

## Introduction

The post-Soviet world order that replaced the Yalta and Potsdam Agreements (February 11, 1945 and August 1, 1945) and the Cold War after 1991 blossomed during the 1990s in an era of compatible intentions.<sup>1</sup> Leaders in the Kremlin and the West wanted Russia to distance itself in varying degrees from Soviet-style authoritarianism, communism, and central planning in favor of democracy, the rule of law, and free enterprise.<sup>2</sup> These shared goals, driven in part by the changing “correlation of forces,”<sup>3</sup> formed the basis of their “partnership,”<sup>4</sup> and provided a framework for resolving differences.<sup>5</sup> Pride of place was given to ties that bound instead of latent disputes that divided. The age of geopolitics and polarization had yielded to “globalization.”

It is doubtful that Boris Yeltsin and Vladimir Putin ever fully subscribed to Samuel Huntington’s idea of the West (including true democracy,<sup>6</sup> free enterprise, and the “rule of law”) underpinning the West’s concept of globalization, even if the West faithfully practiced what it preached.<sup>7</sup> Both appear to have preferred Russian Muscovite culture,<sup>8</sup> and governance to Enlightenment principles, as Huntington surmised.<sup>9</sup> They accepted Western economic assistance in turbulent times as an adverse “correlation of forces” dictated,<sup>10</sup> but how would they behave when the shock of Soviet disunion faded, the realities of post-Soviet engagement set in,<sup>11</sup> and the tide turned? Yeltsin left office too soon to judge, but Putin’s reaction is public record – he decided that America and the European Union were Russia’s cynical adversaries, Western protestations to the contrary notwithstanding,<sup>12</sup> and that *realpolitik* had to replace the façade of post-Soviet “partnership.”<sup>13</sup> The Kremlin’s annexation of Crimea and the subsequent Moscow-led surrogate insurgency against Ukraine prove that Russia’s and the West’s premises and perhaps intentions today are incompatible,

although Western leaders increasingly consider the spat a temporary aberration (teething pains). Putin contends that he has rediscovered the virtues of Russian imperial exceptionalism.<sup>14</sup> He has publicly declared his “disenchantment” and disgruntlement, asserting that he is no longer willing to abide by the West’s rules and agenda. Putin intermittently insists that Russia and its post-imperial Western neighbors should cease cohabiting in a “common European home,”<sup>15</sup> and demands that the West respect Russia’s imperial spheres of influence.<sup>16</sup> He condemns America for seeking global domination through soft power,<sup>17</sup> a stance endorsed by Mikhail Gorbachev, who asserts that he was betrayed by the West’s perfidy,<sup>18</sup> and is “absolutely convinced that Putin protects Russia’s interests better than anyone else.”<sup>19</sup> The Kremlin isn’t improvising.<sup>20</sup> It is methodically striking back!<sup>21</sup>

The West consequently finds itself in the unhappy position of having to decide whether to stay the Cold War II course, renegotiate the post-Soviet world order framed by parameters hammered out at Yalta and Potsdam, make fundamental domestic policy adjustments, or opt for *Détente II*.<sup>22</sup> Although America and the European Union deride Putin’s narrative<sup>23</sup> and portray themselves as the sword and shield of reason, social justice, diversity, minority rights, ethnic self-determination, global harmony, universal values, democracy, competition, Weberian efficiency, anticolonialism, and the rule of international law, they must still decide how to manage the Kremlin’s challenge. Is it wiser to cajole and coerce Russia into becoming a compliant junior “partner” (acquiescing to the West-dominated post-Soviet world order of 1992–2008);<sup>24</sup> to de jure or de facto rewrite the terms of engagement (first phase of the post-Soviet order), taking account of recent changes in the “correlation of forces” (2002–2016); embrace an interim *Détente II* strategy; or bolster its military deterrent and restructure its economy?<sup>25</sup> Experts and think tanks have discussed these possibilities,<sup>26</sup> but their analyses often are incomplete because few fully grasp and take to heart contemporary Russia’s resurgent economic and military industrial power,<sup>27</sup> its sophisticated approach to geopolitical domination,<sup>28</sup> and information warfighting capabilities.<sup>29</sup> They fail to adequately appreciate Putin’s tenaciousness, his ability to repress dissent and<sup>30</sup> make opponents vanish,<sup>31</sup> and his willingness to play “Russian roulette.”<sup>32</sup> And they tend to disregard the dangers of Western secular economic stagnation,<sup>33</sup> political paralysis, domestic disaffection, military decay,<sup>34</sup> and rollback of nuclear arms control.<sup>35</sup> As a consequence, American and EU statesmen have mostly played the role of mock avenging angels,<sup>36</sup> chiding the Kremlin for violating the written and implicit post-Soviet rules of the game (including the INF Treaty),<sup>37</sup> imposing slapdash economic sanctions,<sup>38</sup> and threatening

