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Ministry of Foreign Affairs and International Cooperation



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Welcome Remarks

Gianni De Gennaro, Chairman Center for American Studies

Ho l'onore ed il piacere di dare l'avvio, assieme a Giulio Tremonti, Presidente di Aspen Italia, ai lavori di questa quinta edizione del Transatlantic Forum on Russia.

Inizio doverosamente dai ringraziamenti che non posso non indirizzare per primi ai relatori americani, russi ed europei che interverranno dai loro rispettivi Paesi ed a tutto il pubblico che si è collegato sulla nostra piattaforma on-line.

Anche questa edizione del Forum, così come le precedenti, è il risultato di una proficua collaborazione tra il nostro Centro Studi e le strutture di Aspen Institute Italia e dello European Council on Foreign Relations. Un sentito grazie quindi anche ai nostri partner così come al Ministero degli Affari Esteri e della Cooperazione Internazionale che ha sostenuto l'iniziativa al pari della Missione degli Stati Uniti in Italia.

Essere giunti alla quinta edizione di questo evento non significa certamente voler reiterare una tradizione, ma dà invece il senso della rilevanza di un'iniziativa che offre e propone uno spazio di analisi e di riflessione su argomenti, talora critici, ma comunque di grande attualità che connotano i rapporti tra la Russia ed il mondo transatlantico in uno scenario internazionale caratterizzato da una rapida evoluzione.

Quest'anno poi un evento straordinario quale la pandemia da Covid 19, che tuttora sconvolge ogni aspetto della nostra vita e che non sappiamo prevedere per quanto tempo ancora lo farà, riempie di un più profondo significato il nostro annuale appuntamento, perché ci dà la misura e il senso della dimensione globale in cui viviamo.

Dopo un'overview sullo stato delle relazioni tra la Russia ed il mondo transatlantico che ci fornirà l'ambasciatore Terracciano, il dibattito odierno entrerà nel vivo della discussione su tematiche di estrema attualità. La pandemia in primis, la crisi economica che ne è derivata, il futuro dell'energia e quindi dell'ambiente in cui viviamo, per affrontare poi il tema geopolitico dei cambiamenti profondi che stanno interessando quel Mediterraneo allargato che spazia dal Nord Africa, al Medio Oriente, al Golfo Arabico.

Il nostro tavolo di lavoro virtuale si apre oggi in una fase storica molto delicata che fa registrare tensioni nelle relazioni tra Stati Uniti ed Unione Europea nei confronti della Federazione Russa.

E' un fatto che la crisi Bielorussa e l'avvelenamento del capo dell'opposizione Navalny siano due questioni che non possono essere sottovalutate, così come il fatto che la Commissione Europea, forse per la prima volta, abbia assunto una posizione così ferma verso il Cremlino.

Circostanze che rendono ancora più precario il già difficile equilibrio diplomatico tra la Russia ed il mondo transatlantico, mentre la comunità internazionale auspica che si realizzino costruttive occasioni di dialogo con Mosca che non possono comunque prescindere dal rispetto dei diritti umani e delle libertà civili.

A questo auspicio anche noi ci uniamo nella piena consapevolezza che stiamo vivendo un momento storico di grandi cambiamenti al limite di una vera e propria rivoluzione nei rapporti tra Stati, che sembravano invece consolidati ed irrimediabilmente compromessi.

Gli accordi di Abramo, sottoscritti a Washington solo poche settimane fa da Israele, Bahrein ed Emirati Arabi Uniti, sono forse l'esempio più tangibile che la pace in alcune aree del globo non è una mera utopia, ma un obbiettivo perseguibile.

La stabilità del Nord Africa e di tutto il continente africano con il relativo impatto sui fenomeni migratori, il futuro della Libia e le relazioni con la Turchia sono tutti temi cruciali che Stati Uniti ed Unione Europea devono affrontare uniti e compatti, rifuggendo da inutili protagonismi e rischiose fughe in avanti.

Sono tutti dossier aperti sui quali la Russia esercita una propria influenza ed è quindi con la Russia che dobbiamo mantenere un aperto e trasparente dialogo, sia pure dialettico, ma comunque improntato, come tutti noi speriamo, al raggiungimento del bene comune ed al rispetto dei valori democratici.

Non possiamo nasconderci che, dagli assetti energetici alle interferenze sulle dinamiche democratiche dei paesi occidentali, molti sono gli argomenti di confronto, ma questi non possono e non devono limitare le opportunità di dialogo che anche noi, nel nostro piccolo, promuoviamo con il dibattito odierno.

L'obbiettivo della nostra iniziativa è proprio quello di mantenere vivo questo dialogo, di ampliare le nostre conoscenze, di stimolare e promuovere occasioni di incontro.

Ed in questa prospettiva particolarmente rilevante è la presenza al nostro Forum degli autorevoli esperti provenienti dalla Russia perché è la conferma dell'importanza di non rifuggire dal dialogo soprattutto quando esistono divergenze.

Lascio quindi la parola al Professor Tremonti ed auguro a tutti buon lavoro.

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Welcome Remarks

Giulio Tremonti, Chairman, Aspen Institute Italia

Mezzo secolo fa – ma anche prima - si usava dire: "La Russia confina con chi vuole". Questo per indicare la proiezione geopolitica della forza della Russia. E questo era ancora nel 1984, quando in Italia fu fondato Aspen.

