



**What Russia Wants (11/1/17)**

00:00:20 Jessica Chen: All right, good evening, and welcome. My name is Jessica Chen, and I am the director of public programs here at the 9/11 Memorial & Museum. Before we begin tonight's program, on behalf of Alice M. Greenwald, president and C.E.O. of the 9/11 Memorial & Museum, I would like to acknowledge the deadly vehicle attack that took place yesterday near the World Trade Center. We commend the immediate response of the New York Police Department and all emergency personnel. Our hearts go out to the loved ones of the victims and we hope for their swift recovery. We at the museum join the city and the world in mourning this tremendous loss.

00:00:57 Tonight, we are joined by Stephen Sestanovich, the Kathryn and Shelby Cullom Davis professor in the practice of international diplomacy at the School of International Public Affairs, Columbia University, and the George F. Kennan senior fellow for Russian and Eurasian studies at the Council on Foreign Relations. Previously, he served as special adviser to the secretary of state, ambassador-at-large for the New Independent States, and was the State Department's principal officer responsible for policy toward Russia and other states of the former Soviet Union.

00:01:29 Ambassador Sestanovich brings decades' worth of knowledge and keen insight into tonight's discussion of Russia, their recent interference in American domestic politics, and their overall foreign policy strategy. We'd like to thank Ambassador Sestanovich for sharing his time and expertise with us.

We are also deeply grateful to our members for their ongoing and sustaining support of the memorial and museum, and to the David Berg

Foundation for their support of the museum's 2017-2018 public program season.

00:01:59 So without further delay, please join me in welcoming Ambassador Sestanovich in conversation with the museum's executive vice president and deputy director of museum programs, Clifford Chanin.

(applause)

00:02:15 Clifford Chanin: Thank you, Jess. Just a moment's pause, also, in terms of yesterday. Many of us-- look around the room at so many familiar faces-- certainly know what that is like here at this place. And we took a memorial moment out on the plaza today to lay flowers and tie ribbons at the survivor tree. And I think it is important that we have that moment and that we continue to do the things that make us who we are. And that includes the recovery and the continuing work that we all do to try to understand the world better. So thank you, particularly for coming out, and thank you, Ambassador Sestanovich, for this evening's program.

00:03:01 There is a lot to talk about with the Russians. But I wanted to sort of frame this for the audience first, because Putin is active in all kinds of ways. And the interference in the elections here is one thing, but certainly throughout the Middle East and the intervention in Syria, earlier Crimea and Ukraine, and flexing muscles and testing doors, as, I think, strategy, if that's what you would call it.

00:03:39 But I wondered if you could start us by giving us some picture of how you assess Putin's strategic sense. What is he trying to accomplish? And are the various things that we're going to talk about in this evening, anticipating what they are, do they fit in neatly to the strategy as you see it?

(Sestanovich sighs)

Ambassador Stephen Sestanovich: Just in 25 words or less, you mean?

00:04:05 Clifford Chanin: 50, 100. The night is young.

Ambassador Stephen Sestanovich (laughing): Okay. Look, people often say of Putin that he's not a strategist, that he's really good at tactics. I don't know how to evaluate that, but I think it is possible to say some of what Putin's goals are. And turning them into strategy, I guess, involves defining them. If there's a single goal that Putin refers to and seems to be energized more than by any other, it's making Russia great again, if I could use...

00:04:45 Clifford Chanin: I was afraid you were going to say that. (laughing)

Ambassador Stephen Sestanovich: And that's with specific reference to the 1990s as they remember them. As he remembers them, in particular. Russia was emerging from the ruins of the Soviet Union, and the question is, what kind of a power it would be, what kind of role it would have in the world.

00:05:18 And I think when you say you want to make Russia great again, you're not actually saying anything very controversial for Russians, in part because some of them just instinctively know what that means, but also because others who might agree with the goal might mean something very different by it.

00:05:41 And the thing that is different about Putin is that he wants to make Russia great again, but he has a particular idea of what that means. Because Russia's leaders in the '90s also wanted Russia to be great. And, by the way, those of us who worked in policy at the State Department in the '90s also thought it would be good if Russia were great. We just didn't mean necessarily the same thing as somebody like Putin might.

00:06:10           What he means by it is great in the sense of... standing alone and able to direct its own affairs, and not taking any, you know, patronizing back talk from other countries. And Putin is... has a particular definition of sovereignty which he's talked about in public quite a lot. He thinks there are only a few countries in the world that are sovereign. You know, typically we think the world is full of sovereign countries. He thinks that only a few big countries, the ones who can tell other countries to shove it.

00:06:53           Clifford Chanin: Mm-hmm, so who would he define as sovereign in that sense?

Ambassador Stephen Sestanovich: Well, in particular, he meant... Oh, who would he...

Clifford Chanin: Yes, which countries would he...

Ambassador Stephen Sestanovich: Oh, only the great powers are truly sovereign.

Clifford Chanin: Okay.

Ambassador Stephen Sestanovich: And he wants to make Russia great again so as to be able to ignore international, you know, criteria about whether you have a democratic government. His phrase for a while, a slogan of his... of Putinism and of his regime, really was "sovereign democracy." There are people who say whenever you say, have a modifier for democracy, it means not, you know?

00:07:35           Clifford Chanin: Right.

Ambassador Stephen Sestanovich: And sovereign democracy meant not anybody else's definition of democracy.

Clifford Chanin: Now, what, in terms of how he pursues this strategy, what are the constraints? Russia is not a great economy.

Ambassador Stephen Sestanovich: Yeah.

Clifford Chanin: And has no prospect, really, of being such, not just that there's very little industry that's of interest to the world at large, but there's deep corruption, and it's a very resource-based economy at this point. So is this a sovereignty that is defined by military prowess, by political influence? What are the constraints and what are the aspirations?

00:08:11

Ambassador Stephen Sestanovich: Or by oil production.

Clifford Chanin: Or by oil production, yeah.

Ambassador Stephen Sestanovich: Well, it is true that Russia is not, as the Soviet Union used to be classed, you know, one of the two or three great economies in the world. But it's much more stable, productive, than it used to be.

Clifford Chanin: As opposed to Soviet Russia.

Ambassador Stephen Sestanovich: Yeah.

Clifford Chanin: Mm-hmm.