military reprisals, including arming Ukrainian proxies,<sup>39</sup> while relying on “strategic patience,”<sup>40</sup> instead of prudently managing adverse changes in the correlation of forces, or changing them.<sup>41</sup> The West is inclined to disparage and disregard Putin’s demands for spheres of influence, giving priority to rights of self-determination claimed by Eastern and Central Europe, Estonia, Latvia, Lithuania, Ukraine, Moldova, Transdnistria, Armenia,<sup>42</sup> Georgia, South Ossetia,<sup>43</sup> and Russia’s own Westernizers.<sup>44</sup> Washington and Berlin also appear unwilling to leash their push for “color revolutions” on Putin’s turf (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine),<sup>45</sup> EU enlargement, and forward NATO military deployments in Russia’s neighborhood. This places the Kremlin and the West on a Cold War II collision course where episodic confrontation, including proxy wars,<sup>46</sup> rather than partnership (globalization), is the de facto “new normal” across a broad spectrum of issues, including economic sanctions,<sup>47</sup> unless one side or the other blinks.<sup>48</sup>

The alternatives to staying the course under the guise of a “reset” are Western military strengthening and economic revitalization, *Détente II*, or a renegotiated world order formally establishing Western and Kremlin spheres of influence.<sup>49</sup> *Détente II* is an interim strategy that temporarily accepts Crimea’s annexation,<sup>50</sup> and the “frozen conflict” in Novorossiya while both sides try to figure out whether to push for victory or to negotiate a compromise either behind the scenes,<sup>51</sup> or at a formal conference some Russian security experts call Yalta II (“new normalization”).<sup>52</sup> The devil, as always, is in the process, details, and implementation,<sup>53</sup> but the costs of persevering with the globalization policies that provoked Crimea’s annexation seem to vastly outweigh the benefits for the American and European people.<sup>54</sup> It is unrealistic to suppose that a new consensus world order can be swiftly achieved,<sup>55</sup> but America and the European Union should be able to orchestrate *Détente II* to achieve Cold Peace (mutual toleration) without abandoning legitimate ideals or fully discarding hidden agendas, if they cannot strengthen their militaries and economies.<sup>56</sup> Once the West makes some substantial concessions to terminate today’s often veiled cold war (mutual intolerance),<sup>57</sup> and Putin’s accepts the Cold Peace, he will be reluctant to press the envelope too far to avoid reverting to square one. The Kremlin will have struck back, but if properly managed, most of the former Soviet Union’s vassals can retain their newly acquired territorial integrity, EU status, and NATO membership.<sup>58</sup>

Although partnership is best, *Détente* almost as good, and Cold Peace better than Cold War II, the latter is apt to prevail in the decade ahead because the world is entering a new epoch where the gains from cooperation no

longer self-evidently exceed the expected benefits of bullying. During the 1990s and until the global financial crisis of 2008, authentic cooperation seemed the wisest course for most nations, despite lingering concerns about Western hegemonic intentions for a variety of compelling reasons. Global economic growth, spurred by the demise of command communism, EU monetary union, and American financial “liberalization,” provided political support for cooperation, as did heady hopes for democratization, peace, solidarity, affirmative action, social justice, and universal harmony. This optimism is no longer convincing, especially in the Kremlin. Not only is economic growth decelerating in both the developed and developing worlds, auguring “secular stagnation,”<sup>59</sup> but “savvy” players appear to have concluded that domination is more important than small cooperative benefits. Berlin’s ongoing effort to wrest control of Athens’s public finances by threatening to destroy the Greek banking system, despite the European Union’s praise for compassionate solidarity, is symptomatic of this “new normal.”<sup>60</sup>

The triumph of willfulness over cooperation and the public good has become endemic in Russia and the West, making it difficult to restore general prosperity. Russia no longer is enticed by democratic free enterprise; the West is addicted to deficit spending and monetary stimulus as antidotes for efficiency-destroying over-taxation, overregulation, over-control, mandating, and executive orders.<sup>61</sup> China’s growth is waning as it exhausts the advantages of economic development, and deflation (despite quantitative easing) threatens all countries dependent on secularly increasing natural resources prices. The West is going to be riven by fierce struggles for the division of its national pies that precludes parrying a Russian arms buildup.<sup>62</sup>

The Kremlin, for its part, will continue favoring “rent-granting” and the *siloviki* (power services) over civilian priorities, defending and expanding Russia’s sphere of influence to bolster its legitimacy, despite high hopes in some quarters for “regime change.”

