



## Putin's World: Why Russia's Showdown with the West Will Worsen

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I grew up hating America. I lived in the Soviet Union and was a child of the cold war. That hate went away in 1989, though, when the Berlin Wall fell and the cold war ended. By the time I left Russia in 1991, the year the Soviet Union collapsed, America was a country that Russians looked up to and wanted to emulate.

Twenty-three years later, a new version of cold war is back, though we Americans haven't realized it yet. But I am getting ahead of myself.

After Russia invaded Crimea and staged its referendum, I thought Vladimir Putin's foreign excursions were over. Taking back Crimea violated plenty of international laws, but let's be honest. Though major powers like the U.S. and Russia write the international laws, they are not really expected to abide by those laws if they find them not to be in their best interests. Those laws are for everyone else. I am not condoning such behavior, but I can clearly see how Russians could justify taking Crimea back — after all, it used to belong to Russia.

I was perplexed by how the Russian people could possibly support and not be outraged by Russia's invasion of Ukraine. But I live in Denver, and I read mostly U.S. and European newspapers. I wanted to see what was going on in Russia and Ukraine from the Russian perspective, so I went on a seven day news diet: I watched only Russian TV — Channel One Russia, the state-owned broadcaster, which I hadn't seen in more than 20 years — and read Pravda, the Russian newspaper whose name means "Truth." Here is what I learned:

- If Russia did not reclaim Crimea, once the new, illegitimate government came to power in Ukraine, the Russian navy would have been kicked out and the U.S. navy would have started using Crimean ports as navy bases.
- There are no Russian troops in Ukraine, nor were there ever any there. If any Russian soldiers were found there (and there were), those soldiers were on leave. They went to Ukraine to support their Russian brothers and sisters who are being abused by Ukrainian nationalists. (They may have borrowed a tank or two, or a highly specialized Russian made missile system that is capable of shooting down planes, but for some reason those details are not mentioned much in the Russian media.) On November 12, NATO reported that Russian tanks had entered Ukraine. The Russian government vehemently denied it, blaming NATO for being anti-Russian.
- Malaysia Airlines Flight MH17 was not downed by Russia or separatists. It was shot down by an air-to-air missile fired by Ukraine or a NATO plane engaged in military exercises in Ukraine at the time. The U.S. has the satellite imagery but is afraid of the truth and chooses not to share it with the world.

- Ukraine was destabilized by the U.S., which spent \$5 billion on this project. As proof, TV news showed a video of Senator John McCain giving a speech to antigovernment protesters in Kiev's Maidan Square. It was followed by a video of Vice President Joe Biden visiting Ukraine during the tumult. I wasn't sure what his role was, but it was implied that he had something to do with the unrest.
- Speaking of Joe Biden, I learned that his son just joined the board of Ukraine's largest natural gas company, which will benefit significantly from a destabilized Ukraine.
- Ukraine is a zoo of a country, deeply corrupt and overrun by Russian haters and neo-Nazis (Banderovtsi — Ukrainian nationalists who were responsible for killing Russians and Jews during World War II).
- Candidates for the recent parliamentary election in Ukraine included Darth Vader (not kidding), as well as a gay ex-prostitute who claims to be a working man's man but lives in a multimillion dollar mansion.

I have to confess, it is hard not to develop a lot of self-doubt about your previously held views when you watch Russian TV for a week. But then you have to remind yourself that Putin's Russia doesn't have a free press. The free press that briefly existed after the Soviet Union collapsed is gone — Putin killed it. The government controls most TV channels, radio and newspapers. What Russians see on TV, read in print and listen to on the radio is direct propaganda from the Kremlin.

Before I go further, let's visit the definition of propaganda with the help of the Oxford English Dictionary: "The systematic dissemination of information, especially in a biased or misleading way, in order to promote a political cause or point of view."

