

# CARNEGIE COUNCIL *for Ethics in International Affairs*

## The Invention of Russia: The Journey from Gorbachev's Freedom to Putin's War

Public Affairs, Global Ethics Forum TV Series

**Arkady Ostrovsky, Joanne J. Myers**

### Transcript

#### Introduction

**JOANNE MYERS:** Good afternoon. I'm Joanne Myers, and on behalf of the Carnegie Council, I would like to thank you all for spending this part of your evening with us.

Our guest today is Arkady Ostrovsky. He will be speaking to us about his just-released but-already-receiving-rave-reviews book, *The Invention of Russia: From Gorbachev's Freedom to Putin's War*.

Arkady was born in Russia, studied in England, and for the past 15 years or so has been reporting from Moscow, first as the Moscow correspondent for the *Financial Times*, later as Moscow bureau chief for the British-based *Economist*, where he is now the Russia and East European editor. Having experienced Russia's modern history firsthand, he uses this knowledge to provide an insightful account of events that were instrumental in the making of Russia. This book was selected as a *Financial Times* Book of the Year and was just recently awarded the 2016 Orwell Prize, which is the United Kingdom's most prestigious prize for political writing.

December 26 of this year will mark the 25th anniversary of the [fall of the Soviet Union](#). [Mikhail Gorbachev](#), the eighth and last leader of the Soviet Union, resigned on the previous day. He declared his office extinct and handed over his powers to [Boris Yeltsin](#), who became president, holding office until he stepped down in 2000. Yeltsin anointed [Vladimir Putin](#) to be his successor, who has served ever since, except for a brief interlude from 2008 to 2012 when [Dmitry Medvedev](#) served as president.

Like all anniversaries, this one will be a time of reflection. Many will be remembering the fall of the Soviet Union and asking: How in a quarter of a century did the Russian people go from an exhilarating sense of new possibility to the country that Russia is today, a country that has been reshaped by Putin's driving ambition to make Russia [great again](#)? [Laughter] I'm sure that sounds familiar.

In *Invention of Russia*, Arkady addresses this question by focusing on the central role the media, especially television, has played in creating Russia's national narrative in its post-Soviet transformation. By introducing us not to the politicians or economists, but to ideologists, TV journalists, editors, television executives, and oligarchs who have been in charge of media in one way or other, controlling the language, and in turn the message, Arkady reveals how these individuals played a disproportionately important role in inventing a post-Soviet Russia, which in this case meant preserving the façade of the state.

So what exactly happened to Russia since the days of *glasnost* and *perestroika*, and to the question of where Putin is taking the country and how the West should react? Please join me in welcoming our guest today, Arkady Ostrovsky.

Thank you so much for coming.

## Remarks

**ARKADAY OSTROVSKY:** Good evening, and thank you very much for coming tonight. It's a fantastic privilege to be here. Very many thanks to the Carnegie Council and to my wonderful publishers, Viking; to *Joy de Menil*, who was my editor, who made the process incredibly enjoyable; to Ben Petrone, who worked with me throughout these months; and to my current and former editor at *The Economist*, *John Micklethwait*, who unfortunately can't be here tonight.

*The Economist* has been incredibly generous in giving me time, but also the opportunity to report from Moscow and write this story in a way that didn't just involve the usual sort of straightforward reporting that foreign journalists do—on the one hand/on the other hand, here are the facts, here is what he said/she said—but in a country "where nothing is real and everything is possible," as a colleague and a friend of mine *Peter Pomerantsev* wrote, where words don't convey necessarily the truth, *The Economist* gave me a great opportunity to cut through the fog of untruth and total disregard for facts, which then became the foundation of this book.

As has been said, in *December of 1991*—you may remember that day, the Christmas Day of December 1991—*Mikhail Gorbachev* addressed the Soviet people on television, 5:00 to 7:00 in the evening, and said the following:

Destiny so determined that when I found myself at the helm of this state, it was already clear that something was wrong in this country. We had a lot of everything—land, oil and gas, other natural resources, and intellect and talent in abundance—but we were living much worse off than people in other industrialized countries, suffocating in the shackles of the bureaucratic command system. All the half-hearted reforms fell through, one after another. This country was going nowhere and we couldn't possibly go on living the way we did. We had to change everything, radically.

Free elections have become a reality. Free press, freedom of worship, representative legislature, and a multiparty system have all become a reality. Human rights are being treated as a supreme principle and top priority. We're now living in a new world. An end has been put to *Cold War* and to the arms race. We have opened ourselves to the rest of the world, abandoned the practices of interfering in other countries' internal affairs and using troops outside this country. We have been rewarded with trust, solidarity, and respect.