The conjuncture of these forces and their persistence doesn’t allow analysts to accurately predict short-term micro consequences, but it does shape contours. Russia’s annexation of Crimea symbolizes the onset of “post-globalization,” a war of attrition between intransigent foes speaking inspirationally about mutual accommodation, but struggling to expand their spheres of influence by all means fair and foul. Konstantin Sivkov has even argued for preventative tactical nuclear strikes.<sup>63</sup>

This prognostication is positive, not normative. Judgments about virtue and merit, right and wrong aren’t required to know which way the wind is blowing or to gauge the new epoch’s rhythms and perils. Nor is it

essential to build a causal daisy chain explaining how partnership devolved into Cold War II. The crucial point for policy makers and analysts is that Cold War II has emerged with no politically viable easy fixes. It could verge toward a major armed conflagration or toward Cold Peace, depending on how conflicts are managed. Discord can be overcome, but may necessitate fundamental changes in the modus operandi of both sides that neither is yet sincerely willing to make.

### Notes

- 1 Stalin shredded the Yalta and Potsdam Agreements in the late 1940s by reducing Eastern and Central Europe to the status of satellites, but they became default agreements when Gorbachev launched his “new thinking” (*novoe myshlenie*) in 1987, opening the possibility for dismantling the communist bloc and restoring Baltic independence. German reunification was settled by the Treaty on the Final Settlement on September 12, 1990.
- 2 Steven Rosefelde, Will Russia Embrace the Rule of Law? Paper presented at the University of Dallas, History and Theology Departments, September 12, 2014.
- 3 Correlation of forces is a Soviet concept closely related to the Western notion of balance of power.
- 4 “Partnership” is an outwardly amicable, mutually advantageous relationship overlaying latent conflicts. It shapes Russian geopolitical strategy. For a disingenuous interpretation of the phenomenon, see Ivan Kratsev and Mark Leonard, “Europe’s Shattered Dream of Order,” *Foreign Affairs*, May/June, Vol. 94, No. 3, 2015: 48–58. Europeans, they claim, believed that “So long as citizens could choose freely, the thinking went, governments would eventually embrace the European way. Russia shattered that assumption last year when it invaded Crimea.” This formula pretends that the West avoided provoking the Kremlin.
- 5 Dmitri Trenin, “Russia and the United States: A Temporary Break or a New Cold War?” Carnegie Moscow, January 22, 2015. [http://carnegie.ru/2014/12/08/russia-and-united-states-temporary-break-or-new-cold-war/hxw4?mkt\\_tok=3RkMMJWWfF9wsRoluaXPZKXonjHpfsX56OsvXqGg38431UFwdcjKpmjr1YACTsV0aPyQAgobGp5I5FEIQ7XYTLB2t60MWA%3D%3D](http://carnegie.ru/2014/12/08/russia-and-united-states-temporary-break-or-new-cold-war/hxw4?mkt_tok=3RkMMJWWfF9wsRoluaXPZKXonjHpfsX56OsvXqGg38431UFwdcjKpmjr1YACTsV0aPyQAgobGp5I5FEIQ7XYTLB2t60MWA%3D%3D). Trenin, in his testimony to the Duma, characterizes Russia’s strategic vision and the correlation of forces as follows: “9. Strategic vision means understanding that: a. Russian-American relations now are different than during the Cold War; they do not determine world development by themselves, though they fully conform to its logic. b. The new competition is not ‘a life and death struggle,’ but a struggle to set the terms of future interaction, in other words, tough competition. c. The outcome of Russian-American confrontation will be determined not in Ukraine or Syria, but mainly in the areas of economics, science, and technology, social development, and, more broadly, the internal state of Russia.”
- 6 True democracy (*demos kratos*) is a system of rule where the people’s preferences govern public policies and private markets. True democracy requires elected officials to passively carry out the people’s will without imposing their own preferences. Steven

Rosefielde and Quinn Mills, *Democracy and Its Elected Enemies: American Political Capture and Economic Decline*, Cambridge: Cambridge University Press, 2013.

