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Still the “pivot”: Russia’s self-conception and view of the euro crisis as perceived in public opinion and the Rossiiskaya Gazeta, 2011-12

Barnard Turner

The Russian Consulate-General in Shanghai, China

ABSTRACT

In his influential and disputed 1904 lecture, “The Geographical Pivot of History,” Halford Mackinder argued that the Russian heartland was the fulcrum of many historical and geostrategic currents across Eurasian space. While the thesis has been thought surpassed by recent technological advances in transportation, it serves as a useful heuristic device to open certain thematic lines of analysis apparent in the presentation of the ongoing “EUrocrisis” by the country’s newspaper of record, the Rossiiskaya Gazeta.

Keywords

Euro crisis; Russia: public opinion; perceptions of the EU.
Still the “pivot”: Russia’s self-conception and view of the euro crisis as perceived in public opinion and the Rossiiskaya Gazeta, 2011-12

BARNARD TURNER ¹

“Schräg wird Nahes seit je am besten gesehen” [The near at hand has always best been seen at an angle].
- Ernst Bloch, 1929

Introduction

Both professional and public attention has been so fixated on the “Euro crisis” over the past few years that a reflection on its development as a serious threat to the currency, or even to the EU itself, is timely. However, although one cannot of course discount the severity of the potential scenarios, these are not yet at the level of Joseph Conrad’s “choice of nightmares” and some might even be ascribed to the birth-pains of the Union. It is still early days yet for the Union – in its current configuration, which marks an entelechy of sorts, it is not even a decade old. Its neighbour, Russia, in its present “post-imperial” borders is scarcely two decades old (Radzikhovsky 2011). There are still many levels at which harmonisation must operate and doing so takes time, forbearance and patience. The European Central Bank has not been able to take an undeniably positive role, yet a longer-term view would note that the First Bank of the United States faced fierce opposition and scepticism. With Hamilton’s sinking fund, the essence of all providential and prudent debt repayment, debt levels dropped for several decades (only to resurface at the Civil War). Since there has of late been a more pronounced discussion of such a possibility for the eurozone, even of a generic Stadtsparkasse or British “Co-op” model, parts of the European project may yet be saved, even if the euro needs to be reconfigured.

Such a reconceptualisation would be in the spirit of the IMF’s Articles of Association. Under Article IV, a member state “undertakes to collaborate with the Fund and other members to assure orderly exchange arrangements and to promote a stable system of exchange rates.” Such collaboration should of course be expected to be easier for those member states already pursuing effective (if only partial and not always efficacious) currency coordination. It should ensure the provision and continuance of “a framework that facilitates the exchange of goods, services, and capital among countries, and that sustains sound economic growth, [because] a principal objective is the continuing development of the orderly underlying conditions that are necessary for financial and economic stability.” Mid-2012, the Fund report on “Euro Area Policies” pinpointed the need for greater integration and consolidation in banking and sovereign funds across the eurozone. The report stresses not only the expected, and long absent, fiscal integration but its introduction in tandem with “ideas of a political union and stronger central governance with more risk sharing”, that is more Europe, a greater sense of solidarity.

The clouds may yet lift over the zone, even if the stormy seas of a “Grexit” might already be gathering, and even if the EU institutions do not seem able to more than continually defer it. The maelstrom continues to circle; the unusually prescient Larry Elliott opined mid-2011 that “We are less than halfway through the crisis that began on 9 August 2007” and “That crisis has just entered a dangerous new phase” (Elliott, “Global financial crisis”). As the crisis continues to play itself out, lashing by mid-2012 at the doors of even the most secure eurozone economies and spilling over to affect growth in other parts of the world, the threat seems to be intensifying. By mid-2012, with the International Monetary Fund’s report (12/181) on “Euro Area Policies,” it was becoming clear that “the euro area crisis [had] reached a new and critical stage.”

