging Ukraine’s national energy company Naftogaz Ukrainiy with the Russian gas giant Gazprom -- a move, gasped critics, that would put Ukraine’s strategic network of gas pipelines effectively under Moscow’s control.

Gazprom Chairman Alexei Miller said Gazprom is considering asset swaps with Naftogaz that would provide Gazprom with access to control over the transit pipelines and underground gas storage facilities in exchange for Naftogaz’s access to production assets inside Russia as well as the development of new gas fields. Ukrainian pipelines carry about 80 percent of Russian natural gas exports to Europe. If the deals go ahead, this would mean the end of the Nabucco pipeline, and Gazprom would probably abandon or scale back the South Stream pipeline.

Putin and Ukrainian Prime Minister Mykola Azarov agreed to create a joint holding company which would give Russia effective control over the nuclear power industry in Ukraine and provide Russian access to Uranium ore deposits. Russia and Ukraine would build a nuclear fuel enrichment facility in Ukraine and provide a \$5 billion credit to build two nuclear power generators at the Khmelnytsk nuclear power plant. There are also acquisition deals in the works in aviation and shipbuilding and steel and pipe manufacturing.

In addition to the renewal of the lease of the Black Sea naval base at Sevastopol till 2042, Russia hopes to re-open a Soviet-era submarine base in the Crimea and establish naval bases at Nikolayev and Odessa on the Black Sea coast. “The planned expansion of the Black Sea Fleet is Russia’s response to the NATO expansion to the East,” said Admiral Vladimir Komoyedov, former Black Sea Fleet Commander, referring to the establishment of NATO bases in Romania and Bulgaria. Russian President Dmitri Medvedev is expected to sign an agreement on upgrading the Sevastopol base when he pays an official visit to Ukraine next week.

Vladimir Belaeff, president of Global Society Institute in San Francisco, says, “The current rapprochement between Ukraine and the Russian Federation has been long coming.”

Russia-America: Rediscovering realpolitik

Written by Eric Walberg

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Compounded by the Western financial meltdown, former Soviet states are now turning to Moscow to renew capital and business ties. Ukrainian-Canadian economist Vlad Ivanenko stated at Russian Profile.org that it is “inappropriate to say that Russia is trying to buy Ukraine because, economically, there are few Ukrainian assets worth buying at current market prices. The need to secure long-term loyalty partially explains why Russia is ready to pay an upfront premium for the right of exclusive use of Ukrainian assets.”

This is a “pragmatic, creative and opportunity-driven relationship” according to Belaeff. The two countries are much closer than, say, the US and Canada, which are now virtually an integrated market with the North America Free Trade Association. He sees the Gazprom and Naftogaz negotiations as “a rescue project for the Ukrainian gas pipeline network considering the general shortage of capital available”, and along with the other deals will help stave off collapse of the dysfunctional Ukrainian economy. This is a win-win situation for a Europe teetering on the brink of financial collapse, if not for Washington military strategists.

Russian President Dmitri Medvedev’s recent visit to Syria and Turkey further confirms that international relations are beginning to make sense again. Medvedev and Syrian President Bashar Al-Assad agreed economic deals including arms sales, and Russia will upgrade the former Soviet naval base in Tartus, which along with the Ukrainian naval bases will give Russia a much higher profile in the region.

From Damascus, Medvedev went to Istanbul, and signed deals on building gas and oil pipelines, transporting oil from the Black Sea via the Samsun-Ceyhan pipeline, and building Turkey’s first nuclear power station.

Ukraine, Syria, Turkey -- these rapid developments are a renewal of Soviet foreign policy, albeit in a very different form. As for relations between Russia and the West, there is a return to what was traditionally known as detente, most notably the signing of the renewed START treaty and the ongoing Nuclear Non-proliferation Treaty conference in New York, where the main agenda item is to make Israel join, with both the US and Russia in agreement. This is realpolitik at its best.

The Bush-Clinton-Bush leadership abandoned realpolitik to try to force the new, weaker Russia to accept a subservient role in the new world order, a la Britain or Latvia, and when this failed, tried to revive the Cold War. The Putin/Medvedev policy is to patiently push ahead with a European project, restructuring the economy along European lines, all the while maintaining an independent military force, using groupings like BRIC, the SCO and CSTO to keep from falling into the B-C-B trap. The Gorbachev/Yeltsin white-flag period is now behind, though it will take decades for Russia to undo the damage they caused.

Obama is being forced by events in Afghanistan, Iraq, Iran and Israel to come to terms with this reality. Russia accepted the invasions of Afghanistan and Iraq in the heat of the post-9/11 frenzy, but will not accept further NATO encroachment or a US invasion of Iran. It allows NATO supplies to pour through its territory on their way to Afghanistan, and grudgingly allowed the US base in Kyrgyzstan a year’s grace period, but its red lines have been clearly drawn.

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It could do little as NATO swallowed up Eastern Europe and bits of the ex-Soviet Union, and allowed Ukrainian NATOfiles five years to wreak their havoc until Ukrainians came to their sense themselves. But just as Napoleon and Hitler were destroyed by overstretch, so NATO and the US itself are living on borrowed time (and increasingly meaningless US dollars). What looks like “one step forward, two steps back” in Obama’s relations with Russia is really an indication that the NATO/US retreat has already begun.

Despite the inertia of the Bush legacy, the world is rediscovering traditional balance-of-power international relations. The responsibility of Russia is to make sure the retreat happens in a way that does not result in all-out war.