- 7 Samuel Huntington, "The West: Unique, Not Universal," *Foreign Affairs*, Vol. 75, No. 6, 1996: 28–46; Samuel Huntington, *The Clash of Civilizations and the Remaking of World Order*, New York: Simon & Schuster, 1996; Steven Rosefielde and Stefan Hedlund, *Russia since 1980: Wrestling with Westernization*, Cambridge: Cambridge University Press, 2008. The same can be said about Mikhail Gorbachev.
- 8 Catherine Belton and Neil Buckley, "Businessmen Are 'Serfs' in Putin's Russia, Warns Sergei Pugachev," *Financial Times*, October 8, 2014. <http://www.ft.com/cms/s/0/ab541ee8-4e4c-11e4-bfda-00144feab7de.html#axzz3Fexe6dBq>.

Muscovite culture is traceable to Ivan III Vasilevich, known as Ivan the Great, Grand Prince of Muscovy (1440–1505). The Muscovite idea is that the ruler, whether he is called grand duke, tsar, *vozhd* (leader), general secretary, or president, is an autocrat who, *de facto* or *de jure*, owns all of the country's productive assets and governs for himself in the name of the nation. He is the law and rules by edict absolutely or behind a façade of parliamentary constitutionalism. Everyone else is a *rab* (slave of the ruler). Individuals of other stations may have private lives and may seek to maximize their happiness, but they are always subject to commands, edicts, and rules imposed from above by their supreme lord, without protection of the rule of law. They have no inviolable human, property, economic, political, or social rights. Whatever has been given can be rescinded, regardless of custom or precedent. Social welfare in this cultural framework is synonymous with the autocrat's welfare, given whatever allotment he chooses to share with his people.

On its face, universal autocratic ownership and governance seem intrinsically totalitarian. It is easy to imagine Ivan the Terrible (Ivan IV Vasilevich, 1530–1584, first tsar of Russia) assigning his servitors detailed economic, administrative, police, martial, and diplomatic tasks and meticulously monitoring their performance. However, comprehensive control was never feasible, even during Joseph Stalin's reign. Autocrats had only sketchy knowledge of their realm, its potentials, and the requirements for efficient utilization and were never successful at devising an honest and effective bureaucracy to do the job for them. Consequently, they were compelled by circumstances to grant servitors substantial independence in operating the autocrat's properties for their own benefit (*pomestie*) in return for tax and service obligations, while tolerating bureaucratic corruption and inefficiency. Autocrats were rent-grantors, and servitors were rent-seekers. As long as rulers received what they needed, they didn't concern themselves with overpaying or with their deputies' exploitation of the peasantry. This attitude, optimizing where possible and satisficing where circumstances dictated, was coercive, not totalitarian, even though in principle the scope of the tsar's authority was unbounded. It was a callous mechanism for squeezing taxes from a servile population, but not an instrument of comprehensive micro control. Russia's autocrats didn't systematically oppress the people or bother themselves about their plight. They simply permitted their servitors to get the job done, whatever that entailed. The arrangement was paradoxical. On paper, the tsar and the state were all-powerful, but they often were weak in practice. In times of crisis, pressure could be exerted to mobilize resources for defense or industrialization, but even then, outcomes depended more on the vagaries of rent-granting in a natural economy with underdeveloped markets,

making Russia a colossus with clay feet. The Kremlin could struggle to keep up with the West, but remained forever backward. History, of course, isn't static. Servitors conspired to transform rent-granting into private property. Like paramours scheming for marriage, some of these stationary bandits (in Mancur Olson's terminology) were successful. However, a critical mass needed to achieve free enterprise under the rule of contract law or democracy was never reached, even though Catherine the Great relieved the nobility of lifetime service and Tsar Nicholas II's premier, Piotr Stolypin (1862–1911), tried to create peasant landownership in the *ukaz* of November 9, 1906. Patrimonialist Muscovy was always able to keep rent-granting in command through political intrigue, the secret police, and the army. It refused to serve Douglass North's role of credible enforcer for an autonomous, self-regulating society because sovereigns preferred autocracy to economic and political liberty.