- 00:08:36 Ambassador Stephen Sestanovich: You know, I think the general measure that people use for describing economic well-being is that household income under Putin in Russia has increased four times. So, you know, I don't know how many people here feel their household income has gone up four times since Putin was president, but, you know, that's not a bad record to run on. And we'll come back to Putin's campaigns at some point, I hope.
- 00:09:06 They have been able to stabilize the economy in a way that has made it possible, for example, to increase defense spending in the past decade by 100%. I don't think there's any other country in the world-- well, very few-- that can say that. And it's not from the... from a, you know, really small base. They've been able to increase oil and gas production-- they're both of them declining a little bit right now-- but from beyond what anybody expected in the 1990s.
- 00:09:50 I remember, the C.I.A. estimates in the late '90s were, they'd never get above eight million barrels a day. Well, you know, they're at 11. They are a very narrowly based economy, but their... They, they grew a lot in the first decade of the 2000s. And that gave them a sense that they can begin to address some of the problems and recreate their international role in a way that people had not thought possible before.
- 00:10:24 Clifford Chanin: And that international role, based on this idea of sovereignty as they define it, does that put them, in your view, in a natural rivalry with the U.S.-- which there are all kinds of historical antecedents for-- but does it reinforce the rivalry with the U.S., and also with other powers that could-- China being the principal one-- that could also aspire to their definition of sovereignty?
- 00:10:49 Ambassador Stephen Sestanovich: Well, I don't think it necessarily puts them in a rivalry with the U.S., but Putin has certain predispositions that, that point in that way. You know, in the '90s, people thought Russia could be a partner of the United States. We never used the word "ally" because the Russians didn't really like it all that much, and we didn't quite see that as a very plausible destination for the two countries. But "partner" meant a very cooperative relationship, even if Russia became more powerful.

- 00:11:36 But I think it's fair to say that the view that Putin has of how Russia should act in the world is one that doesn't require alliances. We tend to think of our... Americans tend to think of our role in the world as naturally supported by alliances. That's just sort of part of the territory. And we would think that if we lost our alliances, we would have lost something kind of fundamental that defined the way we acted in the world.
- 00:12:08 For Russia, that's not the case. They lost their allies before the Soviet Union collapsed because nobody really wanted to be their allies, since that meant being utterly subordinated and having a Soviet system imposed on you and so forth. So the Russians have kind of gotten used to the idea that they're alone.
- 00:12:28 But not having allies, which I think in some ways they think of as their natural condition, doesn't mean you can't have better relations with a lot of countries. And one of the things that Putin would probably point to as a set of accomplishments, even over the past five years, which have been kind of rocky, is a kind of diplomatic offensive that has—supported by military intervention, in the Middle East, for example-- that has enhanced relations with a whole lot of countries that they've typically had bad relations with. Their relations with China are close. They're not what you'd call an alliance, but they are certainly deeper and more cooperative than they used to be.
- 00:13:18 The area where they have had a setback, where there's no real set of good relations, or an expectation of it, is with the West-- with European countries and with the United States. And that is a kind... I think it's hard to say how fundamental a setback the Russians think that is. There was a time where we would have said that was a definition of failure for the Russians, that if you don't have good relations with Europe and the United States, you must be doing something wrong.
- 00:13:54 You know, the first time I ever met Putin was with Secretary Albright in 19... 2000, very beginning of 2000. And he... explained to her that,

actually, his goal was precisely to have cooperative relations with Europe and the United States. And he said, "China, you know, there are some things that we do together, but..." And he had a kind of funny way of talking about it. He said, "Yeah, I like Chinese food, chopsticks, fun, but, really, we're a European country."

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And for most Russians, that's their identity. And the idea that you would... that you could be Russia and be completely estranged from most of Europe and the United States, that does seem... that's something that requires explaining.

Clifford Chanin: Let me... We'll come a little further into the outward influence. But you talk about the incomes going up four times in recent years and so on and so forth.

Ambassador Stephen Sestanovich: Yeah.

00:14:56

Clifford Chanin: So talk a little bit about Putin's domestic standing coming into next year's election. Is, does he have a strong base of support? Is he popular? Or is it simply the acceptance of things as they are that would propel him to another term?

Ambassador Stephen Sestanovich: You know, there's this... some witticism of some historian or whoever: "Russia's never as strong or as weak as it seems." And I would say Putin is never as strong or as weak as he seems. He is strong. Polls typically show that his popularity is in the low 80s. One could question that.

00:15:41

Clifford Chanin: Legitimate polls? I mean, done...

Ambassador Stephen Sestanovich: Well, semi-legitimate polls.

Clifford Chanin: Okay, all right. I mean, the question is, who does the polling, yeah.

Ambassador Stephen Sestanovich: And legitimate polls... Legitimate polls show lower, but they still show considerable popularity. And there's a legitimate poll I saw recently that measured respect for different institutions in the Russian system. Far and away, the one that has gained the most respect over the past ten years? The presidency. Second, by the way, the military.

00:16:08 And a lot of that is based on this idea that Putin stabilized the country, got the economy back off, you know, off its back. There are lots of positives and negatives. I said that household income had gone up four times...

Clifford Chanin: Yep.

00:16:30 Ambassador Stephen Sestanovich: ...while he was president. The Russian government's own statistics show that median household income has declined four years in a row. So politics being a "What have you done for me lately?" game, you wouldn't want to be running for re-election on that platform-- you know, "I've reduced your income four years in a row." And there are... You know, there are plenty of good, you know, economic indicators, but they're all... they all have a kind of bad side. For example, foreign direct investment in Russia went up 50% last year, according to a very unreliable official of the Russian government. But that's partly because it went down 95% two years before that.

00:17:17 Clifford Chanin: I see.

Ambassador Stephen Sestanovich: So the base is...

Clifford Chanin: So there's nowhere to go but up, in that sense.

Ambassador Stephen Sestanovich: Yeah. The other thing, though, that is interesting, that I think people ought to be paying more attention to in Russia is the way in which the mere prospect of Putin's election is creating anxiety within the Russian elite, because they all figure, "Oh, he's going to run and he's going to win. But what does that mean for me?"

00:17:42            Putin is kind of a loyalist to his own people, but he also changes horses. You could say that every single one of Putin's terms has been different from the others. And there's a high anxiety within the Russian elite that you see expressed in lots of different ways.

Clifford Chanin: For example?

Ambassador Stephen Sestanovich: I was going to say, anxiety about whether they will be left out in the next term.