For an attempt to chart these developments, the first half of 2011 (with the Arab Spring, the Libyan conflict and Fukushima) forms a useful watershed period. In August 2011, Larry Elliott detected the culmination of one phase of this still developing crisis: the process of “morphing of a private debt crisis into a sovereign debt crisis” which was completed when on 5 August 2011, S&P downgraded the US’s debt from AAA (Elliott, “Global financial crisis”). The first months of 2011 show “the end of the beginning”, the fruition of

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old scenarios and the blossoming of others which, a year or so later, have themselves produced an impatience with the old pieties (contagion, containment) and a sense that even if the perpetrators may have emanated from over-zealous Europe the solutions are stymied because—again, citing Elliott — “the current crisis is the result of the imbalances in the global economy, which in turn reflect differences in productivity and competitiveness” (Elliott, “Greece election” 17 June 2012). Here of course, his view is reminiscent of those of Kishore Mahbubani, Luc van Langenhove and others – if such drive is absent in Europe, it is plentiful in certain places in Asia. The playing out of the whole euro-drama over the last 2-3 years and its perception in Asia, and in particular in Russia form the subject of this paper.

Perceptions

In all of this increasingly fractious debate, perceptions — based on image, branding and historical ties — matter. The first half of 2011 is also of research interest because comprehensive newspaper data are available from the “Perceptions of the EU in Asia” project organised by the National Centre for Research on Europe (NCRE) in New Zealand and coordinated through the Asia-Europe Foundation (ASEF). These data sets were helpfully supplemented by public opinion surveys carried out in early 2012 as part of the same project, and which can be seen as complementary to the corresponding period the previous year given that such opinions are of generally a more lasting nature than transient newspaper commentary but to a certain extent (not in itself to be exaggerated) are modified and in rare cases even shaped by them. The data set produced by this ongoing project, here used as background for my comments, yields insightful results, and it is to complement the project’s overarching findings that I aim here, focusing on the Russian data. With its imbrications within European economic and energy systems and yet with its own, somewhat detached agenda clearly in mind, Russia allows insights into the unfolding European situation from an oblique angle,

The NCRE survey shows that a global mindset is beginning to establish itself in two of the world’s largest countries, Russia and China, with a remarkable symmetry between the perceptions of Russia/China and the EU, and to a limited extent the US. In China, 3% thought Russia unimportant and 89% important; 3% thought the US unimportant and 88% important; and 4% thought the EU unimportant and 89% important. While patterns of global trade might let us infer that all markets are important to the Chinese, lower figures were recorded for Japan (56%) and France (64%; in comparison, 67% thought the UK important and 76% Germany). In Russia, 9% thought Europe/the EU unimportant and 88% important; 9% thought China unimportant and 86% important (only 75% thought the US important). Whether such “importance” should be gauged politically or economically, or a mixture of both, is left rather open. While China is now Russia’s largest trading partner, Germany is still a very close second, and Russia’s trade with just that country and the Netherlands combined would far outstrip (by some 50% more) the envisaged growth of Russia-China trade. Not surprisingly, then, Russians view Germany as more important than do respondents in any country from Asia included in the survey (88%). While generally across the Asian countries selected, Europe/the EU is seen as some 19% more important over the next ten years than Germany (by 82% and 63%), this distinction is minimal in the assessment of Russian respondents (88% and 84%). Because of its proximity and acceptance of Russian energy exports, the EU would be expected to be more important to Russia than to many other Asian states (which can modify their trading profiles to Asia itself more readily

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1 I am grateful to the NCRE and especially to Olga Gulyaeva, researcher on the Russian data, for making her data set available to me; this was helpful in mapping out the early stages of this paper. I am also grateful to Loke Hoe Yeong, researcher on the Project and at the EU Centre in Singapore, for his insights.

2 With a similar openness, Bersick et al note that Europeans rank “the future importance” of China at 7.4 and Russia at 6.9 (Indonesia is ranked at 5.3 and the USA 7.8 [Bersick, Bruter 275]).
than can Russia), but the value for the EU has not risen that much; the value for Germany, however, rises from 63% to 84%. Conversely, even if declining to the bottom of the super league, and only of average importance to Russia (59%), Britain is still considered to be more important to many of the surveyed countries than Germany (70% thinking the Atlantic nation important in the next ten years as opposed to 65% for Europe’s largest economy). Trade, then, is not the only consideration and Russian exceptionalism among the surveyed Asian countries, albeit expected, is noteworthy.

