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Professor Ivan Krastev

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“Europe and Russia in the Post-American world”

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Martin Meyer

We are very honoured and happy to have you here in the hall where Winston Churchill gave his famous speech, ‘Let Europe Rise’, in 1946. The timing, oppressive as it is, could not be more appropriate. We are in the midst of the greatest political crisis for Europe since the end of World War II. Things are happening before our eyes which we did not think possible even a few weeks ago. The threat was there. But as it came into reality, beginning on February 24th, we were shocked and also ashamed that this still could happen on our continent.

The bad news is that there is already now immense suffering among the people of Ukraine. And for the time being, we have every reason to fear that the dictator in the Kremlin will go even further. How far? The fact that nobody can really answer this question is already a terrible menace in itself.

One good thing, however, is this: for the first time in many years, there is a strong and determined reunification within the Western front. May it last. An enemy who succeeded for decades in lying and deceiving has suddenly met with a fierce response. It is the response of freedom to terror and ruthless imperialism.

I’m very proud that we have the opportunity to listen to Professor Krastev. Ivan Krastev, born 1965 in Lukovit, Bulgaria, is one of the foremost intellectuals of our times. He’s the Chairman of the Centre for Liberal Strategies in Sofia, as well as a permanent fellow at the Institut für die Wissenschaften vom Menschen in Vienna. He chairs or has chaired other important institutions and is at the same time a prolific writer, with books like *Democracy Disrupted* (2014), *After Europe* (2017), and *Is it Tomorrow Yet? Paradoxes of the Pandemic* (2020). He also writes for important newspapers like the *New York Times* and the *Neue Zürcher Zeitung* – on February 3rd, for example, ‘Europe Thinks Putin Is Planning Something Even Worse Than War’, and on February 27th, ‘We Are All Living in Vladimir Putin’s World Now’, both in the *New York Times*.

After Professor Krastev’s lecture of about 30 minutes, you will all have, as always, the opportunity to ask questions. Please seize this special opportunity; I think we will remember it for the rest of our lives. Dear Ivan, thanks again. We are very excited. The floor is yours.

Ivan Krastev

Thank you very much for this opportunity. For me, this is not just another lecture. I have visited most of the cities that are now under attack in Ukraine. I have friends there, and interestingly enough, they don’t want to leave. On the other side, I have Russian friends that are trying to leave their country. And they too are discovering a new reality: that when they cross the borders, regardless of the fact that they have been signing petitions against the war, they are perceived as Russians. I’m saying this



because the change, in my view, is so incredible that it's probably going to take time to understand what exactly is happening.

I'll start with what is most obvious: a certain period of European history, which began with the unification of Germany, is now ending with the violent partition of Ukraine. For my generation – I was 25 in 1990 – this was a period that we believed was going to encompass the entire future. And now we're asking the question: 'What's going to happen next?' And I'll start by addressing this end of the post-Cold-War order because it might be quite important to understand what we have lost before trying to figure out what is going to happen next.

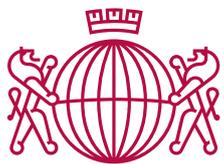
The British-American historian Tony Judt has written what might be one of the best histories of Europe after 1945, and he titled it *Postwar*. In his book, 'postwar' has two different meanings. One is that Europe after 1945 was very much based on the shared legacies and memories of World War II – which, by the way, were shared by the West and the East, including Russia. But the second meaning of 'postwar' was that we all were convinced that a major war would not be possible in Europe anymore. We knew that it was possible elsewhere in the world. We saw people dying in Syria and other places, but we believed that Europe was different. And I believe that neither of these assumptions is true anymore.

The first meaning of 'postwar' entailed that we all believe in the exceptional nature of the Nazi period. It followed that the word 'Nazi' should be used very carefully, in order for this legacy to work. When you see the Russian President declaring that he's fighting Nazis in Ukraine at the same time as he is destroying Ukrainian cities in the way they were destroyed in the 1940s, you understand that this moral purity has been destroyed. If you can call anybody you dislike a Nazi, and if you can justify any war that you want to start on this basis, it effectively means that we have destroyed this very important moral foundation on which we all once agreed, even in the days of the Cold War.

This leads us to one of those tragic ironies that only history can create. I'm Bulgarian, and I have probably seen more Soviet war films than all of you taken together. A certain culture of memory emerged from this period, and it was based on the fact that the Soviet Union was critically important in the defeat of Nazi Germany. Twenty-seven million Soviet citizens died. President Putin has tried to privatise this, to forget the fact that there were also Ukrainians dying and Belarusians dying. Every third citizen of Belarus was killed during the war. And now you are seeing, suddenly, what was happening in these films – these classic moments of heroism – being re-enacted. And not on the Russian side but on the Ukrainian side. Those who have seen these films know the famous story of the Brest Fortress, which defended itself for 45 days after the war started. Hitler's army was in front of Moscow, and the people on this piece of land were defending it without even the idea that they could survive, much less win. This was one of the key moments in the culture of World War II. And now, suddenly, when you see the videos of the Ukrainian border guards on Snake Island, who were asked to surrender and had no further options and yet said to the Russians, basically, 'Go home', you understand that an important cultural change is occurring. A change in the direction of something that was once common but that we had agreed was not there anymore.

We now come to the second meaning of 'postwar'. The European Council of Foreign Relations, to which I belong, conducted a survey at the beginning of February, and the majority in every European country that we polled said that they expected that there would be a war by the end of the year. And now that war is happening. This is not a 'War is impossible in Europe' situation anymore.