Clifford Chanin: I see, I see.

00:18:09            Ambassador Stephen Sestanovich: Officials fighting each other. You have a court case going on now involving the head of the Russian state oil company, a guy named Igor Sechin, old KGB friend of Putin's, who is testifying against the former economics minister, who's a, you know, high-ranking adviser to Putin, who is being charged with trying to bribe him. So you have two members of the elite basically at war with each other.

00:18:36            You have... The instruments of coercion of the state, all of the different intelligence and security agencies, the police, engaged in turf battles. There's a kind of turf war in Moscow involving, you know, control of neighborhoods by criminal organizations, and the, and control of some parts of the police by what's called the Chechen mafia.

00:19:09            You have had turmoil in the position of governors. Putin has fired 11 governors in the past three weeks. There is a kind of... ..anxiety about what the nature of the regime is going to be, going forward.

00:19:33            For example, the Russian church has launched a kind of offensive against people, against cultural institutions that they think are, you know, inconsistent with church doctrine, teaching, and institutional respect. So trying to get movies censored, people fired from the theater. And nobody quite understands who's on what side of this. But I think the deeper explanation is, people are trying to stake out their turf, establish their position, so that in the new... in the next Putin term, things will be okay for them.

00:20:10            Clifford Chanin: Does he encourage this kind of conflict so it keeps everybody off-balance to his advantage?

Ambassador Stephen Sestanovich: I actually have said exactly that of late-- that, you know, if you need a rationale for why you should be re-elected, the chaos within the elite is, obviously, one reason for it. But I think there's something a little deeper, and that is that there are signs of a kind of disillusionment in some quarters with... with Putin. Maybe you know this guy Alexei Navalny, used to be describe as an anti-corruption blogger. Now he's usually described as the leader of the opposition.

00:20:50            Clifford Chanin: Right.

Ambassador Stephen Sestanovich: He has been trying to run for president. And as part of his campaign... He's a very magnetic 40-something guy who's a good speaker. He's very engaging-- the kind of person Putin would not like to run against, like... You know, he probably spots Putin a good foot in height, and... He's produced these fantastic videos about official corruption at the highest level.

- 00:21:25 He started out with a great one about Putin's prime minister, Dmitry Medvedev, which has unbelievable information in it about corruption. Putin... I mean, Medvedev's six palaces in, you know, including his vineyard in Italy, and a lot... Drone footage. You know, the drone goes and looks into the windows of Medvedev's palazzo. Well, this thing has had 35 million views. You told me before we started that the memorial has had 35 million visitors.
- 00:22:03 You know, well... and Putin... Navalny did another one on Putin-- shorter, ten minutes, very, very witty, brilliant political document, again with a lot of great drone footage. And four million views in the first... week? So there's... there's a kind of sign that this is... This guy's popular, and political candidates associated with him won big in the Moscow city and regional elections just last month-- a real shock. I mean, suddenly a new generation of activists in Russian politics have been elected, which wasn't something that, you know, has happened in a long time.
- 00:22:50 Navalny is the first politician that Putin has tried to keep off the ballot that I can think of. So to answer your question, there's good news and bad news for Putin as a politician running for office. There are... Some of the bad news involving divisions and uncertainty suggest that Putin can, you know, be the divide-and-conquer arbiter of Russian politics. But some of the other bad news suggests maybe people are tired of him.
- 00:23:19 Clifford Chanin: Well, how deeply entrenched is corruption in the system there? And is this something that...
- Ambassador Stephen Sestanovich: You mean somewhere between very and extremely?
- Clifford Chanin: Or that's what the system is.
- Ambassador Stephen Sestanovich: Yeah, right.

Clifford Chanin: But, you know, is this something that could create enough of a backlash to actually threaten Putin's position?

00:23:42

Ambassador Stephen Sestanovich: Corruption turns out to be something that you can mobilize people against in post-Soviet politics. You know, regimes have been brought down by it. You know, you probably haven't followed Kyrgyz politics very closely.

Clifford Chanin: Not that much lately, no.

Ambassador Stephen Sestanovich: But in Ukraine and in Georgia, which are probably the two countries that the Russians kind of measure themselves by the most, you know, leaders were brought down because their regimes came to be seen as deeply corrupt. Nine out of ten Russians say to pollsters-- this is a legitimate poll-- they think corruption is a real problem.

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Now... And Navalny has given Putin's party the name, nickname, "Party of Crooks and Thieves," and it stuck. People really call it the Party of Crooks and Thieves. Putin used to have a way of talking about this which I thought was pretty good for a while. You know, it was, "Yes, corruption is a problem. We've got to go after corrupt officials." And he was doing this—you know, putting people in jail, kind of having them a little bit on edge. And I mention this because he stopped. And I think he stopped for a reason.

00:25:06

He now says, "Corruption isn't really important." And I think it's because Navalny has made the charge that the Putin regime is corrupt the main line of attack. And for Putin to say, "Yeah, there is corruption, but I'm handling it," is not any longer any good.

Clifford Chanin: So that's not credible.

00:25:30 Ambassador Stephen Sestanovich: He's now saying, "No, I'm going to deal with other problems, you know, like floods and pestilence." And you know... Actually, their big deal, air pollution. Lots of things-- too much burning of garbage. He has tried to change the subject. And to my mind, that's a sign of Navalny's success. Putin's on the defensive.

00:25:52 Clifford Chanin: Let us shift a little bit, because I wanted to talk about Putin's "success," I think you already called it, but go into it deeper, in terms of Syria and this expansion of their presence, their influence, and their relationships in the Middle East. And much of that, I think, is really centered on the last several years, the growth of Russian influence, and the success of Russian policy in Syria.

00:26:18 Obviously, the situation is not entirely resolved, but it's really at a much lower level of conflict and friction. And with the United States being involved, as well, ISIS is now shrunk, if it exists at all as a self-contained unit. So Putin's presence there really seems to be an accomplishment for him.

Ambassador Stephen Sestanovich: Right.

Clifford Chanin: Was it simply a matter of filling a vacuum there that the United States left, or was it a prior strategy that wanted to get in there, regardless of what the American position was going to be?

00:26:50 Ambassador Stephen Sestanovich: And... Yes and yes.

Clifford Chanin: Okay.

Ambassador Stephen Sestanovich: And on top of that, is motivated by the ferocious determination to show that they could keep their guy, Assad, from falling. What they intervened in 2015, he was just about done.