We have paid with our history and our tragic experience for these democratic achievements, and they are not to be abandoned, whatever the circumstances and whatever the pretexts.

I thought it was just worth reading this passage from Mikhail Gorbachev because it just reminds you what we started from in 1991. These were not empty words. The words about respect that Russia granted, solidarity, and not interfering in other countries' affairs all seemed completely real at that time.

We are now in a situation, 25 years later, where Russia is considered a geostrategic threat; where

Russia has interfered in several countries' affairs, starting in [2008 in Georgia](#), going on to Russia's [war in Ukraine](#) and the [annexation of Crimea](#). Most recently, Russia extended itself beyond the former Soviet territory in [joining the military campaign in Syria](#). The pundits in Washington, Berlin, London, Paris, including *The Economist*, are all asking themselves the same question, which is: What's next, where might Russia go next in terms of aggression?

The question which was the premise and foundation of this book was the question of how did we get from the 25th of December 1991 to today. You could follow several different narratives. You could look at economy. You could look at politics. You could look at foreign policy. Yet none of those narratives will actually explain quite what happened.

What is striking is that there was no one point in the span of history which we can all point to and say, "Okay, this was the moment of counterrevolution." There was no one event comparable in scale and significance to the [three days in August 1991](#), when tens of thousands of Muscovites went out in the streets to defend freedom and to foil the coup which was mounted by the KGB.

There was no one event of which we could say, "Here was the counterrevolution, here was another event, here is when people went out into the streets and threw out all that freedom." There are good candidates, and we can talk about that, but there was no one single point.

I wanted to understand how the country—and what I tried to do is to look at another narrative. I wanted to look at ideas, messages, the media, for one simple reason: Russia is a very idea-centric country. Russia is a country very much about words, and it is reflected, of course, in its great literature.

I was very fortunate, before I started writing this book, I was translating [Tom Stoppard's \*Coast of Utopia\*](#), which some of you may have seen here at Lincoln Center. It was also staged in Moscow and in London. There is a wonderful moment there where a literary critic, [Vissarion Belinsky](#), visiting Paris, says to his friend, "There will come a day when saying that I'm Russian will not bring shame but will bring pride because of the Russian literature. It will be all about words, and literature has to take upon itself great tasks, substituting political institutions." I'm not quoting directly, but that's the meaning of the passage.

But this interest in and particular attention to words and ideas had another side to it, which was remarked on by a great Russian physiologist and psychologist, [Ivan Pavlov](#), the same Pavlov—you know, [Pavlov and the dog](#)—who, speaking to students in Petrograd in 1919, two years after the [Bolshevik Revolution](#) in a country which was torn by [civil war](#), said, "There is a very peculiar thing about Russian people in that we pay much more attention to words and ideas than we do to facts and reality."

Now, it's hard to suspect or accuse—by that time, he was in his late seventies—Ivan Pavlov of Russophobia. He was as great a European Russian as it gets. But that was a very true and almost sort of detached reflection on this faculty, our ability to sometimes believe the images and words, which is sort of the second signal system, more than you believe your own eyes. I have observed that faculty in Russia throughout the years that I have been reporting there, and most recently in Crimea and in Ukraine.

What was extraordinary—I was in Crimea just a few hours, literally, before the "[polite green men](#)" showed up. I was on the last flight out of Kiev to Simferopol. A few hours later, the airport was seized by the Russian Army.

I was traveling through Crimea, seeing people waving flags and celebrating something. When you asked them, "What are you celebrating?" they said, "We're celebrating liberation." "Liberation from what?" "Well, liberation from Ukrainian fascists, who just mounted a [coup](#) in Kiev, who were about to eliminate the Russian-speaking population in Crimea and deprive us of our cultural identity and probably kill us."

In all this, I was asking, "That's all very good, but where's the enemy?" They said, "Well, the enemy is in Kiev. We've seen it on television." [Laughter]

My reaction was exactly the same as yours, had it not been for the fact that a few weeks later the same narrative led to bloodshed in Eastern Ukraine. The very first thing that the Russian Army did—or Russian special forces, I should say, did—in Eastern Ukraine—and I would be happy to discuss the difference between the two and the policy responses—but the very first thing the Russian special forces did in crossing into Ukraine was to seize control over television transmitters and to switch off Ukrainian channels and to start broadcasting Russian channels, which were perpetuating this narrative of Ukrainian fascists who were coming to kill these poor Russian people in Eastern Ukraine.

Just imagine godforsaken, poor, poverty-stricken towns, with a lot of illegal mines, with a heavy-drinking population, where people sit and watch these pictures on their TV, and they come out of their house being told that they are heroes who are resisting this fascist aggression and being handed out weapons in the street.