What shocked me most is that the younger generation, people in their 20s, have discovered for the first time in their lives that there are nuclear weapons in the world. The way they started asking about nuclear weapons – and I have a 20-year-old daughter – was shocking because it makes us suddenly understand what we have lost. Because during the post-Cold-War period, the nukes were there, but we never talked about them. In a certain way, they were there and not there at the same time. And suddenly, on the third day of the Ukraine war, we have the President of the Russian Federation saying, 'Be prepared; I'm ready to do anything; nothing is off the table.'



I'm mentioning this because, in my view, this is a very important thing. We are not going to understand what is going on if we don't understand the kind of assumptions on which European projects have been based, and the fact that these have been very strongly called into question by this crisis. We in Europe managed to convince ourselves that military power didn't matter. After all, we had seen the limits of military power. We had seen Americans in Iraq; we had seen Americans in Afghanistan. And we were saying, investing in defence does not make sense. Because military power cannot do much. And then, suddenly, we have come to understand that military power does matter – particularly if you don't have it.

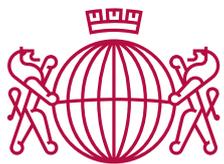
We can talk a lot about this. In one day, President Putin managed to kill, as one of my colleagues nicely put it, both Swedish neutrality and German pacifism. After one day, the left-wing government of Germany proposed a degree of investment in defence capabilities that nobody ever expected to see. I was in Berlin two weeks before that day, talking to people in the German government – believe me, two weeks before, even for them, it was impossible to imagine that they would do such a thing. They were very ready to close Nord Stream 2. But militarisation and weapons – these were things that they saw as so deeply opposed to German identity that they were not ready to engage with them. But they did, because public opinion demanded it. For the first time, you had a majority of Germans supporting arming the Ukrainians. Anybody who has been following the German debate knows what kind of a radical change we're talking about here.

A second point has to do with economic interdependence. One of the most important foundations on which the European idea of security was based was the idea that the more we trade with each other, the less risk there is of a war breaking out. And it was true. And by the way, even Nord Stream 2 was seen as a security project, not just a business project. The idea was that the Russians would depend so much on us buying their gas that they would have no incentive to start a war. But in the past few days, we have seen that, in fact, interdependency can be also a source of insecurity. The total vulnerability, the total energy dependence of some European countries on Russian gas makes it very difficult for them to take certain foreign policy measures. And we also now understand that economic interdependency can be weaponised by all sides. And not only that: it took Western governments only 48 hours to consult with experts and make the decision to escalate sanctions on Russia; this same type of escalation, in the case of Iran, took two years.

We are now talking about a totally different situation, in which we suddenly find ourselves conducting major economic warfare, while everything that has up to now been connecting us has been weaponised: the movement of people, the movement of ideas, movements of goods, movements of finance. According to Sergei Guriev, a leading Russian economist who now lives in Paris, the effect of Western sanctions on the Russian economy is going to be between 7 and 9 percent of GDP this year. This is around twice the effect of the pandemic on the Russian economy. The scale of what is happening, in my view, is in a certain way absolutely amazing, and I'm not sure to what extent we're ready to deal with it, though we see it and emotionally process it. And this is quite important because even if there is a peace settlement between Russia and Ukraine, even if there's some kind of ceasefire, it doesn't mean that these types of sanctions are going to be reversed automatically. Keeping in mind that the US Congress decides on many of them, it's easy to imagine that some of these sanctions are going to be around for a long time. So, we're in a totally different kind of reality, and I can imagine that if you own a company this is completely changing what you see as possible, and not possible.

A third point is that the European Union was very much based on the idea that what really matters is soft power: the attractiveness of your political model, of your social model – the fact that others want to be like you. And now we are entering a period in which it's not soft power but resilience that matters: not so much what kind of a damage you can do to others, but rather how much pain you are ready to endure in order to protect your way of life and your position.

Having said all this, I want to now turn back to history, because in all these kinds of discussions the question always arises of what we got wrong, why we're surprised – not so much by what has happened in the last few weeks, but by what has happened in the last years – why we're not prepared for what is happening in Russia, and what is happening to all of us.



I'll start with the following argument. I believe that our major intellectual mistake was our assumption that the end of communism, the end of the Cold War, and the end of the Soviet Union were all the same thing, just described in different words. But they were not – and by the way, they didn't happen at the same time, either. Communism more or less ended in 1989 – the spring of 1989 is when Fukuyama wrote his famous article about the end of history. Then the Cold War ended, sometime in the 1990s, when Eastern European countries moved out of the Soviet sphere of influence. It is interesting that when we talk about the post-Cold-War European order, we tend to forget the most obvious fact: it was not Russia that was the West's partner in this transition; it was the Soviet Union. And, paradoxically, President Gorbachev had very special reasons for believing that the Soviet Union could benefit from entering this type of a liberal order. The most important thing for him was that he believed that through entering this international order he would be able to preserve the Soviet Union as a post-communist state.

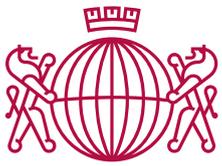
And to be honest, he was very convincing, and most of the American leaders of this period shared his assumption that disintegration of the Soviet Union was a risk rather than an opportunity. The American President George H.W. Bush went to Kyiv and said to the Ukrainians, 'Don't get independence'. The major fear had to do with what would happen to Soviet nuclear weapons, which were stationed in four different republics.

I'm saying all this because many of the Soviet leaders of this period really hoped that entering the liberal order would allow them to maintain the Soviet Union as a post-communist state, and this project failed. And it failed not because the West was trying to dismantle the Soviet Union, but because the various republics and the people living in them decided that they wanted to go their own way. This was a process that could not be reversed, and nobody – regardless of what geopolitical interests they articulated – could stop it. I'm saying this because, while we tend to talk about what has happened in the last 30 years mostly in terms of democratisation, there was also a very important period characterised by the classic disintegration of an empire and the subsequent decolonisation of the post-Soviet area, and this is critically important for understanding what is happening now.