I always thought of the Internet as an unstoppable democratic force that would always let the truth slip out through the cracks in even the most determined wall of propaganda. I was wrong. After watching Russian TV, you would not want to read the Western press, because you'd be convinced it was lying. More important, Russian TV is so potent that you would not even want to watch anything else, because you would be convinced that you were in possession of indisputable facts.

Russian's propaganda works by forcing your right brain (the emotional one) to overpower your left brain (the logical one), while clogging all your logical filters. Here is an example: Russian TV shows footage of schools in eastern Ukraine bombed by the Ukrainian army. Anyone's heart would bleed, seeing these gruesome images. It is impossible not to feel hatred toward people who would perpetrate such an atrocity on their own population. It was explained to viewers that the Ukrainian army continued its offensive despite a ceasefire agreement.

Of course if you watched Ukrainian TV, you would have seen similar images of death and despair on the other side. In fact, if you read Ukrainian newspapers, you will learn that the Ukrainian army is fighting a well-armed army, not rebels with Molotovs and handguns, but an organized force fully armed by the Russian army.

What viewers were not shown was that the ceasefire had been broken before the fighting resumed. The fact that Putin helped to instigate this war was never mentioned. Facts are not something Russian TV is concerned about. As emotional images and a lot of disinformation pump up your right brain, it overpowers the left, which capitulates and stops questioning the information presented.

What I also learned is that you don't have to lie to lie. Let me give you an example. I could not figure out how the Russian media came up with the \$5 billion that "America spent destabilizing Ukraine." But then I found a video of a U.S. undersecretary of State giving an 8.5minute speech; at the 7.5minute mark, she said, "Since Ukrainian independence in 1991 ... [the U.S. has] invested more than \$5 billion to help Ukraine." The \$5 billion figure was correct. However, it was not given to Ukraine in three months to destabilize a democratically elected, corrupt pro-Russian government but over the course of 23 years. Yes, you don't have to lie to lie; you just have to omit important facts — something Russian TV is very good at.

Another example of a right brain attack on the left brain is "the rise of neo-Nazism in Ukraine." Most lies are built around kernels of truth, and this one is no different. Ukraine was home to the Banderovtsi, Ukrainian nationalists who were responsible for killing tens of thousands of Jews and Russians during World War II.

Putin justified the invasion of Crimea by claiming that he was protecting the Russian population from neo-Nazis. Russian TV creates the impression that the whole of Ukraine is overrun by Nazis. As my father puts it, "Ukrainians who lived side by side with Russians did not just become Nazis overnight."

Though there may be some neo-Nazis in Ukraine, the current government is liberal and pro-Western. Svoboda — the party whose members are known for their neo-Nazi and anti-Semitic rhetoric — did not get even 5 percent of the votes in the October election, the minimum needed to gain a significant presence in parliament. Meanwhile the TV goes on showing images of Nazis killing Russians and Jews during World War II and drawing parallels between Nazi Germany and Ukraine today.

What also makes things more difficult in Russia is that, unlike Americans, who by default don't trust their politicians — yes, even their presidents — Russians still have the czarist mentality that idolizes its leaders. Stalin was able to cultivate this to an enormous degree — most Russians thought of him as a father figure. My father was 20 when Stalin died in 1953, and he told me that he, like everyone around him, cried.

I keep thinking about what Lord Acton said: "Power corrupts, and absolute power corrupts absolutely." The Putin we scorn today was not always like this; he did a lot of good things during his first term. The two that stand out the most are getting rid of the organized crime that was killing Russia and instituting a pro-business flat tax system. The amount of power Russians give their presidents, however, will, with time, change the blood flow to anyone's head. Come to think of it, even Mother Teresa would not have stood a chance in Russia.

A few weeks ago Putin turned 62, and thousands of people took to the streets to celebrate his birthday. (Most Americans, including this one, don't even know the month of Barack Obama's birthday.)

In my misspent youth, I took a marketing class at the University of Colorado. I remember very little from that class except this: For your message to be remembered a consumer has to hear it at least six times. Putin's propaganda folks must have taken the same class, because Russian citizens get to hear how great their president is at least six times a day.