Clifford Chanin: Right.

00:27:11 Ambassador Stephen Sestanovich: And it was their intervention that saved him. But I don't think it's just a question of establishing a position in Syria or saving their base there, or saving the market that they have for, you know, buying Russian weapons. I think there are other dimensions of the policy which have come a little more into view as it succeeded.

00:27:42 For Putin, this is a... And I said earlier, one couldn't take for granted that he was a strategist. But actually, if you thought Putin had a region-wide strategy in the Middle East to improve Russia's relations with access to influence over the major powers of the Middle East, you'd have to say he'd really hit the jackpot over the past couple of years.

00:28:12 Clifford Chanin: Give you a couple of examples, just... The Saudi king visited in the beginning of October. Putin today is in Iran.

Ambassador Stephen Sestanovich: Is in Tehran.

Clifford Chanin: He has ongoing relationships with Israel and visits back and forth.

Ambassador Stephen Sestanovich: Yeah.

Clifford Chanin: And, apparently, some understanding with Israel about Israel's military actions in Syria and on and on and on.

Ambassador Stephen Sestanovich: And I'd go... Yeah, on and on and on. Let me just give you a couple of "ons."

Clifford Chanin: Go on.

(laughter)

00:28:39 Ambassador Stephen Sestanovich: Their relations with Turkey, which have been really bad for a long time, have turned up, and now they together participate in Syrian peace talks. It used to be that Turkey's intervention in Syria was the thing that they objected to the most. Now they're partners. And President Erdogan, whom people often compare to Putin, you know, visits, and they speak well of each other.

00:29:09 Clifford Chanin: They speak the same language at some very deep level, I think.

Ambassador Stephen Sestanovich: Yes, at some very deep level. I think they still need interpreters. (laughing)

Clifford Chanin: Fair enough.

Ambassador Stephen Sestanovich: Their guy is... basic... seems to have won the struggle in Libya. Their warlord is now the number-one warlord in Libya. Their relations with the Egyptians are better. The Egyptians have said they might be interested in buying Russian weaponry. But Iran is sort of the center of this. It is the most secure relationship, even though from time to time, Americans think maybe you can put some distance between Russia and Iran.

00:29:57 It has been the most advantageous. Without the Iranians working with them, they would not have been able to prevail in Syria. And it's also the most problematic for all the other major powers, because although they are interested in and have developed a relationship with Russia, they're also very nervous about Iran.

00:30:17           And one of the reasons they're interested in Russia is to get them to stop working so closely with the Iranians. And when it becomes clear that that's not on, then there may be a little bit more of difficulty in their relations with Russia. But for now, you'd have to say that the Russians have built a position in the Middle East which is stronger, has stronger foundations, is wider across the region, than anything the Soviets were able to do in the Middle East in the entire history of the Soviet Union.

00:30:53           And just to take the one case of the military intervention, that was bolder, more extensive, more unilateral, and more successful than anything the Soviets did in the entire Cold War rivalry with the United States.

Clifford Chanin: That's true. And, I mean, that's where the vacuum becomes the question.

Ambassador Stephen Sestanovich: Yeah.

Clifford Chanin: Could they have done that if the United States had not sort of stepped back and said, "We're not really going to get involved in this?"

00:31:22           Ambassador Stephen Sestanovich: Yeah. My own view is that in 2015, as they were looking to get in, the question that was on their mind is, can they be sure that the United States is not going to resist, that they're not going to get into a military confrontation with the United States? The famous Obama red line...

Clifford Chanin: Yeah.

00:31:48           Ambassador Stephen Sestanovich: ...decision gave them a lot of confidence, made it a thinkable undertaking. But I don't think it completely settled it. And so they had to watch in the course of 2015 to

see, if they got in, would there be pushback from the United States? I was talking to somebody whom I shouldn't quote, but who was, shall we say, a very senior Pentagon official in the Obama administration, who said that part of the Russian game going into Syria was to lie to the U.S. about what their purposes were, so as to get the United States to relax a little bit and not push back.

00:32:30

And one of the things they lied about was, they said-- I can't believe anybody believed this-- that they're going in to try to begin the transition of the Assad regime, to remove Assad. People said, "Oh, great. That's what we're after, too."

Clifford Chanin: Yeah. Well, I mean, it's convenient to believe that if you don't want to go in and you have a fig leaf for saying...

Ambassador Stephen Sestanovich: There you go.

Clifford Chanin: "Well, our policies are harmonized."

Ambassador Stephen Sestanovich: People often believe things that are convenient.

00:32:55

Clifford Chanin: Yes, it would appear so. This, then, sort of gives us the opportunity to now talk about Russia's relations with the United States, because there has been some overlap in Syria. I'm not saying this has particularly led to the domestic politics issue in the U.S., which we will talk about. But it has at least opened the possibility that the U.S. and Russia do not have to be antagonists in the Syrian issue, and the U.S. pullback from that sort of indicated that they didn't... the U.S. did not want to sort of set the pace for what would happen there. \And as long as the Russian position wasn't completely antithetical to what the Americans wanted, it seemed we communicated to them that we could sort of get along with what was happening there.

00:33:44            Ambassador Stephen Sestanovich: Yeah. I think that the idea of really close cooperation with the Russians in the Middle East, and particularly in Syria or more broadly against ISIS and terrorism, is a much more difficult undertaking than people tend to think. And I think in particular than our president tended to think. His view was...

00:34:12            Clifford Chanin: This is Obama you're talking about.

Ambassador Stephen Sestanovich: No, I'm talking about President Trump.

Clifford Chanin: President Trump, okay.

Ambassador Stephen Sestanovich: Yeah, President Trump has been saying, you know, "Why can't we get along? Why can't we work together?" And there were intimations from some of the people around him that maybe, you know, working... they could work together in Syria by just putting the Ukraine issue aside.

Clifford Chanin: Right, right.

00:34:34            Ambassador Stephen Sestanovich: I think what he heard from his military advisers and his intelligence people is, you know, "We don't really like working with the Russians very much. We don't trust them. It's very hard to build confidence." We are able to stay out of each other's way-- what at the Pentagon they call deconfliction. And that's good, because we don't want to shoot their guys, and they don't want to shoot us.