We were not ready to see this because, honestly speaking, at no point in these 30 years was any Russian leader ready to live with Slavic republics in particular – like Poland or the Czech Republic – becoming truly sovereign states. The idea of having a special relationship and keeping special relations was so strong that even in the Yeltsin period, when Russia was very weak, the idea that Ukraine and Belarus might go their own way was not taken particularly seriously, and even very liberal-minded people like Mr Chubais were talking about Russia as a liberal empire that was going to retain its influence on former Soviet territories.

All this changed dramatically with the Orange Revolution in 2004. This was a democratic revolution, but it was also a major assertion that Ukrainian identity was distinct from Russian identity. For President Putin, the Orange Revolution of 2004 was like 9/11 for the United States. He basically saw all his projects threatened on two levels: first, on the level of the regime – could the same thing happen in Russia, with people taking to the streets? But second, he had the feeling that he was starting to lose the post-Soviet space. Yet we still never believed that that this sentiment existed, or that the Russian leadership – in this case, basically President Putin – was going to be ready to try to recolonise the lands that it perceived to be part of historic Russia.

It was only in 2002 that a very important speech was found, one given by the Soviet leader Nikita Khrushchev on January 8th, 1962. Back then, Khrushchev said that the Soviet Union was in such a losing position with respect to the United States that the only thing that Soviet leaders could do was to take the initiative to change the balance. And I believe that if we hunt in the archives, we will probably find a similar speech that President Putin gave around the beginning of 2014, after Yanukovich was removed from power. But at the time we tried to tell ourselves that this tendency had its limits, and that it was never going to develop very much. It was the Crimean effect, however, that very much explains what we're seeing today.



Yesterday, the leader of the American intelligence community testified in the Congress, and he said that President Putin had expected to take Kyiv in two days. The question is, why? And one of the things that I have learned from all these years – and I have met President Putin several times – is the following: we always believe that what he's saying is very deceptive, that it's very cynical, and that we should read between the lines. But particularly in the last few years, he should instead have been read very literally. He has been saying what he would do, and then he has done it. In July, he wrote his now-famous essay contending that Russians and Ukrainians are the same people and stating that he would never allow an anti-Russian Ukraine – and he has acted accordingly. He acted as he promised, only based on the totally false assumption that the Ukrainians share his view that the Russians and Ukrainians are the same people. Only on the basis of this assumption, and believing that Ukraine was a larger version of Crimea, could he have imagined that in two days he would get to Kyiv. He became what I believe is the most dangerous thing in politics: the victim of his own propaganda. He started to believe that he was going to be met as a liberator, to believe that there was a kind of colonial, pro-Western elite in Ukraine and the moment this pro-Western elite was removed, people were going to be on his side, and historic Russia was going to be back.

So something that was meant to be a special operation turned out to be a major war that is destroying many largely Russian-speaking cities. And this is not a crime; this is a sin. A country that was destroyed by a civil war just a century ago is now again destroying all these cities that had been destroyed during World War II, and destroying them in absolutely the same way. I'm saying this because Putin's essay gives me an opportunity to tell you something about my own personal reading of the motivations of the Russian President and the way he views the world. And this time I really believe it is Putin's war. It is not Russia's war. The Russian people were more surprised than we were that the war started, because he didn't prepare them for it.

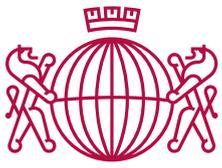
President Putin spent most of the time when Soviet society was changing outside the Soviet Union. Those of you who have experienced being outside of your own country when your country changes in a dramatic way know how confusing that can be. Putin was in Germany during this time. He personally experienced the unification of Germany and the incredible enthusiasm of the people. And on the first page of the essay that I'm discussing, Putin talks about the wall that has recently been built between Russia and Ukraine. In his mind, he's there to destroy this wall. For him, at least, Eastern Ukraine is analogous to East Germany. This is the model for what you are seeing, for what is happening, and this explains part of the crisis in which we find ourselves: we are all living in Putin's world, but Putin's world has collapsed in the eyes of the Putin himself – because not only are the same Ukrainians he expected to greet him as a liberator fighting him on the streets but there are also all these videos of ordinary people on the streets going up to Russian soldiers and saying, 'What are you doing here? Go back home.'

I believe that, from this point of view, we're in a very dramatic situation because it's not simply that one or the other plan has collapsed, but you have a leadership – by the way, also on our side – that is constantly surprised by what is actually happening. And so – and this is where I will attempt to make my next argument – what kind of relations can Russia and Europe have at this moment?

For me, 'post-America' means something very simple. The United States administration has made a very clear decision that Asia is at the centre of its interest, and that it should focus on China. As a result, this American administration wanted anything but a war in Ukraine. And it was very clear that President Biden was looking to try to arrange a deal with the Russian leadership that would allow the United States to refocus on China, where they believed they would be faced with the most significant challenges – not so much militarily, but in economic and other terms.

And now this post-American world, and Europe, have been very much changed. America is back, and back in a very big way. There are going to be American troops in Poland; there are going to be American troops in the Baltic republics. And they should be there, because all these countries feel totally insecure.

But what is going to happen to Russia? Russia had been preparing to start a war. It knew that there were going to be sanctions, but firmly believed that two type of sanctions were impossible. One of



these was the sanctioning of the National Bank. So, in preparing for sanctions, the Russian government did everything it could to increase its external currency reserves as much as possible. During the Covid-19 pandemic, while all of our governments were spending as if we were at war, Russian currency reserves increased by 200 billion. Russia believed that it was going to have enough money to respond to whatever sanctions came. What it didn't expect was that the United States and European governments – but also the Swiss government – would freeze its assets, so that in one day it lost 50 percent of its currency reserves.

