

The St. Petersburg G8 Summit and Russian Interests

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Russia's ruling elite views the G8 summit scheduled to take place in St. Petersburg next summer as one of the top events of the season. Hypnotized by perpetually high oil prices and the correspondingly strong growth of Russia's hard currency reserves and stabilization fund, Kremlin insiders are behaving in an amazingly relaxed and torpid manner. A good term to describe their current mood is *joie de vivre*, similarly used to describe the disposition of Saudi princes in the 1970s.

So it is rather remarkable that anticipation of the G8 meeting, which will occur on Russian soil in its full-fledged form for the first time, has sent Kremlin insiders into a flutter. Regardless of affiliation, everyone in the Kremlin agrees that the G8 summit offers a trump card that should be used to pull off a winning hand.

Russia's Simple Goal

Russia's main goal for its 2006 G8 chairmanship, and for the summit itself, is obvious and rather trite. It reflects a decade-old idea about how to promote the interests of Russia (or its president) through multilateral summits on Russian soil. In 1995, former Russian President Boris Yeltsin and his retinue designed a special summit where the G7-plus-Russia could consider problems of nuclear safety and security and, through luxurious receptions in newly-restored Kremlin palaces, demonstrate that

Russia had at least a significant, if not equal, role to play in key international arrangements. The objective became to improve Russia's global image. There was another goal at the time as well: to garner the support of world leaders for the politically fading Yeltsin on the eve of Russian presidential elections in the summer of 1996. While the summit did not leave any noticeable trace when it comes to resolving nuclear issues, it was memorable precisely because world leaders gave Yeltsin their support. In the summer of 2006, Vladimir Putin will, it appears, have another agenda. He wants to call as little attention as possible to his persona, because he does not need personal support from the other G8 leaders. It is likely that the focus will instead be on promoting Russia, not its president or his native city.

What resources can Russia use to promote the image of a contemporary and self-confident great power abroad?

Energy

The first thing that comes to mind is energy. This is the area in which Russia is making its greatest breakthroughs and, along with women tennis players, is its greatest attention-getter worldwide. True, this is largely caused by forces beyond Russia's control: the richness of the nation's oil deposits and current high prices in the global market. Moreover, the term petrostate is viewed by many as an offensive epithet: it implies not wealth and power, but a raw material economy with serious corruption, profligate spending, and dependence on oil money.

Few in the Kremlin are ashamed that Russia is a petrostate, but it is impossible to ignore this global talk. Thus, the energy question at the summit will accentuate a theme that is of equal interest to all eight leaders, but which does not highlight Russia as a petrostate: energy security and diversification of energy sources, particularly in light of rising Asia and the development of refining capacities. All this is gathered together under the umbrella of energy security; discussions will smell equally of oil and the gunpowder of the war against terrorism.

Nuclear Weapons

The second unquestioned indicator of Russian power is its nuclear stockpile. In quantity of warheads, Russia is the world leader. The issues of nuclear nonproliferation and nuclear security, as well as nuclear terrorism, traditionally occupy an influential position at summits.

Moscow does not plan to worry about its nuclear heritage, just as it does not plan to reject it. The rhetoric about the need for further deep cuts in nuclear weapons lies in the past. The draft of one of Russia's doctrinal documents clearly indicates the current view of Kremlin strategists, mentioning the need not only to perfect Russia's nuclear armaments, but to increase their number. This passage may not remain in the final version,

and certainly a quantitative increase in strategic nuclear weapons should not be expected. But this sort of Freudian slip accurately indicates the mood of strategic reflections.

The Kremlin is also not going to worry too much about nuclear security, long a ritual of G8 summits, particularly with regards to Russia. Current assessments indicate that rumors of large-scale illegal trafficking in nuclear materials were greatly exaggerated (the total quantity of material lost or stolen in the past decade amounts to no more than 2 percent of the amount needed to create a nuclear explosive device, the International Atomic Energy Agency authoritatively reports). Analyses also indicate that the main security problems at nuclear sites (particularly those under the Russian Ministry of Defense) have been solved, either through the use of Russian budgetary funds or international assistance, including aid provided through the Global Partnership program of the G8 countries.