Oggi l'Unione Europea sta cercando di fare qualcosa di simile, naturalmente in modalità diversa, in termini di *soft power*. L'Europa vuole infatti confinare solo con chi riconosce ed applica la sua "*Rule of Law*" e, simmetricamente, tende ad esportare verso Est la sua democrazia, come se questa fosse una *commodity* scambiabile sul mercato politico. Una (tentata) manifestazione di forza che indica insieme buona fede e stupidità. Infatti, se la democrazia è importante – è importante – è però anche vero che, proprio per questo, non può essere "*esportata*". Come la storia insegna, la democrazia non è infatti un *prodotto*, ma piuttosto un *processo* a sviluppo progressivo.

Va piuttosto notato che, in questi anni, è entrata in scena una nuova potenza che pratica la filosofia *geopolitica* che un tempo era propria della Russia: la Cina. A partire dalle "*vie della seta*", la Cina tende infatti a "*confinare con chi vuole*", anche se non in termini militari, in termini *mercantili*, ma pur sempre in termini imperialistici. Questo processo è stato rapido.

Ancora ai tempi del WTO la Cina era considerata come un'economia in via di sviluppo ed in cammino verso la democrazia. Meno di 4 anni fa, a Davos, la Cina era comunque identificata come il baluardo e la difesa del mercato occidentale globale. Poi *qualcosa* (qualcosa, si fa per dire) è cambiato, nella struttura geopolitica del mondo. Ed arriviamo ad oggi.

La pandemia è stata più volte definita come una tragedia biblica. A mio parere la pandemia richiama, in effetti, il mito biblico della torre di Babele. Il mito dell'uomo che sfida la divinità innalzando verso il cielo la sua costruzione artificiale. La divinità reagisce e toglie la *lingua unica*. Se, al posto di lingua unica, mettiamo *pensiero unico* abbiamo l'idea di come la pandemia ha inciso e incide sul mondo globale, ne smonta il meccano mentale, un tempo positivo e progressivo, pone nuovi problemi ed oggi impone la ricerca di soluzioni politiche diverse da quelle convenzionali.

Introduction

Russia and Transatlantic Relations: challenges ahead

Pasquale Terracciano, Ambassador of Italy to the Russian Federation Marta Dassù, Senior Director European Affairs, The Aspen Institute and Vice President, Center for American Studies

Marta Dassù: L'Ambasciatore Terracciano introdurrà il tema "Russia", sia dal punto di vista delle dinamiche interne sia da quello dei rapporti con Europa e Stati Uniti. In questi rapporti, sembra che la deterrenza funzioni, mentre l'engagement e il dialogo si trovano attualmente molto in difficoltà. Per questo motivo, nel corso di questo Forum cercheremo di capire le cause di questo stallo, quali sono gli ostacoli effettivi e se può esistere una strategia transatlantica più efficace di quella attuale.

Pasquale Terracciano: Qui a Mosca posso osservare da vicino il deterioramento dei rapporti tra la Russia e la comunità atlantica, che mette di fronte a rischi molto gravi tutta la comunità internazionale.

Per primo, vi è il rischio di azzeramento della fiducia reciproca. Particolarmente preoccupante nel momento in cui rischiamo di vedere lo smantellamento del sistema di controllo degli armamenti, tornando così ad una situazione pari a quella precedente agli accordi SALT del 1972. Il deterioramento di questi rapporti potrebbe inoltre portare alla nascita di un'asse antioccidentale, con il progressivo avvicinamento tra Mosca e Pechino.

Spesso la Russia è presentata come un bullo che va trattato con durezza perché capisce solo il linguaggio della forza, ma noi non possiamo semplificare così e non possiamo ignorare la realtà non monolitica della Russia. Il potere di Putin si regge su una serie di constituencies, che hanno dinamiche a volte confliggenti tra loro. Infatti, ci sono dei gruppi facenti capo all'ambiente securitario, che non hanno alcun interesse ad allentare la tensione con l'occidente poiché ne traggono dei benefici politici ed economici. Ci sono poi altri gruppi, rappresentati da oligarchi privati e grandi manager, che vedono in un riavvicinamento con l'occidente la possibilità di trarne a loro volta dei vantaggi. La dinamica tra questi gruppi non è trasparente e il presidente ne è influenzato ma non può prendere le parti né di uno né dell'altro.

Un altro errore abbastanza frequente è quello di considerare il double-track come un gioco a somma zero. In realtà, difesa e deterrenza, incluse le sanzioni, non impediscono il dialogo e a sua volta il dialogo non indebolisce la deterrenza. Quindi l'assioma secondo il quale un'apertura di dialogo nei confronti della Russia equivalga ad un ritorno al "business as usual" non corrisponde alla realtà. Il dialogo non va quindi considerato come un premio immeritato dato alla Russia, ma come una scelta che noi facciamo poiché abbiamo interesse a dare determinati segnali e per coinvolgere la Russia in sfide globali. Il dialogo può inoltre favorire la dialettica internamente alla Russia. I Russi si sono molto avvicinati alla Cina ma non si sentono a loro agio, poiché la Cina non concepisce una partnership su base paritaria.

Il dialogo potrebbe quindi ricostruire quel minimo di fiducia reciproca che sta venendo meno ed è per questo che alcuni fori di dialogo, come il Nato-Russia Council, andrebbero rivitalizzati e sfruttati ai fini di evitare di sfociare in una bilateralizzazione del dialogo. Inoltre, senza recuperare questa fiducia non potremmo mai avere la tranquillità per porci con sufficiente lucidità strategica il tema del ruolo internazionale di Mosca nel XXI secolo.