We Americans look at Putin and see an evil KGB guy who roams around the country without a shirt on. Russians are shown a very different picture. They see a hardworking president who cares deeply about them. Every news program dedicates at least one fifth of its airtime to showcasing Putin's greatness, not in your face but in subtle ways. A typical clip would have him meeting with a cabinet minister. The minister would give his report, and Putin, looking very

serious indeed, would lecture the minister on what needed to be done. Putin is always candid, direct and tough with his ministers.

I've listened to a few of Putin's speeches, and I have to admit that his oratory skills are excellent, of a J.F.K. or Reagan caliber. He doesn't give a speech; he talks. His language is accessible and full of zingers. He is very calm and logical.

Russians look at the Putin presidency and ask themselves a very pragmatic question: Am I better off now, with him, than I was before he came into power? For most the answer is yes. What most Russians don't see is that oil prices over the past 14 years went from \$14 to more than \$100 a barrel. They are completely responsible for the revival of Russia's onetrack petrochemical economy. In other words, they should consider why their economy has done better the past decade, and why it may not do as well going forward. Unless Putin was the one who jumpstarted China's insatiable demand for oil and other commodities that drove prices higher, he has had very little to do with Russia's recent "prosperity."

I place prosperity in quotes because if you take oil and gas riches away from Russia (lower prices can do that with ease), it is in a worse place today than it was 14 years ago. High oil prices have ruined Russia. They have driven its currency up, making its other products less competitive in international markets. Also, capital gravitates toward higher returns; thus oil has sucked capital from other industries, hollowing out the economy. After the Soviet Union collapsed, Russia had a chance to broaden its economy; it had one of the most educated workforces in the world. Sadly, it squandered that opportunity. Name one non-commodity product that is exported from Russia. There aren't many; I can think only of vodka and military equipment.

But most Russians don't look at things that way. For most of them, their lives are better now: No more lines for toilet paper, and the stores are full of food. Their personal liberties (such as freedom of speech and freedom of the press) have been taken away from them, but many have so much trust in their president that they don't mind, whereas others are simply complacent.

Today we see three factors that influence oil prices and are working against Russia: Supply is going up with U.S. shale drilling; demand growth will likely decline if the Chinese economy continues to cool; and the dollar is getting stronger, not because the U.S. doing great but just because the rest of the world is doing worse. If oil prices continue to decline, this will expose the true state of the Russian economy.

When I visited Russia in 2008, I sensed an anti-American sentiment. NATO — which in Russia is perceived as a predominantly American entity — had expanded too close to Russian borders. Georgia tried to join NATO, but Russia put a quick end to that. Russians felt they extended a friendly hand to the U.S. after 9/11, but in response America was arraying missiles around its borders. (The U.S. says they are defensive, not offensive; Russians don't see the distinction. They are probably right.)

The true colors of this new cold war came to light recently. In August 2008, according to Henry Paulson, the U.S. Treasury secretary at the time, "top level" Russian officials approached the Chinese during the Olympics in Beijing and proposed "that together they might sell big chunks of their GSE [Fannie Mae and Freddie Mac] holdings to force the U.S. to use its emergency authorities to prop up these companies."

This incident took place just weeks before the collapse of Lehman Brothers. The U.S. economy was inches from revisiting the Stone Age. The proposed Russian Chinese maneuver could have made such an outcome more likely. The Federal Reserve would have had to step in and buy

Fannie's and Freddie's debt, and the dollar would have taken a dive, worsening the plunge in the U.S. economy. Our friend Putin wanted to bring the U.S. economy down without firing a single shot, just as he annexed Crimea from Ukraine.

