

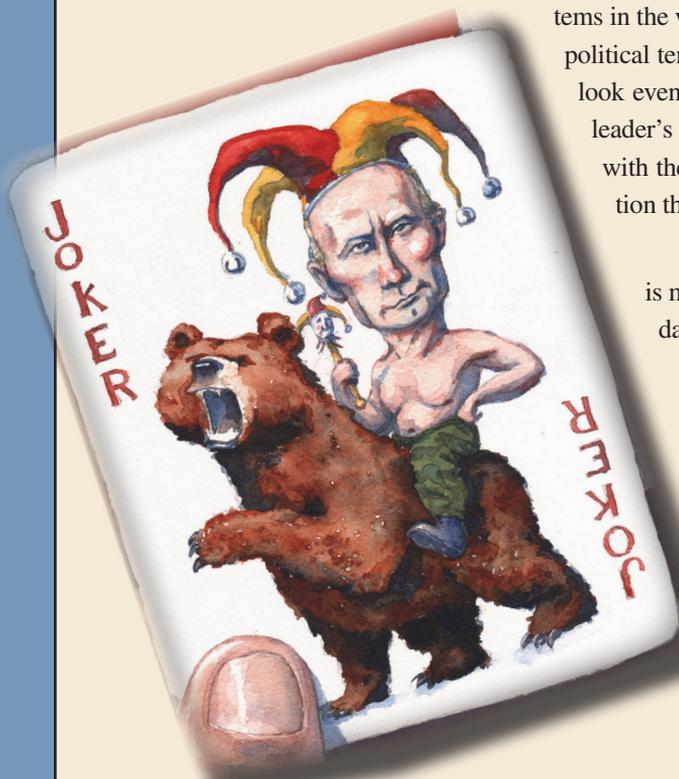
How Dangerous Is Vladimir Putin?

Western experts have offered various explanations for Russian President Vladimir Putin's actions in recent years. Some suggest Putin has been merely reacting to NATO and EU enlargement. Others suggest the Russian leader has succumbed to a bout of irrationality, spawned by a desire to return to the "good old days" of the Soviet Union. After all, according to historian Stephen Kotkin, traditional Soviet geopolitical thinking always assumed that Western capitalism would eventually disintegrate.

Princeton Professor Harold James suggests Putin's actions are based on the rational assumption that in the wake of the global financial crisis and subsequent eurozone debt crisis, the West would lack the ability to take decisive action. This would provide Russia with a window to pursue a strategy of expanding its influence. Putin's bet was that Western policymakers and politicians would stumble in the effort to repair their economic and financial systems in the wake of the crisis. By deliberately exacerbating geopolitical tensions, Putin reasoned, the preoccupied West would look even more indecisive and weak. Of course, the Russian leader's actions have already risked a recession back home with the plummeting of the global price of oil, not to mention the economic bite of Western sanctions.

On a scale of one to ten—with one suggesting Putin is merely a delirious fool and ten a serious threat—how dangerous is Vladimir Putin to the West?

**More than thirty noted observers
offer their assessment
on a scale of one to ten.**





Putin thinks he holds the high ground. That makes him one of the world's most dangerous men.

ILAN BERMAN
Vice President, American Foreign Policy Council

With the likes of the Islamic State's self-declared caliph, Abu Bakr al-Baghdadi, and North Korean leader Kim Jong-un in the running, the competition is stiff indeed. But it would be fair to say that Russian President Vladimir Putin currently ranks as one of the world's most dangerous men.

This might come as a surprise to some American policymakers, who believe that better Russian behavior is just a matter of time. After all, they point out, several rounds of Western sanctions in the past year have put a serious crimp on Russian business. More significant still, the plummeting price of world oil has sent the country's energy-dependent economy into a tailspin.

The results have been nothing short of catastrophic. Russia now teeters on the brink of full-blown recession. The Kremlin projects that capital flight—which topped \$150 billion in 2014—may be as much as another \$100 billion in the coming year. And foreign direct investment is withering. Reflecting these realities, credit agency Fitch recently downgraded the country's rating to just above "junk" status, projecting that economic growth isn't likely to return to the Russian Federation "until 2017," or even later.

But none of this has blunted Russia's neo-imperial outlook or its foreign policy adventurism. Instead, recent weeks have seen Moscow step up support for separatists in Ukraine's east, reinforcing them with additional high-tech arms and further military deployments. The crisis in Ukraine is now on the cusp of becoming a full-blown war.

To grasp why Russia has doubled down on aggression despite the mounting economic costs, it's necessary to appreciate Putin's increasingly precarious position. Russia's president is, in the words of journalist Masha Gessen, a "man without a face": a colorless bureaucrat who came to power because entrenched interests thought he could protect their political and economic equities. For nearly a decade and a half, he has done just that. But now, Russia's flagging economic fortunes are increasingly calling into question Putin's stewardship. Russia's president, in other words, needs a strategic "win," and preferably one

that resonates with his view—shared by a broad swath of Russia's political elites—that the country's most important task is to rebuild a neo-Soviet sphere of influence.

Western inertia, meanwhile, is having an emboldening effect. U.S. military aid to Ukraine, already authorized by Congress, has yet to make it into the hands of Ukrainian soldiers. Although additional sanctions continue to trickle out, there can be little doubt that the White House has pulled its punches because it needs the Kremlin's assistance on other issues (most prominently, the nuclear talks with Iran). And while NATO is making new plans for a more robust Eastern European presence, chronic underfunding by its members means that, unless the Obama Administration foots the bill, such an expansion simply won't happen.

Balanced against all this, Putin has come to believe that he holds the strategic high ground. He likewise clearly thinks he can consolidate power at home by pressing his advantage in Ukraine (and perhaps elsewhere in Europe as well). And that makes him dangerous indeed.



He's an eight.

STEVEN PIFER
Senior Fellow, Brookings Institution, and former U.S. Ambassador to Ukraine

On a one-to-ten scale, Vladimir Putin places at about an eight in terms of the danger or challenge that he poses to the West.

Under Putin's leadership, we have seen Russia in 2014 violate the cardinal rule of the post-war European security order: states should not use force to take territory from other states. In March, Russia illegally seized and annexed Crimea. It followed that by supporting armed separatism in eastern Ukraine—providing funds, leadership, and heavy weapons—and ultimately intervening with regular Russian army units.

Moscow has shown no readiness to implement the September Minsk ceasefire agreement or negotiate seriously to achieve a political settlement. By all appearances, Putin seeks to create a frozen conflict in eastern Ukraine as a mechanism to pressure and destabilize the Ukrainian government.

Putin may well pose a challenge to European security beyond Ukraine. He claims a legally dubious right to defend ethnic Russians or Russian speakers, regardless of their location or their citizenship. It is not clear what this means for NATO/EU members such as Estonia and Latvia, each of which has a significant ethnic Russian population.

Moreover, his security narrative has a strongly anti-NATO tone. The second half of 2014 saw an increasing number of provocative Russian actions, including the kidnapping an Estonian security officer, a major spike in the number of Russian military flights near NATO countries, and other military saber-rattling.

NATO thus should take steps to ensure that Putin understands that the Alliance will defend its member states and their territory.

Mitigating the challenge posed by Putin may be his miscalculation of the costs of Russian aggression against Ukraine. Crimea has proven an economic liability. Putin grossly underestimated Western readiness to respond with serious economic sanctions. Coupled with the plummeting price of oil, these have done significant damage to the Russian economy. Capital flight in 2014 totaled \$150 billion, Russian officials now project that the economy will contract by about 5 percent in 2015 (others predict a larger drop), and inflation plus the falling value of the ruble are dramatically reducing Russians' purchasing power.

Putin may be gambling that the European Union will not continue to support sanctions. That would appear a risky bet, particularly in view of the strong leadership shown by German Chancellor Angela Merkel. An economy in recession will leave Russia in a weaker position to pursue its objectives in Ukraine and otherwise challenge the West.



*Putin is a rational,
ruthless actor.*

DALIBOR ROHAC

Policy Analyst, Center for Global Liberty and Prosperity, Cato Institute

Vladimir Putin has demonstrated time and again that he is a threat to the peaceful international order in Europe. While the West might not have to fear a

full-blown military confrontation with Russia, Putin's regime has been singularly successful in orchestrating and sustaining localized, hybrid forms of conflicts in neighboring countries in order to expand the Kremlin's influence.

The annexation of Crimea and the war in the east of Ukraine, orchestrated by the Kremlin, are not one-off aberrations or blips. As my colleague at the Cato Institute, Andrei Illarionov, wrote on numerous occasions, the plans for the conflict were in existence for years, as illustrated by the leaked military plan of the Russian general staff from 2008, entitled "Operation Clockwork Orange," and a whole series of books and radio and television programs that openly discussed the possibility of a future war against Ukraine. Neither was the change of government in Kyiv in February 2014 the real trigger for the Russian intervention, which started in July 2013, when sanitary and trade barriers started to be imposed on Ukrainian imports into Russia, tipping Ukraine's economy into recession in the second half of 2013.

Besides organizing hybrid conflicts which become frozen over time—as we have seen in Abkhazia and South Ossetia—Putin is keen to leverage the existing energy ties that make Central and Eastern Europe largely dependent on imports from Russia. He has also developed close connections with Europe's populist and nationalist movements, such as France's National Front or Austria's Freedom Party.

What is Putin's endgame? It is not just about Ukraine. As revealed by his oft-cited pronouncement about the downfall of the USSR being the greatest geopolitical catastrophe of the twentieth century, his motives are fundamentally revisionist and aim to restore the Kremlin's sphere of influence from the Cold War era. There are good reasons for why the leaders of Baltic states are alarmed at increasingly brazen manifestations of Russia's military might and attempts to create artificial ethnic divisions, using the countries' Russian-speaking minorities as a pawn.