Chiudo con la convinzione che le aperture Italiane al dialogo nei confronti di Mosca non siano mai state dei "giri di Walzer", ma hanno sempre voluto essere un contributo concreto all'interesse strategico di tutta la comunità transatlantica.

Marta Dassù: Since you left aside the economic factor, could you say something about it? Russia is currently suffering a real economic crisis because of the double impact of the declining oil crisis and, of course, Covid-19. Given that, how do you think this is going to impact the foreign policy choices and the domestic solidity of Russia?

Pasquale Terraciano: In my opinion, Covid-19 might not have the same impact that it is having on the western world. In fact, data shows a considerable economic crisis, but not as catastrophic as the one we are experiencing in the West.

President Putin had the very ambitious plan to boost Russian economy in a less "sluggish" growth, which has been the case for the last 7/8 years. The contraction of the economy will of course detract resources devoted to 13 national plans (Infrastructures, Health system, Schooling etc...). Moreover, this recession might cause a more nationalistic attitude of the Russian political

force, especially in case of new sanctions and, consequently, of a downgrading from the rating agencies.

Anyway, the economy is slowly recovering thanks to the level of consumption, while at the same time investments are lugging and the oil price remains the big question mark for the future of the economy. It is important to say that Russian economy is based 80% on big enterprises. This reduces significantly the impact of the crisis, given that these companies are very resilient to liquidity problems.

We don't know how permanent the economic damage will be because it depends on many factors, which will eventually lead Putin to take countermeasures or not.

A very interesting book by Vittorio Strada carefully describes the true spirit of Russian culture, which is the Euro-Asiatic spirit. The uniqueness of Russians' frame of mind is rooted in the idea that Russia is a "world apart", but I personally think that Eurasia is just an instrumental way to justify a sort of imperial approach, that was taken by Russia historically, and that Russia's culture has much more common features of the European's one.

For this reason, Russian feels more at ease, despite all the difficulties, when dealing with the Western world rather than when they deal with China. For what concern the technological capabilities of Russia, it is true that the country is the home of some of the most brilliant minds in all fields of science, but the limit is the centralization of the economy. In fact, Russian economy is characterized by big corporations, without having the strength and dynamics given by the small startups, which create a productive environment for a positive evolution of the civil society. This is why I have been fighting, unfortunately without success, to resume the "Russia Small Business Fund" program of the EBRD, which used to boost the growth of Russian small business companies. This is, in my opinion, the best way to invest in the future, to help Russia evolve and get closer to our values.

Marta Dassù: What do you think of the Belarus crisis? The European council was in the end able to approve sanctions against Belarus officials, but how would you define the European policy vis a vis Russia? Do you think that we can reach a consensual policy or there are too many differences to produce something effective?

Pasquale Terracciano: I think that we manage to keep a certain degree of unity within the European Union thanks to our level of responsibility, and we understood that a sign had to be given to Russia in the spirit of unity. At the same time, every time we tried to suggest an alternative form and new opportunities of dialogue, the answer has always been negative, and this is to be considered unacceptable in the long run.

I'm happy that the high representative Borrell said that we should not repeat the same mistakes already done by both parties during Ukrainian crisis. Moreover, it is important to favour a positive evolution of this crisis and to consider coming to a positive conclusion by understanding Russia's point of view. The Union of States (between Russia and Belarus) is one of the current major economic and political investments by Russia, together with the will to avoid a "Maidan scenario".

At the moment the attitude of the European Union is the right one, but we should try to avoid some partners of the east hijacking the overall process in order to score points or settle past grievances towards Russia.

Marta Dassù: It is very important to discuss also how Europe and US could have a coherent strategy. Given that each successive American administration has been trying to reset the relationship with Russia for various reasons, do you think that your American colleagues in Moscow would share the view that we should have a more cohesive policy? Especially in those fields that are more critical for the Western society, such as cybersecurity and domestic interferences.

Pasquale Terracciano: The more you differ from a counterpart and the more problems you have, the more you need dialogue and dialectical confrontations. The reason why we do not take at face value the declarations of Moscow to be ready to establish consultation on cybersecurity, on foreign interferences in electoral processes and so on, is that they are doing these things "wrongly". This view completely ignores the internal dynamic in Russia.

To conclude, I would say that establishing a minimum mutual trust is the only way to start resetting the relationships with Russia.

First Session The pandemic, the economic crisis and the future of energy Chair: Antonella Scott, journalist Sole24ore

1.1 Oksana Antonenko, Director for Global Risk Analysis at Control Risks Group and Visiting Senior Fellow Institute of Global Affairs at the London School of Economic and Political Science

Antonella Scott: Huge are the uncertainties affecting each one of us because of the virus, which is continuing to increase the economic price the world is currently paying for this pandemic. Ever since corona virus has entered our lives, I have kept thinking that maybe, for the first time ever, the whole world is facing a common threat which is no one's fault. This shared problem should have united us in fighting this enemy and looking for answers, but it looks like we are wasting this chance.

I think our speakers' interventions will underline how divided we are in the search for ways to protect people during the economic crisis, for better usage of energy and for solutions to geopolitical crisis.

Now Oxana will tell us how Covid-19 could change the basis of Russian Wester relations with new clouds and black swans appearing over the horizons.

Oksana Antonenko: Overall, Covid-19 hasn't had the revolutionary impact on the world that we were all hoping and expecting, but it actually accelerated a lot of pre-existing negative trends regarding Russian-Western relation. We can summarize these trends into 3 major issues.