The war which we have observed in Eastern Ukraine and in Crimea was a very unusual war. We refer to it as a "hybrid war" now. But it was a war that was led by the media, by television, and backed by the army, which is highly unusual. In normal warfare, where you have the military aggression first and then you have propaganda backing the military side, but here the damage was done first by the media, by the narrative of the message, and then the army provided the pictures, if you like. They backed television. They played out the script which was written in the television center in Moscow in Ostankino and in the corridors of the Kremlin.

Now, when this was happening, I was well into the book. The book was not supposed to cover those events when I started writing it. It took me much longer than I thought it would. I missed a couple of deadlines. But it clearly brought the whole idea of the importance of the media into focus. In a way, history was writing its own ending to my book and then confirming that the approach probably was the right one.

Now, if we look back, rewind the tape back 25 years, to the collapse of the Soviet Union, it was also the role of the media, and particularly print at that time—for interesting reasons, that communism was a pseudo-religion and operated with the same techniques like any religions, with books and scripts and arguments about the texts—the opening up of the media, in my view, was a crucial factor in the collapse of the Soviet Union. Why? Because the Soviet Union rested ultimately on two main pillars. One pillar was repressions, or the threat of repressions, after [Stalin's](#) death, when they became less of a [mass terror](#) and became more targeted repressions aimed at dissidents, and were getting weaker as the regime was getting weaker.

The second pillar was ideology, or propaganda, or, to be precise, lies. It was when Mikhail Gorbachev and people who were around him, and in particular one man who I would like to note, who deserves far greater credit than he has received so far—luckily, there is a [book](#) by [Richard Pipes](#) I think recently out—a man by the name of [Alexander Yakovlev](#), who was a member of the

Politburo, who was ambassador in Canada for 11 years, and who was absolutely instrumental not only in bringing about *perestroika* but in actually formulating ideas which Gorbachev carried on his banners.

Yakovlev's idea was that the only way to dismantle this very dangerous system was by opening the information channels. It was when they started opening the information channels, when they started to open out the media and weakening the ideology, they effectively pulled the second main pillar from under the system and the system came crashing down.

Now, Gorbachev obviously didn't intend that. Gorbachev came to revive the Soviet system, to revive socialism, and *perestroika* was carried out in the name of going back to the ideas and the principles of Lenin. It was carried out in the name of socialism with a human face. But one thing it could not withstand, and that was the contact with reality and with the truth.

The Soviet Union came about by the words. The very first thing the Bolsheviks did was to seize newspapers, to put books on blacklists, to formulate new ideology, and the Soviet Union vanished by the words. The Soviet Union, of course, did run out of money, but even more so it ran out of words, of things to say to the people. I could elaborate on that. There were reasons why it was Gorbachev's generation that was so instrumental in that. I'll just say two things.

One, this was a generation formed by two very important experiences. One was a lot of them were the children of the old Bolsheviks. They were effectively the Soviet patricians. They were the Soviet princes. They were the people who felt entitled—not only entitled, but they felt duty-bound — to carry on the tasks of their fathers, many of whom vanished in Stalin's gulag. It was because many of them got killed that they had what I would call sort of Hamlet complex of not just redeeming their fathers, but making sure that they put Russia back on the right track, that they carry on their deeds. That was a very, very important incentive and stimulus for many of those people who are described in this book, the lieutenants of *perestroika*.

The second important experience was the Soviet invasion of Czechoslovakia in 1968, when all the hopes which were harnessed in the Soviet Union after Stalin's death, Khrushchev's thaw came to nothing when the Soviet Union sent tanks to Prague. Gorbachev had a particular personal experience of this event because one of his closest university friends was Zdeněk Mlynář, who was Alexander Dubček's right-hand man in Czechoslovakia. Dubček was brought to Moscow in shackles. When Gorbachev was sent to Prague to restore a relationship between the youth in the Soviet Union and Czechoslovakia, he couldn't find his friend. His friend was by that time exiled.

And by the way, the invasion of Czechoslovakia was also a response to the opening of the freedom of the media in Czechoslovakia.

In a way, there was an unspoken oath given by that generation that "we will never do the same, we will never use violence." It was Gorbachev's aversion to violence, at least as much as the arms race, that ensured that the Soviet Union ended the way it did.

Just in parentheses, there is a wonderful remark which was made by the Soviet chief ideologist, Stalinist, a man by the name of Suslov, who, speaking to the Politburo, said: "The time that passed between the Czechoslovak government passing a new media law, opening the media, and the time when we had to bring in the tanks was only a few months. Now, what if we adopted the same law? Who would send the tanks to us?" The Soviets made that link very clearly between the opening of the media in Czechoslovakia and what happened with reforms and their shift westwards.