00:35:02            And so they can get into their little... They can do the work of strengthening Assad and expanding his control in Syria, and we can work on, you know, ousting the ISIS types from Raqqa and Mosul, and we'll be on parallel tracks. And I think, really, that's how it's developed. This has not been a joint undertaking. It has been parallel undertakings with a lot

of communications between staffs to make sure that no terrible incident happens that requires people to think about going to war.

00:35:43

Clifford Chanin: Can the status quo in this regard continue?

Ambassador Stephen Sestanovich: Well, no. That's the problem, is that once each side succeeds, then you're bumping up against each other, and the question is, what's the future of Syria? What's the future of the American presence? Is it going to be possible to just stay out of each other's way if the Russians are determined to do what Assad has said he wants to do, which is to regain all of Syrian territory?

00:36:19

Clifford Chanin: Right.

Ambassador Stephen Sestanovich: They now say they have 95%, which seems maybe a little high.

Clifford Chanin: Seems high, yes.

Ambassador Stephen Sestanovich: But, and the American view is, "Well, we don't want to just hand, you know, all of Syria back to Assad. We think that's how the story got started, is, Assad's abuses energized groups like ISIS." So you've got a problem now of trying to figure out whether there is some way forward that can meet both sides' objectives. And I'm not... I'm not inside that discussion.

Clifford Chanin: Right.

00:36:59

Ambassador Stephen Sestanovich: But it is interesting to see how the Russians are maneuvering. They're not maneuvering badly. For example, just today, Syrian Kurdish leaders said they're willing to participate in the Russians' peace talks, which they've earlier said they wouldn't do. So the

success that the Russians have had is beginning... They're beginning to be able to build out from it.

00:37:25 Clifford Chanin: Right. What about Iran as a factor for potential difference between the U.S. and Russia in the Syria-Middle East area? I mean, the Syrian... excuse me, the Russians are working quite closely, I mean, very well strategically aligned, at this point, anyway. This is clearly antithetical to where U.S. policy is right now. Is that a potential breaking point?

00:37:46 Ambassador Stephen Sestanovich: Well, it doesn't have to be on every issue. On the question of the nuclear agreement, for example, the U.S. and Russia worked closely together. Now that the president has put some distance between himself and the nuclear deal, the question is, will this become a bone of contention? It certainly at a minimum has given the Russians the opportunity to sound as though they and the Europeans are in complete harmony, and the United States is the odd man out.

00:38:20 Other issues involving Iran have to do with relations with other states in the region, which are all saying to the United States, just as they're saying to the Russians, "Would you do more to limit the Iranians?" And, you know, we probably have different ideas about how to approach that from the Russians. Another issue is, of course, are we prepared to add sanctions? The Russians are not interested in doing that.

00:38:51 They're interested in expanding the presence of their oil companies and gas companies throughout the Middle East, especially in Iran and in Iraq with a pro-Iranian government. And so that is... that is a definite obstacle, an area where we don't at all see eye-to-eye. I think it will be more difficult to work out some kind of cooperation in that area than it was for the Obama administration to narrowly focus on the nuclear issue. Because that was one where all the great powers were essentially in agreement.

00:39:31 Clifford Chanin: Right. I'm going to shift a little bit to domestic politics and the last U.S. election and the Russian involvement. Senator Cardin of Maryland today was quoted in a hearing describing the Russian

interference in the election as an act of war. The Russian general, whose name I forget, but who ten years or more ago talked about cyber warfare as yet just another area in which the Russian military can conduct successful campaigns, essentially laid out the strategy of intervening, interfering, and unsettling other political systems.

00:40:05

So start, please, with the question of whether or not this kind of interference is actually a strategic element in Russian policy towards other countries, and certainly focused now on the United States.

Ambassador Stephen Sestanovich: Well, by "strategic," you mean not just a collection of assorted ad hoc...

Clifford Chanin: Right, not incidental.

Ambassador Stephen Sestanovich: ...you know, fun and games by the hackers of this or that Russian intelligence agency.

00:40:38

Clifford Chanin: Concerted, ongoing.

Ambassador Stephen Sestanovich: I think it's concerted in the sense that all of these guys have a green light to make trouble for, in the internal politics of European countries and the United States. And that means backing separatist groups. It means funding anti-American groups, anti-EU groups. One of the things that Putin and Trump have in common is a dislike of the EU. And so any political group in Europe that doesn't like the EU is going to get Russian support and get a lot of favorable treatment in Russian propaganda.

00:41:33

There is an encouragement of, you know, kind of right-wing nationalist movements. You know, in the middle of the French election, Putin received Marine Le Pen in Moscow-- you know, something that no other

European leader would have done. I mean, I think it's literally true, she was not received in any other major country.

00:41:59 But that's part of this sort of, you know, thumbing his nose at the established governments of the... of the West. And for a number of kind of related purposes, to sow a kind of confusion, to create the idea-- which is important back home in Russia-- that, actually, Western countries are just corrupt and divided, and democracy doesn't work very well, produces internal discord, and aren't we glad we don't operate that way?

00:42:38 By "strategic," people often sometimes mean something else, which is closely monitored and directed by Putin himself. And I'm not so sure that we really know that, because I think Putin is sometimes a details guy, and sometimes not a details guy. And I think the... He doesn't monitor every account on Twitter.

00:43:09 Clifford Chanin: Right, but in a big-picture sense, does he know what's going on? Does he have to approve what's going on?

Ambassador Stephen Sestanovich: I bet he doesn't understand social media very well. But he's got guys to implement for him.

Clifford Chanin: Right, right.

Ambassador Stephen Sestanovich: You know, Twitter has now said the number of accounts that they've, that they recognize as Russian-controlled has gone up 15 times-- 12, 13, 15 times. Just in the past month they've increased the estimate of it. Putin was not paying attention to that, or to the Texan separatist groups that they welcomed to Moscow, or the California separatist groups.

00:43:48 But there is a kind of broad encouragement of that, which is, you know, why RT has got such a big budget. Fabulous facilities in Washington, by

the way. I was in their studio last year. I couldn't believe it. But people sometimes mean something even more specific than the broad encouragement. Like Putin said, "Go after the DNC emails." To me, that's... you know, since I don't have a security clearance any longer, and I don't know what the sexy intelligence is that produced that judgment, I... you know, I just have to say, "

00:44:35

Well, you know, from my knowledge of how the Russian system works, that wouldn't have had to be something directly ordered by Putin. It could be something that one, you know, KGB guy said to another-- you know, 'Wow, you know, I think we could hack into the DNC. Should we go for it?'"