Many outside observers also fail to appreciate the role played by the difference between Russia's political institutions and those in other post-communist countries—not to speak about the developed West. The autocratic nature of Putin's regime makes outward aggression an appealing tool to strengthen his hold to power. An external enemy, whether real or imaginary, creates a sense of unity and shifts attention away from domestic problems.

Everything suggests that Putin is a rational actor, ruthlessly pursuing his agenda both domestically and internationally. It is not his lack of rationality but rather his ultimate aims and institutional setting in which he operates that make dealing with him and his regime difficult. In all likelihood, he will remain a threat both to Russia's citizens and to Russia's neighbors for as long as he clings to power.



*Putin is like
a sly fox.*

HAROLD JAMES

Professor of History and International Affairs and Claude and Lore Kelly Professor in European Studies, Princeton University, and author, Making the European Monetary Union (Belknap Press, 2012)

President Obama rather unfortunately dismissed Putin’s Russia as merely a “regional power.” In terms of economic and military capacity that is surely right, although Putin has nukes. But even a country that does not have a preponderant hard power can constitute a global threat.

There are two possible strategies for a country that has bungled its economic modernization but nevertheless is obsessed by geopolitics. The combination of economic problems and a powerful will has been present for much of Russia’s history over the past two centuries, and so the choice of strategy is not that new either.

Start with the Greek poet Archilochus, who intuited that “the fox knows many things, but the hedgehog knows one big thing.” The hedgehog curls up and the spiky bristles make it unpalatable for predators. That is what Marshal Kutuzov did in the face of Napoleon’s invasion, and it was effective but not clever.

Then there is the fox, who uses guile and craft to distract and divide stronger opponents, and then steals the hens.

Putin presents himself publicly as a bear, but actually he is a fox, and he’s quite good at it. He sees his chance in taking advantage of—and amplifying—the chaos of world politics or of what political scientists call multipolarity.

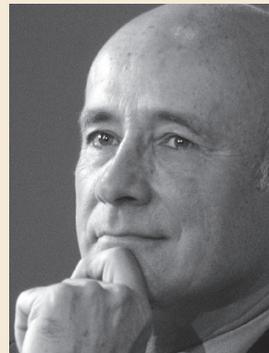
After the 2008 crisis, Putin saw a disintegrating global governance framework. The global financial crisis looked first like the end of American capitalism, and then a demonstration of European ineffectiveness and division.

Russia saw Ukraine as a test tube of political ideas as much as a struggle for conventional power. A successful, prosperous, and democratic Ukraine would look like a beacon of political reform. Obscuring the beacon required not just making Ukraine unstable, but also fighting the liberal political idea at the heart of European and American success.

The fox strategy works elsewhere. It promotes and finances new political leaders who reject the European Union and yearn for a more traditional, culturally conservative, and politically nationalist continent. Divided by culture wars and nationalism, Europe would be incapable of coherent and cohesive action. The outcome would be a reversion to the world of the early nineteenth century, when Tsar Nicholas I (whose portrait hangs prominently in the Kremlin) provided the template for petty European autocrats who spent their time locked in mutual squabbles.

The fox strategy does particular well unmasking the hypocrisy of insincere attempts to propagate rules for a world order. Nicholas I enjoyed tweaking Britain. Putin’s finest moment was his response to the badly thought-out red line dictated by the United States over the use of chemical weapons by the Assad regime. Putin then looked like a statesman. The most concrete current threat is that a similar red line laid down by the United States for the territorial security and integrity of the Baltic states can be used as an opportunity to make both the United States and Europe look ridiculous. Who would want to fight about some small town on the border where there might even be a majority Russian-speaking population?

Responding to the fox requires not just a credible deterrence, but also a coherent overall framework for stability and prosperity. Europe and the United States so far have not been good at making that. But this is why economic and financial support for Ukraine is currently a matter of such urgency.



*He’s at least an eight
on the scale
of danger.*

JOSEPH S. NYE, JR.

Distinguished Service Professor, Harvard University, former U.S. Assistant Secretary of Defense, and author, Is the American Century Over? (Polity, forthcoming)

Vladimir Putin’s Russia poses a potential threat to the United States because it is the one country with enough missiles and nuclear warheads to destroy the United States, and Russia’s relative decline has made it more reluctant to renounce its nuclear status. Russia also

possesses enormous scale, an educated population, skilled scientists and engineers, and vast natural resources.

Many futures are possible, but at this point, despite its human and energy resources, Russia is a “one-crop economy,” with corrupt institutions and insurmountable demographic and health problems. This decline should not be exaggerated and some analysts believe that Russian reforms will be able to surmount its problems. But under Putin, Russia’s post-imperial transformation has failed and Russia remains torn between its historical European and Slavophile identities.

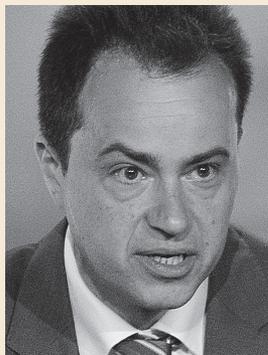
Some Americans might be tempted to rejoice that Russia is in decline, and that Putin’s strategy is making their situation worse. But this would be a mistake. Declining countries are often more risk-acceptant and thus more dangerous—witness the Austro-Hungarian Empire in 1914. Moreover, in the long term the United States, Europe, and the world community have much to gain from a thriving Russia.

This has created a policy dilemma. On the one hand, it is important to resist Putin’s game-changing challenge to the post-1945 norm that states not use force to steal territory from their neighbors. At the same time, it is important to avoid the complete isolation of Russia, a country with which we have overlapping interests in nuclear security, non-proliferation, anti-terrorism, the Arctic, and regional issues such as Iran and Afghanistan.

Financial and energy sanctions are necessary for deterrence of further violations in Ukraine or on other Russian borders; but we also have real interests in dealing with Russia over other issues. Reconciling these objectives is not easy. No one will gain from a new Cold War.

Putin lacks a strategy for Russia’s long-term recovery and reacts opportunistically (and sometimes successfully in the short run) to domestic insecurity, perceived external threats, and the weakness of neighbors. Russia has thus become a revisionist spoiler of the status quo, seeking to become a catalyst for other revisionist powers. Putin’s illiberal strategy of looking East while waging unconventional war in the West will make Russia China’s junior partner while cutting off the Western capital, technology, and contacts that Russia needs to reverse its decline.

Designing and implementing a strategy that constrains Putin’s behavior while engaging and integrating Russia in the world community in the long term is one of the most important challenges facing American foreign policy today. I rate it at least an eight on the suggested scale.



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Economic warfare is at the heart of the matter.

The previous sixteen months have seen an erosion of relations between Russia and the West to an extent not witnessed since the collapse of the Soviet Union. Despite continuing downward pressure on the price of oil, a sharp decline in the value of the ruble leading Standard & Poor’s to downgrade Russia’s credit rating to junk status, and an economy on the brink of recession, there does not appear to be any recalibration in Putin’s strategy of confrontation with the West and intentions toward Ukraine. Quite the opposite—it has become personal and in many ways Putin is digging his heels in deeper and doubling down in his anti-Western rhetoric and views. This is an exceptionally delicate and dangerous time. Putin harbors a long-standing grudge against the West in general and the United States in particular for the collapse of the Soviet Union, the expansion of NATO to the Russian border, and perceived U.S. domination and manipulation of the institutions of international economic order to suppress Russia. He has successfully harnessed and entrenched the instruments of political control and influence in Russia to re-awaken Russian pride and nationalism and create a poisoned atmosphere toward the West. A key premise of his strategy has been a clear articulation of a profound cultural rejection of the West as he laid out, chapter and verse, during his annual presidential address this past December. In his nearly fifteen years of rule, the circle of advisors in whom Putin has confidence has consistently shrunk and now consists almost exclusively of former colleagues from the intelligence services and

St. Petersburg who share the highly conspiratorial worldview suggested by the above.

Putin has reformed and rebuilt the Russian military, making it a much more dangerous instrument for Putin to use to assert Russian interests. Beyond the Ukraine, Russian aircraft and submarines are consistently probing NATO and U.S. air and sea defenses. These actions are clearly aimed at provoking a response which may result in a miscalculation and trigger a military escalation unthinkable only a few years ago. In addition to projecting military power, Putin has also revitalized the intelligence services and has invested heavily in building out their cyber attack capabilities and integrating them into Russia's warfighting strategy and doctrine. If recent Russian tactics against non-military targets in Ukraine, Georgia, and Estonia serve as antecedents, the cyber battlefield extends beyond the traditional battlefield and incorporates the private sector. Economic warfare is at the heart of the matter. To paraphrase Mark Twain, while history may not repeat itself, it does tend to rhyme. Western financial institutions and banks in particular ought to be prepared for cyber attacks, especially if the West tightens economic sanctions and Russia is banned from SWIFT. As Prime Minister Dmitry Medvedev subtly put it, the Russian response—economically and otherwise—will know no limits.

Putin has the level of domestic popularity, uniformity of view among close advisors, conspiratorial frame of mind, and the military and intelligence capability to continue if not expand on the type of irredentism seen in the Crimea, eastern Ukraine, and potentially even more broadly.

For Putin, retreat is not an option.