So words were incredibly important in bringing down the Soviet Union. They were as important, I believe—although images take over, because we move into the 1990s, the era of television—in forming the new country.

It was an extraordinary experiment which we observed in the early 1990s, with private Russian television channels, such as NTV, and some newspapers, like *Kommersant*, private Russian newspapers, that proceeded to model and program a new country, not necessarily to reflect the reality on the ground. And in Russia it was a pretty dire reality—effectively, economic collapse, lack of institutions, lack of state mechanisms, a half-disintegrating country. But the television was already kind of a Western television. It was supposed to deliver the country to the new era, to the normal civilized world, as they put it. It was good television.

There was a short period, in 1994-1995, during the [war in Chechnya](#), when television did carry out its task and Russian reporters did extraordinarily brave things. But they also spoke a lot of half-truths and made a lot of compromises, which were particularly noticeable in 1997-1998, when the oligarchs who effectively controlled the main television channels used those television channels to fight corporate wars with each other and who very effectively smashed up, in 1997, the most liberal young government which was appointed by Yeltsin at the time, the government which was led by [Anatoly Chubais](#) and [Boris Nemtsov](#), who was, in Yeltsin's view, a future Russia's president.

Boris Nemtsov, as you I'm sure all know, was [killed](#) outside the Kremlin in 2015 protesting against the war in Ukraine. Nemtsov was a good friend, and it was an enormous loss, a personal loss, and, I believe, a huge loss for the country.

But there we are. This is what happened in the 1990s. This government got smashed. Russia entered into sort of an economic spiral of [financial crisis in 1998](#), leaving Yeltsin with very little choice but to look around in security services for his successor, for somebody who could restore a sense of stability and statehood in the country.

The oligarchs who, as I said, controlled the media, recognized this mood and this demand in Russia for a strong man, somebody very different in stature and in appearance from Yeltsin, and proceeded, by the means of television ultimately, to create their own security man, as they believed, a man who would be obedient, who would come from the security services background, but yet would be easily controlled by the oligarchs and the media. Nobody knew the name. Nobody recognized the man. There was this guy, [Vladimir Putin](#), who nobody had heard of. He was very much the product of the media—again, of the construction of the reality.

Of course, the very first thing that Putin did upon becoming Russia's president, way before taking control of the commanding heights of the economy, of oil and gas and natural resources, was to take control over the media, and particularly over television. The television remote control became the main tool for ruling the country.

In the 1990s, there was an interesting dynamic between those who controlled the media and who commanded the media and the security services. A particular example of that was the [presidential elections in Russia in 1996](#), where Yeltsin, contrary to the popular perception that Yeltsin was facing just the [communists](#)—Yeltsin was, in my view—and the documents bear this out—was never about to surrender power anyway.

But Yeltsin was faced with two groups within the Kremlin that were fighting each other. One group was led by his [bodyguard](#) and by the other security services establishment, who were calling on him to cancel the elections or postpone them because of Yeltsin's low rating. The other group was some

of the liberal economists, the oligarchs, and the media, who wanted Yeltsin to win transparently and openly because that would give Yeltsin legitimacy, that would help to integrate Russia into the West, that would increase the value of their assets. The *siloviki*, the security people, on the other hand, wanted to make Yeltsin as much of a hostage to them as possible. These two powers clashed and, for the first time, the media gained the upper hand. The bodyguard, Alexander Korzhakov, was sacked. The media people were promoted. The president of NTV television channel was offered the job of Yeltsin's chief of staff.

What Putin did a few years later, having observed the power of the media, was an extraordinary thing. He effectively merged these two things together. He merged security services with the media. He understood perfectly well that in a country at the stage of Russian economic development you could not rule simply by means of police and security services and repression. Anyway, he was not, and to this day, I don't think—and we shouldn't exaggerate—he is not a bloodthirsty tyrant who is just desperate to kill his own countrymen. Even after the [protests in 2011 and 2012](#), Russia, thank god, did not have [Tiananmen Square](#).

So he understood very well the power of ideas and the media. He preferred to rule the country, yes, by security services who were put in charge of the key government positions and economic positions, but also the media, which allowed him to manipulate the narrative, which he has very successfully done. He brought together these two services, the security services and the media. The result of that merger was the situation which I described earlier, which we faced in Ukraine and which we still face today, not just in Russia and not just in Russian periphery, but now further West—in the attacks, propaganda and information warfare attacks, in Germany, Finland, Sweden, financing of right-wing parties in France.