Scatter characterises many of the NCRE public opinion findings, especially when certain rather specialist questions about the EU as an “actor” across various domains are asked, and the findings can be therefore rather tenuous. For example, high information costs and low engagement or interest levels would make any informed opinion from average Asians difficult to assess in topics such as the significance of the EU’s dealings with the Middle East or the USA. There is perhaps a certain politicized hubris perhaps in even asking such questions, and nothing really surprising that, beyond the inference that the respondent gathered that there was supposed to be something significant about the question and therefore a response in the low end was perhaps not “right” or that since the USA, China or carbon emissions reduction, which appeared in the question, is indubitably important, something about the EU’s relation it them must by implication also be important, little can be judged from the findings which would prevail against standard margin of error perimeters. That so few (on average, some 0.12%) answered “don’t know” to such questions implies perhaps merely that they were happy to hazard a guess, knowing clearly what was required of the question and the search terms within it.

In assessing these survey results, it is important to distinguish trends and reactions. Impressions of Europe as a category preform those of the European Union, and the two categories cannot be meaningfully conceptualised and bundled together. While some two thirds across the ten countries claim that they regularly access media for foreign news, and 52% can be inferred to read foreign news in newspapers regularly (more than once a week), only 56% had heard of the European Commission, and 59% of the European Parliament. The interest in foreign news, for more than half the population, does not extend to the institutions of the EU; this should of course come as no surprise, as one might expect something similar for a survey of Europeans which asked about ECOWAS, MERCOSUR or ASEAN. The argument that the EU is the world’s largest trading bloc/single market is insufficient for people to take an active, personal interest in it, and European expectations that interest should be higher is perhaps mere hubris.

The perceptions sometimes rather give insights into, or reinforce external stereotypes about, the surveyed countries and therefore conform to the standard view of the shock of alterity: confrontation with the other forces a moral choice (along the lines of rejection or acceptance and integration as seen in the works of Emmanuel Levinas) or at least the “performative” obligation to assess one’s own social and individual parameters (Peeren and Horstkotte 10). 73% of Thais, 70% of Russians and 69% of Malaysians saw the EU as modern, but only 42% of Japanese, 39% of New Zealanders and 35% of Australians. 63% of Indians and 12% of Japanese saw the EU as “efficient” (the average was a low 34%). Yet on occasion the results seem a little off from these stereotypes: those two countries (Australia and New Zealand) with longstanding patterns of European immigration are both at the low end of the range (24% and 23% respectively) of those countries which see the EU as “likeable” (meaning, I suppose, that the respondent detected some affinity with the population [i.e. Europeans] rather than with the institutions [the European Union as such]). Only China (16%) thought the EU less likeable, the average being 35%; Russia (46%) follows South Korea (49%) and India (55%) in apparently most liking the EU.

While the NCRE survey highlights the role of the media in shaping public opinion, a person’s views of an Other, especially one as distant, distinct and diverse as Asia (or, to a slightly less extent, Europe), are prefigured in random spasmodic but enduring ways through education, personal contacts, family connections, etc. While EuropeAsia migration is not

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4 For example, the comment by Bersick et al that Europeans see North America as a currently more “important” region than Asia does not seem to be substantiated, given standard margin of error parameters, by the data which show that the former was given a 7.3 (out of 10) rating and the latter 7; the notion of “importance” should also here be nuanced more (Bersick, Bruter et al. 276).

5 Australia, China, India, Japan, South Korea, Malaysia, New Zealand, Russia, Singapore and Thailand
yet so developed, Asia (especially West and South Asia)→Europe migration is a long-standing trend, with some 8% for example of the UK population born outside Europe. Thus while the EU in the eyes of Asia survey shows only a low personal connection with Europe, even for the two “settler colonies” Australia and New Zealand, as for example only some 7.6% had travelled there, conversely personal ties of recent immigrants to Europe would give more substance to fleeting impressions of at least one part of the vast Asian continent for a significantly greater proportion of the population. Interculturalism thus cuts both ways, and the polarisation (Asia/Europe) in the survey, admittedly a consequence of the intercontinental dialogic process of ASEM itself, is impressively of at least one part of the vast Russian news agency (Interfax 2012), the attention to the EU has to compete with much other foreign news in the Gazeta, especially of course from the USA on the one hand and Asia on the other. Much news that emanates from Europe, of course, has little to do with the EU as such, a point rather elided in some of the NCRE public opinion findings.6 While then an article may have “more Europe” in it, the particular newspaper issue itself contextualises this attention from a global perspective. Russia’s self-conception (and abiding actuality) as a global player give this “official” organ a broad scope across the continents and a marked proportion of the EU news (that is, the news which focuses on EU countries) does not concern the Union, its crisis, or its main institution. Much of the news therefore could be classified as of social or general interest rather than as “political” as such, with the obvious proviso that the largest proportion of news emanating from Europe in the period studied is about the financial crisis (but not exclusively so, as is demonstrated in the following paragraphs). This would fit the profile revealed by the NCRE Public Opinion survey that habitual readers of foreign news are more likely to be older (100% of those over 65 fall into this category) and retired.