*A six and a seven.
But Putin's biggest
threat is to
Russia's future.*

ROBERT A. MANNING

Senior Fellow, Brent Scowcroft Center for International Security, Atlantic Council, and former Senior Strategist, National Counterproliferation Center, Office of the Director of National Intelligence

On the threat scale, I would rate Vladimir Putin between six and seven. NATO expansion adding most Warsaw Pact allies and some former Soviet

republics was unexpected and undoubtedly rubbed salt into Putin's pathological wound. But think of ol' Vlad, shredding KGB documents in Berlin as the wall came tumbling down. Wouldn't that and the collapse of the USSR of its own weight have been enough to animate Putin's resentment and passion for payback even if NATO didn't expand beyond a unified Germany?

Putin's quasi-irredentism now centered in Ukraine cuts a number of different ways. He has unintentionally put national security back on the European agenda, and alienated ("betrayed" is her word) Angela Merkel, a key partner. The Baltics and Poland are bolstering their militaries, and the Nordic states are seriously considering joining NATO. He has also done the members of the European Union a backhanded favor by accelerating their efforts to reduce dependence on Russian gas.

Sanctions are causing pain not just for Russians, but also for Europeans. That they are sticking with it is a measure of how much Putin miscalculated the impact of undoing the post-Cold War order to which Moscow had agreed.

Ironically, both a belligerent and an enfeebled Russia are threats in their own respective ways. The Europeans would have taken a deal leaving him Crimea, given a firm a no to NATO for Ukraine, and even been okay with Ukraine joining Putin's Eurasian Union trade scheme (along with the EU trade accord). That Putin has refused a deal despite his imploding economy underscores the threat. He is more likely to double down, creating a land bridge from East Ukraine to Crimea and extending to Moldova, than to retreat.

But a melting Russian economy also poses a multiplicity of threats. The perfect storm of sanctions, \$60 per barrel oil, and \$650 billion in Russian corporate debt due in 2015 will not just result in a 5 percent contraction in 2015. Russia's shrinking economy is already pinching Central Asian states who supply migrant labor and send home remittances. It is also impacting German and other Western banks with exposure in Russia and its petro-assets. In addition, there may be ripple effects through the Western financial system as Russian debt defaults.

But perhaps the biggest threat Putin poses is to Russia's future. It is already measured in \$100-plus billion in capital flight for 2014, and in the continuing brain drain as Russia's best and brightest—its potential innovators—exit for the Baltics, Poland, and elsewhere in Europe. If you were a recently graduated Russian engineer, scientist, or independent entrepreneur, would you stick around and cast your fate to Putin?

Failure to modernize and diversify the economy—as Putin himself conceded at his year-end press conference—and milking the petrostate is leaving Russia in the dust as the global twenty-first century knowledge economy moves on. With shriveling demographics and reliance on oil and gas revenues as the world begins a

transition to the post-petroleum era, Putin's biggest threat is to Russia's future.



*For Putin, retreat
is not an option.*

PATRICK M. CRONIN

Senior Advisor and Senior Director of the Asia-Pacific Security Program, Center for a New American Security

Whether one's metric is his impact on civil society inside Russia, security for Russia's neighbors, nuclear stability, or broader international order, Vladimir Putin, the former KGB case officer from St. Petersburg, is an equal-opportunity menace.

Putin undermines pluralistic institutions at home even while his domestic popularity is high. He silences any serious opposition. Only three years ago then-President Dmitry Medvedev praised the reset in Russia-U.S. relations; today, he appears to be a mere mouthpiece of pro-Putin propaganda.

It is no accident that Putin's state-funded RT cable news network conducts an expensive, anti-U.S. advertising campaign slogan under the banner "RT: For the Second Opinion," even while second opinions are precisely what are not allowed in Putin's Russia. External conflict is giving Putin extra cover to suppress any hint of opposition. Consider the plaintive words of anticorruption fighter Aleksei Navalny after he and his brother were recently brought up on trumped-up charges: "There is a war, people are dying ... [a]nd on the background of all this, discussion of corruption and elections and all of this, the main topics of the democratic movement, it looks, well, kind of silly."

If Putin runs roughshod over Russian dissidents, he is even less cordial to foreign adversaries. His invasion of Ukraine and annexation of Crimea may not portend a drive to reconstitute the Soviet empire, but they are at a minimum an attempt to recreate a sphere of influence, suppressing the national voices of neighbors while pushing back international forces such as the European Union and the North Atlantic Treaty Organization.

Putin's conventional military may still be in disarray, but he seems at home with unconventional operations.

From submarine operations off of Sweden to threats of energy and cyber attacks against Baltic republics and Eastern Europe, Putin seems to be girding Russians for a long-term confrontation with the West.

Putin is steadily resuscitating Russia's military-intelligence complex. As Karen Dawisha writes in her new book, *Putin's Kleptocracy: Who Owns Russia?*, the KGB's fingerprints are found over all elements of Russia's businesses and economy. Recall, too, that it was in 2006, during Putin's previous stint as president, when Alexander Litvinenko died a slow death by polonium-induced acute radiation syndrome. Who knows the extent of activity by state-supported clandestine networks operating in both the physical and virtual worlds, but it should be little comfort that former NSA contractor Edward Snowden continues to be a special house guest in Putin's Russia.

While many of Russia's conventional forces remain in a poor state of readiness, some are conducting increased rates of operation. For instance, Russian military aircraft regularly intrude into Japanese airspace, even though Prime Minister Shinzo Abe is relentless in his good-faith search for increased cooperation over energy and a resolution of longstanding territorial disputes that have prevented a Russo-Japanese peace treaty formally ending World War II hostilities.

Putin does not wish to start a nuclear war, but he certainly seems willing to reignite a nuclear arms race. Perhaps this is because Russia continues to command roughly half of the world's nuclear weapons. Whatever the reason, Russian compliance with existing nuclear, biological, and chemical arms control agreements is increasingly being called into question. This includes perhaps most notably testing a nuclear cruise missile in violation of the 1987 Intermediate-range Nuclear Forces Treaty; that treaty bans ground-launched ballistic and cruise missiles with a range of 300 to 3,400 miles because of the heightened risk and reduced decision-making time such systems posed.

Finally, Putin is a real risk to the international community. Putin's policies aimed at weakening postwar international institutions are often disparaged because long-term trends foresee relative Russian decline. Clearly, Russia's obstreperous behavior when it comes to dealing with major challenges such as Iran, North Korea, or Syria highlights a singularly unconstructive global role. Unfortunately, Putin is capable of being a deadly spoiler. While sanctions and energy prices are crippling the Russian economy, Putin is not the kind of man who will back down under pressure.

For Putin, a man who consciously manufactures a narrative of machismo, retreat is not an option. He fashions himself the great protector of Russian sovereignty and the Russian people, while he ensures that they have no independent voice. If China's recent assertiveness relates

to a deep-seated desire to undo a century of humiliation, Russian revanchism under Putin appears aimed at reversing the humiliation attendant the breakup of the Soviet Union, something Putin dubbed perhaps the greatest “geopolitical catastrophe” of the twentieth century.

When will the threat posed by Putin pass? Certainly not before he is no longer president. While he has suggested he might only wish to stay in power another decade or so, it could well be longer. However long Putin reigns, the Russian people, Russia’s neighbors, and the international order will be much worse for it.



The threat is a seven—still possible to manage but potentially apocalyptic.

DIMITRI K. SIMES
President, Center for the National Interest, and Publisher, The National Interest

Russian President Vladimir Putin is the one man the West should fear most. After all, he is the only person in the world who could make a unilateral decision to strike the West with thousands of nuclear weapons, something that might destroy Western civilization as we know it. And Putin does not just have this capability, he also has a motive. He is in a major conflict with the West over Ukraine, Russia’s role in the post-Soviet space, and Russia’s place in the twenty-first century world order.

So far, with an exception of “the hybrid war” in eastern Ukraine, the conflict has been largely bloodless. But, as Putin himself has acknowledged, Moscow underestimated how far the West would be prepared to proceed with economic sanctions. Russian leaders also underestimated the potential damage to the Russian economy from sanctions and a drastic decline in oil prices.

Putin surely understands by now that in the game of economic sanctions, Russia is not a match to the United States and its allies. Nevertheless, he and a number of others in the Russian government do believe that the Russian military may be an effective weapon of last resort, indeed a game changer.

This does not mean that Putin is looking for an all-out war with NATO. Instead, some of his associates are talking about *obostreniye*, a Russian word that implies

significantly escalating the conflict in order to bring it to an acceptable political conclusion.

The trouble, of course, is that once military force is used, and once nuclear weapons are put into play (Russia enjoys ten-to-one superiority in battlefield nukes in Central Europe), the potential for a miscalculation and uncontrolled escalation is high. That is particularly so because President Barack Obama doesn’t seem to take nuclear weapons seriously as a factor in the balance of power and may dangerously underestimate Russian moves until it is too late to arrest a slide to confrontation.

So far, Putin has demonstrated reluctance to rely on military power against the West, but the annexation of Crimea has shown that when he feels pushed into a corner and sees a political opportunity, he may change his calculations quickly. Accordingly, I would rate a threat coming from Moscow at this time at seven. Still possible to manage, but, also potentially apocalyptic in the case of any serious miscalculation by one side or the other.



A five. There’s cause for worry, but not for panic.

MATTHEW ROJANSKY
Director, Kennan Institute, Woodrow Wilson International Center for Scholars

How dangerous is Putin? I give it a five—there’s cause for worry, but not for panic.

Here’s the good news. Contrary to much hand-wringing and pontificating around Washington and Europe, Vladimir Putin is not the second coming of Hitler. His ambitions to dominate Ukraine, reprehensible though they may be, are not the opening gambit of deeper thrust into Europe. Putin depends for his domestic political survival on dredging up Russia’s past military glory as the savior of Europe from fascism and the defender of the Russian people from foreign—German, French, English, Swedish, and more recently, American—aggression. These themes have bred barely believable interpretations of the events in Ukraine, such as depicting the Euromaidan as a CIA-backed coup, and exaggerating the danger of rising Ukrainian nationalism to ethnic Russians and Russian-speakers in Ukraine’s south and southeast.