Clifford Chanin: Right, but in the...

Ambassador Stephen Sestanovich: But the other guy would have said yes, because he would have said Putin... yeah. That's... "Putin will like that."

Clifford Chanin: Right, the environment is such that that's a plus rather than a minus.

Ambassador Stephen Sestanovich: Let me give you...

Clifford Chanin: But let me just ask you...

00:45:10

Ambassador Stephen Sestanovich: Can I just give you a parallel to explain what I mean about this? A lot of people say Putin orders murders of journalists and opposition figures and everything. I actually don't think that. I think Putin covers it up, you know? If you have a journalist that you don't like, and you kill him or her, or an opposition politician that you don't like, and you kill him or her, or some émigré critic whom you don't like, and you kill him or her, one thing you can count on is, Putin will not

go after you. Putin's got your back. But I don't think Putin necessarily orders them. So that's how I think...That's what the Putinist system is.

00:45:48

Clifford Chanin: So it's an enabling environment...

Ambassador Stephen Sestanovich: Absolutely.

Clifford Chanin: ...for these kinds of things.

Ambassador Stephen Sestanovich: Oh, absolutely.

Clifford Chanin: Would it make any difference now that this issue has become front and center in the U.S., that this has been heavily reported and revealed, and clearly has had an impact on whatever possible relationship there could be with the Russians? Is there a point at which they say, "Wait a minute. This has gone farther than is in our interest for it to go, and we have to dial it back." Because the assessment seems to be that this is an ongoing campaign, that the German election was vulnerable to this. This is not just here, and our security and political folks are saying, "This is not going to stop. The next election is as vulnerable and as susceptible as the last election was."

00:46:30

Ambassador Stephen Sestanovich: Well, as vulnerable and susceptible for sure, unless we do something about it. But if you're asking a different question, which is, when Putin and his guys sit down and think, "How much hacking should we try to do in the 2018 congressional election, or the 2020..." I don't know that they're... around the table they'll say...

00:46:56

Because even if Putin didn't order it last time around, now, this time, you know, the guys in the KGB who say, "You know, I think we could hack into this. Should we do it?", they're going to say, "Better find out what the boss thinks." And I don't know whether they're going to say, you know, "That just has played out so great for us that we should do it again," or

whether they'll say, "You know, that didn't go exactly the way we thought."

00:47:23 Clifford Chanin: But let me ask, what's the negative side? Because the positive side clearly is, we've... They have undermined confidence in our systems. They have encouraged us to be at one another's throats. So, okay, not going to be a close relationship, necessarily, with the U.S., but does that really matter if we are back on our heels and they are having gains in the Middle East and elsewhere?

00:47:47 Ambassador Stephen Sestanovich: Well, Cliff, allow me to come right back to one of the first questions you asked, which is, what are their goals? You know, how important is it for them to have good relations with the United States and Europe? I said, typically one would have thought that for Russian leaders, that would be something you would consider as part of, you know, a successful strategy, would be... Admittedly, good relations on your terms or on good enough terms.

00:48:18 The whole issue of meddling has made it almost impossible for this president to have the kind of Russia policy that he wanted to have. And the Russians have plainly sort of given up on it. They now talk about this as... Putin said in a speech he gave just this week or last week, "Look at the United States. That's where hysteria is running wild." Their theory of the case is, this is all just political craziness that, you know, they had no part in. They didn't produce it. That's their line. And they're sticking to it.

00:48:59 But it's not necessarily what they really think. Because if they ask themselves, you know, "Did we get a little overextended here? Is this really so good for us to cement our isolation?", I don't know what their real answer to that is. I think they would actually probably rather have more options with the U.S. rather than... and with Western Europe, because the relations with the Western European countries are bad, too. They'd probably rather have more options than they have right now.

00:49:30 Clifford Chanin: Let me add to the question of the election meddling the various efforts to compromise political figures. Because Manafort, just

indicted. Flynn under investigation by the special prosecutor, had to leave... had to leave his position in the White House because of an involvement with the Russians and unreported funding. And then the speculation about what they know about and what they have on the president. What is your assessment of that? And if you have any sense of whether there's, there's... What can we say, fire where the smoke is being seen?

00:50:06

Ambassador Stephen Sestanovich: Well, these are different cases.

Clifford Chanin: They are. But they add up to the same kind of thing.

Ambassador Stephen Sestanovich: Paul Manafort has made himself a very rich man by supporting pro-Russian political figures in Ukraine.

Clifford Chanin: Right.

Ambassador Stephen Sestanovich: And, you know, feasting on the ability, the willingness, of the pro-Russian party to, you know, pay him on a scale that he, you know, wouldn't command in the United States. I mean, it's really unbelievable.

00:50:37

Clifford Chanin: It's unimaginable-- yeah, yeah.

Ambassador Stephen Sestanovich: You know, we're talking possibly as much as \$75 million for his work there. He and they may come to regret that.

Clifford Chanin: Yes.

Ambassador Stephen Sestanovich: Mike Flynn is another case. They gave him a few tens of thousands of dollars to come sit at a table, dinner table, with Putin.

Clifford Chanin: But they crystallize around the president.

00:50:59

Ambassador Stephen Sestanovich: Yeah, yeah, yeah. They have a... they made a certain kind of investment. We don't really know how closely integrated that investment was. But it's one where they are... You know, they have to expect to be topic A in American politics for the... you know, as far as the eye can see, the issue of sort of subversion and meddling and that kind of corruption.

00:51:30

Clifford Chanin: The meeting with Trump, Jr., does that strike you in the scenario as, as a recognizable tactic or approach by the Russians to try and get the goods on someone or get inside something where they shouldn't be?

Ambassador Stephen Sestanovich: You know, I've read these pieces and these comments by former C.I.A. people who say, "You know, if I'm running an agent, this is exactly the way I'd do it. I'd pick some nobody who can kind of offer a little something, a dangle, I think, you know, and then see whether the other guys are interested, so that you have deniability." And that's... so that either tells you this is a really supremely professional operation, or else these are a bunch of nobodies.

Clifford Chanin: Right.

00:52:21

Ambassador Stephen Sestanovich: I mean, the Russian system is full of people-- and, honestly, our system-- full of people trying to seem more important than they are.

Clifford Chanin: Right.

(laughter)

Ambassador Stephen Sestanovich: Does this sound familiar?