Now, I'm very far from suggesting that Vladimir Putin has anything to do with the extraordinary rise of [Donald Trump](#). But that said, the hopes and expectations in Moscow that Trump will win—and some of the rhetoric that we are hearing from the [Trump campaign](#) about making America great again, about imposing limitations on the media and changing libel laws, calling journalists scum, and particularly, total disregard for truth and facts—all those things, for somebody who has been reporting from Russia, seem just too painfully familiar.

I'm going to stop here. I would love to have a discussion and have your questions. Thank you.

**JOANNE MYERS:** Arkady, that was absolutely wonderful. It made me think that Putin is the writer, director, producer, and actor of *Wag the Dog*, Russian-style.

But also the thing that you brought up about Trump and his attacks on the media—it's happening with [Orbán](#) in Hungary, in the [Philippines](#).

**ARKADAY OSTROVSKY:** That's why I think it's so dangerous, in that what is happening is that Putin is not just an outlier, but he is becoming part of a certain trend, and that is, obviously, a hugely worrying trend.

## Questions

**QUESTION:** Hello. Daniel Stein.

I wanted to sympathize with you. Here in America we also have media plutocrats, some foreign ones especially, who dictate our coverage and helped elect some rather right-wing characters over the years.

But my question—I actually want you to compare [Russia's role in Afghanistan](#) prior to the events you described with its role in the [Balkans in the 1990s](#). I know Russia has a particularly strong relationship with Serbia now, but not as much with Croatia. I want you to sort of compare the military response that Russia had in Afghanistan with the one that they had after [the Wall fell](#). Thank you.

**ARKADAY OSTROVSKY:** I'm not sure those are really comparable things. In December 1979, the Soviet Union invaded Afghanistan, mounted a coup, and essentially got bogged down in warfare which lasted until the late 1980s. It was obviously the last, probably, spasm of the Soviet imperial policy. Interesting why it happened at that time. Perhaps economically Russia was starting to feel weaker, had to kind of defend itself that way. But that's by the by.

That was an invasion and a coup, and therefore warfare. Russia didn't fight a war in the Balkans. The best it did was to [secure that airport](#), Pristina Airport, and—

**QUESTIONER:** But they were absent in a way that they probably would not have been prior to 1991.

**ARKADAY OSTROVSKY:** No, but—it's sort of almost asking the same thing—that's what I was trying to say about the idea of aversion to violence in that passage that I read from Gorbachev, that they didn't want to go into another war. When people ask why did Gorbachev allow the fall of the Berlin Wall, why did he not fight for the Soviet bloc—well, because that's what the whole thing was about, not doing this again. That's what I was trying to say.

I think it's much more legitimate to compare Soviet actions in Afghanistan to Russian actions in [Syria](#). Indeed, one of the things that people were pointing out when Putin started bombing Syria on the side of [Assad](#) was to say, "Well, is this kind of a repeat of Afghanistan?" Of course it wasn't the repeat of Afghanistan, not only because there were no boots on the ground—and that declaration of withdrawal from Syria was a message sent to the Russian population that: "Look, anybody who predicted we will get bogged down is wrong. We can just get out as quickly as we went in."

But when people say, "So what has Putin achieved?"—when people were predicting that he would get bogged down, that was resting on a premise that Putin would stay for as long as it takes for the conflict to be resolved or for the state to reappear.

Russia today is not in the business of building states or nations or projecting ideology. It's in the business of images, of television pictures. Russia's campaign in Syria was led as much for the sake of television and providing television pictures as it was for any other foreign policy reason. Foreign policy today in Russia is there to generate material for television to show. It's a reverse relationship. If you accept that, then you begin to understand that the objectives and the tactics are going to be very different. I think for policymakers it's essential to get that right.

So when [Barack Obama](#) said in his [interview with Jeffrey Goldberg](#) that Putin's weakness is in the fact that—you know, strong countries don't need to use force to get their friends to do what they want them to do, so the fact that Putin is showing force is a sign of his weakness—that's missing the point. Showing force is the show. The whole thing is about showing force. The whole thing is about resurgence. The whole thing is about television.

**QUESTION:** Tyler Beebe.

A two-pronged question regarding Ukraine. Now that Putin has Southeastern Ukraine, what the heck does he do with it? I mean it strikes me that he has an economically unviable territory on his hands, it's a drain on the Russian treasury, and the populace isn't particularly excited about their current



status.

Related to that, it's obvious that part of Putin's effort in Ukraine was to destabilize the central government. Is he doing that effectively? Because there is clear evidence that corruption and other elements that I think nobody expected to evolve are beginning to harm the status of the current government.

