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Three in a Boat, to Say Nothing of Europe

What Is in Store for the Great Powers in the Next 10-15 Years,
If No One Messes Things Up?

Voenno-Promyshlenny Kurier (Military-industrial Courier) has asked the most authoritative economist and political scientist to share his thoughts about how our crazy world will be developing in the near future. Our interlocutor is Sergei Karaganov, Academic Supervisor of the Faculty of World Economics and International Affairs of the Higher School of Economics, and Honorary Chairman of the Presidium of the Council on Foreign and Defense Policy. This is not the first time we meet, but the result is always the same—an interesting conversation on the most pressing issues.

—I have a feeling that the world economy has gone crazy. Sanctions, trade wars, all sorts of demands like “pump gas through Ukraine, and then we will buy it.” Green energy. The NASDAQ stock exchange has demanded that all companies trading on it should have representatives of sexual minorities on their boards of directors. These are things that have nothing to do with the economy, but which nevertheless affect it. Am I the only one who feels this way or is it really so?

—Indeed, all this seems strange to people who, after vulgar liberals and vulgar Marxists, believed that the economy was the main determining factor. But economic interests are only one of the factors that influence the behavior of persons, not to mention the behavior of societies and countries. At some point,

we all believed in the myth that “it is the economy, stupid” (allegedly Clinton said that). But human history does not prove this. So everything is just falling back into place now. Yes, people are driven by economic interests, but when they are partially satisfied, when at the bare minimum no one starves, they turn to other interests like security, national pride, ideological views, cultural stereotypes and needs, that is, phenomena and values of a higher order. However, for some people, the craving for wealth remains dominant. These are business people, and society needs them. On the opposite are saints and enthusiasts. They leave a deeper mark in human memory. What is happening now is normal. There was an abnormal period when economists were considered gurus for the entire world, which was stupid. This is the first point.

“The system of economic, political, and cultural dominance of the West reached its peak in the 1990s, when the Soviet Union collapsed. But in the mid-2000s, a stunningly fast decline began”

Second. The main process that is now taking place in the world is the loss by the West of its previous positions after dominating the economy, politics, ideology, and culture for five hundred years. Until the 16th century, conventional Europe was a relatively backward region compared to the Arab East, China, or India, where almost all of the great scientific achievements of that time had been attained. European countries snatched leadership when due to a number of circumstances they had gained military superiority, used guns more efficiently, and created a better military organization, because they fought with each other more often. And so Europe began to spread its influence throughout the world. Subsequently this ushered in the Age of Enlightenment and enabled Europe to secure its position in ideology. So, ideological influence and guns allowed Europe to seize huge territories, incomes from which strengthened European, and later American, power.

But this is over due to the fact that we have deprived them of military superiority, apparently for good. Before our eyes, China is becoming a great military power. In fact, the foundation was knocked out from under the system that had existed for several hundred years. The system of economic, political, and cultural dominance of the West reached its peak in the 1990s, when the Soviet Union collapsed. But in the mid-2000s, a stunningly fast decline began. Now the West is resisting desperately, using all possible methods, including the accumulated potential of leading economic positions; hence all these sanctions. Over the years of cultural dominance, the West has built up significant potential in the ideological and cultural sphere, including the minds of the elites in countries that are now competing with the West. This potential has now been put to use in a fierce information war.

But sanctions, an obvious overly selfish economic policy, and rampant lies will quickly destroy accumulated capital, trust, and reputation. This is a negative-sum game being played in a bid to hurt competitors, while in reality they are doing much more damage to themselves.

Over the past two decades, we have witnessed the fastest redistribution of global forces in human history. There is no doubt that the West would have attacked China and Russia. Its aggression against Vietnam, the remains of Yugoslavia, Iraq, and Libya made its “peacefulness” obvious to everybody. But it is too late now—as they say, its hands are short and its claws are clipped.

There is a desperate struggle that has led to a situation where political interests, the interests of maintaining their own dominance in ideology and politics outweigh purely economic interests. This is why I see nothing special in the fact that political, ideological, and other interests have now come to the fore. This is a normal and predictable reaction of the recently dominant West to the rapid loss of its political, economic, and moral positions, and cultural ones will go soon too.