Although the attributes of Muscovy varied from epoch to epoch, its footprint has remained unmistakable, the key traits being patrimonial rent-granting, based on the rule of men rather than the rule of law, where the ruler's optimization is narrowly circumscribed by a short span of control. These characteristics have made Russia a nation extraordinarily dependent on the machinations of the privileged and the tight supervision of the secret police. Effort is primarily mobilized through coercion rather than entrepreneurial initiative and market discipline, hindering catch-up with the Western high-productivity frontier. Conquest has often proven more gratifying to rulers than competitive national economic rivalry. They frequently have been content to live lavishly from natural resources–financed foreign imports rather than nurturing high value-added mass production. It is always possible that these cultural proclivities are teething problems and that the Kremlin will soon mature; however, until it does, the model will remain pre-enlightened.

- 9 Robert Kaplan, "Countering Putin's Grand Strategy: With Europe Weak and Distracted, only the U.S. can Thwart the Kremlin's Growing Ambitions," *Wall Street Journal*, February 11, 2015. Kaplan is a geographic determinist. See Robert Kaplan, *The Revenge of Geography: What the Map Tells Us about Coming Conflicts and the Battle Against Fate*, New York: Random House, 2010.
- 10 Mary Elise Sarotte, "A Broken Promise? What the West Really Told Moscow about NATO Expansion," *Foreign Affairs*, Vol. 90, September/October 2014. Cf. Joshua R. Itzkowitz Shiffrin, "Deal or No Deal? The End of the Cold War and the U.S. Offer to Limit NATO Expansion," *International Security*, Vol. 40, No. 4 (Spring 2016), 7–44. [http://belfercenter.ksg.harvard.edu/files/003-ISEC\\_a\\_00236-Shiffrin.pdf](http://belfercenter.ksg.harvard.edu/files/003-ISEC_a_00236-Shiffrin.pdf)
- 11 The term *engagement* in diplomatic parlance means one or many parties trying to strong-arm another through "friendly persuasion."
- 12 John Kornblum, "Time to Stop Letting Putin Win the War of Words," *Wall Street Journal*, February 8, 2015. <http://www.wsj.com/articles/john-kornblum-time-to-stop-letting-putin-win-the-war-of-words-1423438339>. "Western nations must start the turnaround by emphatically refuting one of Mr. Putin's favorite claims: that the West abrogated the promise of democratic partnership with Russia in the 1990 Paris Charter, a document produced by a summit that included European governments, the U.S. and the Soviet Union, convened as Communism crumbled across Eastern Europe. The U.S. and its allies didn't rush in after 1990 to exploit a proud but collapsing Soviet Union – a tale that Mr. Putin now spins. I took part in nearly every major negotiation of that era. Never was the idea of humbling Russia considered even

for a moment. The Russian leaders we encountered were not angry Prussian-style Junkers who railed against a strategic stab in the back. Many if not all viewed the fall of the Soviet Union as liberation rather than defeat. They saw Western democracy as the best path to security and freedom for their country.” Mr. Kornblum, a former U.S. ambassador to Germany and former assistant secretary of state for European affairs, is senior counselor for Noerr LLP law firm in Berlin.