Today anti-American sentiment is much greater in Russia. European sanctions are seen as entirely unjustified. Here is why: Crimea had a "democratic referendum," and the Ukrainian conflict is believed to be not of Russia's doing but rather an American attempt to destabilize Russia and bring Ukraine into NATO. In his annual speech at the Valdai conference last month, Putin said America had pushed an unwilling Europe into imposing sanctions on Russia. America is perceived as an imperialistic bully that, because of its economic and military power, puts its own self-interest above everyone else's, and international law.

Putin uses anti-Americanism as a shiny object to detract attention from the weak Russian economy and other internal problems. In the short run, sanctions provide a convenient excuse for the weakening Russian economy and declining ruble. They have boosted Putin's popularity (at least so far). As the Russian economy gets worse, anti-American sentiment will only rise.

This new version of the cold war has little in common with the one I grew up in. There are no ideological differences, and there is no arms race (at least not yet, and let's be honest: Today neither country can afford one, especially Russia). At the core of it, we don't like what Russia is doing to its neighbors, and Russia doesn't like what we do to the rest of the (non-EU) world.

The criticisms of U.S. foreign policy voiced by Putin in his latest Valdai speech are shared by many Americans: The U.S. is culpable in the unresolved, open-ended Afghanistan adventure; the Iraq War; the almost bombing of Syria, which may have destabilized the region further; and the creation of the Islamic State, which is in large part a byproduct of all of the above. Yet Putin's abominable Ukrainian excursion and the thousands of lives lost were never mentioned.

But there is also something less tangible that is influencing Russia's behavior: a bruised ego. During the good old Soviet Union days, Russia was a superpower. It mattered. When it spoke, the world listened. The Russian people had a great sense of pride in their Rodina (Mother Russia). Today, if Russia did not have nuclear weapons, we'd pay much less attention to it than we do. Pick a developing country without oil whose president you can name. (Okay, we Americans can't name the president of almost any other country, but you get the point.)

Anti-Americanism and Putin's popularity will both rise as the Russian economy weakens. For instance, Putin took his own people hostage when he imposed sanctions on imports of European food. The impact on Europe will not be significant (the Russian economy is not very large in comparison to the European Union), but Russia is very dependent on these imports. In the U.S. consumers spend about 13 percent of their earnings on food, but in Russia that number is almost three times larger. Therefore, food inflation hurts Russians much more. Yet as food inflation spiked, so did Putin's popularity and anti-Americanism. Even declining oil prices will be explained as a anti-Russian manipulation by the U.S.

Unfortunately, the only thing Russia has going for it today is its nuclear weapons. Russia has started to remind us of its military recently. According to NATO, the alliance "has conducted over 100 intercepts of Russian aircraft in 2014 to date, which is about three times more than were conducted in 2013."

Every article needs a conclusion, but this one doesn't have one. I am not sure what this new cold war means for the world. Will Russia start invading other neighboring countries? Will it test NATO resolve by invading Baltic countries that are part of NATO? I don't know. Economic

instability will eventually lead to political crises. We have plenty of economic instability going on around the world.

I'll leave you with this thought: On March 7, 1936, the German army violated the Treaty of Versailles and entered into the Rhineland. Here is what Hitler later said:

“The forty-eight hours after the march into the Rhineland were the most nerve-racking in my life. If the French had then marched into the Rhineland, we would have had to withdraw with our tails between our legs, for the military resources at our disposal would have been wholly inadequate for even a moderate resistance.”

Those two days determined what Germany would do next — build out its army and start World War II.

Comparing Putin with Hitler, as one of my Russian friends put it, is “absolutely abominable” because it diminishes Hitler’s atrocities and overstates by a mile what Putin has accomplished to date. Yet it feels as if we are at a Putinof1936 moment.

Will he turn into a Putin of 1939 and invade other countries? I don’t know. But the events of the past nine months have shown Putin’s willingness to defy international law and seize the advantage on the ground, betting — correctly so far — that the West won’t call his bluff.

As Garry Kasparov put it, while the West is playing chess, responding tactically to each turn of events, Putin is playing highstakes poker. We ignore Putin at our own peril.

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