The first one is that Covid-19 has disrupted the attention in both Russia, Europe and US from all kinds of other issues in the international agenda and focused much more on internal issues. Therefore, some of the opportunities for small breakthrough in relationships have been missed. For example, the remarkable ceasefire in Eastern Ukraine could have been used as a way to consolidate the Minsk Agreements and to move political process forward.

The second is that the new black swans appearing on the horizons. Both Russia and European Union are increasingly losing control on what's happening in their shared neighbourhood. Ukraine crisis remains unsolved and the current Belarus crisis is going on for several months without any prospect of a sustainable resolution. Conflict in Nagorno-Karabakh and crisis in Kyrgyzstan are also areas where EU-Russia cooperation could have been helpful to mitigate

the conflict. We will have two important elections in Moldova and Georgia, which could potentially be quite divisive, and also other issues in the shared neighbourhood area haven't seen any solutions coming from Russia nor EU.

The final point is that the economic interdependency between the EU and Russia has been reduced quite dramatically by Covid-19. Clearly, one of the big winner of the crisis is the renewable energy sector, which managed to grow substantially while oil and gas prices collapsed and the demand for carbon and fuel is likely to decline. In the absence of this economic interdependency, the price of further deterioration in relationships and incentives of seeking closer cooperation would be even smaller, causing a quite negative outlook.

Antonella Scott: In this scenario what do you think about the special relationship which has always characterized Russia and Germany? Do you see it as a turning point? And would Kremlin be willing to take the risk?

Oksana Antonenko: I think we will not see any outcome of the forthcoming German elections next year which could be favourable for German-Russian relations. The poisoning of Mr Navalny has had a significant negative impact on this relations. Angela Merkel has been tried consistently to keep these relationship steady and to preserve a kind of balance, but I think that whoever is going to succeed her will undoubtedly push for a tougher line vis a vis Russia. **1.2 Erik Jones**, Professor of European Studies and International Political Economy, Johns Hopkins University

On the comment that we are never going back to the same level of demand of oil and gas in the forceable future I would like to build 4 different claims: the scale of this economic crisis, the degree of divergence in the responses made, the implications of these two previous points for future trade and manufacturing, and lastly the implications for both assets and commodities' prices.

The scale of this crisis is unprecedent, particularly when you consider how concentrated it was. Just in the second quarter of the current year, the US economy contracted by over 30%. It is important for this reason to think about how long it is going to take for us to come back to where we were before the crisis. In US, where the number is expected to be smaller, it will take very optimistically until the end of 2021 to bring its economy back to where it was. The prices of energy-based assets and commodities will continue to go down simply because we are not going to recover the level of activity required.

Talking about the impact of this crisis on supply chain and trade patterns, I think that both of them are going to shorten and we are going to experience a structural change in the way trade works across the system.

The last point I would like to make is related to two major disturbing effects that the injection of so much liquidity into the economy has caused. One is the increase in the asset prices and the other is the increase of volatility in key markets. We are already starting to see it in the market response that the news of Donald Trump's corona virus infection had.

1.3 Lapo Pistelli, Director Public Affairs, Eni

Lapo Pistelli: Covid-19 in 2020 was a disaster per se, but it has been a real social challenge, which raised many questions. Among the most important we have: "is health a public good?" and "are we more cooperative or competitive among each other?".

We have seen some unilateral leaderships reacting to the crisis in certain ways, and some other political leaderships claiming for more multilateralism. So, it is true that Covid-19 sped up and accelerated some pre-existing trends, but after one year of Covid-19 spread, we are now able to see a first balance of how the different political leaderships and societies were able to react to this catastrophe. One of the major phenomena was the disruption of the global value chain. As a manger of an international oil company, I can tell it was a really hard time for us, especially because of the disruption of our supply chain.

Moreover, I find important to highlight that the crisis we are currently living is not just about numbers, but it is also about the economic models.

The third element of this "perfect storm" was the Russia-Saudi Arabia's price war at the beginning of the year. This contributed to the generation of uncertainty in the energy sector, which is already a very volatile market. All the international oil companies are in fact losing from 45% to 55% of their values.

The first reaction was to slow down, in order to save money for what is needed to recover. After a couple months, they started to set up a new model to not go back to the "business as usual". This transition was about either finding new sources of energy, either investing on new technologies. From my personal perspective, I don't see any need to advocate on energy transition because it is already happening, but now it is important to have not over-expectations about it, set milestones and have financial and technological means to achieve it.

The general trend is that now companies are speeding up because of the high pressure coming from investors, stakeholders, public opinion and media.

For what concern Russia, US and EU relations, I see a concrete perspective of diverging policies among the three of them. From an energy point of view, Europe is an empty box which is just buying from abroad. Though, it is clear that EU plans to become the vanguard of the world in terms of fighting climate change and finding new ways of supplying and producing energy.

On the other side in US, federal decisions can allow companies to drill in federal reserves, but at the same time, important states like California have already decided by law to become carbon neutral by 2050.

Russia, which is a very traditional player, is relying on the oil and gas bubble for defining their national budget and plans to be a reliable supplier for China and Europe. I personally believe that Russia, in the next ten years, will face the substantial risk of becoming displaced from the energy transition debate. This will likely happen if they do not speed up their renewable transition and diversify their economy.

In general, the countries which are more dependent on Russian gas are the same that are more vocal against Russia's supply, such as Europe. Russia in going to be there for the next ten years but a tough element of competition is coming with US policy. US is in fact trying to enter the European market because of the negative price of their domestic gas. To conclude, energy is for sure to be considered one of the trickiest points of competition between the Europe-Russia-US triangle.