Newspapers: the Rossiiskaya Gazeta

The NCRE project gives an overview of several main news outlets in Russia; my present purpose is to focus on just one, Russia’s governmental newspaper of record, the Rossiiskaya Gazeta. Even if the Gazeta has only moderate circulation, its stature, its representation of a judicious selection of opinion and policy makers in the capital and beyond (making in large part a separate “elite interview” section of data gathering, as in the NCRE project, somewhat gratuitous) and its balanced, conservative views give it the hallmarks of authority in delineating educated opinion. Howard Davis and Anna Sosnovkaya (2009) claim that the Gazeta “is an ideal model of interpretation of events from the point of view of the federal government.” The Perceptions survey shows that the Gazeta has the greatest number of reports by its own and local correspondents, and makes minimal use of international wires; not surprisingly, in contrast, the Finnish-owned, English language “expat” Moscow Times avails itself of western wires, mostly notably Thomson Reuters. While Interfax, founded in 1989, is the most cited Russian news agency (Interfax 2012), the Gazeta uses more the longer-established, traditional ITAR-TASS sources. As the NCRE project found and at least judging by the foreign coverage in the Gazeta, while some 58% of EU-related news in the Gazeta (typical for the Russian print media tracked) takes the EU as a main focus, and this is far greater than that in comparable East Asian print news (which averages something like 28% [Bersick and Holland 2012]), the attention to the EU has to compete with much other foreign news in the Gazeta, especially of course from the USA on the one hand and Asia on the other. Much news that emanates from Europe, of course, has little to do with the EU as such, a point rather elided in some of the NCRE public opinion findings.6 While then an article may have “more Europe” in it, the particular newspaper issue itself contextualises this attention from a global perspective. Russia’s self-conception (and abiding actuality) as a global player give this “official” organ a broad scope across the continents and a marked proportion of the EU news (that is, the news which focuses on EU countries) does not concern the Union, its crisis, or its main institution. Much of the news therefore could be classified as of social or general interest rather than as “political” as such, with the obvious proviso that the largest proportion of news emanating from Europe in the period studied is about the financial crisis (but not exclusively so, as is demonstrated in the following paragraphs). This would fit the profile revealed by the NCRE Public Opinion survey that habitual readers of foreign news are more likely to be older (100% of those over 65 fall into this category) and retired.

The Gazeta’s view of the euro crisis from early 2011

Despondency has so clouded European horizons, even yielding to resignation and indifference among those less affected (at least as yet), has begun so to unsettle other parts of the world, and faith in summity has been so eroded that it is somehow refreshing to read the concerns, almost as if those of an earlier generation, of the Gazeta in early 2011. The newspaper shows itself consistently patient, broad and above all restrained in its approach to the crisis, delivering its news in a dry, acerbic, almost metaphorless style expected of a governmental newspaper of record and which makes an approach through discourse analysis unrewarding (for example Musolff 2004 and Zbierska-Sawala 2004). Examples

6 Readers even with no Russian can test these claims by accessing the daily online world news section of the Gazeta (http://www.rg.ru/mir/) and clicking on the various parts of the world map to come to lists of the most recent reports. A photo by each item is generally enough to get an idea of the article’s topic.
such as the world’s currencies being “hostages to the dollar” (25 January), Greece “holding the euro to ransom” (2 August), or the metaphorical value of place deixis (“north…south”) in every country and region highlighted by Ruslan Greenberg director, Institute of Economics of the Russian Academy of Sciences to underscore a point that regional imbalances are not confined to the eurozone (Зыкова “Греция”, 2 August 2011), become noteworthy because they are so rare. While in turn EU leaders showed melancholic or even choleric dispositions, well-placed commentators and officials in the Gazeta were more phlegmatic, even sanguine, at times even apparently sympathetic to the plight of the EU’s administration and seeing the crisis as much as of managerial connections as financial or macroeconomic in the widest sense.