Still, the Russian posture remains fundamentally reactive in defense of perceived threats to Russian interests, not imperialistic or expansionist *per se*. None of this is a guarantee that Putin will not send Russian regular or irregular troops into another neighboring state, but it does mean that he probably does not have his sights set on provoking an open military conflict with NATO or the United States.

Now for the bad news. Putin is still highly popular in Russia, not only because of his macho posturing and “man on horseback” leadership during manufactured and real international crises, but because he has, until very recently, presided over years of sustained economic growth and tangible improvement in people’s living standards.

Yet the combined impact of a plunge in oil prices and punitive sanctions from the West appears to be really damaging the Russian economy and raising the specter of wide-scale unrest of the kind Russia has not seen since the tumultuous 1990s. With the political ground potentially shifting under Putin’s feet, he could tack even harder to the right, embracing radical Russian nationalism as a way of dividing and conquering internal political enemies. Whether Putin gets into bed with Russia’s violently xenophobic radicals or his regime stumbles and those same radicals help push him out of power, the “post-Putin chapter” in Russian domestic politics may not offer much salve for Western worries. Russia’s ethnically diverse (nearly one-quarter are Muslim) and far-flung (stretching eleven time zones) population could easily fragment into the type of internecine struggles over power, assets, and ideology that we have seen repeatedly in the post-communist world.



On the danger meter, Putin’s a three.

ADAM GARFINKLE
Editor, The American Interest

With apologies in advance, the question “How dangerous is Vladimir Putin?” can only be properly approached by first interrogating the question: Dangerous to whom? Dangerous compared to what? And since when did “delirious fool” and “serious threat” become functional opposites? They’re not; Caligula, after

all, caused vast trouble. And anyway, it takes (at least) two to seed calamity as it does to tango: How dangerous any revisionist power is depends ultimately on the judgments of those against whom revision is plotted. That would be, principally, the United States, with the so-called West in typically disorganized tow.

Having said that does not make answering the question easier. It makes it more complicated, a challenge rendered more complex still by the three cardinal ironies of contemporary Russia.

First, no power with 1,900 deliverable nuclear warheads can be anything but dangerous. Yet Russia is weak by all other measures: its demographic and health trends; its profound de-industrialization and vulnerability to sanctions based on a commodity-heavy economy; and its rusting conventional order of battle. Under such circumstances, Russia can attract serious allies (read: China) only by subordinating itself to them.

Second, politically, the present system is an oligarchical kleptocracy, unstably overbalanced around one man. Putin’s attempt to fashion an ideological sheen for this debased corruption has fallen between the risible and the pathetic. Yet that system and that man, while wary of tigers at the gate, are not under significant political pressure. The system may be said, therefore, to be too weak to fall.

Third, history, culture, and, above all, energy-related geography give Moscow considerable leverage in its “near abroad” and to lesser degree further west. But all it has been able to do with those assets since 1992 is to erect rubble heaps—known conventionally as “frozen conflicts,” of which Ukraine is the largest and most recent—that are sufficiently formidable to keep NATO and the European Union on the other side of them, but that are otherwise of little use to Russia.

Under such circumstances, Putin’s Russia is dangerous to the former non-Russian Soviet republics and the USSR’s former Warsaw Pact inmates. But to be dangerous beyond that, it needs fuddled “help” from others.

On that count, the Western response to Russia’s suborning of Ukraine has been neither as stalwart nor as feckless as it might have been. The sanctions are biting, especially in their serendipitous dance with falling oil prices; the Mistrals did not get delivered; some knees have buckled in Berlin, Prague, and elsewhere in Mitteleuropa, but they always do. The complicity of Western bankers in Russian corruption has become clearer, which is a good thing for other reasons. Putin’s shameless imitation of Herr Rosenberg, the master of the “big lie,” has bolstered Western nerve and, for what there is of it, Ukrainian nationalism, too. But the Ukrainian rubble heap remains. The resultant canvas is thus hue-strewn.

This phase of Russian policy is not over, hence neither is the Western response. For now, however, I’d mark the danger meter at three.



*As high as an
eight or nine.*

DAN MAHAFFEE

Vice President and Director of Policy, Center for the Study of the Presidency & Congress

In evaluating the danger Putin poses to the West, a key metric is whether or not Western leaders truly appreciate Putin's mindset and methods. Putin's system is not that of a delirious fool. It is a carefully crafted mixture of the practices of the KGB and organized crime designed to use the resources of the Russian state to enrich and empower a select few. As Karen Dawisha, author of *Putin's Kleptocracy*, describes it, "Instead of seeing Russia as a democracy in the process of failing, we need to see it as an authoritarian system in the process of succeeding."

Through such a conceptual framework, we see how Putin and his cohorts view the West, and the danger they pose. It is a danger that does not manifest itself solely in the tanks crossing the Ukrainian steppes, nor in the wreckage of MH-17. It also manifests itself in how Putin seeks to find and exploit the weaknesses of European allies. This is evident in Russia's funding and support for far-right populist parties such as the French Front National and the German, neo-Nazi National Democratic Party—a particular irony given that the common accusation against the current Ukrainian government is that of being neo-Nazi. In Bulgaria—which sought energy independence through natural gas development—Russian-supported groups have used environmental politics as an aegis for further dependence on Gazprom.

Putin is using the same Cold War playbook learned in Soviet times. Western leaders seem unsure about what sport is even being played. While the sanctions are starting to bite at the Russian economy, Putin and other Russian leaders have made sure that their wealth is protected from U.S. and EU sanctions. Let's not forget that Putin's wealth is estimated to be at least \$40 billion, making Putin one of the world's wealthiest individuals.

Acts of military force have been met with suspension from the G-8 and pariah status at the G-20; Russian troops and materiel flowing into Ukraine are met with stern denunciations and non-lethal aid. Despite repeated incursions of Russian aircraft into NATO airspace—actions that further

endanger civilian aircraft—European defense budgets, by and large, continue to face severe cuts and continued underinvestment. These actions by the West are not viewed as acts of strength in Moscow; they are seen as further demonstrations of disunity and indecisiveness that Russia can exploit. Russia seeks a return to Cold War geopolitics. The West has seemingly forgotten how strength and unity helped to counter the then-Soviet posture.

Putin's danger to the West, on his own, is significant, perhaps a six or seven on this symposium's scale. The response of the West thus far—which opens the door to greater aggression or tragic miscalculation—is what warrants an eight or nine.



*Russia's biggest
threat comes from
the East.*

DANIEL TWINING

Senior Fellow for Asia, German Marshall Fund, and former Member of the Secretary of State's Policy Planning Staff

The bad news is that, as shown by Russia's invasions of Georgia in 2008 and Ukraine in 2014, President Putin is the most revisionist leader in Moscow since his Soviet predecessors launched the invasion of Afghanistan in 1979. The good news is that, in Russia's conflict with the West, the United States and Europe hold most of the cards. If they play them well by maintaining sanctions and allied unity, Russian revisionism can be contained, political pressure on Putin at home will grow, and Russian power ultimately will diminish.

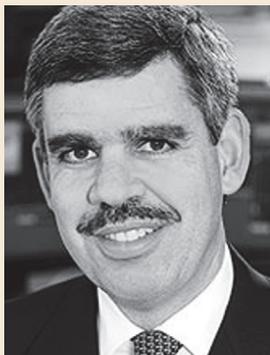
The collapse in global oil and gas prices is putting significant pressure on the Russian government budget, of which oil and gas revenues comprise some 50 percent. Russia's economy is forecast to shrink by 5 percent in 2015 and the ruble has been in a state of free-fall since the West tightened economic sanctions last autumn. The state oil giant Rosneft has had to go hat-in-hand to Moscow for a \$40 billion bailout. The Putin economic model of state-controlled or -allied companies reliant on lavish energy revenues is coming under significant strain, leading in turn to a splintering of Putin's power base of the oligarchic elite. Russia's democratic opposition remains weak in the face of the continuing persecution of its leaders and government

control of the media. But this should not obscure the fact that Putin is now grappling with rising unrest among oligarchs who have been made very rich, and are now becoming poorer, as a result of his foreign adventurism.

Putin is not only overseeing the economic diminishment of his country and his political allies; he is also making a set of risky moves in foreign policy that history may well judge to be strategic errors. The invasion of Ukraine is only the most obvious of these: were a few nice beaches in Crimea and a bombed-out airport in Donetsk really worth Russia's alienation from its biggest market in the European Union, a new Cold War with America, and a resurgent NATO alliance?

In fact, the bigger threat to Russian security comes from the East. As Western sanctions have bitten, Putin has made his own pivot to Asia, signing a thirty-year gas-supply deal with China worth hundreds of billions of dollars. Market analysts are nearly unanimous in believing Beijing got the better end of this bargain: Putin's political interest in securing it at the height of his isolation from Western leaders overcame the deal's unfavorable commercial terms. Yet the geopolitics of the agreement also look dubious: a declining Russia whose commodity-fed economy has been hollowed out by de-industrialization is no match for a rising Chinese superpower whose economic, military, and demographic scale ultimately threaten to overwhelm its neighbor, with which it shares the world's longest border.

There are few countries more threatened by China's rise than Russia. In invading Ukraine, alienating the West, and putting Russia at the mercy of its historic Asian adversary, Putin has accomplished a neat hat trick that will intensify rather than reverse Russia's decline.