Antonella Scott: *The wish could be that Russia, given its incredible amount of resources, could be an active part of the transition and achieve the same role it has now, maintaining the same connections with Europe, but in the renewable energy sector. What do you think about it?*

Lapo Pistelli: The first report released by IRENA on the geopolitical transformation of the energy transition explains how usually in the oil and gas energy sector there is a typical commodity model. This model is characterized by a very long value chain, while it is known that the more renewable you are the more you tend to be independent. The risk is that too much independency could cause selfishness, aggressiveness, and a collapse in countries' cooperation.

1.4 Jeremy Shapiro, Research Director at the European Council on Foreign Relations

Antonella Scott: US upcoming elections will of course deeply affect its relations with Europe and Russia. How do you see the opposing possible scenarios in front of us?

Jeremy Shapiro: It is quite interesting that foreign policy has not been in the campaign that much, or it has mostly been about China. The choice that the American people are making on Russia is actually much stronger than the one they're making on China. Trump and Biden see Russia, particularly President Putin, diametrically in opposed ways; Trump sees him as a strong man with whom he can make deals, while Biden sees him as a dictator leading a reckless and cruel regime.

I find Trump administration's approach to Russia over the last four years to be a pretty fascinating study and contradictory. More in details, policy has actually been close to the broad bipartisan consensus in Washington, which sees Russia as a malign actor and as a national security threat to the US. At the same time President Trump has treated Putin and Russia with deference, never criticized him and seems very interested to establish a partnership with the country. In my view these contradictions result in part from the constraints on the president, created by the accusations of collusion and by the fact that he just never had people in place who shared his views of Russia and were willing to implement the policy that he wanted. So far Trump's Russia's policy has basically been a product of political pressure, internal opposition within his own government and bureaucratic incompetence.

I believe that this is not likely to persist into the second term, mainly because, with the Russia's scandal behind him and with the traditional foreign policies' people leaving, his administration will be staffed with people who are willing and able to implement the policy he actually wants. We can already see this phenomenon happening by looking at the reprogramming of military assistance away from western Europe, toward funding a border wall with Mexico.

Biden, on the other side, is in complete contrast with that. In fact, he's really been a picture of consistency and antipathy toward Russia for decades and that has been even reinforced by Russian interference in the 2016 elections. In 2018, Biden wrote an article entitled "How to stand up to the Kremlin. Defending democracies against its enemies", which lambasted Trump for not taking the Russian threat seriously and advocated an alternative policy based on war, sanctions, strengthening NATO and robust defence of democracy.

In my view, neither Trump's volatile self-absorption nor Biden's sort of "Manichaean fervor" represents a very sound basis for Russia policy and, whatever choice the American people will

make in November, the policy will remain a domestic political issue because of the risk of sudden reversal by the next president. For this reason, Europe would be well advised to form its own policy on Russia and bring that to an American President.

Second Session

Russia, Europe and the US in front of a changing Middle East

Chair: **Armando Barucco**, Head of Unit for Analysis Planning and Historic Diplomatic Documentation, Italian Ministry of Foreign Affairs and International Cooperation

2.1 Andrey Kortunov, Director General of the Russian International Affairs Council

Armando Barucco: The focus of our session is on the three main actors actually affecting the changing Middle East, with a different degree of effectiveness and ability. Andrey Kortunov has always said that the Middle East region is not a top priority for Russia and that other areas are far more important. I would like to ask Andrey is if is it still true now. Particularly if we consider the kind of fault lines, and the activity and mobility of some other

actors affecting Russian interests in the Middle East.

Andrey Kortunov: I stick to the idea that the MEA region is not a top priority for Russian foreign policy. That is because it is not a major trading partner of the Russian federation and it is clearly secondary to Europe and China. Russia doesn't border Middle East directly and it is not that much concerned about an inflow of refugees or migrants. Essentially, Russia does not depend on the Middle East the same way, for example, the European Union does. I would venture to say that even the Russian engagement with Syria was primarily directed to make an impression on the west and it was not guided by specific interests of national security.

I would also like to emphasize that this relative unimportance of the region gives Russia a significant comparative advantage. This is because Russia is not linked to its Middle East strategic partners, like for example the United States, and can afford to use a flexible approach and to have good relations with every country in the region.

The other comparative advantages that Russia enjoys are:

- Russia has a very consistent foreign policy and for this reason it is very respected in the region.
- Russia doesn't have checks and balances, hence it can make decisions and mobilize resources very fast.
- Russia has the luxury of the so called "relativism". In fact, it deals with leaders with whom probably south western countries cannot afford dealing with.

• Russia is very good in personal diplomacy. There's some kind of natural complementarity between the Russian authoritarianism and the regional one. In fact, Russia's relations with the European countries are much more problematic than the relations with countries in the MAE region.

Today these comparative advantages might gradually erode and even disappear. Russia has a couple serious challenges in the region, which might inflate its current stature. Polarization, especially with Trump in power, between US and Iran, Israelis and Palestinians and so on. With this scenario, Russia is forced to make choices, depriving itself of its most important comparative advantage.

The name of the game is no longer civil war, but rather development. Russia might lose this game to actors which have more capacity to provide development assistance.

Russian society is becoming more isolationist because of the pandemic, the economic recession and most importantly because of the fact that its presence in Syria is no longer perceived as a major victory.

The Russian approach to the region is gradually changing and I would illustrate this change by comparing Russia's approaches to Syria and to Libya.