Throughout early 2011, the newspaper maintained a position that the crisis was serious but manageable. While, during the first trimester of 2011, the crisis was relatively quiet, the Gazeta gave prominence to a range of stories concerning the EU member states, from a pharmaceutical scandal in France (20 January 2011), an overview of street stall licensing in comparison to new legislation in Moscow (20 January), to the new Russian ambassador’s visit, in a state coach, to Buckingham Palace to present his credentials (April 2011). A burgeoning financial crisis of game-changing proportions did not seem highly likely, although many commentators expressed concerns. Yet Larry Elliott posted a comment about the Davos Economic Forum in which he saw signs that the world economy was “settling” and that any warning signs were mostly about the US budget deficit; he did not mention Europe once (“Will Davos heed”, 26 January 2011). Alexey V. Ulyukaev, Deputy Chairman of the Bank of Russia, the Federation’s Central Bank (and a graduate of the Université Pierre-Mendès-France, Grenoble) expressed in an article published in mid-January his view that the euro was still relatively strong, that oscillations were to be expected and that the currency might even emerge from the crisis stronger than ever (Зыкова, “Рубль”, 12 January 2012). On the 27 January, under the headline “An optimistic recession,” the Gazeta reported on a Pricewaterhouse Cooper’s survey of world business leaders published for the Davos Forum which saw Russian executives more optimistic than their counterparts elsewhere in the world. While the Russians seemed more concerned about increases in corporate taxation, world business executives were more troubled by deflationary, austerity measures which would curb investment and economic growth (and hence the ability to sell products either domestically or internationally) (Кыкол, “Оптимистическая рецессия”, 27 January 2011). In an article published the previous day, Кыкол mentioned European debt problems only in passing, to focus more on the longer-term drone of the seemingly intractable US debt (“Заложники доллара”, 26 January 2011).

Even in June 2011, in the face of a tense and worsening situation on the streets of Athens and with a series of general strikes to be expected, the Gazeta tempered its rather critical tone towards the trades unions with an assessment of the impact of such unrest on the tourist season (a theme of articles about Greece on the 16th, 27th and 29th). On 29 June, the Gazeta both reported on the 48-hour strike in Greece and gave a lengthy, chatty interview with Hillary Clinton on the occasion of a meeting with Russian Foreign Minister Sergei Lavrov. On 2 August, the Gazeta published quoted Ruslan Greenberg as saying that the euro is still the world’s second reserve currency; it and the dollar would be there “in earnest and for the long-term” (Зыкова “Греция”).