The risk is an eight.

MOHAMED A. EL-ERIAN

Chief Economic Advisor, Allianz, and Chair, President's Global Development Council

President Putin's regional policies, and the geopolitical tensions they have entailed, constitute a material risk for the wellbeing of the global economy. I would rate the level of risk at eight.

Already the West has responded to his interference in Ukraine by imposing sanctions that have evolved from targeting individuals and companies to targeting whole sectors. Should President Putin refuse to engage constructively with the West over Ukraine and thus fail to de-escalate tensions, the most probable outcome would be to force the United States and Europe into intensifying sanctions on Russia, including on the energy and finance sectors. In turn, this would lead to counter-sanctions by Russia on the supply of energy to central and western Europe.

The result of all this would be to push Russia even deeper into economic recession, financial instability, inflation, currency implosion, and shortages. It would also tip Europe into its own recession, thus darkening the prospects for the global economy.



It would be a mistake to assume Putin is too broke to follow up on threats.

PHILIPPA MALMGREN

Founder, DRPM Group, and author, Signals (forthcoming)

The "Putin Dossier" at the intelligence agencies must make fascinating reading. No doubt some of his gripes are personal given that he was the man in the Russian Embassy who had to burn the documents when the Berlin Wall fell. But it is truly dangerous to confuse the person with the problem.

Clearly, President Putin is threatening, if not engaging in, military confrontation with the West. This is obviously dangerous. But, it would be a mistake to simply apply a "crazy/dangerous" label to Putin and to assume he is too broke to follow up on the threats. He can and will act.

For Putin, the Cold War never ended. Russia simply became temporarily too weak to continue the fight. But once ready, the confrontation with the West began again.

Putin is clearly rattled by the expansion of NATO. It may be a red herring, but it may also be a clever tactic. Now that the West is overwhelmed by debt and exhausted from Afghanistan and Iraq, Putin can test NATO's resolve. Who would the United States and NATO actually defend? The Russian naval exercises in the Baltic last summer were the largest since the Soviet era. They demonstrated that Russia can, without much effort, dominate

the Baltic, especially given their foothold in Kaliningrad. According to Danish intelligence, Russia simulated an attack on the Danish island of Bornholm during the very week the Danes hold their equivalent of Davos with every major political leader on the island. Would NATO and the United States defend Denmark? The “lost” submarine in Stockholm also begs the same question for Sweden, as do the Finnish, Norwegian, and Japanese airspace incursions. Ukraine is just one piece of a much larger “Great Game.”

Putin tests the Europeans too by funding the far right-wing political parties that want to leave the euro. Putin has offered Greece cash to leave the European Union and join the new Eurasian Economic Union. Russia is reaching out to Egypt in the hopes that the old Russian port there might be re-established, allowing a Russian military presence in the Mediterranean.

The West also mistakenly assumes that economic pressure will weaken Russia. Yes, the financial sanctions create real pain. The collapsed oil price has demolished Russia’s fiscal resources. But all this actually fuels Russian aggression. Deputy Prime Minister Medvedev says if Russia is kicked out of the SWIFT banking system, the “Russian response—economically and otherwise—will know no limits.” Nuclear and other military weapons can easily be deployed in response to economic policy actions. That’s what intel dossiers usually seem to miss: economic trouble is often positively correlated with desperate action—military action. Ignorance of this is dangerous.



Putin telegraphed a shift was coming. The uncertainty is whether that shift includes any propoganda.

JIM O'NEILL

Former Chairman, Asset Management, Goldman Sachs International

I have never met Vladimir Putin, but in my years as “Mr. BRIC” I have met many of his close colleagues, and they and a number of other internationally respected policymakers have often told me that he was the smartest person on the global scene. Indeed, at the start of his second term of office, someone inside his close cohort speculated, in repeating this observation, that at some point in his second term Putin would shift gears considerably and

we would see a very different Putin. I guess we are still waiting for that, unless I truly misunderstood this person and he meant that Putin would indeed decide to take the Western world head on as he essentially has done!

This conversation came up in the context of me referring back to a speech I had given at the St. Petersburg Economic Summit in 2008, where I had been specifically requested to give a presentation on what the world economy would look like by 2020 and Russia’s place within it. In that speech, I highlighted Russia’s troublesome demographics and also a strong likelihood that crude oil prices would not repeat in the next twelve years what had happened in the previous eight (or longer), that is, oil prices would be unlikely to continue to rise at the speed they had, and in fact, it was quite likely they might decline. I then suggested that if I were a Russian policymaker, I would actually assume, from a planning perspective, that oil prices would drop, because it would force me to make tougher choices when it came to the economy. As you can imagine, this speech didn’t exactly make me Mr. Popular, although privately a number of senior policymakers were very pleased that I said this, and that it got quite a bit of media coverage.

Back to the lunch then, and I had asked the policymaker, how come if Putin is so smart, he hasn’t embraced this simple approach? And hence the answer, that sometime in the second term, he would shift significantly. So I cannot figure out whether Putin realized a couple of years back that the days of strong oil prices were over, which meant that the days of easy living and strongly rising Russian real incomes were also over, and therefore the only way to remain popular was to shift gears into becoming very nationalist and sow the hopes of some version of the re-creation of the Soviet Union; or that he will still make a big—and now, surprising—shift to major structural changes, and perhaps back down over the Ukraine sometime in early 2015. In parallel with these possible paths, I have been observing the Russian stance towards the BRICS political club and the BRICS Development Bank with similar great interest. According to my knowledge, turning the acronym I created into a political grouping was actually a Russian proposal, and in this regard, it was no surprise that the first BRICS leaders meeting was held in Russia. I also believe that, despite this, until late 2013, the Russian policymakers had not been overly excited about the idea of turning the BRICS Bank into reality, but something shifted their thinking in early 2014, because of course, that has now happened and they seemed to embrace it. I am not entirely sure why that shift happened, and it might simply be that China decided it was going ahead whatever Russia (or others) thought and they simply acquiesced. In some ways, I hope that is the case, because it would raise some hope that Putin’s supposed smartness also includes a degree of necessary pragmatism, as that is clearly what he needs to have for the challenges ahead.



*Putin's a six.
But time is not
on his side.*

W. BOWMAN CUTTER

*Senior Fellow and Director, Economic Policy Initiative,
Roosevelt Institute*

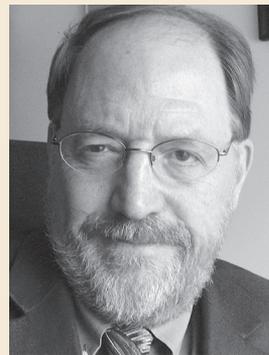
Vladimir Putin and his Russia are a six on the “delirious fool to serious threat” spectrum. Whether he moves up or down the scale depends on his actions/reactions and our action/reactions in a complex “game” in which we “lead” a shaky coalition and he has a deep recession, a problematic economy, and (probably) worried colleagues on his hands.

Parsing the threat: Putin commands a still-wealthy, kleptocratic, deeply corrupt state with a Potemkin village economy almost entirely lacking in the critical social, civic, physical, and business infrastructure necessary to become a successful economy. Russia possesses oil, gas, nukes, and billionaires who are mostly the beneficiaries of one of the great lootings in all history. It is not the existential threat we once believed the Soviet Union to be. As a danger, Putin will hover between being a high probability threat with a serious capability and the intention of taking a course that will harm Europe and our core policies and projects (an eight), and a nuisance (a three). But time is not on his side, and he faces more downside than up.

The best way to think of Putin is as the inevitable reaction to a seventy-year year failed social and economic experiment which left Russia in tatters. There was never going to be an easy, linear way out of the cul-de-sac. Putin is neither a fool nor irrational, but he is playing the only game he knows in a world he no longer knows, and with a weak hand.

The United States and Europe now have to see this as a long-term, delicate game. The game could certainly last more than a decade before there begins to be a change of direction in Russia. We do not have any interest in impoverishing Russia, or the Russian people. We would all be vastly better off if Russia saw itself simply as a major country with interests it pursued through normal channels. At the same time, we would be foolish to believe that this result will occur naturally, or simply, or that it is the result Putin wants.

Europe and the United States have to be calm, patient, and steadfast. We should always speak of Russia as the nation we would want it to be; we should speak of the regime, not Russia, as the threat. Our various sanctions should be aimed at the regime, the clique that composes it, and the worried billionaires who have parked their money in the West and more than anything else want to keep it. And we must support Ukraine. That will be difficult because it will be expensive and because Ukraine has been almost as corrupt as Russia. But sooner or later there will be a dawning realization within Russia that the current path leads nowhere good.



*The torturers,
Germany, the U.S.
Republican Party,
and Karl Rove
are the world's
real risk.*

JAMES K. GALBRAITH

*Lloyd M. Bentsen, Jr., Chair in Government/Business
Relations and Professor of Government, Lyndon B. Johnson
School of Public Affairs, University of Texas at Austin, and
author, The End of Normal (2014)*

The search for an invariable standard of value—or, in this case, worthlessness—is one of the older quests of political economy, reflecting the late-eighteenth century’s interest in measures, embodied in the meter stick that supposedly represented exactly one-thirty millionth of the distance from the equator to the pole. In other words: if you want to know how dangerous Vladimir Putin is to the West, you have first to ask, in comparison to what?

The West is a moral construct. It is a constellation of values. Therefore surely the greatest danger to the West these days—ten-plus on the *TIE* scale—comes from those who committed torture, those who ordered torture, those who excuse torture, and those who stand in the way of justice for the tortured.