(laughter)

Ambassador Stephen Sestanovich You know, like, this guy, this little creep, who, you know...

Clifford Chanin: Which one?

(laughter)

Ambassador Stephen Sestanovich: No, the littlest of the creeps.

Clifford Chanin: I can't... I can't judge on that one.

Ambassador Stephen Sestanovich: Who was indicted on Monday.

Clifford Chanin: Papadopoulos.

Ambassador Stephen Sestanovich: Papadopoulos.

(laughter)

00:52:51

Ambassador Stephen Sestanovich: I'm not saying that he wasn't part of collusion. I think the... you know, the Russians, some Russians, were at

least trying to get him interested. But were they trying to get him interested so that they could go to Moscow and say, "You know, I'm actually more important than you think. I've got this friend who is a volunteer for Trump." Or is it all a carefully orchestrated plan?

00:53:16

On Papadopoulos's part, I suspect it's... At least what one reads about the Trump campaign, it was sufficiently chaotic and disorganized and unstrategic that... You know, lots of room for freelancers. Political campaigns are full of people who are trying to find a way to get the higher-ups to notice them.

Clifford Chanin: Right.

Ambassador Stephen Sestanovich: And so I'm... I want... I want Bob Mueller to tell me more on this subject. And I have a lot of confidence he's going to.

00:53:47

Clifford Chanin: I think you're right. And so we'll stay tuned for that. Now, my guess is there may be some questions in the audience on this subject matter. So I'm going to see if we have anyone who would like to ask questions. We have questions in mind here. Let's start in the front. But wait for the microphone, if you would. Harmony will come down. No, no, we want to get you... get your voice on the mic. Right here, right here. Harmony, in the front. Sorry. You had one the last time, I think, right?

00:54:15

Man: Yeah.

Clifford Chanin: We'll get you, we'll get you, don't worry.

Man: Thanks, very good. You didn't answer the question about the dossier.

Ambassador Stephen Sestanovich: Oh, was I asked about the dossier?

Clifford Chanin: No, you weren't asked about the dossier. You know, there's so much.

(laughter)

Man: Well, what do you think of that as a plausible scenario?

00:54:35 Ambassador Stephen Sestanovich (chuckles): Well... A friend of mine in... who's worked in our intelligence community knows the British former spy who compiled the dossier, and she said to me, "I have the highest regard for him." You know, people think he's a serious guy who's not just making stuff up. But I will have to say that from the parts of the dossier that I've read-- and maybe you've got the unredacted version of it-- as far as I could tell, he didn't go to Moscow. So he's mostly dealing with people who had... I think dealing entirely with people who had... did not have firsthand knowledge of this.

00:55:34 That doesn't mean it isn't true. I think it's possible that it's all true, and... Although a lot of it has not been corroborated, you know? People that I know think a lot of it is plausible, maybe with one exception.

Clifford Chanin: And we won't ask which one.

00:55:59 Ambassador Stephen Sestanovich: Yeah. The... I have read statements by people in the FBI and in the intelligence community saying that that dossier formed no part of their conclusion about interference in the election. And I believe that, because I think the central bits of evidence for interference in the election are completely unrelated to the dossier.

00:56:38 They're related to the hacking and all of the kind of cyber evidence there, and to the... you know, the social media activities. So I think one can come 100% to a conclusion about their efforts at meddling without necessarily believing anything in the dossier.

00:57:05 Clifford Chanin: Other question? In the middle there. Please wait for the mic.

Man: Hi. Thanks for coming. I have a question. One thing you haven't mentioned is all the military maneuvers that Russians do.

Ambassador Stephen Sestanovich: Oh, yeah.

00:57:33 Man: Like buzzing, you know, plane close to border of Baltic states, you know, submarines in Swedish territorial waters, buzzing U.S. planes. Is this, like, Russian military is running amok, or is this some sort of a concerted strategy? And what would that strategy be? I mean, it does accomplish things. It makes people, let's say, in Poland, and now Baltic countries increase their military budget and being very afraid. So how does that serve Russian interests? Thank you.

00:58:04 Ambassador Stephen Sestanovich: Oh, well... My introductory I.R.-- international relations theory—students would have an easy answer to that. How it serves Russian interests is, the increase in the Polish military budget is a reason to increase the Russian military budget. And I think the general picture of militarization of European politics, also good for the Russian military.

00:58:35 You know, I mentioned earlier to Cliff that the Russian military's increased its budget 100% in the past decade. But in the past couple of years, there have been pressures, public calls, including by high-ranking officials in the Russian government, to reduce the military budget. And my own view is that that was one of the things on the minds of the... of Russian military officials when they intervened in Syria. You know, the

opportunity to show, you know, "We bought all this stuff. Here's what we can get for it."

00:59:11 And I think the general kind of, you know, hot dog, cowboy, in-your-face approach to rules of engagement in Europe-- in the Baltic Sea in particular-- is completely consistent with that. Their, their view is, you know, "You're a little... you're a little edgy. We're a little edgy. We military guys know how that works. We're not trying to shoot anybody down, but we want you to know we're here." You know, the Russians have created this picture of an arms race in Europe. I always point out that in Europe, in the 25 years after the end of the Cold War, everybody's military budgets went down.

01:00:08 Clifford Chanin: Substantially.

Ambassador Stephen Sestanovich: Substantially.

Clifford Chanin: Quite substantially.

Ambassador Stephen Sestanovich: Like, 75%. The number I like to use is, at the end of the Cold War, in connection with the reunification of Germany, there was a hot debate between the Russians and the Germans about capping the size of the German military. And the Russians said, "370,000 tops. And we want you to agree to that-- never above 370,000."

01:00:34 What's the size of the German military today? Anybody got any ideas? 190,000, so it's 50%. Not on the basis of any agreements with the Russians to reduce military forces. To the contrary. We took our heavy, our last heavy tanks out of Europe in 2013. They started going back in 2014 because of the, you know, the Ukraine crisis.

01:01:01 There was a demilitarization of European politics, and then in the past couple of years, there's been a remilitarization. And NATO is looking at

the question of what kinds of forces it needs. All countries are, in part under pressure from President Trump, but certainly long before that, being pressed by the United States to increase their budget. The United States is looking at more forward presence in Eastern Europe. And that's 100% the result of the Ukraine crisis and the Russian build-up and the kinds of activities that you're describing.

01:01:40 Clifford Chanin: Right there at the end of this row, please. Stand up, if you would.