Even on 9 December 2011, when Nikita Maslennikov of the Higher School of Economics (HSE) in Saint Petersburg reminded a Moscow forum that 45% of Russian currency reserves are in euros, and when the forum discussions were published under the alarmist heading “Is there life after the euro?”, participants’ conclusions were more speculative than doom-laden. Maslennikov was quoted as describing talk of the euro’s collapse as “non-scientific fantasy”. In using such a term, he was joined by company director Avgan Mikhaelyan who also called such a collapse “fantastic” (that is, highly improbable), and Moscow HSE economist Varely Mironov who called a break-up in the near term “hardly likely” because of measures announced and foreseen by the European Central Bank and other sources. There would of course however be some, but limited and manageable repercussions if the scenario did play itself out. The oil price might fall, and the fall in demand would affect other sectors of the Russian economy, for example white goods exports to the EU, leading to layoffs with not even the certainty that the ruble would fall less drastically than the euro and hence Russians would find European holidays cheaper (Панин, “Есть ли жизнь”). Here, since so few Russians seem to have been able to travel to Europe, the participants were showing their own middle-class status. According to both the NCRE opinion poll and a 2007
The euro crisis then would affect Russia, but indirectly as any longer-term recession would dampen energy demand and thus affect Russia’s growth. In the latter half of June 2011, when much hinged on the public and political acceptance of the Greek “mid-term plan” of increased austerity upon which the second rescue package depended, the Gazeta published daily stories about Greece, on three days two such articles, and even on two days (the 16th and 17th) three. However, while the IMF and the ratings agencies are frequently seen as actors, and the individual countries affected (most notably of course Greece, but to a certain extent Portugal) are often highlighted, the European Union itself and its institutions (with the exception of course of the European Central Bank) rarely appear as agents in those articles which (using the Gazeta’s own search engine) can be loosely grouped under the heading (сюжет) “Debt crisis of the European Union” (долговой кризис Европейского союза [EC]). Given then that some 100 articles over the first six months of 2011 can loosely be so tagged,7 the prominence of EU institutional actors is relatively low. While Жозе Мануэль Баррозу (Jose Manuel Barroso) yields a respectable 58 articles, a search for Херман Ван Ромпью (Herman van Rompuy) yields roughly half this number (31 items, although again some of these are overlaps), one of which repeats from Newsweek some rather jocular speculation that Arnold Schwarzenegger might be back in Europe to take over his post (Макарчев, “Терминатор”, 22 April 2011).

Кэтрин Эштон (Catherine Ashton) gets some 70 hits, mostly about the situation in Libya and the “Arab Spring” countries; yet Хиллари Клинтон (Hillary Clinton) produces 119. Generally, when a contrastive, “Western” view is sought on matters closer to home (Belarus, Ukraine), Clinton rather than Ashton is quoted. Surprisingly perhaps, Жан-Клод Трише (Jean-Claude Trichet, of the European Central Bank) discloses only some dozen items. In comparison, a search for likely references to the following national leaders garnered a range of results: Барак Обама (Barack Obama) 455 articles across the six month period (Jan-June 2011); Николя Саркози (Nicolas Sarkozy) 193; Ангела Меркель (Angela Merkel) 117, only a few more than Дэвид Кэмерон (David Cameron) 108; премьер Греции Г. Папандреу 8 (Greek PM George Papandreou), only 30; Виктор Янукович (Viktor Yanukovich) 125 (Юлия Тимошенко, Yulia Timoshenko 30); Ху Цзиньтао (Hu Jintao) 64; Маммохан Сингх (Mammoohan Singh) 6; Дилма Руссефф (Dilma Rousseff) 5; and Стивен Харпер (Stephen Harper) 5. Clearly, European leaders need to propose measures or even intervene directly (for example, militarily) on the international scene other than respond to the financial crisis in order to get noticed by Gazeta reporters. One might also infer from the list that that the Greek cabinet is not seen as a main actor in its own land.

The EU seen as an assemblage of divergent and diverging nation states

The EU is more often seen as a context or field of action rather than a source of action itself, except on those occasions where a rather generically defined “EU” prescribes actions, takes sanctions, etc., that is when it can be seen as a source of proscription or negative action. Thus the positive moves by the Commission and the Council to resolve a burgeoning crisis are downplayed, for instance. Very rarely is any consistent, painstaking and exacting focus given to an elaboration of EU institutional policy-making and rationale as trends rather than as reactions; without the crisis, then, it could be speculated that the EU would not be as prominent as it has appeared to be. Of course, abstract, abstruse consideration of policy-making is something of a niche subject even for readers of a quality daily such as the Gazeta.

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7 The list can be generated from http://www.rg.ru/sujet/4045/index.html and includes rubrics/search terms including “Greece,” and the other main countries, “money” and “macroeconomics”; as a point of comparison, the NCRE survey found some 155 articles in the Gazeta with some reference to the EU. Even at this turning point of the crisis, then, a third of EU-related articles were not about it.