The West is an economic system. It is not socialist nor wholly capitalist, but mixed, pragmatic, and sensitive to human needs. The second great threat—call it an eight on the *TIE* scale—are the politicians and bankers of Germany, bent on sacrificing Europe to dogma.

The West is a way of government, reliant on compromise, common sense, common objectives, and decent respect for the elected. And so the third threat to the West

right now—let's say six on the scale—is the Republican Party.

How does Putin compare? Well, he has annoyed America's thought leaders, and they do not like to be defied. But what has he done? Back in 2008, he stopped Georgia from overrunning two enclaves that she had never controlled. Following a hostile coup in Kiev he annexed Crimea, a Russian naval base, changing nothing. He has stymied efforts to do to Donetsk and Luhansk what Katrina and Karl Rove did to Louisiana not long ago. As for the Malaysian aircraft, no investigation has pinned that crime on either the Russians or the rebels, so far.

So far as dangers to the West go, these matters don't even register. Yes, at the bottom of the *TIE* scale, one should worry about fools. But, you know, that's more of an internal risk. The score of one should go, perhaps, to the fellow who wrote that question.



*A three and a seven.
Putin is mainly a
threat to Russia,
which he is turning
into a cheap quarry
for China.*

WILLIAM H. OVERHOLT
President, Fung Global Institute

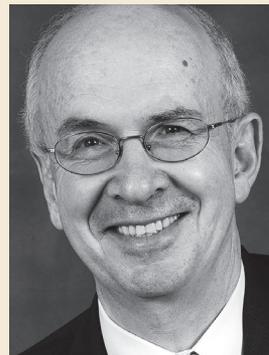
As a threat to the West, Putin ranks as a three and a seven. In the short term, he can annex some territories, destabilize small neighboring countries, and possibly rearrange the politics of Georgia and eastern Ukraine and other fragments of his neighbors. He has the potential for enormous mischief if he miscalculates and attacks a NATO ally. That risk aside, just as a pragmatic, calculating West could do little about the Soviet invasions of Hungary in 1956 and Czechoslovakia in 1968 (both non-allies), a pragmatic, calculating West will not use military might to confront Putin's aggression in eastern Ukraine, also a non-ally of the United States.

But in the long run the Soviet Union collapsed because it allocated overwhelming resources to the military and neglected the economy. Putin is repeating that strategic gaffe. Aside from resource misallocation, his policies alienate foreign investors, corrode ties to Western markets, cost Russia access to Western technology and capital, deplete resources through massive corruption, centralize control of the economy through crony-controlled

oligopolies, reduce competition, and build the state sector at the expense of the private sector. In addition to channeling Brezhnev's geopolitics, Putin channels Brezhnev's economics. The ultimate consequences for Russia's geopolitical clout will be the same.

Russia is a mismanaged Canada (small economy, few people, bountiful geology) with bristling weaponry. Obama understands that, in a game of rock-paper-scissors, when Putin plays the (military) rock, the (economic) paper smotheres it. Putin has the capacity to make Obama look like a brilliant strategist. To be sure, the West has economic weaknesses, but Greek incontinence and German anal retentiveness are minor ailments compared with Russia's self-destruction.

China, whose economic policies are the opposite of Putin's, knows how to be a sustainable rising power. As China pockets long-term contracts for cheap Russian oil, and as Chinese tourists flood into Russia to buy cheap everything, the big winner of Putin's game becomes clear. Putin is mainly a threat to Russia, which he is turning into a cheap quarry for China.



*A definite nine. He's
no delirious fool.*

DESMOND LACHMAN
Resident Fellow, American Enterprise Institute

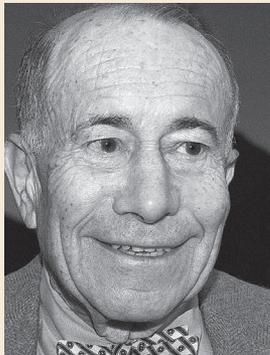
Iwould give a nine to your question since I think that far from being a delirious fool, Putin is a major threat to the West.

In assessing Vladimir Putin's recent foreign policy actions, it is important to distinguish between being irrational and making major policy miscalculations. Judging by Putin's dramatic increase in popularity at home following his annexation of Crimea, his Ukrainian adventure must be judged to be rational. This is especially the case if Putin's basic objective was to consolidate his autocratic hold on power and to deflect Russian public attention away from blatant corruption and gross economic mismanagement at home.

In pursuing his objective of whipping up a nationalist frenzy, Putin appears to have made two basic miscalculations for which the Russian economy is now paying

dearly. The first was to misjudge the West's resolve in imposing effective financial sanctions on the Russian corporate sector. The second was to be totally flatfooted by the long-run fall-out of the U.S. shale oil revolution. That revolution has contributed to a 40 percent drop in international oil prices, which will be devastating for a country as dependent on energy export earnings as is Russia.

A real danger to the West has to be that a Russian economy in tatters will only increase the incentives for Putin to be even more adventurous abroad, especially if the West offers no credible threat of a military reaction. Sadly, this could be bad news for any early resolution of the Ukrainian crisis. Worse yet, as Senator John McCain (R-AZ) has recently warned, it could spell trouble for other countries such as Moldova and the Baltics, which Russia has long considered to be part of its near abroad. Another geopolitical shock would seem to be the last thing that an enfeebled European economy now needs.



A six or seven.

CHARLES WOLF, JR.

Distinguished Chair in International Economics, RAND Corporation, and Senior Research Fellow, Hoover Institution, Stanford University

It is the folly of irrationality to view Vladimir Putin's behavior as irrational. Indeed, among leaders of the G-20, Putin is probably one of the most rational. To fathom the heights of his rationality, the appropriate initial assumption is this: Putin's overriding aim is to maximize the chances of his remaining Russia's ruler for life!

Whether he accomplishes this by altering his titular leadership between president or premier, with his junior partner, Medvedev, as willing ally, or whether he seeks constitutional revision to short-circuit this play-acting, is merely a tactical detail. In either case, Putin's chance of accomplishing his "leader-for-life" goal is fairly high: my prior-probability estimate is one in four.

With this criterion in mind, Putin's rationality can be assessed by distinguishing between two aspects of his behavior: first, offensive and aggressive measures that are

mainly external; and second, defensive and protective measures that are mainly internal.

Concerning protective measures at home, Putin's practice is to warn, identify, and eliminate enemies as he finds them. Chechnya, Khodorkovsky, and Kasparov are examples. Concerning the offensive and aggressive measures abroad, cases in point include Georgia, Crimea, and the mobilization, funding, and equipping of Russian separatists in eastern Ukraine.

Putin's offensive measures are abetted by invoking both Russian nationalism ("the greatest catastrophe of the twentieth century was the fall of the Soviet Union"), and Russia's pervasively latent distrust and suspicion of the United States. At the same time, these measures are severely impeded by the 40 percent drop in global oil prices (a much greater impedance than U.S. sanctions), and by such an unanticipated counteraction as that of Ukraine's President Poroshenko cutting electricity to Crimea unless or until Russia ceases support for separatists in Ukraine. While volatility in oil prices can be expected in the next few years, it's more likely that the volatility will be biased toward the lower side of \$65 per barrel than above it. In this context, a rationally behaving Putin is far less worrisome than in the context of \$100 per barrel-plus prices that prevailed during the first half of 2014.

Now, to return to the question of where to place Putin on a threat scale from one to ten, where ten is a serious threat and one denotes "a delirious fool"? As I've said in the foregoing comments, Putin is far-removed from the latter. My scaling of the threat is six or seven—tending toward the lower side as oil prices descend in the same direction.



The real "ten" are the multiple horrendous dangers in Europe.

BERNARD CONNOLLY
CEO, Connolly Insight, LP

There are very considerable dangers—for Russia and for the world—in Putin's behavior. But that behavior has been encouraged by "the West." The dangers ultimately come from the inability of any empire, territorial or intellectual, to accept the independence of any

country—or indeed to accept the independence of any individual. Ukraine, where the crisis began, has been given no chance either by Russia, seeking to recreate a Tsarist empire, or by the European Union, seeking to create a New Soviet Union, to become an independent, democratic country. Russia has understandable (not necessarily the same thing as justifiable) historical reasons for its attitude. But on the part of “the West,” or at least of the European Union, there has been a quite appalling arrogance and disregard for the human cost of its ambitions.

That arrogance and that cruelty have been very obvious in the malignant lunacy of monetary union. In broader geopolitical terms, they are manifestations, intended or not, of “liberal imperialism,” associated with Tony Blair among politicians and with many bureaucrats and intellectuals in “the West.” In turn, advocacy of “liberal imperialism” reflects a “universal liberalism” which aims to replace freedoms with “rights.” In contrast, Judeo-Christian thinking has traditionally believed that, ultimately, freedom comes only from willing acceptance of God’s values—that is, the individual must be independent; faith cannot be enforced. What institutional Christianity in past centuries, communism in the twentieth century, and “political correctness,” radical Islam, and the European Union in the present have had in common is a wish to impose belief systems on everybody. It is this that creates both a “clash of civilizations” and, in a world of opportunistic or deluded politicians, a clash of rival empires. Putin’s revanchism may or may not be objectionable: his methods certainly are both objectionable and dangerous. But they are in reaction to—have been created by—that which is truly dangerous in its nature: “liberal imperialism.”

To make things worse, “the West” is itself divided. Thus, the driving force of the European Union is not just imperialism in terms of its “civilization”; it is also a specific ambition of the European Union (and not just of, perhaps, Putin) to do to “the Anglo-Saxon model” what Sir Alex Ferguson said he was going to do to Liverpool: “knock it off its f***ing perch.” As it happens, capitalism, whether “Anglo-Saxon” or “Rhenish,” is indeed at risk of collapse—but because of monetary policy errors, not some supposed inherent contradictions as Putin may believe.