One has to admit that the Global Partnership program is now endangered, partially as a result of the fact that several states (France and Japan in particular) turned out to be better at promising assistance than at taking concrete steps. But the Kremlin does not intend to go into hysterics over the failure to receive significant amounts of promised sums. Furthermore, it believes that Russia's G8 partners should be as interested as Russia is in providing for the latter's nuclear security, as well as in fulfilling the two key Global Partnership tasks of destroying chemical weapons and dismantling nuclear-powered submarines.

The Kremlin has had a consistent line on making contributions in this area itself. As one high-ranking official noted:

It is no longer 1996; the treasury is full; and how large really are the sums needed for nuclear security programs? Tens, hundreds of millions [of dollars]; in any case, less than one billion. At the very least, we can manage to provide such sums ourselves.

In other words, the Russian government will not argue for the Global Partnership, nor will it look a gift horse in the mouth – that is, as long as the gift is not a Trojan horse (which, in the Kremlin's view, would be assistance accompanied by political conditions).

Here the most important concept is reciprocity: transparency in exchange for transparency. Some in the Kremlin are convinced that the era of playing a game on just one half of the field is over and are basing their actions on this premise. If Americans want to visit Russian nuclear storage sites, Russians should visit U.S. facilities as well. If Russia does not have any nuclear weapons outside its national territory, the United States should not either. So one hears in Kremlin corridors.

Moscow will willingly address nuclear themes at the G8 summit but will not take any initiative in this area, which explains the absence of this topic on the list of announced priorities.

As for the topic of nonproliferation as it relates to other states, the summit agenda could still change repeatedly, depending on the dynamics of the situation in particular regions. But today Russia would prioritize its chief concerns as follows: 1) Pakistan; 2) North Korea; 3) Iran; and 4) non-state actors seeking weapons of mass destruction.

Education

The combination of oil and nuclear weapons has already made the Kremlin a confident G8 host. However, something is still missing. Like many Russians (see Figure 1), officials in the Kremlin believe that the greatness of a nation is also determined by the educational level of its citizens.

It is enough to look at the United Nations Human Development Index to see that Russia is hopelessly back in 57th place, in the company of countries such as Bulgaria and Panama (by comparison, Canada is in 4th place; the United States, 8th; and Japan, 9th). This is primarily due to Russia's low life expectancy, as well as the modest incomes of its citizens. Yet Russia is a head above its neighbors on the list (and is even ahead of Japan) when it comes to the educational index (see Figure 2).

Russia is not simply a great power with nuclear weapons and oil, but a power that has traditionally had high intellectual potential and a high-quality educational system, as well as a society that thinks about the future of the world through the prism of education. Add to this Russia's cultural history and that of St. Petersburg, in particular, and the priority of improving Russia's image becomes clear.

But the education priority is not so simple. If in other areas the agenda can be reliably predicted, here room for new initiatives still exists. Russia's educational strength (like its nuclear strength) was inherited from the Soviet times. Russia is persistently holding on to the bar, but it is constantly being raised; new competitors are reaching or overcoming it, particularly in the sphere of education as a good on the world market. Russian intellect is still highly valued abroad. But in Russia itself people less eagerly seek an education, and Russia can no longer contend with the emerging new leaders: Australia, Ireland, New Zealand, and Canada.

The topic of education is not just a summit priority, invoked to help create a new image of Russia. The issue runs deeper. Russia's leaders believe (perhaps intuitively, but, more likely, consciously) that education and knowledge will be the *leitmotif* of the new century, which Russia can enter comfortably as a member of its elite club.

Still, while Russia has oil and nuclear bombs in its back pocket, these things are not enough for party membership. Brains are needed too in order to competently make use of bombs and big oil, and to avoid being thrown out of the club and into the company of those countries where the

era of knowledge has yet to begin. This is particularly significant as the rift between these two strata is already colossal and rapidly increasing. Still, the Kremlin has yet to take a bold step to put today's Russia on the path towards leadership in the era of education and knowledge.

Troika, Vos'myorka...

Moscow has undergone an interesting evolution in thinking about its priorities and those that the St. Petersburg *vos'myorka* (the "group of eight") should embrace.

First, attention has noticeably shifted away from a focus on hard security, a classical and familiar agenda for which concluding statements may be written well ahead of time, toward soft security. The appearance of education as a priority is the best example of this. Moreover, Moscow has shown an earnest and sustained interest in such possible summit topics as:

- new infectious diseases and the prevention of pandemics (and, in this context, issues related to biosecurity cooperation may be considered);
- demography and the role of migration (the Kremlin has made a sudden and dramatic turn in its understanding of migration, from seeing it as a threat to seeing it as an opportunity for development), and;
- global climate change, an issue of intensified interest due to the effects of Hurricane Katrina (although Moscow, when looking at the long-term prospects for climate change in Russia is more likely to see global warming as an opportunity).