First, the goal of the Russian engagement in Syria is control, while in Libya it is only presence. Moscow's investments in Syria are long-term and strategic, while its investments in Libya are short-term and opportunistic. The Russian military presence in Syria makes Moscow responsible for this country, which is not the case in Libya. It is unlikely that the Kremlin is looking for any permanent military bases or other forms of military presence in Libya. It can withdraw at any point without paying a high political price for such a withdrawal.

Second, in Syria Moscow is very clear about what side of the conflict it supports. In very many ways, it remains chained to the Assad regime with the tail wagging the dog. Its leverage over Damascus might be significant, but the Assad leverage over Moscow should not be underestimated either. In Libya, the name of the game is not 'assisting the legitimate government', but rather keeping the balance between local players. In needed, Moscow can calibrate its support to either Tripoli or Tobruk without making any final choice between the two.

Third, the Russian interests behind the engagement in Syria are primarily geopolitical. Of course, Moscow would like to get some economic returns on its military and political investment in this country, but this goal does not look realistic: Syria is poor and the US and EU economic sanctions against the Assad regime make Syria a very unattractive place even for state owned Russian corporations. In Libya, economic interests go first. The country is rich and

numerous Russian businesses – from the defense manufacturers to the energy sector to transportation companies – are looking for a piece of the sweet Libyan cake.

Fourth, in Syria Russia operates mostly on the official level, though a formal agreement between Moscow and Damascus. The Russian Ministry of Defense is by far the most important instrument in the Russian operations. In Libya, there is a peculiar form of the 'private-public partnership' with private military companies taking the lead. This mode of engagement allows Moscow to demonstrate more flexibility, to avoid taking responsibility for specific developments on the ground and to bring the costs of its engagement down.

For all of these reasons, I believe that Russia, when having to choose an engagement strategy to the Middle East, it will probably follow the Libyan model rather than the Syrian model. This is because it is more cost efficient, it does not constitute long-term commitments and it is exactly what might be considered appropriate during economic hardships' times and budget crimes.

To conclude, speaking of EU-Russia cooperation, I think that there are some opportunities in Yemen and few in Libya. In general, in terms of potential collaboration, I would recommend starting with low hanging fruits, which are apparently in the south of the Arabian Peninsula.

Armando Barucco: Could you give us a very quick comment on Nagorno-Karabakh? We all see the kind of mobility and responsiveness of an actor like Turkey and more and more fault lines and tensions are rising between Russia and Turkey. How do you see this crisis and its consequences on the Middle East and Mediterranean, and what about the tensions between Turkey and Russia?

Andrey Kortunov: The situation in Nagorno-Karabakh is a clear challenge for the Russian policy and for its intelligence. In fact, it seems that the country was caught unprepared to face this crisis. At least – for such an active Turkish involvement that has changed the relational balance of powers in such a radical way. Moreover, it shows that Russia's strategy of maintaining status quo for as long as possible has certain flaws. I think that right now it is no longer a problem contained by the borders of the former Soviet Union, Turkey is a major actor and this issue cannot be solved without some kind of positive understanding with Ankara. Finally, in Russia they usually say that the real challenge for the country is NATO and the West, but right now it seems that the real threats to Russian security are in the South. This crisis should introduce new thinking on avoiding double standards in international law interpretation and implementation. Here we have a clear contradiction between the right for

self-determination and the principle of territorial integrity. Hence, Russia should not abstain from participating to this discussion in the future.

2.2 Kadri Liik, Policy Fellow, European Council on Foreign Relations

Armando Barucco: What is the role of Europe and which factors are affecting its effectiveness in the area? Joseph Beret once said that "Europe must learn to use the language of power", but the real issue is how to use power and understand the kind of power we are dealing with. Given that, do you think we have the instruments and cohesiveness to be an effective actor in the area?

Kadri Liik: Looking at Russia's foreign policy I think that its analysis of the Middle East has always been very good and probably better than Europe's.

When you look at the different areas of Russian foreign policy, it is clear to me that Middle East policy is probably the best one. That is because Russia has very good scholarship on the area and they use it properly. President Putin doesn't think he knows everything and uses his experts, which are a lot and in all branches of power. Hence, knowledge of the Middle East is really good in Russia, but we cannot say the same for what concern Europe and US. In fact, even if there's a wealth of knowledge, it is often viewed through ideological lens and from a geopolitical point of view.

About post-soviet pace, I think Russia's knowledge is the worst of all because it is subordinated to emotion, which is the factor actually driving policy.

On the other side, Europe probably applied its ideological filter to its view of the Middle East and took for granted that after tyranny removal it comes democratization. In my view, European policy in the Middle East has not been very realistic and Europe needs to acknowledge that Russia's analysis of the Middle East was better. To conclude, I would say that Europe should be a better player and, should understand that Russia will not change its policy because of our demands and will cooperate with Europe just if it is in its interest.

Armando Barucco: One interesting point that belongs to the previous discussion on the impact of coronavirus is represented by the 2018 protests in Algeria, Sudan, Lebanon and Iraq. Do you think that these could be considered as frozen but still existing issues? And does EU have a comparative advantage in dealing with these movements and protests, in which we have a lot of diaspora influencing the debates in these countries?

Corona stopped the protests by limiting people's movements, and somehow favoured the status quo. When people will be able to go back protesting on the streets, EU will probably have a

comparative advantage in terms of the model used and the way we are actually coping with the virus.