**ARKADAY OSTROVSKY:** Thank you. The second part of your question sort of answers the first part of your question, if you like.

It depends on what you consider to be Putin's objectives in Eastern Ukraine and the Crimea. I think the objectives were very different. The objective in Crimea, the annexation of Crimea, was to sort of express this idea of imperial nationalism, to seize territory, a desirable piece of Black Sea coast.

The objective in Eastern Ukraine was completely different. I don't think it was ever about annexation. If we just examine the facts, in Crimea Russians brought the army and seized the territory in 48 hours. I saw this army. It was a well-disciplined, extremely well-equipped, very rapid-response military force. Russia didn't do this in Eastern Ukraine—not because they couldn't, but because they didn't want to—because the objective of the operation in Eastern Ukraine was not to seize the territory, but to show that any popular uprising of the kind that we saw in Kiev a few weeks earlier and of the kind that we began to see in Moscow in 2011 and 2012, with the popular protests, would be followed and punished by bloodshed and civil war. That was one.

The second objective was, as you said, to destabilize the country, to create sort of a hook by which Russia could hold Ukraine and prevent it from shifting Westwards—or, if you like, prevent NATO and the European Union—and in that sense there is no difference because they are both Western institutions. So I think it's a folly to say it was NATO's fault—this popular and, I think, very alarming discourse which is emerging now, that it was the West's fault, that we provoked Russia by NATO's expansion. I think NATO didn't expand far and fast enough.

But anyway, to prevent Ukraine moving into the West or the West moving into Ukraine, which is a threat to Putin's system—it is an existential threat to Putin's system. The cost I don't think is that massive, to be honest. The fact that the population is unhappy—well, all the better.

What is he to do with it? He will continue. Has he managed to completely destabilize Ukraine? The jury is very much out on that. I didn't expect Ukraine to suddenly evolve into a law-obedient, clean country. Look, it's a post-Soviet state, with very weak institutions, with incredibly irresponsible and weak elites, with oligarchs, as you say.

And it's very easy at the moment to despair of Ukraine. You just read the papers and say, "Oh, no, not again. Not again. We've seen it all before. We saw it in [2004](#) and [2005](#)." There is a huge danger in that attitude because it breeds this sort of fatigue in the West on Ukraine, which I think is incredibly dangerous, because getting Ukraine right is still *the* key element of deterring and making sure Russia becomes eventually a normal, modernized state. I can elaborate on that. It's much more important than the [sanctions](#).

You know, I go to Kiev all the time. The last time I had been, I had two conflicting emotions. One was seeing the same people, [Tymoshenko](#), etc., and thinking, "Oh, no, there we go again."

But then, you go and see extraordinary—I haven't seen anything like this in the post-Soviet space—an extraordinary strong civil society, NGOs run by 25-year-olds, 30-year-olds, those who

were born in 1991. They are the first new generation. That is the big difference between what happened in Ukraine in the mid-2000s and today. At that time they were 15. Today they are 25. They are making a difference. They are putting enormous pressure on the Ukrainian government.

I think we have found quite a successful formula of donor governments, including the United States and the European Union, working in very close contact and alliance with civil society, trying to put as much pressure on the Ukrainian government. I still think it is not enough. I think the West can do more. I think there should be a change in policy.

Things I'm hearing from the State Department are not very encouraging. You hear people say, "Well, we can't really pursue and go after Ukrainian oligarchs when Ukraine is under threat from Russia." Well, it's all the more reason to go after the Ukrainian oligarchs, who are subverting reforms and who are effectively acting as Russia's allies.

So it is very important to get Ukraine right, and we need to do a lot more than at the moment we are doing there.

**QUESTION:** I'm Don Simmons.

The path that Russia has traveled over the last 25 years, from authoritarian state to more liberal government back to greater authoritarian regime, has also been traveled by China in the last 40 years. Would you expect warmer and closer relations between Russia under Putin and China under [Xi Jinping](#) as we go forward?

**ARKADAY OSTROVSKY:** It's much talked about. After the sanctions were introduced, Putin made his kind of big declarations, went to China, talked about Russia's Asian pivot, signed memorandums for something like \$400 billion, talked about infrastructure projects.

There is a lot of talk on both sides, on the Chinese side and the Russian side. In terms of actions, there has been very little. There is a lot of suspicion on both sides. The Chinese leadership is blaming a corporation like Gazprom for not fulfilling its obligations. The Russians are saying, "Well, the Chinese are not really investing and the Chinese are not really lending us money as we expected them to do." So the reality so far hasn't borne it out. I think they do it for different reasons. Putin obviously needs to show that Russia has somewhere to go.