Next, France will not accept German domination of, as well as dominance in, the European Union. And that opens up, both for France and for Germany, the prospect of power plays with or against European countries outside the European Union: Russia and Britain (one fervently hopes that Britain will soon be outside the European Union). Yes, what Putin is doing is dangerous. But the idea that the multiple, horrendous dangers in Europe (a ten) could be avoided simply by managing to evict Putin is a much more dangerous folly.



*Putin will lose
on his own.*

S. FREDERICK STARR

*Chairman, Central Asia-Caucasus Institute, SAIS,
Johns Hopkins University, and Silk Road Studies
Program, ISDS, Stockholm*

Regarding Vladimir Putin, one thing is absolutely certain: that he will fail in his effort to reconstitute a “Greater Russia” as a political, economic, and cultural zone. True, Trotsky reassembled much of the tsarist state, but we are no longer in the year 1920. So far, each of Putin’s moves—in his own North Caucasus in 2001–2005, in Georgia in 2008, in South Kyrgyzstan in 2010, and in Ukraine in 2014–2015—has generated more opposition than support. In fact, his geopolitics to date have been destructive of the very values Putin seeks to promote. He will lose on his own. But even if Europe and America remain supine, China made clear in 2008 and 2010 that it would not countenance Putin’s schemes. Putin then backed off.

The question, then, is not whether Putin will fail but how much damage he will do to the international order, to his neighbors, and to his own country before he fails. The answer in all three cases is “a lot.” The West’s passivity to date regarding Georgia, Crimea, and Ukraine has eroded the sanctity of post-colonial borders everywhere. Russia’s neighbors in the Baltic, Eastern Europe, the Caucasus, and Central Asia all realize that Putin has placed their sovereignty “in play,” notwithstanding America’s and the European Union’s insistence throughout the 1990s that they stood firmly behind the sovereignty and territorial integrity of all post-Soviet states. As to Russia, Putin has set his country on the sure path to further territorial erosion. His policies have already cast doubt on the Russian future of North Caucasus, Tatarstan and much of the Volga Basin, and even Siberia. Meanwhile, Russia is fast becoming Central Asia’s “near abroad,” to reverse a phrase beloved by Russian chauvinists. The consequences of all this could be to redraw the geopolitical map of Eurasia and to induce a crisis in Russia itself, one that will challenge and, one fears, deeply threaten, the impressive cultural attainments of the Russian people over many centuries.



*The risk
is a seven.*

CARLA A. HILLS

*Chair and CEO, Hills & Company, former
U.S. Trade Representative, and former Secretary
of Housing and Urban Development*

How dangerous is Vladimir Putin to the West? Although his future actions are difficult to predict, his past actions have created substantial challenges. Unless handled with skill and diplomacy, dangers loom.

Part of the danger is geopolitical. A decade ago, Putin strongly opposed Ukraine's bid to join NATO, concerned that as a NATO member it might terminate the treaty giving Russia the right to maintain its naval base in Crimea. Last year, Putin opposed Ukraine's bid to join the EU Association Agreement as he sought to create "Novorossiia" or New Russia with states that were part of Tsarist Russia.

When Viktor Yanukovich, then president of Ukraine, postponed signing the EU Association Agreement which had strong popular support, there were violent protests in Kiev causing him to flee to Russia in early 2014. Ukraine's parliament, finding substantial evidence of Yanukovich's corruption, impeached him and appointed an interim successor. Russia refused to recognize the successor; the West did.

Complicating matters, Ukraine's parliament passed a law making Ukrainian the country's official language, igniting riots in Crimea where Russian speakers comprise a majority. Russian military in unmarked uniforms crossed the border and took control of Crimea's parliament. A referendum was held declaring Crimea independent of Ukraine. Also, Russian military in unmarked uniforms with heavy military equipment moved to support Russian separatists fighting in the Donetsk and Luhansk areas of Ukraine.

The West reacted to Russia's violation of Ukraine's sovereignty with economic sanctions that limit access to Western capital markets.

A number of unsuccessful efforts have been made to resolve the differences. On September 5, 2014, representatives of Ukraine, Russia, the Organization for Security and Cooperation in Europe, and representatives of the

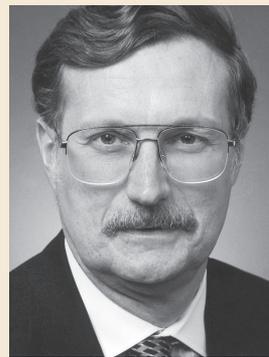
Donetsk and Luhansk areas agreed to the Minsk Protocol, which provided for an immediate cease fire and withdrawal of armed groups and military equipment from Ukraine. Violations of the cease fire have occurred on both sides, and fighting continues in eastern Ukraine.

In addition to the geopolitical standoff with the West, Russia now faces a severe financial crisis. Since June, the price of crude oil, which is Russia's main export, has dropped by more than 50 percent, causing the Russian ruble to plummet and massive capital flight. Moody's, expecting Russia's GDP to contract 5.5 percent in 2015, downgraded Russia's government bond rating to one notch above junk. Russia is expected to slide into recession this year with inflation hitting 17 percent by spring.

One question is how will Putin react? Will he recede? Polls show that states he would like to bring into Russia's orbit have been put off by his actions in Ukraine. And Russia's economy would greatly benefit from access to the West.

A second question is how will the West react? Will it be content to have Ukraine be a "bridge" between the West and Eastern Europe instead of a formalized relationship? Will it assist Ukraine to recover economically?

Answers will determine the risk we face. On a scale of one to ten, with one being little and ten being great, I would put the risk at seven.



*Putin's a seven. The
task is to get him to
look westward, not
eastward.*

GEORGE R. HOGUET

*Global Investment Strategist,
Investment Solutions Group,
State Street Global Advisors*

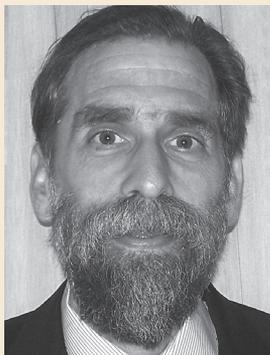
A substantially weakened Russian economy in 2015 will likely limit Putin's assertiveness in non-NATO states with large Russian-speaking minorities, but the situation in eastern Ukraine remains dangerous and could escalate. Russia has always viewed eastern Ukraine as part of its defense perimeter and Russians have never fully come to grips with the loss of Great Power status. Despite a contracting economy, Putin remains popular and can project military power into peripheral states.

Given the “objective conditions” in Ukraine and the “correlation of forces,” as the Soviets used to say, I would rate Putin seven out of ten on a danger scale.

Following the roughly 60 percent drop in oil prices since June of 2014, the International Monetary Fund now expects the Russian economy to contract by 3 percent in 2015 and 1 percent in 2016. Risks, however, are clearly to the downside, even if oil does not drop further. Interest rates in Russia are 17 percent; bad loans are rising and Russian banks likely will require additional substantial capital injections; capital is flowing out of the country (\$133 billion in 2014); and the sanctions are increasingly effective. Investment is falling as imports compress. Russia has roughly \$380 billion in foreign exchange reserves, but the odds of capital controls are growing.

Preoccupation with domestic affairs, however, will not deter Putin from defending what he sees as Russia’s vital interests. Putin will match any military assets deployed by the Ukrainian government in eastern Ukraine. The longer the conflict goes on, the greater the chances of miscalculation by Russia and/or the West. Russia’s non-compliance with the Intermediate-Range Nuclear Forces Treaty further complicates the matter.

Putin made a serious miscalculation when he invaded Crimea and supplied equipment that shot down MH-17. He is certainly capable of making others. Continued conflict in the Ukraine and sanctions could further weaken economic conditions in Europe, already on the cusp of deflation. The task of western diplomacy should be to offer Putin a series of incentives to look westwards, not eastwards. Flexibility will be required by all parties involved.



*He is dangerous
in the upper-seven-
plus range.*

GARY KLEIMAN
*Senior Partner, Kleiman
International Consultants*

Putin and the immediate post-communist hold-over system he represents pose dangers on the upper seven-plus range of the scale both at home and abroad, as fifteen years in power and frequent economic mismanagement would be opposed to international

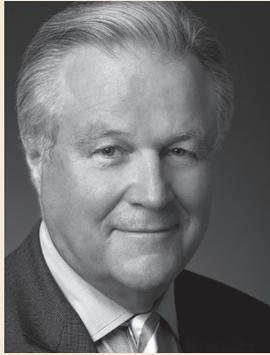
interests even before the Ukraine confrontation. Upon regaining the presidency, massive street protests testified to the establishment’s anti-democratic pattern, and the Sochi Olympics and then the Crimea crisis provided popular rallying cries.

But the record has always been judged ultimately on living standard improvement as promised during his ascendancy after the late 1990s banking and debt crash which may currently be replaying in incipient form. Geopolitical and post-2008 conspiracy theories are tempting but overblown, as recent Western direct and portfolio investment ties have remained intact within a broader cooperation framework despite the Georgia invasion and dollar diversification push.

In 2009, Russian representatives supported the G-20 move for IMF emergency expansion and extended provisional credit lines at the same time the government was dipping into its own reserves to help state banks and companies globally. In the Lehman bankruptcy aftermath, Moscow continued plans to join the World Trade Organization, completed several privatizations on both the local and New York/London stock exchanges, and corporate borrowers returned to world bond markets where they have remained a large chunk of the benchmark index.

Integration remained solid over the period even as oil prices dipped lower than today and ruble government bond access was liberalized and linked to the Euroclear settlement network enabling non-residents to own a 20 percent share.