- 13 Andrei Kortunov, “The Splendours and Miseries of Geopolitics,” *Valdai*, January 16, 2015. [http://valdaiclub.com/russia\\_and\\_the\\_world/74960.html](http://valdaiclub.com/russia_and_the_world/74960.html). Leon Aron, “Why Putin Says Russia Is Exceptional,” *Wall Street Journal*, May 30, 2014. <http://online.wsj.com/articles/why-putin-says-russia-is-exceptional-1401473667>. “To Mr. Putin, in short, Russia was exceptional because it was emphatically not like the modern West – or not, in any event, like his caricature of a corrupt, morally benighted Europe and U.S. This was a bad omen, presaging the foreign policy gambits against Ukraine that now have the whole world guessing about Mr. Putin’s intentions.” “One of the most troubling aspects of this concept of Russian uniqueness is that it has been defined largely in opposition to an allegedly hostile and predatory West. According to Mr. Putin’s favorite philosopher, the émigré Ivan Ilyin (1883–1954), ‘Western nations don’t understand and don’t tolerate Russian identity. ... They are going to divide the united Russian “broom” into twigs to break those twigs one by one and rekindle with them the fading light of their own civilization.’ Mr. Putin often quotes Ilyin and recently assigned his works to regional governors.” “One can hear distinct echoes of Ilyin’s views in the fiery speech that Mr. Putin delivered this past March after Russia’s annexation of Crimea. The West, Mr. Putin said, ‘preferred to be guided not by international law in its practical policies but by the rule of the gun’ and wished to ‘drive Russia into the corner.’ He traced this hostility as far back as the 18th century and said that, in the post-Soviet era, Russia ‘has always been deceived, has always been [confronted with] decisions made behind its back.’” Cf. Kathryn Stoner-Weiss, *Resisting the State: Reform and Retrenchment in Post-Soviet Russia*, Cambridge: Cambridge University Press, 2006; Peter Baker and Susan Glasser, *Kremlin Rising: Vladimir Putin’s Russia and the End of Revolution*, New York: Scribner, 2005; Catherine Boyle, “Putin: West Guilty of ‘Pure Cynicism’ over Ukraine,” *CNBC*, December 4, 2014. <http://www.cnn.com/id/102238208#>.
- 14 Aron, “Why Putin Says Russia Is Exceptional.” “In the winter of 2012, something surprising happened to Vladimir Putin: He discovered, as he wrote in a government newspaper, that Russia isn’t just an ordinary country but a unique ‘state civilization,’ bound together by the ethnic Russians who form its ‘cultural nucleus.’ This was something new.” “The pedigree of Russian exceptionalism stretches back to a 16th-century monk, Philotheus of Pskov, a city about 400 miles northwest of Moscow. Constantinople had fallen to the Turks a century earlier and Rome was possessed by the ‘heresy’ of Catholicism, so it fell to the Grand Duchy of Muscovy, Philotheus averred, to preserve, strengthen and expand the only real and pure Christianity: the Russian Orthodox faith.”
- 15 Putin claims that the West reneged on promises to keep former Soviet republics and satellites out of NATO and the European Union. Sarotte reports with regard to East Germany that unwritten promises were made, but quickly shelved. See Sarotte, “A Broken Promise?” Despite this claim, Putin occasionally presses his plan for a Greater Europe co-led by Russia and others spanning the Atlantic to the Pacific.

Marek Menkiszak, *Greater Europe: Putin's Vision of European (dis)integration*, OSW Number 46, Warsaw, October, 2013. John Mearsheimer asserts that Putin's grievances are well founded. "The United States and its European allies share most of the responsibility for the crisis. The taproot of the trouble is NATO enlargement, the central element of a larger strategy to move Ukraine out of Russia's orbit and integrate it into the West. At the same time, the EU's expansion eastward and the West's backing of the pro-democracy movement in Ukraine – beginning with the Orange Revolution in 2004 – were critical elements, too. Since the mid-1990s, Russian leaders have adamantly opposed NATO enlargement, and in recent years, they have made it clear that they would not stand by while their strategically important neighbor turned into a Western bastion." See John Mearsheimer, "Why the Ukraine Crisis Is the West's Fault: The Liberal Delusions that Provoked Putin," *Foreign Affairs*, Vol. 90, September/October 2014.

- 16 The concept of a sphere of influence is a dubious basis for asserting power over others, but nonetheless is widely invoked by both sides across the East-West divide. Russia and the West have long claimed spheres of influence and asserted rights of hegemony. They both claim duties to intervene in the internal and foreign affairs of neighboring sovereign states, including obligations to foster regime change. Washington, Brussels, and Moscow contend that they reserve the right to employ armed forces against each other, independent nations, and non-state actors to further their national interests, while hypocritically contending that the world order is inviolable. The Kremlin never apologized for abetting the creation of people's republics, and Washington boasts about fomenting regime change (color revolutions) that suit its purposes.

The battle for Novorossiia and other parts of the former Soviet sovereign space is best understood from this perspective. Russia and the West are both trying to seize the moral high ground by justifying their actions on this or that universal principle, but they are merely perpetuating the traditional hegemonic game. The arguments advanced by both sides justifying their actions may persuade objective observers to support either antagonist, but the fundamental problem is a test of wills that the correlation of forces will ultimately determine. Claims of universal right are part of the correlation of forces and are unlikely to be determinative in the unfolding new cold war. The search for the conflict's peaceful resolution therefore must necessarily focus on encouraging both parties to soberly assess costs and benefits, including catastrophic risk given the correlation of forces, de-escalate, and sagely renegotiate the post-Soviet world order. Jean Tirole, "Country Solidarity in Sovereign Crises," *American Economic Review* 2015, 105(8): 2333–2363.