Second, Moscow is gradually losing the euphoria that accompanied its acceptance as an equal member of the G8 to a more measured view of this international instrument. At the same time, it is studying the possibility of forming other elite clubs, where it might feel itself more among equals. Yevgeny Primakov's idea of a Moscow-Delhi-Beijing axis got off to a good start with the meeting of the Russian, Indian, and Chinese ministers of foreign affairs in Vladivostok; Moscow is looking ever more seriously at the options for working out a strategy for this *troika*.

Third, the Kremlin realizes that the St. Petersburg summit will not be completely harmonious because the interests of the group differ too much on many key issues. This is clear even on nonproliferation, where ritual phrases about a unanimous position vis-à-vis Iran hide very different interests towards this state. Or take education: the European Union is moving to absorb educated talent from other states, including Russia. This directly contradicts Russian interests. A possible future Russian policy to attract top-notch Russian specialists who were educated and/or lived and

worked in the West will hardly please Germany, the United States, or Canada.

In the area of energy, this is even truer. In front of its G8 partners, Russia sometimes even flaunts the fact that in order to get Russian oil and gas, one must line up not in the west, but after China and perhaps also India. Tensions are increasing on the eve of a serious battle for nuclear export markets among Russia, France, and the United States. Senior officials have a hard time stopping themselves from noting that prolonged conflict in Iraq is much more advantageous to Russia than stabilization. And they do not keep quiet when the topic turns to prices. As one Kremlin politician said, "Why should we think of a 'national catastrophe' in American terms or the terms of the other G8 states? For us, a national catastrophe is when the price of oil falls below \$15 per barrel." Needless to say, for most of Vladimir Putin's guests in St. Petersburg in summer 2006, such a turn of events would mean a national holiday.

But the difference between Russia's interests and those of its G8 partners does not frighten Russian strategists at all, as it would have done several years ago. Instead, this difference is being dispassionately subjected to examination and, perhaps, even being cultivated.

Figure 1: "What must a country have to be considered a Great Power?"