As a result, in Russia today, you have the following situation: you cannot take more than \$10,000 out of your savings each year. Meanwhile, because Russian banks have been barred from the Swift system, your credit card is not going to work. And of course, this does not affect everybody – only 10 percent of Russians have more than \$10,000 in their bank accounts – but it is totally changing the life of the Russian urban middle class.

And what is happening to Western firms? I hope that not many of you in this room are going to be victims of this, but the Russian government has basically adopted the following strategy. First it said, 'Who wants to stay? We'll be very grateful. We're advising those who believe that it's difficult to stay to give their management – basically their assets – over to their Russian partners, and we are going to consider those who have decided to leave, as having undergone intentional bankruptcy.' This basically means that Russia is going to nationalise the assets of companies that decide to leave the country.

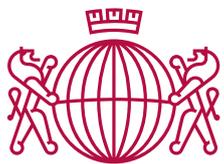
This is the first big wave of nationalisation since the end of the Cold War. And it is totally different. And on our side, of course, there are going to be reciprocal attacks on Russian assets. What is going to happen at the level of big-time globalisation, and what is going to happen on other markets? I'm not even going to touch on energy. Keep in mind that 70 percent of all grain consumed in Egypt comes from Ukraine. Russia and Ukraine are the two biggest exporters of grain. So we're going to have a food crisis, and we're going to have an energy crisis.

From this point of view, it's not simply about what is going to happen in Ukraine or between Russia and Ukraine: we are all in a totally different world. First, because – and I believe rightly – Western governments have reached the conclusion that they cannot rely on any type of business as usual with the Russian government while Putin is still in charge. So even if there is a ceasefire, the economic war will not be over. It will change. Probably certain things will be softened, but we are entering a period that much more closely resembles the period about which Churchill was talking than the period we ourselves remember.

Second – and I'm going to finish on this – there is what this all means for Europe. And for me this is quite important, because we have to imagine that the changes in Europe will be so big that it's going to take some time, first, to understand them, and second, to sustain them. This is a special moment. Public opinion has played an incredible role in what is happening. If it were not for the pressure of public opinion, governments would not be doing many of the things they are doing. I recently asked some leading European politicians why they put Lavrov and Putin on the list of sanctioned individuals. Normally, you don't put heads of state on sanctions lists, because it is assumed that you're going to negotiate. And these politicians said something very simple: if we didn't put them on the list, our own publics would not believe that we were doing anything serious. So, in a certain way, this time it is not the government that is trying to convince the public, but the reverse.

Think of everything that you remember about the Europe of the last ten years, because you're going to see it all changing. First, Europe has not been interested in defence spending, in creating real defence capabilities. This is changing. I wouldn't exclude that in one or two years, if the situation goes on like this, there will be a serious debate in Germany about whether it should, together with France, develop and invest in nuclear capacities. Particularly if certain developments in American politics go in a different way.

Second, you probably have the idea that Eastern Europeans do not like migrants, and now you are seeing people going with their private cars to pick them up. Poland now probably has more refugees from Ukraine than Germany does from Syria. This is a change that cannot be explained by the



decision of this or that government. People need to understand something that is in my view very fundamental: that the world in which we were living until yesterday was a post-war world; in a paradoxical way, today we are living much more in a pre-war world. Probably this war is never going to happen – and I hope it's not going to happen – but you cannot exclude it anymore. And this is why people are starting to behave in a totally different way.

Consider the level of unity. Just yesterday, the Polish government believed that the biggest threat to its sovereignty was Brussels and its regulations and its pushing on constitutional issues. And now it has been forced to realise that Brussels is the only guarantee that Poland will remain a sovereign state.

This is where I want to finish up.

I believe that there are moments when the most difficult thing is not understanding what is going to happen, but rather what has already happened. And if we come to understand what has already happened, it will probably help us to be slightly more realistic about what might happen in the future.

Thank you very much.

Martin Meyer

Thank you very much, Ivan, for this brilliant overview. It's somehow a desperate situation, and we might ask, where do we find, nevertheless, some signs of hope, and, of course, also of intellectual honesty in looking at what was already happening ten years ago. I think we lived in a different world then – also with our theories, with our assumptions. And this is a really brutal awakening. Hardly any of us expected things to go this way.

But I would now like to open the question round. Please, as I said, seize this opportunity. It's absolutely essential that we discuss with each other what's happening – now, tomorrow, and after tomorrow. So who would like to ask the first question?

Audience Question

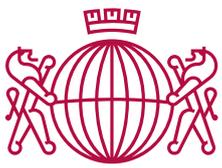
Do you think that Putin can survive this crisis as President?

Ivan Krastev

The time perspective is very important here. How long? Because, listen, we are all mortal, and this is true of President Putin as well. But for the moment there are three things that make the situation so difficult to predict.

One of the important things that has happened and that is very much stabilising Putin's position is the totally different relationship that Russia has developed with China. We should not underestimate the extent to which this type of relationship is solidifying Putin's position, at least on one level. Not because the Chinese are going to give him liquidity, and not because Chinese banks are going to be eager to help him out, but because anybody who goes against him will be somewhat in the position in which the enemies of President Lukashenko found themselves during the Belarusian crisis, in that there exists an outside kind of support for what he is doing.

Second, there is the question of his own circle. What we know is that Putin has significantly narrowed down the circle of people advising him. It was very clear that none of the people doing economic and financial policy was much involved in the decisions that have been taken. Today, there is a big rumour – which I don't believe is true, but which is indicative – that the extremely able Head of the Russian Central Bank, Mrs Nabiullina, has resigned. Still, when you hear a rumour like this, you know what it is talking about. It tells us that not only the big state-owned companies and the big state-owned banks



like Sberbank and others were not consulted, but that even the Head of the Central Bank was not involved in the decision-making. So, you're talking about a very small circle of people. President Putin organised a show on our televisions to demonstrate that these people support the war. All of them are now on sanctions lists; none of them appeared particularly enthusiastic.