Ukraine-related sanctions and counter-sanctions have now reversed the trend and although President Putin and his team pledge business climate and regulatory improvement, the cumulative forces unleashed during his lengthy tenure of arbitrary action and absent structural reform may be too overwhelming a threat to factory and fund managers, as well as average citizens and mainstream diplomats. Stagflation, massive capital flight, creeping corporate debt defaults and bank runs, and currency collapse are hardly recipes for near-term political and economic stability and will outweigh any temporary patriotic diversion which entails additional budget drag. By inviting an indefinite pullback from traditional cross-border commercial engagement, which also applies to new Asian sources appreciating the same dynamics, Putin may have presented the ultimate danger to finishing out his term successfully as disillusioned domestic and overseas investors and savers demand change.



*The threat he poses
is very real.*

J. ROBINSON WEST

*Senior Adviser, Energy and National Security Program,
Center for Strategic & International Studies, and former
Chairman and Founder, PFC Energy*

Vladimir Putin is a dangerous man if he chooses to be. Nuclear weapons aside, Russia is not a great power, but a significant power regionally. It has legitimate interests in the many theaters, from northeast Asia and North Korea to South Asia, Pakistan, and Afghanistan, to the Persian Gulf and Iran, to the Black Sea, and to Eastern Europe. If it chooses, Russia can be a constructive partner to the West, as it was on U.S. military operations in Afghanistan or removing chemical weapons from Syria. Following the Ukraine experience, Putin demonstrated that he could be ruthless, disingenuous, dishonest, and disruptive, resulting in regional convulsion.

One area where Putin had pretensions of power was energy. He believed that Russia's huge reserves and geographic centrality to the Eurasian land mass would give him enormous leverage. He has come to realize that Russia needs access to customers, markets, and money as much as they need his oil and gas. He has very limited power. Gazprom has played hardball in trying to seize control of pipelines and markets in Eastern Europe with some success. Beyond this, however, Russia has little to show for Putin's energy strategy.

The recent gas deals with China are commercially disadvantageous to Russia. China has no intention of either overpaying or being over-dependent on Russia. The financial mismanagement of the Russian oil and gas sector is a serious problem. Heavy indebtedness to western banks so that Putin and his allies could centralize and plunder state energy enterprises, along with crashing commodity prices and sanctions after Ukraine, could lead to falling production. Incompetence and greed may be the greatest threat.

The North American energy boom is not endless. The United States, Saudi Arabia, and Russia are the world's leading producers and the global economy needs them all.

Putin has the potential to be widely disruptive and even dangerous. He is not a brilliant geostrategist, and his understanding of economics is dismal. But he is clearly

in charge of Russia, has great ambitions for himself and Russia, and controls a wide range of levers. The challenge will be to get him to pull those levers with us, not against us. The threats are real.



*An eight. It would
be a serious mistake
to assume he is
merely blustering.*

NORMAN A. BAILEY

*Professor of Economics, Center for the Study of National
Security, University of Haifa, and Adjunct Professor of
Economic Statecraft, Institute of World Politics*

On a scale of one to ten, an eight. Since taking control in 2000, President Putin has spent these fourteen years consolidating dictatorial power internally, rebuilding the Russian armed forces and security services, encouraging technological development in such areas as cyber-operations, recentralizing the Russian economy under state dominance, and probing soft spots on Russia's periphery, such as the cyber-attack on Estonia, the invasion of Georgia, and the annexation of Crimea.

With little effort and no significant resistance, he has also expanded the international role of Russia into the Middle East and Asia. In the face of Western weakness and vacillation, he was in the process of creating a geopolitical space from Germany in the West to China in the East. He deployed Russia's energy resources with skill and determination.

The apogee of his reign was reached with the Crimean takeover. If he had paused there to consolidate his gains and concentrate on his medium- and long-term strategies, the rest of the world would have done nothing significant in response. Indeed, in the weeks following the takeover the general attitude of the Western powers and media was that he actually had some good points with reference to Russia's right to Crimea, which had been handed over to Ukraine by Khrushchev for no apparent reason.

Then hubris took over. Putin's remarkable successes in unlikely circumstances, his Great Russian ethnic, historical, and psychological beliefs, with resentments and fears based on centuries of aggressions by Mongols, Tatars, Poles, Swedes, French, Germans, and others, coupled with his contempt for the contemporary leadership of

the West, impelled him to go beyond Crimea and attempt to detach eastern Ukraine from the rest of the country, with visions of a corridor to Transnistria and Moldova in order to create more Abkhazias and South Ossetias. He has attempted to intimidate the Baltic states and Poland, drawing former Soviet republics into an economic union with Russia, with the goal of eventually sharing geopolitical dominance over the eastern hemisphere with China.

Instead, his overreach has led finally to a reaction, which if not overwhelming, at least is not negligible, with economic and financial sanctions reinforcing the damage done to the Russian economy by the fall in the price of oil.

A wounded Russia, led by an immensely popular megalomaniac, is a very dangerous country, one which Putin never ceases to remind the world has a large and well-maintained nuclear arsenal and therefore cannot be intimidated. We cannot rule out a serious strategic error with disastrous consequences if Putin feels cornered and believes that Russia is being subjected once again to aggression from abroad. His language is incendiary and it would be a serious mistake to assume that he is merely blustering.



*Putin's actions
were a genuine
miscalculation.*

ANNE O. KRUEGER

*Research Professor of International Economics,
SAIS-Johns Hopkins, Senior Fellow, Center for International
Development, Stanford University,
and former First Deputy Managing Director,
International Monetary Fund*

Russian nationalism has played an important role for more than a century. The belief that Russia should be a powerful and respected major power is strong. Further, Russian nationalism has always held that the “near abroad” is an important sphere of influence. There is little question that the diminished status of Russia after the fall of the USSR was a source of discomfort to many, including President Putin.

Ukraine and much of the rest of Eastern Europe, including Georgia, is in that “near abroad.” No doubt the attraction of regaining part of the lost influence was

strong. But the invasion of Crimea and subsequent actions in Ukraine were further encouraged by the very weak response of the West to the earlier invasions of Georgia. Concerns about Ukraine’s projected alliance with the European Union certainly contributed to the move into Crimea and subsequent hostilities in Ukraine.

Rather than choosing between the two offered extremes, I would argue that there was a genuine miscalculation: It appeared, especially after the Georgian invasions, that the West was unlikely to respond. Given that, and the looming imminent alignment with the European Union, the calculus was more probably that there was much to gain and little to lose by venturing into Crimea. Once that calculation was apparently validated, it may have seemed reasonably safe to venture further.

Regardless of whether it was miscalculation or other motives, however, the important question remains: how does Russia extricate itself from the mess, especially in light of the economic downturn. The worse the economic effects of the recession, the more support for the government will be undermined. In those circumstances, Putin’s response is highly unpredictable. Providing a face-saving way out, while simultaneously sending the message that the West is firmly committed and united, is the appropriate policy response, but finding such a response is very challenging.



*He's highly unstable
and unpredictable.*

JAMES JAY GARAFANO

Vice President, Heritage Foundation

What makes Putin tick? And will plunging oil prices, Western sanctions, and a faltering economy make the Russian president more or less dangerous?

Predictably, Western leaders are answering these questions with the responses they most hope are true.

President Obama wants to believe the answer is that, whatever Putin’s true long-term goals may be, he’ll have to go slow. The White House therefore seems to have settled on a strategy of ignoring Russia’s provocative rhetoric and actions as much possible for the next two years.

The administration will strive to do enough to defuse charges that it's letting Russia get away with destabilizing Europe. But it will shrink from shining a spotlight on Russia's treaty violations and other transgressions lest it call attention to the failures of the "reset"—the administration's erstwhile "signature" foreign policy achievement.

In contrast, some European leaders hope that acts of kindness can lead Putin to be more accommodating. French President François Hollande, for example, recently declared that Putin "doesn't want to annex eastern Ukraine; he told me that." Hollande, therefore, suggests easing sanctions to pave the way for a renewed *détente* with Moscow.

Meanwhile, several Nordic, Baltic, and central European nations—the "front line states"—are deeply concerned about Moscow's capacity to make mischief and utterly skeptical that sanctions relief or constructive engagement will produce a more mellow Putin.

The differences among Western leaders constitute a fractured, less-than-coherent response to Russian aggression—a temptation Putin may be unable to resist exploiting. While Putin may or may not try to bite off more of Ukraine or other countries, a kinder, gentler "bear" is not in the cards.

At the very least, Western powers should expect the Kremlin to stay on the offensive in three areas. Moscow

will surely continue its public relations, propaganda, and disinformation campaign to undermine the credibility and coherence of the Western response to Russian actions. It will also try to tighten control over dissident and separatist groups in countries where they are already meddling. This will consolidate Putin's gains and increase his ability to ratchet pressure up or down as he sees fit. And finally, Russia will stick with its strategic objective of keeping states such as Ukraine and Georgia out of NATO and the European Union.

Western leaders who want to stay a step ahead of Putin must figure out where he will go next and how big he might go. For example, is he more likely to extend and consolidate separatist control over the eastern Ukraine region, or might he instead look to the Novorossiia region in southern Ukraine to create a land bridge between Russia and Crimea? Putin will likely look elsewhere as well—perhaps, for example, launching a full-court press to pull Armenia firmly back into Moscow's orbit.

The West's unharmonious response to Putinism to date has done nothing to dampen the Russian leader's confidence. It has revealed gaps and fissures he can still exploit, despite Moscow's very real strategic vulnerabilities. And that makes for an unstable—and very unpredictable—situation for all. ♦