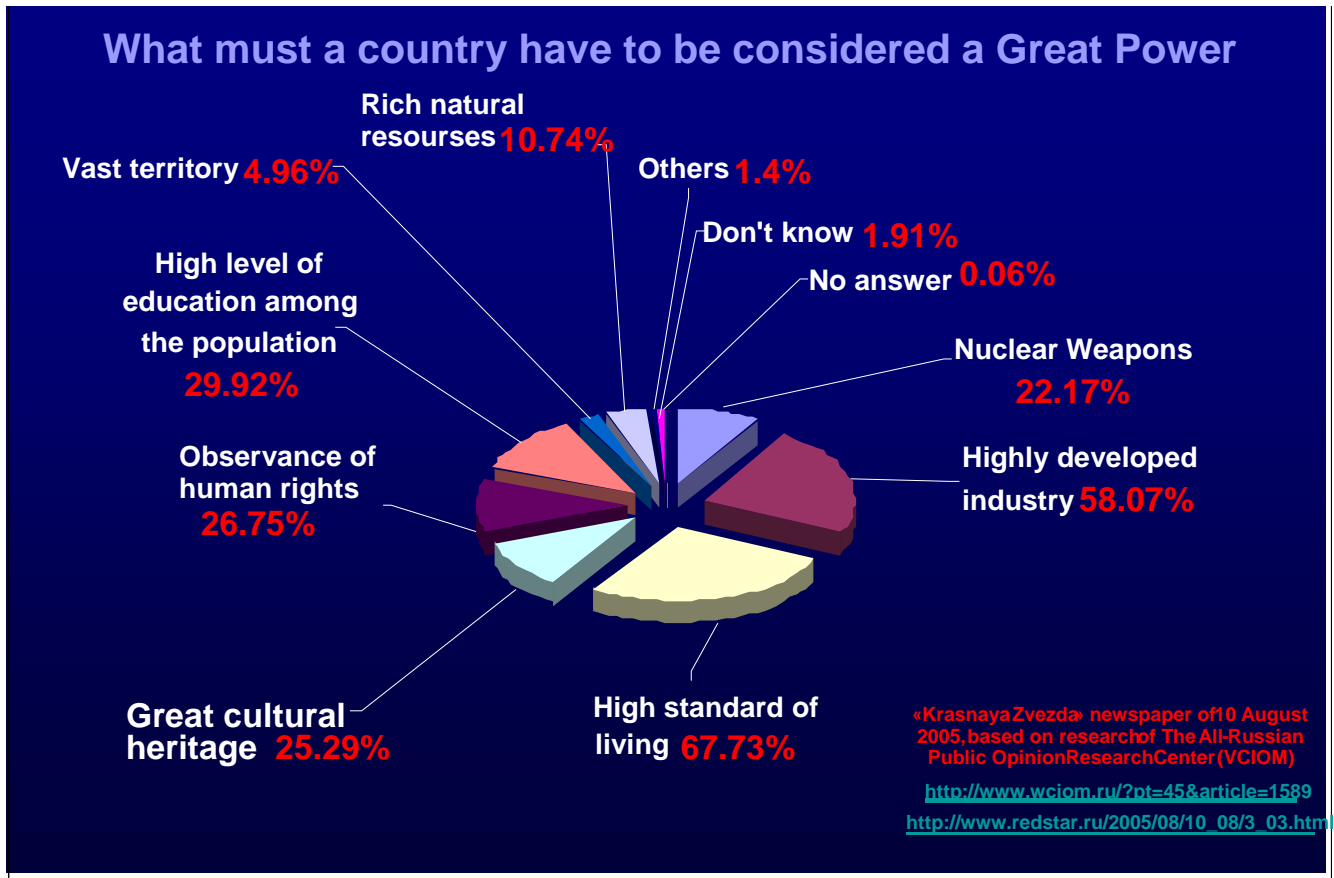


Figure 2: Human Development Index

HDI rank (previous year)	Life expectancy at birth (years) 2002	Adult literacy rate (% ages 15 and above) 2002	Combined gross enrollment ratio (%) 2001/02	GDP per capita (PPP US\$) 2002	Life expectancy index	Education index	GDP index	Human development index (HDI) value 2002
1(1) Norway	78.9	*	98	36 600	0.90	0.99	0.99	0.956
2(3) Sweden	80.0	*	114**	26 050	0.92	0.99	0.93	0.946
3(4) Australia	79.1	*	113**	28 260	0.90	0.99	0.94	0.946
4(8) Canada	79.3	*	95	29 480	0.90	0.98	0.95	0.943
5(5) Netherlands	78.3	*	99	29 100	0.89	0.99	0.95	0.942
6(6) Belgium	78.7	*	111**	27 570	0.90	0.99	0.94	0.942

7(2) Iceland	79.7	*	90	29 750	0.91	0.96	0.95	0.941
8(7) United States	77.0	*	92	35 750	0.87	0.97	0.98	0.939
9(9) Japan	81.5	*	84	26 940	0.94	0.94	0.93	0.938
10(12) Ireland	76.9	*	90	36 360	0.86	0.96	0.98	0.936

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55(56) Antigua & Barbuda	73.9	85.8	69	10 920	0.82	0.80	0.78	0.800
56(57) Bulgaria	70.9	98.6	76	7 130	0.77	0.91	0.71	0.796
57(63) Russia	66.7	99.6*	88	8 230	0.69	0.95	0.74	0.795
58(61) Libya	72.6	81.7	97	7 570	0.79	0.87	0.72	0.794
59(58) Malaysia	73.0	88.7	70	9 120	0.80	0.83	0.75	0.793
60(60) Macedonia	73.5	96.0	70	6 470	0.81	0.87	0.70	0.793
61(59) Panama	74.6	92.3	73	6 170	0.83	0.86	0.69	0.791
62(53) Belarus	69.9	99.7	88	5 520	0.75	0.95	0.67	0.790
63 Tonga	68.4	98.8	82	6 850	0.72	0.93	0.71	0.787
64(62) Mauritius	71.9	84.3	69	10 810	0.78	0.79	0.78	0.785
65(95) Albania	73.6	98.7	69	4 830	0.81	0.89	0.65	0.781

* For purposes of calculating the HDI, a value of 99.0% was applied. ** For purposes of calculating the HDI, a value of 100% was applied.

Sources: Human Development Report 2004. Cultural liberty in today's diverse world. UNDR. 2004. P.139-140.