Third, the level of repression in Russia has changed dramatically. Russia has never been a democratic state, but the early Putin period was, by Russian standards, quite permissive. Before 2010, 2011, 2012, if you were not directly involved in political activity – particularly during the Medvedev period – you were able to be critical. You weren't risking everything. Today, if you write a Facebook post critical of the war effort – even if you say something that everybody knows, say, that there are conscript soldiers fighting in Ukraine – you're risking up to 15 years in prison. I was in Vienna talking to young people who asked me why millions of Russians were not protesting the war. There are Russians who support the war, and Russians who oppose the war. But I asked these young people if they would be ready to go out on the street knowing that it might cost them 15 years in prison. The level of risk that people are taking is huge – and this is why we should have respect for the people who are signing declarations, for people who are protesting. They are taking a real risk. These people could lose everything. And this is why it's not easy.

On the other hand, I really believe that at some point President Putin will not be able to hide the war anymore. There is a famous Russian saying that in Russia the major struggle is between the television set and the refrigerator, because the television tells you that everything is fine while the refrigerator tells you that it's not fine. And I do believe that this struggle between the television and the refrigerator is going to take a very dramatic turn. And as a result of it, ten percent of the Russian population, the traveling middle class, will see their way of life totally destroyed. Their kids are outside of the country. They are also feeling it. We have a very close family friend, a famous theatre critic, who was one of the first to write an open letter opposing Putin. With great difficulty she managed to get out of Russia, and she said, 'In Russia the government treated me as if I was a Ukrainian agent; when I got out of Russia, though, I was treated like a Russian, and people blame me for what is happening.' And I said, 'Welcome to history.' Just ask the German anti-fascists who were in France in 1940.

So, there will also be this psychological moment. It is very much a part of the moral sensibility of our societies to try to make distinctions. Not everybody in Russia supports what is going on, and the people who openly protest are taking a great risk. You also have to consider the destruction of Ukraine, and what is going to happen next. I'm one of those who doesn't believe that Russia is going to occupy the whole territory of Ukraine. They simply cannot do it. With the forces that are now in Ukraine, the Russian government cannot do it. What people who live in a small country forget – and being Bulgarian I can testify to this – is that you also have to think of the vastness of this territory. Ukraine is a very big country. Ukraine is twice the size of Germany. And don't forget that at the moment the Russians are fighting in eastern Ukraine. They will be even less welcome in western Ukraine, where anti-Russian sentiment is historically much stronger, and which is much closer to the Baltic States and to Poland, both of which are also not populated by very strong admirers of the Russian President. So, from this point of view, there would be a situation in which everything might freeze for a while and then at any moment explode – domestically because of public opinion or due to the calculations of the elite. But we cannot predict it. We cannot predict it.

I listen to what some colleagues are saying, for example about Russian oligarchs. There are no Russian oligarchs who are in Russia. Because oligarchy implies an autonomous locus of power. There is no autonomous locus of power. This is not Ukraine in 2014.

Audience Question

A couple of days ago, I believe, Lavrov said – commenting on the sanctions – that if Europe and the West in general are not going to want to buy Russian gas anymore, then Russia already knows which business partners to address, and they're surely going to find solutions to cope with this. Whom do you think Lavrov could have in mind?



Ivan Krastev

I am sure that there are people in this room who are better prepared to answer your question than I am. In the short term, though, I can say that it's not going to be easy for the European states to substitute for Russian gas. We can talk about LNG and so on, but easy substitution is not possible. For the Russians, replacing Europe as a primary market – particularly for their gas – is not going to be easy, either. Of course, there are projects that have been developed with China and others, but on the gas side it's going to be difficult. On the oil side, something is happening that does not necessarily favour the West. There are a lot of companies that expect oil to come under sanctions – not only from the Americans, who have already acted, but also from the Europeans. The price will go up. At the same time, the sanctions are not there yet. The Russians are currently getting 1 billion dollars every day from us. So, either we're going to decide to ban oil or we'll say that the energy sector is exempt from the sanctions. But this ambiguity does not work well for the West, because it is pushing prices up while at the same time creating a problem.

I don't believe that Russia can so easily find a replacement market for its gas. For oil, it won't be difficult, because there is going to be a deficit of oil on the global level. But the other thing that is going to happen is that it is not going to be easy for the Russian government to invest in any kinds of new projects, either financially or technologically. In order to get new gas and new oil, you have to invest in it, and there's not going to be money for investment. And while technological sanctions don't work in the short term, in the long term they are much more devastating. And even if you decide to bring the Chinese in and so on, it takes time to move from Western to Chinese types of technologies.

By the way, there is a beautiful Russian novel that was written almost a decade ago by Vladimir Sorokin. It is called *Day of the Oprichnik* – an oprichnik was a member of the secret police in the time of Ivan the Terrible – and it tells the story of the future of Russia as a state which has a kind of theocracy with a very strong religious, almost medieval flavour. At the same time, it is armed with new surveillance technologies, all of its goods are Chinese, and there is a major Western wall, so people cannot go to the West. I don't believe that the Russian population, or even the Russian elites, are dreaming of this.

How are we going to solve this? Here is my hope: Russian society is much more westernised than either Russian leaders or even we ourselves are ready to see. In the same way that in the 1990s we were not prepared to recognise the long-term legacy of the Soviet period, now we are underestimating the legacy of these last 30 years of modernisation. Do you know how many people in Moscow or St Petersburg have been working for Western companies? How many of them are still there? These people are not going to disappear. From this point of view, I believe that change is possible. I don't believe that the fate of Russia is fixed. The only thing is that, unlike Milošević in the late 1990s, we're now talking about a regime armed with nuclear weapons.