—This is a serious fight, but any action implies that there must be the ultimate goal. Does the United States, China, or Russia have one? What does each country ultimately want to achieve?

—Of course, there are such goals. We can start with China which is seeking to restore its international position as one of the leading powers in the world. All my friends among sinologists say that it is not seeking world hegemony. But its policy may change in ten to twenty years if it really becomes, which is very likely, the world's number one power. When it held hegemony in East and South Asia, its "Middle Kingdom" policy called for creating a belt of vassal states around it. And it may so happen that China will become dizzy with success and will want to expand the circle of such vassal states.

But if this happens, it will face a group of states that will put up resistance. These include not only the United States, which is now struggling to contain its rise, but also India, Iran, Turkey, and Russia. But in the next ten years, China will keep building up its power and solving immediate security problems and will not seek global or even regional dominance. Russia is certainly interested in continuing and developing friendly relations with China.

The Chinese want to become a leading world power that everyone respects and to get rid of the inferiority complex that was imposed on them 150 years ago, when Europeans and Americans forced them to accept unprofitable terms of trade, including opium trade, imposed enslaving agreements, and actually turned China into a semi-colony. Now China wants to regain an international position it considers worthy of itself. This does not run counter to our own interests. A close relationship with Beijing is our biggest external strategic asset.

—What goals is the United States pursuing?

—The United States is undoubtedly embedded with the messianic spirit of its original ideology. But I think it would be wrong to say, as most analysts do, that Americans cannot live without being a global hegemon. Despite their powerful messianic tradition laid down by the founding fathers, they became a

world power just recently. Americans started playing these games in the 19th century in the Pacific Ocean and then entered European politics during World War I. They did not succeed at that time and rolled back. So they became a true global power only as a result of World War II, simply by taking advantage of the Soviet Union's victory.

The USSR took a major blow and crushed the bulk of Nazi armies; it is the real winner in the war. But the United States of America reaped the main benefits. It then strengthened its position by supporting anti-colonial revolutions and destroying colonial empires. And for some time it became almost a global power, with the exception of the huge geopolitical space concentrated around China and the USSR. Then the split of the Soviet-Chinese condominium strengthened Washington's position even more.

The U.S. truly became a hegemon when the USSR fell apart. It got intoxicated and overwhelmed by success. Its hegemony was intellectually accepted even by many in our country, and it was accepted as perpetual. But the situation began to change quickly in the early 2000s, when the United States got involved in totally meaningless wars in Iraq and Afghanistan and lost them. Before that, everybody believed that the United States was stronger militarily than the rest of the world. But when they had lost two wars in a row, trillions invested in the armed forces proved politically worthless. That was the beginning. Then our rearmament program deprived them of their hopes for strategic superiority.

In addition, the United States concurrently made several monstrous strategic mistakes. The first one was when they rejected the aspirations of the then Russian elite to become an ally of the West in the 1990s. Instead, we were pushed away and ignored. The second mistake was those two wars. And the third one is not even a mistake, but dazzling stupidity—the belief that by developing economically and becoming increasingly capitalist China will become more democratic, and therefore less governable, and eventually will fall in with the

West politically. And so the U.S. helped China build its current strength. When they came to their senses, it was too late.

—It turns out that we were mistaken about the United States in the past when we expected it to make us happy, while the United States was actually expecting reciprocity from China...

—This weird belief evaporated very quickly, in fact, it was nurtured by a very small part of the Russian elite. Americans cultivated a powerful competitor themselves by allowing China to become a great economic power first and now also a military power. When in the late 2000s and early 2010s, in a bid to protect its rapidly crumbling positions, the United States started to put strong pressure on Russia in the hope of kicking it off the battlefield or forcing it to move away from China, Americans made yet another mistake. The result was the opposite: Russia and China, which by then were already building a good-neighborly relationship, simply turned into de facto allies. And in terms of combined power, they now surpass the United States which is fiercely trying to regain superiority in the world. But these are rearguard battles. Obama already tried to address America's problems and reduce its imperial ambitions, but he failed. Trump tried to do the same but in a brutal way. And now Biden keeps trying too.

