
Russia enters 2008 at geopolitical highpoint - US report

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WASHINGTON, January 9 (RIA Novosti) - A private U.S. intelligence agency, Stratfor, said Russia is now more powerful than it has been since the fall of Communism.

"Russia enters 2008 in the strongest geopolitical position it has known since the Cold War's end," Stratfor said in a report entitled Annual Forecast 2008: Beyond the Jihadist War - Former Soviet Union, published on January 8.

"The rampant decay of its military has largely been halted, new weapons systems are beginning to be brought on line, the country is flush with petrodollars, its debt has vanished, the Chechen insurgency has been suppressed, the central government has all but eliminated domestic opposition, the regime is popular at home, and the U.S. military is too locked down to make more than a token gesture to block any Russian advances," the report said.

But Stratfor analysts said Russia's extensive influence was being challenged on the energy and political front, including in Asia and Europe.

"Chinese pipelines to Kazakhstan and Turkmenistan (to be constructed in 2008) threaten to divert the energy that until now could only flow northward and serve Russian purposes," the report said, adding that the Kremlin has been ignoring the problem.

"China is stealing Central Asia, building a network of infrastructures that will make it more attractive for the Central Asian states to integrate with China than to use Soviet-era links to Russia."

On another front, Russia has to contend with NATO's eastward expansion, the think tank said.

"NATO and the European Union occupy Russia's entire western horizon and are flirting with expanding their memberships. Rising defense modernizations in Asia are forcing Russia to deal with two military fronts - something at which Moscow never really succeeded during Soviet times."

The agency predicted that Russia's main state oil and gas companies would absorb smaller players this year.

"First, the consolidation that began in Russia's energy sector in 2003 will culminate. This will be the year that state giants Rosneft and Gazprom swallow up - whether formally or through 'alliances' - most of the remaining independent players in the country's energy industry."

Stratfor experts expect this to be part of an effort to consolidate what has proven to be Russia's most effective foreign policy tool - energy - but said the peak of Russia's energy domination may have passed.

"In 2008 a number of natural gas import projects will begin operation in Western Europe, reducing that region's dependency on Russian energy and allowing the Western European states to be more dismissive of Russian interests."

"The Russians need a defining confrontation with the West. Russian power is at a relative peak, and American power at a relative low. It is a temporary

circumstance certain to invert as the United States militarily extricates itself from Iraq, and one that Russia must exploit if it seeks to avoid replicating the geopolitical retreat of the 1990s," the report said.

"By 'confrontation' we do not necessarily mean a war - simply a clash that starkly lays bare Russia's strengths against Western weaknesses."

According to Stratfor, one of the options for Russia to demonstrate its strength could be on the issue of Kosovo's independence, backed by Western nations and strongly opposed by Moscow.

"For Russia - which has publicly invested much political capital in opposing Kosovar independence - European success would be more than a slap in the face," the report said. "Moscow must prevent this from happening... Simply put, for the Western world, Kosovo is not even remotely worth an escalating conflict with Russia."

The report also suggests other options, including the conflict between Russia and Georgia over the latter's two separatist republics, Abkhazia and South Ossetia.

"The former pro-Western Soviet republic of Georgia, long a thorn in Moscow's side, has two secessionist regions that rely on Russia for their economic and military existence. Russia could easily absorb them outright and thus break the myth that American protection in the Caucasus is sustainable."

Two other ways is Gazprom's takeover of the Russian-British joint venture TNK-BP and a union with Belarus, a former Soviet neighbor, whose economy is heavily dependent on Moscow.

"Gazprom could swallow up Russian-British joint oil venture TNK-BP, destroying billions in U.K. investment in a heartbeat," the report said. "Union with Belarus would return the Red Army to the European frontier and turn the security framework of Eurasia inside-out overnight."

Stratfor analysts said that once it has finished with the Middle East, the U.S.

is likely to concentrate its efforts on former Soviet republics where Russia is struggling to retain its influence.

"When that happens, Russia will face a resurgent United States that commands alliances in Asia, Europe and the Middle East. Russia must use the ongoing U.S. entanglement in the Middle East to redefine its immediate neighborhood or risk a developing geopolitic far less benign to Russian interests than Washington's Cold War policy of containment," the report said.