The new order will likely involve a spectrum of imperial authority running the gamut from annexation (Crimea by Russia and East Germany by West Germany) to Finlandization and lesser types of domestic intrusions and tribute. Neither Russia nor the West has to reconquer Novorossiia to settle their rival hegemonic claims. They have the option of negotiating less bellicose terms of mutual re-endeartment behind a façade of uncompromising rhetoric.

This is best accomplished by both parties taking to heart the wisdom of compromising their contending claims, working out the particulars, and crafting face-saving rationales that placate constituents. The Germans appear willing to proceed in this manner, but Washington doesn't seem ready yet to concede anything

beyond toning down its rhetoric. The White House insists on the inviolability of the implicit post-Soviet world order (the West's concept of globalization), categorically rejected by Putin with an important unintended consequence. The implicit rules of the new cold war are more elusive than those of the post-Stalinist world order, making risks correspondingly higher. Compromise in a post-ideological age should be easier, but ironically to date finding mutual grounds for agreements seems more difficult.

- 17 Olga Khvostunova, "Vladimir Putin's Valdai Show," *Institute of Modern Russia*, October 28, 2014. <http://imrussia.org/en/opinions/2064-vladimir-putin%E2%80%99s-valdai-show>. "Putin's answer to the question 'who is to blame?' is quite straightforward: 'It looks like the so-called "winners" of the Cold War are determined to have it all and reshape the world into a place that could better serve their interests alone. ... This is the behavior of the nouveau riche, who stumbled upon a great wealth – global leadership. Instead of managing it expertly and accurately, for their own benefit as well, they made a lot of blunders.'" Cf. Stephen Cohen, *Failed Crusade: America and the Tragedy of Post-Communist Russia*, New York: W.W. Norton, 2015; Stephen Cohen, *Should the West Engage Putin's Russia?: The Munk Debates*, New York: House of Anansi Press, 2016; Garry Kasparov, *Winter Is Coming: Why Vladimir Putin and the Enemies of the Free World Must Be Stopped*, New York: Public Affairs, 2015.
- 18 Nathan Gardels, "Why Gorbachev Feels Betrayed by the Post-Cold War West," *The World Post*, November 7, 2014. [http://www.huffingtonpost.com/2014/11/07/gorbachev-post-cold-war-west\\_n\\_6116654.html](http://www.huffingtonpost.com/2014/11/07/gorbachev-post-cold-war-west_n_6116654.html). Note that Gorbachev may have a hidden agenda. He could be indicted for treason because of his role in fomenting *katastroika*. See "Russian Parliament Moves to Charge Gorbachev with Treason for Breaking Up U.S.S.R.," April 11, 2014.
- 19 Gardels, "Why Gorbachev Feels Betrayed by the Post-Cold War West." "On the 25th anniversary of the fall of the Berlin Wall, Mikhail Gorbachev, the last Soviet leader, remains a hero in the West. But the West is no longer in favor with Gorbachev. Already in 2005 when I sat down with him in Moscow to discuss the 20th anniversary of his reforms that ultimately led to the dissolution of the USSR, Gorbachev expressed anger and betrayal over what he regarded as America's 'victory complex' over Russia. Vladimir Putin and Mikhail Gorbachev could not be more different as leaders. But they are both proud Russians who don't think their nation is getting its due. They are like 'bent twigs springing back after being stepped on,' in the phrase Isaiah Berlin used to describe how resentment and aggressive nationalism are rooted in the backlash against humiliation. Gorbachev told Gardels, 'The Soviet Union used to be not just an adversary but also a partner of the West. There was some balance in that system. Even though the U.S. and Europe signed a charter for a new Europe, the Charter of Paris, to demonstrate that a new world was possible, that charter was ignored and political gains were pursued to take advantage of the vacuum. The struggle for spheres of influence – contrary to the new thinking we propounded – was resumed by the U.S. The first result was the crisis in Yugoslavia in which NATO was brought in to gain advantage over Russia. We were ready to build a new security architecture for Europe. But after the breakup of the Soviet Union and the end of the Warsaw Pact, NATO forgot all its promises. It became more of a political than a military organization. NATO decided it would be an organization