So when I hear that Americans are doomed to perpetually seek hegemony, I have doubts. I think that, relatively speaking, in a decade or two, when they see that their attempts to regain hegemony are too costly or ineffective, they will come to a more realistic policy both towards Russia and China. I believe that in the long term, a constructive relationship between America and China and between America and Russia is quite possible. But for that to happen, the American elites must crunch their fascination with liberal imperialism and overcome their dizziness from past achievements. I think this is slowly happening.

True, there is too much unpredictability in the world, but I am quite optimistic about U.S. policy in the long term. It will remain the strongest power.

Few can threaten them directly. They have a great economy. But there is a split in society and there is underdeveloped third-world infrastructure—they need to address their own problems. They are now trying to bring down China, but they are unlikely to succeed.

—What if they do?

—The Americans now want to do what they did in the 1980s to Japan when it was rapidly developing. The United States panicked that the Japanese would outdo them economically. So using economic levers and most importantly, Japan's military-political dependence, the U.S. imposed unequal trade and financial agreements on the country and forced it to reevaluate the yen. As a result, Japan fell into economic stagnation, which continues up to this day. This is to say that military force often happens to be quite useful. America using Japan's military dependence, has basically eliminated Japan as its global competitor. The same happened, to some extent, to Korea, but not so harshly.

Now the United States is trying to do something similar to China. But this will not work anymore due to the military-political factor and due to the fact that China and we are together. America no longer has military superiority, and it will keep losing it.

—Does America realize this?

—Of course, it does. China is building up its armed forces, relying, among other things, on Russia's military power. In a decade or so, China will have a nuclear arsenal comparable to that of the United States and Russia, plus a giant navy. And this will be the end of America's hegemony. At the same time, no one can rule out the possibility that China may break loose at some point, especially since its domestic policy is becoming increasingly tough. But for now, China will be winning this fight. And in ten to fifteen years, and maybe even earlier, the United States will have to acknowledge the changed balance of power.

—You say ten to fifteen years. Brezhnev died in 1981 (sic!). Who could have thought that the entire Soviet Union’s power would turn into dust in just ten years? Can this not happen to China?

— A large number of people could see the Soviet Union’s sad prospects already at that time. It is just that no one thought this would happen so monstrously, senselessly and hopelessly. But it was obvious that the Soviet Union was heading for a crisis. We had an inefficient economy.

We were doomed to lose also because the communist idea, which underpinned the entire Soviet state and the whole society, had already lost appeal by that time, life was hard and people all but starved because economic reforms had been rejected.

—Can such problems not occur in China, especially since we know who can benefit? By supporting the opposition, destabilizing the situation...

—There are different factions within the Communist Party of China, but there is no opposition. The Chinese leadership and the Communist Party are only strengthening their position in this system. But as I said, they can make mistakes, especially since such mistakes were made by the vast majority of countries in history. In the medium term China will be winning. The United States will adopt a more realistic policy. Three great powers will remain in the world, if we do not make mistakes ourselves. India will rise. Europe will continue to lose its political significance. Most likely, it will become the object of geopolitical and geoeconomic struggle or competition. The majority of its central and southern countries will most likely gravitate towards Greater Eurasia, and northwestern ones towards Greater America.

—Let us now talk about Russia ...

—Russia is now in search of its long-term policy and its ideological basis after the stormy 1990s and after numerous mistakes made at that time. One of them was the hope of returning to Europe. It united a large part of the elite and

people, who sought not so much democracy as the European standards of living and comfort with which it was associated. I shared this idea, too, before NATO's expansion. By the end of the 1990s, it had become clear that Russia's accession to Europe as an equal partner was unattainable.

New "Russian ideas" came into being, albeit second-level ones. Russia began to "rise from knees" and then to regain the status of a great power. It was achieved by 2017-2018. We are probably third now, but we have got stuck and are looking for our new place. In my opinion, the optimal position would be that of an independent great power, friendly to China, but pursuing its policy in a triangle that includes the United States. At the same time, Russia must actively participate in building Greater Eurasia. It will definitely be built one way or another, unless China chooses the path of imperialist policy, the hypothetical possibility of which we mentioned at the beginning of our conversation. In this case, it will take time to build a more or less unified Greater Eurasia.