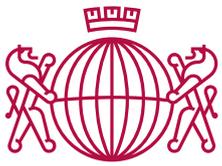
So from this point of view, the good news is that, as a result of sanctions, President Putin is in a corner. And the bad news is that, because of the sanctions, he's in a corner.

Audience Question

Thank you. The story of the Ukrainian resistance cannot be told without mentioning President Zelensky. What options does President Zelensky have, and, in your view, what options should he pursue?

Ivan Krastev

I'll try to answer more in terms of what options he has, because advising a president who is trying to survive on a day-to-day basis is not easy. But I understand what you're asking me.



First of all, I should confess that in the two months before the war started, I was one of those who felt very ambivalent about what Zelensky was doing, because he started a war against everybody. He decided to arrest the leader of the opposition, Poroshenko. He declared war on Akhmetov and some of the quite patriotic-minded oligarchs, who we now see are staying on the Ukrainian side. So, I didn't understand what he was doing.

But we're talking about politicians, and Churchill is the great example. Politicians are judged on the basis of their greatest moment. And what Zelensky has done in the last twelve days is amazing. He first created, and then became the embodiment of, this new Ukrainian nation. He was asked by everybody to get out of Kyiv, and people were joking with him that he's an artist, that he's a comedian – but probably precisely because he's an artist, he understood better than the politicians that he needed to be in Kyiv. And if the Russians were dreaming of killing him ten days ago, now, in my view, they are scared of the possibility of killing him. Because to do so would be to create such a symbolic figure that nothing would be off the table – even for the West.

From this point of view, then, Zelensky has achieved something very important. When President Putin was talking about de-Nazification twelve days ago, this was a code for 'I'm not going to negotiate with Zelensky'. For reasons that I don't want to discuss – and probably you have read about them – there is personal animosity between the Russian President and Zelensky. Putin blames Zelensky for the arrest of Medvedchuk and so on. So, this was very personal. And now the Russian side has understood that the only meaningful ceasefire that they can sign is with Zelensky. De-nazification has disappeared.

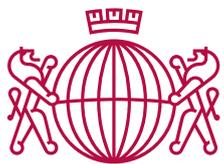
What are they going to negotiate about? The three initial Russian demands are: recognition of Crimea, recognition of the independence of the Donetsk and Luhansk republics, and neutrality written into the Ukrainian constitution, which would mean that it could not become a part of a military bloc.

I believe the Ukrainians are going to push for a deal in which, first, an agreement on not joining NATO would not mean Ukraine could not join the EU, and second, independence for the republics would not be based on their administrative borders but rather on the territories that were under the control of the rebels before the war started – which means Mariupol would remain Ukrainian.

Recognition of Crimea is very difficult for symbolic reasons. But all this can be negotiated to a certain extent. The problem is that the insistence on a constitutional majority that the Russians are pushing is also designed to reduce the symbolic power of Zelensky, because then there would be members of parliament who decide to go more hawkish than he is, saying, 'We are against any concessions to the Russians.' But there will have to be concessions to end the war, and Zelensky knows this very well. He wants Ukraine to be able to negotiate from a position of strength. And this is why the basic problem is not what they're going to be debating, but when. For the moment Ukraine is resisting successfully, not simply because of its heroic population – and what the people there are doing is amazing – but also because the Ukrainian Army has turned out to be much better than we expected, and the Russian Army less impressive than we thought.

President Putin will try to change this calculation. In order to do this, he will turn to far more destructive policies with respect to the major population centres. It is true that in the three or four first days the Russian troops were told to minimise civilian casualties, but I don't believe this is in the cards anymore. And they can decide to use more psychologically debilitating tactics – I don't mean going nuclear, but there are other types of weapons.

The biggest problem is that – and I believe the Ukrainian government made this point very strongly today – we also have to be afraid of an accident, of something going wrong. The Ukrainians claim – and I cannot verify this – that there is no electricity going to Chernobyl at the moment. And this could turn into a major disaster. Not because the Russians want it or because the Ukrainians want it; if it happens, the Russian population is going to be as radiated as anybody else. But accidents like this are highly probable in a situation that is getting out of control.



Let me just make my last point. The biggest problem for the Russians is that, when they negotiate with Zelensky, how are they to negotiate about the sanctions? It's not Zelensky who is applying sanctions. So when and how do you negotiate with the Americans and the Europeans? In my view, there should also be a second track of negotiations. With the Americans it's going to be very difficult. The US Congress is not going to allow Biden to soften. I believe certain things can be negotiated with the Europeans, but European public opinion is also not in a mood to give Putin what he believes he can get. This is why these two stages of negotiations will probably occur together, in a certain way.

Audience Question

You pointed out that Putin is now doing what he has said he would, making reference to his essay. He has recently said that he's going to use nuclear weapons, which you also mentioned in passing. But I'm wondering, now that he's in a corner, as you say, how likely do you think it is that he will actually do so?

Ivan Krastev

To be absolutely honest, I'm not up enough on the military side of things to give a credible answer. But one of the top American experts on Russia, in my view, is Fiona Hill; she has been studying Russia her whole life in a variety of roles. And her thought about this is that – and I was also glad to talk to her – we should not rule out that in a moment of total despair Putin might decide to use tactical nuclear weapons. We're not talking about the Third World War, but rather about using tactical nuclear weapons in Ukraine in order to make the point to the West that nothing is off the table.

I believe he understands that this would destroy him in global public opinion in a way that you cannot even imagine. A guy who uses nuclear weapons against people who, up until yesterday, he has claimed were his own people: I don't believe this is very likely. But I'm not excluding it because at some point he simply won't be able to step back. The drama of the situation is that he cannot win and he cannot lose. So, if you're going to ask me for a percentage, I don't believe it's high. But I don't believe we can say that this could never happen. And I do believe that there exists a scenario in which he might decide to make this bigger point in order to change the game totally.