Kadri Liik: On Coronavirus, I think that only in the long run we will be able to tell which country was able to handle this crisis better. I have been working a little bit on how Russia has been coping with it and even if sociologists seem to be very critical of how Russia's healthcare system has coped with the virus, I don't see many differences with what it's happening in Europe. Russia thinks to have handled it better than Europe, at least in terms of economics. For what concern protests, I agree that the European model is probably more sustainable, but at the same time, it is really hard to export. We have been trying to export European democracy for years, but the results have been unimpressive. In my view, democracy needs to be locally grown and one of the most interesting things about Russia is to see some embryonic vestiges of Russia's home crown democracy.

For this reason, I would not be very optimistic, and I would suggest Europe to be clever as well as humble in how it applies its model.

2.3 Nicola Pedde, Director Institute for Global Studies

Armando Barucco: As we have been talking about Russia, Turkey and the situation on Middle East, it would be very interesting to hear from you about Iran's vision towards Russia and future of this triangle of interests and power in the region.

Nicola Pedde: Iran and Russia have never really been friends. They were not friends at all before the revolution, and after that, relations between Moscow and Tehran were built essentially on Anti-Americanism. Russia has always had reservations about the Islamic Republic and, on the other hand, Iran has always looked with suspicion toward Russia's strategy in the Middle East.

In more recent times, the Syrian conflict has brought together the interests of both sides and the common military struggle in support of Bashar al-Asad. This effort has never turned into a real form of cooperation, with many disagreements between Moscow and Tehran during the conflict even if most of them were ignored by the media. For example, in 2017 Russia provided aerial support in Syria by opening an air base in Hamedan. When the support ended, Russian were invited to leave the country almost immediately and this determined an embarrassment on both sides, because Russians were convinced to have been invited to establish a long-term presence in Iran, while Iranians were fast to make it clear that it was meant to be just a temporary intervention.

Another sensitive issue is the JCPOA, the Joint Comprehensive Plan of Action under the nuclear agreement. Russia's role is fundamental in the UN security council, but it is used more as an element of leverage against the United States rather than a real instrument in favour of Iran.

Today, a quite enthusiastic narrative at the political level characterizes the relationship between Russia and Iran, but economic and political cooperation is marginal and Iran has no particular expectation from its relationship with Russia. On the social level, Russia does not represent in any way a model for the Iranians, which continue to look at Europe and US in particular with great interest as cultural and economic models.

Armando Barucco: Would you talk about Turkey and Russia's several fault lines?

Nicola Pedde: With respect to Turkey and Russia, I think that their involvement in Libya is characterized by two peculiar differences. I agree with Andrey when he says that Middle East

is not that much relevant for Russia. Turkey has a strategy to consolidate its long-term interest in Libya, in fact Ankara has invested considerably on both political and military factors. Turkey's strategy in the country is very consistent with its overall strategic vision. While on one side Turkey is trying to negotiate with Russia, on the other side it is becoming aggressive with the western countries, in particular with Italy.

Russia, on the other hand, sees Libya more as an opportunity rather than a strategic interest. It operates on the ground through an extremely well-equipped private military company, the Wagner, characterized by the maximum capacity of deniability of its own role. Moreover, it is clear that Russia has no long-term interest over Libya, but it is actually using it in terms of containment of both Turkey and the US.

To sum up, I believe that the local perception sees Turkey as present, visible and tangible in terms of activism and political participation, while Russia is not investing in long-term strategies and, for this reason, plays a less tangible and perceivable role in the Libyan society.

2.4 Chris Robinson, Deputy Assistant Secretary for Russia, US Department of State

I appreciated the opportunity to listen to the other speakers, and particularly to see and hear from Andrey, and maybe I can juxtapose, or offer an alternative view from Andrey's scenario and depiction of Russia and the Middle East.

The US and our European partners agree that there's an urgent need to halt the conflicts in the region, and that the way to do so is either through the UN-facilitated Berlin Process for Libya, or UN Security Council Resolution 2254 for Syria.

But let's turn and look at Russia, and I really see a different picture from what Andrey previously pointed out. Unfortunately, instead of working to uphold and implement those UN commitments and resolve conflicts, what we see is a pattern of malign behavior from Russia: Russia publicly commits to these agreements and then works undermine them and advance the Kremlin's narrow interests to the detriment of solving these conflicts. Rather than working towards a negotiated solution for peace and stability, Russia ultimately – and it goes back to the geopolitical context – is undermining the rules-based international order, exacerbating tensions, exploiting international conflicts for its own narrow political and, as others have touched upon, economic gain.

So, on Syria, we continue to engage Russia publicly and privately to find a solution to the conflict in accordance with the UN led process. We do have a very robust dialogue, government to government dialogue, with Russia on this. It has delivered some limited results on deconfliction, but what we actually see in practice is Russia propping up the brutal Assad regime, shielding it from accountability for its use of chemical weapons against its own people. Moreover – and this has already been touched upon – Russia has introduced significant weapon systems with questionable military necessity into the conflict, risking escalation and undermining attempts to find a political solution to the conflict. Instead of working to resolve the conflict, in fact, Russia appears to be treating Syria as a showcase and a proving grounds for Russian weapons' systems in order to encourage their sale across the broader Middle East.