China—words don't cost very much. I think the Chinese are only too happy that the West and America are bogged down with Russia on the Western borders and are sort of focused on what Russia is doing in Europe. That, by default, would divert some attention and resources from what China is doing.

So I think there is a lot of talk and not much action.

**QUESTION:** My name is Larry Bridwell. I teach international business at Pace University.

Could you comment on Lithuania, Estonia, and Latvia in the context of what should be done? Particularly, we have had in the United States a debate about NATO, what their role should be. Both Senator [Sanders](#) and Donald Trump say, and President Obama, that the United States is spending too much money and that Europe should have more of the responsibility.

I raise this in the context of Russia. Shouldn't this be primarily the Europeans' responsibility? You just mentioned the State Department. Some of us in the United States believe that maybe the United

States plays too much of a role in affairs that should really be led by Europe.

**ARKADAY OSTROVSKY:** That's an interesting question. I think it's a question about how America wants to see itself. I wouldn't comment on Trump's crazy ideas about—I think he said something like, if Estonians don't like living next to Russians, they can be shipped away. The Baltics are members of NATO. It's right to defend them. It's right to beef up that spending, I think. Obama's policy, from my point of view, is very welcome in Eastern Europe.

By the way, I don't think that the Baltic States are the most vulnerable part of the former Soviet space at the moment. Putin exploits vulnerabilities and looks for openings. He is not into real direct confrontation with NATO. I don't think he will risk a genuine confrontation with NATO. I think that politically and economically the Baltic States are pretty strong to withstand pressure from Russia, as is Finland. So I don't think that is where he is going to go next.

I think there are other countries which I'm much more worried about, including Belarus, Kazakhstan, which are weaker, where the mechanism of opposition power does exist—Belarus in particular, because it's so easy and important for Russia to seize. It will be very hard for the West to say, "Oh, we must defend [Lukashenko](#)" after everything he has done. So I think it's a kind of gray territory where something might happen, and I fear it might happen sooner than we wish.

In terms of America's role, I have been thinking about it certainly for the past few days, being in Washington and here. It's a question about how America wants to see itself. Does it want to recognize that Russia today is becoming, that Putin is becoming, a leader of anti-Americanism, becoming a leader of an alternative system, illiberal system, where the state has supremacy over human beings and human rights? Does it want to allow that model to spread westwards?

Yes, it is partly—not partly; perhaps largely—a European responsibility. I must say that we have all been very pleasantly surprised by the role which is played by Germany and by Chancellor [Angela Merkel](#), who does recognize Russia as an existential threat to the European project, to everything that Western Germany stood for after the [Second World War](#). She understands that very well.

I think it would be good for America to play the role that it had played in the past in defending those values. I think it would be good for that neighborhood. I think it would be good for America.

But it would be presumptuous of me to talk about, not being an American, what is in America's interest. I just wonder what would happen in a few years' time. That whole ex-Soviet space is coming up into crisis. There will be re-alliances. There will be new divisions. For America to withdraw from a hugely important part of the world, where it had been involved for a long time, where it had led by example—personally, I think it would be shortsighted, but that is very much my personal opinion, by no means *The Economist* one.

**QUESTION:** Good evening. José. I'm a student here.

In relation to the [Russian economy](#), do you see a breaking point with Russia's re-expansion militarily, its projection of power abroad, to where it can no longer sustain itself, similar to the USSR, especially given the low price of oil now?

**ARKADAY OSTROVSKY:** That's an open question. I don't anticipate any economic collapse in Russia anytime soon. I think Russia can manage through for some time. Yes, it will have to introduce some budget cuts. It is already doing so.

The economic system is very different today from the Soviet system. Russia has a floating exchange rate. It just devaluated its currency—it had several devaluations of the currency—by more than 50 percent. Obviously that impacts inflation. That impacts the standard of living. But so far we see the Russian population sort of adjusting to that.

In the long term, no, it can't, it cannot sustain itself. And it is not really the question of the low oil price. It's the question of the dynamic of the oil price. Even if the oil price today was at \$100 a barrel but not growing, the Russian economy would not be growing. It would grow from here to \$100 because there would be an increase, but not just by the fact that there is a high oil price. In fact, the decline and the structural problems of the Russian economy began before the oil price slump and before the sanctions began in 2012-2013, when the oil price was still high.

**QUESTION:** Thank you very much. My name is Anna Visvizi. I'm a visiting scholar at NYU.

My question is, you said that Putin was not a bloodthirsty ruler. So the question is, who is he, what does he want, and to what extent can he do what he wants or is he a captive of the competing factions in the Kremlin?