Audience Question

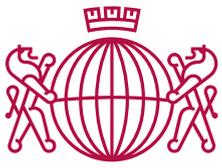
What time span would you say is appropriate for us to have in mind for this war in Ukraine? Do you think it will last five years, ten years, or even more? And what does this mean for politics in the Western sphere?

Ivan Krastev

I believe that the biggest challenge for Europe is to sustain the momentum, because, as we all know, public opinion tends to be highly riled up about many things at the beginning of a crisis, but the public does not like trade-offs. I remember, for example, that when the Syrian refugee crisis started, the German public was very enthusiastic; three months later, different shades of opinion emerged.

This will also happen in this crisis. There are going to be people who will say, 'Push Zelensky to sign anything, because we want the war to finish, and because of the nuclear threat.' And there will be people who will say, 'Listen, do you know what you're talking about when you say that by the end of the year, the European Union will reduce its energy dependence on Russia by two-thirds? This is radical.'

I was talking in Vienna yesterday to some of the members of the Austrian business community, and believe me, they are simply shattered. First, because Austria is totally dependent on gas. Most of their



electricity is produced by Russian gas. Second, when it comes to the banking sector, one of the Austrian banks is probably the bank with the biggest exposure: Raiffeisen International. So, we're now seeing something interesting that is making a very strong impression on me. I could be wrong. But normally, when we talk to each other and read the papers, people say: businesses are running everything; companies are behind every decision; governments are just the puppets of big business. But if you look at the decisions made, both on the Russian side and on our side, over the course of the last two weeks – business was out of the room. For good reasons, but this is true.

Putin obviously didn't even have time to tell Nabiullina what was going to happen. But the pressure on the Western governments was also so strong – the security challenge, public opinion – that even the Austrian government, which is very sensitive to the concerns of Austrian companies, basically said, 'Listen, we can talk tomorrow about how you feel.'

From this point of view, the biggest problem is survival. And for me, resilience is the critical word here. And resilience means three things. First, know your own society. President Putin is failing today because he became the victim of his own propaganda. We should be very careful not to become the victims of our own propaganda. We should really know what is happening in our societies. Second, resilience comes into play because Russia will try to do everything possible to make our lives difficult. I'm not only talking about possible cyberattacks; there is also quite a lot of mistrust in our societies. This was shown dramatically during the Covid-19 crisis. Weaponising mistrust is the easiest thing that you can do. Make it so people don't know what is going on. Try to prevent people from understanding anything.

I was very surprised by something President Putin did during the Crimean crisis in 2014. When the Russians entered Crimea, he was asked openly by the presidents of Western states, 'Are there Russian troops in Crimea?' And he said, 'No.' Of course, politicians lie – but usually when the lie is at least plausible. In this case, the West was going to know the names of the Russians in Crimea two hours after Putin's denial.

This is the world we are living in. And my point is, why do you lie when you know your lie is going to immediately become apparent? But as I followed Putin's reaction, I began to understand his strategy. And the strategy is the following: he wanted to be called a liar so that he could say, 'Liar like you: what about the weapons of mass destruction in Iraq?'

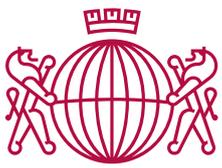
The idea, then, is to try to say we all are liars, we all are aggressors. There is no difference between us and them. This is going to be the strategy. And while nobody is going to fall in love with President Putin anymore, people are ready to believe that there are no good guys. People trust Zelensky now because he's risking his life. These days, people are only ready to trust people who are putting everything on the line – people who are ready to die for something. And this is why, if European leaders want to maintain the current consensus, they are going to have to show that they are ready to lose many things that make life comfortable for them.

And finally: Europe is very exposed to what will happen in the United States in the next presidential cycle. We may have forgotten about this, but Biden's America is not the only America possible. It's not that America is going to be pro-Russian, but America might not act in accordance with its European allies in the way that it is acting now. And all this is so important. This is why I believe you would be better served if Professor Meyer had decided to invite Winston Churchill to talk to you, instead of me.

Audience Question

By freezing the assets of the Russian oligarchs, isn't the West making them far more dependent on Putin, and thus making a coup against Putin more unlikely? My second question is, Russia Today has been taken off of all our media. Was this a good idea?

Ivan Krastev



Both questions are very good questions. Let's start with Russia Today. While I'm very strongly for measures against disinformation coming from Russia, for me Russia Today was not a problem because we know who is behind this television station. It was an official propaganda channel, so you know who is speaking. One of the risks in this situation is that you will become like the one you're fighting against. This is a big issue there.

This was done partly because some of our governments have been so close to some of the Russian oligarchs that they're now doing everything they can to show that they're breaking the link. But the word 'oligarch' is also too broad. These are a diverse group of people. And they have been making very different decisions. I believe that at this point nuances matter. There are rich Russians who never threw in their lot with Putin. There are rich Russians who have been expelled from their country. Why? Because Russian money in Western banks, and Russian children in Western schools, provide the West with influence over Russia. After Crimea, the Russian government undertook what I would call a nationalisation of the Russian elite. If you wanted to be influential in Russia, you had to be sure that you were investing in Russia, and that your kids were in Russia. It's not easy to be a minister in the Russian government these days if your kids are outside of the country.

Seen in this way, there are two types of people. We are putting the most pressure on people who are not in Russia anyway. We are trying to make clear to these people that they should take sides, by which we mean, take a position on what is happening in the war. Some of them have. If it had not been for this pressure, I'm sure that none of these people would have been eager to publicly say that this is a criminal war, that they want peace and so on. So from this point of view, the pressure was useful.