Woman: Sure, thank you. Thank you for a fascinating presentation. My question was about Putin's longevity. He's been around for 17 years. What you see of him and previous leaders, how long do you think he might stick around for, and what would it take for him to move on?

01:02:03 Ambassador Stephen Sestanovich: Putin is 65, I believe. Recently, there have been a lot of Russian diplomats who have been dying in countries around the world. Have you noticed this story? Maybe it's just a small thing. The Russian ambassador to the U.N., three or four other places. They sort of all dropped dead. How do the Russians explain this? Because people say, "Is there some kind of foul play, something going on in the Russian Foreign Ministry that we don't know about?" Well, the Russian answer to this is, "Well, how old were they? Well, they were in their mid-60s, right?" I mean, people in Russia don't live beyond their mid-60s. Russian men.

01:02:45 So actuarall... Actuarially, Russia... Putin's, you know, his prospects... are not so great. But he has great care, and he spends a lot of time on fitness. And as far as we know, he is... You've seen the pictures of hi doing all of these things. Yeah. Sort of clad and semiclad. He seems to be in good health. Constitutionally, which is different from actuarially, he can serve un... if he's re-elected next year, until 2024, unless he changes the constitution again.

01:03:34 Clifford Chanin: So that's not... it's a safe bet to think the constitution is not written in stone.

Ambassador Stephen Sestanovich: And I'd say one other thing. Factionally, a lot of people really just want Putin gone. You know, when I was in Moscow in 2011, in the run-up to his announcement that he was coming back... Remember, he had been prime minister for a few years, and then he came... He announced in a little dialogue that he had on TV with Medvedev that he was coming back. Medvedev had been president for four years, and had to become prime minister again.

01:04:07           Everybody I talked to in Moscow said, "You know, Putin is yesterday's guy. We don't want him." Relatively senior officials, you know, big businessmen. Journalists and intellectuals, you take it for granted, but people that you would expect to be part of the Putin system were thinking, "You know, we can move beyond just this sort of one-man, personalist rule. We don't need a big boss like this. We'll do better if we go beyond it."

01:04:41           A lot of people were disappointed. You know, they thought... In, in 20 years since the collapse of the Soviet Union, "We've come far enough that we don't need this. We don't need to be a Central Asian dictatorship."

Clifford Chanin: One more-- over there, please. Would you stand, please?

01:05:09           Man: Sure. Thank you very much for your time spent here with us giving us this type of information. My question to you right now is about several years ago, we hear that Russia was getting all the hackers around the world to a facility in Russia. And this is a true information, or is it a fact that they do have a facility to hack into other countries' private information?

01:05:32           Ambassador Stephen Sestanovich: The Russians have very capable computer scientists. And maybe you guys know the name Kaspersky Lab, right? Some of you probably own Kaspersky software. Show of hands-- who has Kaspersky software?

Woman: I had.

01:05:52            Ambassador Stephen Sestanovich: Three-- had. You know, to my mind, it kind of... Possibly sort of tragic story. This is a guy, Kaspersky, who was, you know, a cyber engineer in the Soviet system, who created a fantastic, fantastically successful company. You know, you talked about the narrowness of the Russian economy?

01:06:20            This guy is a true post-Soviet, almost unique post-Soviet success story, you know, both in terms of the technological sophistication of it, the marketing, the kind of confidence in the brand that was created. And now all sort of shot, because... You know, compromised by a sort of broader effort, of which he may or may not have been a part. Maybe some parts of the company, we don't really know for sure.

01:06:53            But if it... if they were compromised by cooperation, that in itself is a kind of tragic development, because here you had the opportunity for something sort of new, independent, and positive in Russian economy and society, you know-- a company that could build on the genuine scientific achievements of Soviet times, and turn it into something that could be part of the modern world.

01:07:24            Now that's in question. And, you know, like this member of the audience who has thrown her Kaspersky software in the trash, you know, people... The U.S. government won't allow you to use Kaspersky software. It's, to my mind, terrible.

01:07:49            This, the Russians, for a while, were talking about how they wanted to have their own Silicon Valley. And they invested in it. There was this place in the Moscow suburbs where they thought they could do this. My snotty friends at Stanford said, you know, "They never realized that the Stanford weather is better than the Moscow suburbs' weather, and that that's part of what made Silicon Valley successful." I don't, I can't vouch for this. You know, the weather on route 128... Any Bostonians here? Not so great.

- 01:08:28 But the... There was a real opportunity to try to create something real out of the human capital that the Soviet Union left behind, and the technological expertise. And it's, it's ruined by a number of aspects of Putinism.
- 01:09:00 One is this kind of cyber offensive that you've described, which, you know, truth is, a lot of countries do this, because you have to keep up with the Joneses, or else, you know, your security goes down. Other elements of the Putinist system are undermining it, as well.
- 01:09:19 You know, today or this week, Russians were able to announce that they'd moved up to 35th place in the World Bank's ease of doing business rankings. You know, in the past few years, the biggest rise of any country in the world. The "Financial Times" called Russia the biggest winner in these new rankings. But what these rankings... Ease of doing business really is about transferring property. But they're still 106<sup>th</sup> in the world in property rights. So you can transfer property that you don't... you know, is not secure. And, you know, the state can take it away from you, or other people can take it away from you, other oligarchs, small businesses, local officials.
- 01:10:11 That's what the corruption of the Russian system is all about. So you can rise in one area, but because at bottom, the system is sort of corrupt, under-institutionalized, it can't succeed. This is a long way around to answering this question about the capabilities that Russia has. Just as you suggested, they're very great. But in the United States, those great capabilities are related to a fantastic growing sector of our economy. In the case of Russia, what one sees is that they're related to a part of the economy that's still tainted by the past.
- 01:10:54 Clifford Chanin: Well, if Putin's accomplished nothing else, he's put Russia back in the conversation in a way it hasn't been for a number of years.

Ambassador Stephen Sestanovich: No, it has been. Come on, we Russia hands believe that...

Clifford Chanin: I'm sorry. Yes, I didn't mean any... and I told you before, but this was my area of graduate study, so I feel like, yes, we have to keep talking about Russia. But we have now talked about Russia this evening, and it's really fascinating. And please join me in thanking Ambassador Sestanovich for joining us.

01:11:22

Ambassador Stephen Sestanovich: Thanks. A pleasure.

(applause)