**ARKADAY OSTROVSKY:** It's a question we asked ourselves 16 years ago: Who is Mr. Putin? Putin is a former KGB officer, formed by that organization through and through in his thinking. He is of a particular sort of Soviet generation. He is clever. He doesn't think that restoration of the Soviet Union is possible. I think he knows that Russia is not a resurgent power. I think he knows that Russia is in decline, and he is managing that decline by the means of propaganda.

Is he bloodthirsty? I don't think killing people particularly bothers him. But it's all relative. When some of my friends in Russia scream that "Putin is Stalin," I think it's disrespectful to the millions of people who were killed by Stalin. Yes, there have been, as I mentioned, horrific murders in Russia of journalists, like [Anna Politkovskaya](#) or Boris Nemtsov, of some people from his own former entourage, like [Alexander Litvinenko](#) in London. But to say that he is longing to spill blood, I don't think that's true.

What he wants is to stay in power. He thinks that staying in power is equal to keeping Russia together, that he is the only force that can keep the country together and prevent it from disintegration. And who knows? I think not. I think Russia needs to go through a period of decentralization and genuine federalism. But anyway, that's what he believes. He wants to stay in power. He wants to preserve Russia and certainly to preserve his wealth, but in particular power.

**QUESTION:** Good evening. My name is Ludmilla.

As a Ukrainian, I cannot not ask you: What is the end of the story? We hear that all about the beautiful picture, how they debate, NGOs, but in reality it's a crisis there. It's a horrible situation. My parents are still in Ukraine. They even cannot get a visa to the European Union, to Poland. People cannot leave the country, basically, to see their kids, to see their family, to reunite. Where do you see the end of the story? The military action is still going on a little bit there, so what then?

**ARKADAY OSTROVSKY:** It's not going to be easy. I think any Ukrainian politician who will come and say it's easy would be lying. Which part of Ukraine are you from?

**QUESTIONER:** From Western.

**ARKADAY OSTROVSKY:** In 1991, independence fell into the Ukrainian lap. Ukraine didn't

particularly crave it. People in Kiev didn't particularly crave it. It just happened, at low cost.

**QUESTIONER:** In the West they did.

**ARKADAY OSTROVSKY:** In the West they did, but in a lot of Ukraine they didn't. What happened in the past two years is Ukraine paid with human lives for that independence.

**QUESTIONER:** It's still paying.

**ARKADAY OSTROVSKY:** And it's still paying for it with human lives, and not just in the West, although I do think probably Maidan would not have happened without the resolve of Western Ukraine. Ukraine has lost 10,000 people in this war happening in the middle of Europe.

I think our response has been too weak. I think we should have been arming Ukraine if we were not ready to stand by it militarily. I think that was the debate that was very much happening inside in Washington, and the decision was made by the president not to go that route.

I think the Ukrainians have paid too high a price to now throw in the towel and to say, "Okay, this didn't work." What are the options? To go back towards Russia? It's not going to be easy. There has been 25 years wasted, effectively—or, well, say 23 years wasted—by Ukrainian governments, successive Ukrainian governments, in not reforming the country, irresponsible elites which were and are continuing to pillage the country today, the oligarchs who were not just complacent, but were complicit in what was happening in Eastern Ukraine. I'm talking about this matter, [a phrase in Russian].

So I think it is going to be a very hard and long journey. I think Ukraine will succeed. I think, as I said, we need to do a lot more, not just in terms of financial aid, but in terms of providing technical support, assistance, prosecutors, training, bureaucrats—whatever it will take.

I think we need to understand that we must get Ukraine right whatever it takes. And that doesn't mean just writing a blank check. That means a lot of conditions. And, yes, if it means micromanaging the country, then it means micromanaging the country. But Ukraine is essential to European security and to security in Russia ultimately.

Visa-free regime? Yes, I think that will—well, I hope this will happen. I think Ukraine definitely needs visa liberalization with the European Union. I'm very much hoping that this will happen this year. All we can do at *The Economist* is we call for it, and we will continue to call for it.

**QUESTIONER:** Unfortunately, as I said, my parents cannot even get a visa right now to Poland. Last year they couldn't.

**JOANNE MYERS:** Thank you, Arkady, for a wonderful discussion.

You are invited all to continue the conversation and purchase this wonderful book.

## Audio

When the Soviet Union fell 25 years ago, Gorbachev spoke of "living in a new world" where Russia would no longer interfere in other countries' affairs. What happened? In this riveting talk, Russia expert Arkady Ostrovsky analyzes the powerful role of the media, noting that Putin did an extraordinary thing: "he merged security services with the media."

## Video Clips

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### **TV Show**

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