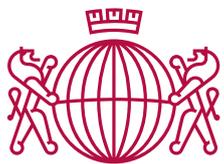
But in my view there should be slightly more differentiation now. You should try to understand who you're speaking about. Many of these people made their money because of their position in the system, and they cannot do exactly what they want because of the way they made their money. And why are we calling them oligarchs? This is why I have always had a problem with the term. Most of these people are high-ranking officials working with the Russian government and pretending that they're in private business. But there are other people, too. There are people who basically decided not to play this game. If we don't make distinctions, then we are going to lose these people, who would otherwise be very important. And this is why interest in what people are doing and what they have been doing for the last 15 or 20 years, at least for me, is very important. It's not about collective guilt. On the humorous side, we may now see a reduction in prices on the London real estate market, which Londoners may see as positive development.

Audience Question

You said before that it's going to be quite hard to conduct negotiations because there's no neutral party, because somehow everyone is involved in the conflict. Historically, Switzerland has often played this role. But the Swiss government has decided to give up its neutrality in this conflict and take the side of the West. Do you think it was the right call to do so, because the benefits of Switzerland backing the sanctions outweighs the loss of having a neutral party that might help to end the conflict faster?

Ivan Krastev

Listen, I'm the last person to come into this room and tell Switzerland what it should or should not do. But I'll make one important point. Switzerland has been neutral in the past because past wars have not been economic wars. When there are military clashes, an important financial capital like Switzerland can stay neutral. When a war is very much financial and economic, Switzerland is too big and too important to be allowed to stay neutral. I don't know what percent of the Russian reserves is in Swiss banks, but this is why Switzerland is suddenly a great power precisely when it comes to what is now the major weapon in this war. So, from this point of view, it was not just a change of mood on the part of the government. If this were a normal military conflict, Switzerland could have remained neutral.



But now, when economic sanctions are becoming the major weapons with which the West is fighting Russia, you simply didn't have that luxury; you're too big.

Audience Question

You mentioned that you think that Putin believing his own propaganda was the main factor in the start of this war. What specific evidence has made you prefer that thesis over the myriad other theories that have been advanced to explain his actions?

Ivan Krastev

One of the things is that – and I was in Sochi in October – this famous essay that we are talking about was written personally by the President – every single word. Second, I have been watching him. I was watching him when he was addressing the people after the recognition of the republics.

And second, if you go back – and we did it five years ago and tried to see what he was saying he would do – suddenly, you understand that it is better to take him literally. He's very deceptive, as is normal for an intelligence officer, when it comes to how he does things. But he has been quite clear about his goals.

You can also go back to his famous speech at the Munich Security Conference in 2007 – and by the way, the level of symbolism is also incredible: he de facto started this war two days after the date of the end of the Munich Security Conference, 15 years after his famous speech. The idea is, 'You didn't listen to me then, but you're going to listen now; I'm going to speak a different language.' He declared his recognition of the republics on the day of the Soviet Army – the Defender of the Fatherland day. This was the day he was celebrating. In my view, he's living in a very symbolic world.

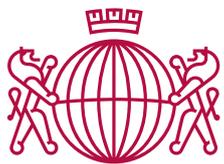
Third, this time he's talking much more to his own people than he is to us. You see this when you read the essay. And this makes me believe that he had better be taken literally.

The American strategy of exposure, of declassifying the intelligence that they got, which they practiced in the two or three months before the outbreak of the war, deprived Putin of two things that were very important. Previously, he had always acted on the basis of surprise; the release of American intelligence took the element of surprise away from him. They were declassifying material on a daily basis, very successfully.

Second, this strategy of exposure destroyed Putin's narrative. One of the difficult things for Russian propaganda, which is otherwise very skilful, is explaining why the Russians are in Ukraine. And this is why it came up with two explanations, which, to put it mildly, are exaggerated. There was a lot of human suffering in Donbas. Now, I have sympathy for anybody who suffers. And I don't believe that the fact that people who are suffering are not exactly people whom you like makes this suffering any less devastating. But 14,000 deaths is not a genocide. It's simply not. The second line of justification, that Ukraine was on the verge of getting an atomic bomb, is just bullshit. Of course, Ukraine used to have nuclear weapons. They returned them. But dirty bombs cannot be hidden like this.

So, from this point of view, you have a story that explains why he's going into Ukraine. He's telling this story to his people, but he cannot tell it to the outside world. And this was not the case in Crimea, because in Crimea he could say, 'Listen to the people on the streets of Crimea.' But this is not what we are seeing on the streets of the Ukrainian cities.

This is why we're in a situation in which he's really very much in a corner. And as I said before, this is a good situation in the sense that he hasn't achieved what he wanted to achieve. But it makes the situation even more dangerous.



Audience Question

Should the European Union take a step towards accepting Ukraine as a member, or rather wait with that and leave it as a part of the future negotiations that you've talked about?

Ivan Krastev

Listen, at the moment, you cannot accept Ukraine as a member. The European Union is not just a metaphor. It's a single market; it's a political unity. But I do favour the statement that President von der Leyen made, because we tend to say that there are no spheres of influence. But there are spheres of influence. Belarus is in the Russian sphere of influence.

And the statement was that tomorrow, even if Russia decides to use a nuclear weapon there, we are going to stay and fight for Ukraine. Ukraine is on our side. We care about Ukraine. But in technical terms, I find it somewhat ridiculous to think of initiating accession talks and negotiations, given what is happening in Ukraine now. What are they are going to discuss, agricultural policies?

Still, her statement makes clear that Ukrainians are also fighting for us and that we're there with them and we're standing by them – we're not morally neutral. This is not a faraway country. I found this admirable in what the President of the Commission said. But to believe that this is the beginning of accession talks is not to take seriously what the European Union is.