Russia has leveraged its role in Syria to deliberately undermine the foundations of the rulesbased international order. For years, Russia has conducted a disinformation campaign to discredit international organizations working on this conflict, such as the United Nations and the OPCW. Even more specifically, Russia has levelled ludicrous claims that the United States, for example, is responsible for the creation of ISIS, that the White Helmets have links to terrorism, or that UK special forces fabricated the 2018 chemical weapons attack in Douma, or more recently that the U.S. is responsible for the spread of COVID in Syria, going back to the previous panel's discussion. These are not the actions of a state that is credibly seeking to resolve conflict and build regional stability.

Now let's turn to Libya, and we see the same pattern of behavior. We are likewise concerned by Russia's role in exacerbating the conflict in Libya. In particular, Russia has fueled the conflict by deploying its so-called "proxy mercenary force"...the Wagner Group (which is under U.S. sanctions). Russia's role and its introduction of advanced military systems has escalated the civil conflict, undermined the reconciliation process, and enforced a prolonged shutdown of the oil sector, and while it's gradually reopening, it still can't operate in critical areas due to the lingering presence of Wagner forces around critical infrastructure. So, just like in Syria, we have called on Russia to support the UN led process to find a political solution that advances the interests of the Libyan people, but again – like in Syria – instead, we see that Russia continues to attempt unilateral efforts at diplomacy, while using Wagner as a coercive tool to stoke instability until its goals are met.

A couple of the other panelists talked about Wagner, and I think it is a really critical element, and its an emerging element that we've got to get right for the stability and security in the broader Middle East and elsewhere. Wagner is a tool of the Russian government, and it exists only to drive Russian foreign policy goals and enrich its corrupt owner Yevgeny Prigozhin. Russia's actions make clear that its interest is not resolving the conflict...it's a geostrategic goal of establishing a military foothold in Libya from which to threaten NATO and Europe's southern flank. We are alarmed that Russia might use its presence in Libya to expand the platform of malign influence across the broader Middle East, and again we sanctioned Yevgeny Prigozhin last week for his activities in the Central African Republic because we see a pattern of behavior of destabilization...

A couple of the other panelists talked about what we could do to influence Russian behavior, and I think there are things we can do. The U.S. and the EU have joined together both through our statements and sanctions to call Russia to account for these actions, and blunt Moscow's efforts to exert malign influence. We, using our authorities, have sanctioned over 350 entities and individuals, and we are continuing to work with Brussels to do the same thing.

And particularly in this context, I would argue, if Europe wants to see an end to conflict and instability across the Middle East and North Africa, our recommendation is Europe should use its sanctions and authorities against Prigozhin and his network to cut off Russia's agent of instability and chaos in the region.

In conclusion, I would like to say it is not too late for Moscow to change its course in the Middle East and to genuinely support political solutions and settlements to the conflicts, instead of fueling instability. We can have overlapping interests, but it is really for Russia to match its words with its actions, and we would like to see an end to the destabilizing behavior. If we could do that, we could strengthen those UN-led processes and get back to solving some of these conflicts.

Marta Dassu: We have been discussing the US Policy and the European policy vis a vis Russia. Leaving aside the Middle East issue, could you give us your general perspective on Russia?

Chris Robinson: Sure. I am a career diplomat, and I have worked on Russia policy in every administration since 1995...I think that there's a pretty broad bipartisan consensus on the challenge Russia poses to the US and Europe, to our values, and to the architecture we've built to sustain them.

I don't think anybody wants a confrontational relationship with Russia. Even when we talk about great power competition with Russia and China, we also talk about trying to manage that great power competition in order to reduce its risks. And the President has been clear, we would like to have a better and more stable relationship with Russia...

The challenge is, whether it's in the Middle East, in the Donbass or in cyber attacks around the world, we see a sustained pattern of Russian malign behavior, where it does not recognize the limits to interference or the limits to using all the instruments of state power to achieve the Kremlin's narrow political and economic interests, and I think these are different from Russia's broader interests. I think it's in Russia's interest to have good relations with the West. It's in

Russia's interest to have normal trade relations and not to have sanctions, but what we see is a pattern of behaviour that works against that...

Attachment:

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CENTRO STUDI AMERICANI

Web live conference Transatlantic Forum on Russia Fifth Edition

15.30 - Welcome Session Giovanni De Gennaro President Center for American Studies Giulio Tremonti Chairman Aspen Institute Italia 15.45 - Russia and Transatlantic Relations: challenges ahead Remarks by: Pasquale Terracciano Italian Ambassador to Moscow Chair: Marta Dassù Senior Advisor European Affairs, Aspen Institute Italia O&A 16.30 - I session: The pandemic, the economic crisis 17.15 - Session II: - Russia, Europe and the US in and the future of energy front of a changing Middle East Oksana Antonenko Andrey Kortunov Director for Global Risk Analysis at Control Risks Group and Director General of the Russian International Affairs Council Visiting Senior Fellow Institute of Global Affairs at the London Kadri Liik School of Economic and Political Science Policy Fellow, European Council on Foreign Relations **Erik Jones** Nicola Pedde Professor of European Studies and International Political Director, Institute for Global Studies Economy, Johns Hopkins University Chris Robinson Lapo Pistelli Deputy Assistant Secretary for Russia, US Department of State Director Public Affairs, Eni Chair and conclusions: Armando Barucco Jeremy Shapiro Head of Unit for Analysis, Planning and Historic Diplomatic Research Director at the European Council on Foreign Relations Documentation, Italian Ministry of Foreign Affairs Chair: Antonella Scott Journalist Sole24ore SIMULTANEOUS TRANSLATION ENGLISH/ITALIAN WILL BE PROVIDED 02 10 2020 ore 15.30 Centro Studi Americani RSVP: event@centrostudiamericani.org