But the movement will continue. The optimal position for Russia is that of a northern country "playing out" a part of Greater Eurasia and having constructive and good relations with China, Turkey, Iran, India, and South Korea, improved relations with Japan, and increasingly constructive relationships with most European countries, which in fact will have nowhere to go. They will have to move towards Greater Eurasia, towards Russia and China, that is, towards the huge markets available in the southeast.

—One way or another, the United States has its own ideology, China has its own. But Russia has deleted ideology from the Constitution. Why was this done?

—This is a very legitimate question. Myself and many people around me have long been pushing for the return of ideology and a new Russian idea. There is a struggle around this return. As a matter of fact, President Vladimir Putin's speech at the latest Valdai Forum is the first major and strong call for reinventing Russian ideology for Russia and the world.

Why was ideology banned and why is there internal resistance to developing a new Russian idea? There are three reasons for that. The first one is that over several decades we got fed up with the communist ideology, which caused annoyance, if not fear of any ideology. The second reason is intellectual. The major part of the Russian elite did not understand that great powers did not exist without great ideas. All powers, if they want to be great, must have a set of ideas leading forward. When these ideas were lost, great powers ceased to be great or simply disintegrated. This happened to Rome. This happened in the 17th century to Spain. This happened to the Soviet Union when we lost the communist idea that led us. It was false, but it was there. This happened to the great European powers, which got tired and abandoned their ideas in favor of a pan-European one that pushed them forward for some time. But it has run of steam now, too. And they have started to crumble.

If we do not produce our own idea, the same will happen to us. So the second reason is the laziness of our intellectual and political elite. The third reason is the reluctance of a large part of the elites to have a national ideology, because it prevents them from stealing. In fact, an idea brings forward people with a national and statesmanlike mentality, not those who seek personal gains. I hope that after a while we will work out a number of ideas that can serve as the basis for Russian ideology, a new Russian idea for ourselves and the world. In short, it means serving not oneself, but the family, society, the country, the world, and God, if he or she believes in Him. It means sovereignty, above all, for ourselves and the world. This means protecting and strengthening one's own country to ensure a comfortable, safe, and free life of its citizens. This means the freedom of choice for oneself and for the world. By the way, we have historically secured the freedom of choice for many countries by having deprived Napoleon, Hitler, and now the United States of the possibility to dominate. This means a fair world order. And, of course, this means the closeness of the Russian people to nature, multiculturalism and cultural openness, which potentially makes us the leader of Eurasia, because Eurasia is an inflorescence of cultures. And this

certainly means the ideology of reasonable conservatism, which we have finally discovered.

Putin speaks of reasonable conservatism. I would say that these are normal human values.

For me, a bright part of the Russian idea, which should lead forward, is the accelerated development of Siberia. We have been talking about this for twenty years, and ten years ago we started making a “turn to the East,” to the geoeconomic and geopolitical horizons of the future, but it was the Far East only. Full development of the entire Asian part of Russia is a return to our true self. We are beginning to realize that we are a Eurasian power not only geographically, but also politically and socially, not just the outskirts of Europe. Indeed, our statehood and our society were created not only on the basis of Christian culture or post-Petrine closeness to Europe, but also largely on the basis of interaction with the Mongols. Siberia, its space and resources made us a great imperial power.

—In other words, you support Sergei Shoigu’s idea about the development of cities in Siberia precisely as centers of attraction for people?

—I certainly do. We formulated a similar idea in the 2000s and Sergei Kuzhugetovich pushed it forward. But the decision was made to accelerate the development of just the Far East alone. Unfortunately, the most developed part of Siberia—its central part, which Shoigu is now talking about—was excluded from the “turn to the East” concept. We need a new eastern, Siberian strategy, which can become one of the backbones of a new Russian idea.

—And we can proclaim this Russia’s goal?

—Of course. The development of Siberia, because the future is in Asia. Naturally, we should not discard our European cultural roots. But at the same time, we must understand that the European period of our history is over. We can thank Peter the Great and the Europeans for helping us create one of the world’s

greatest cultures and the powerful armed forces. But we no longer need external protection or external advice from anyone. We have almost nothing more to borrow from Europe. We must move forward using our own our mind and become a truly Eurasian power.

Interviewed by Alexei Peskov

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