8 In various combinations, as both the Greek and Russian versions of the name are used and his first given name is often shortened to just “I” [“Г”]
More generally, nation states rather than the EU institutions are still seen as actors, as this seemingly gives Russia room to manoeuvre which might be limited by moves by the EU’s paramount institution to take to itself a singular policy-making competence. In a cautiously optimistic piece, “Европа: хорошие новости” (“Europe: good news”) for the Gazeta (13 July 2012), Sergey Karaganov distinguishes, in a way that the NCRE survey does not, those “efficient” EU countries (the “diligent and effective Germans” [трудолюбивые и эффективные немцы] at the fore) and other EU states. There is of course a problem with such stratification, as it overlooks historical and other contingencies which would nuance national (or even sub-national) definitions of efficiency, and the differentiation may reinforce certain national stereotypes rather than use classifications as explication factors. Yet the effort to see divergences where the NCRE survey posits an amalgam is pertinent. More importantly, he also distinguishes an active, Europeanising civil society, with its widening branches through SMEs, NGOs and other interest groups, and overly politicized (perhaps crypto-nationalist) agendas underlying and undermining any true progress in addressing the euro crisis. This distinction again is limited in the categorical frames (the affective assessment of whether the EU is hypocritical, arrogant, etc.) of the NCRE project.

However, the Gazeta’s general tendency to play up the individual EU member states and the differences between or camps among them must be bifurcated according to domain. A differentiation is marked for example, between Germany and Poland over the route of the “Nord Stream” pipeline in the Baltic. Whereas EU policy integration over energy contracts with third parties would potentially put Russia at a disadvantage (for example, as argued in an article by Alexander Epishov, First Deputy Director-General of the Moscow International Energy Forum, “Своя рука” 6 April 2011), such EU coordination to settle the euro crisis is of course welcomed, especially if it supports the euro with a range of packages from the IMF and external sovereign funds.

Energy issues as main focus and concern in relation to the euro crisis

Perhaps the Gazeta’s main concern looking forward from beginning 2011 was the need for the modernization and expansion of oil and gas extraction, given (as Nikolai Patrushev, Secretary of the Russian Security Council noted in an interview published on 13 January [Egorov, “За теплом”]) that western Siberian reserves were beginning to be depleted, that the extraction rate was well below world averages and that, most of all, the greatest reserves were on the continental shelf (i.e. in the Arctic), the extraction of which is becoming of “enormous (огромное) strategic and economic significance.” On 21 January, the Gazeta published a full interview with Viktor Poselov, deputy director of St Petersburg’s All-Russian Research Institute of Geology and Mineral Resources of the World Ocean (VNIIOkeangeologia), who patiently deliberated and itemized the scientific investigations under way to demonstrate that two potentially energy-rich ridges in the Arctic (the Mendeleev and Lomonosov) actually belong to the Russian continental shelf so that a case can be reformulated to the relevant UN commission under the Convention on the Law of the Sea (Feshchenko, “Сноров”, 21 January 2011).

On the one hand, then, a high ruble (based largely on high oil prices, a recurrent theme of Gazeta articles through the period considered, with an article each time the price reached USD 100 a barrel, mostly because of the Egyptian, then Libyan situations [e.g. on 8 and 22 February]) is necessary for modernization and investment to continue to produce essential export flows. In actuality, oil prices stayed at around the 100USD a barrel level for little under half the year and have stayed depressed for most of 2012. On the other hand, a high ruble would increase Europeans’ support for increased reduction of Russian energy imports; higher prices would impede European economic growth upon which Russian energy prices largely still depend. Diversification of energy transmission, “looking East,” with the provision of energy to the Asian Pacific littoral states and the yuan-ruble market, should be an effective counterbalance to any shortfalls from the European side. Yet Alexander Epishov, writing on 6 April 2011, was cautious in his estimation of equivalent advantages “on the other side” of the Eurasian landmass (в противоположной от Европы стороне): China’s future energy strategy is characterized by “uncertainty” (неопределенность), “unconventional” (нетрадиционные )resources (including of course renewables) may take a larger share in the energy mix, and, most importantly, the Chinese seems like a “buyer’s market” such that levels of profit similar to those in high GDP per capita Europe are not to be expected (Epishov, “Своя рука”, 6 April 2011).
Epishov and Sergey Pravosy dov, the general director of the National Energy Institute, in an article published on 2 September 2011 (Pravosy dov, “Nabuccо иссяк”), are scathing about the chances of Turkmen gas flowing to Europe through the once-cherished Austrian Nabucco pipeline, favouring naturally instead the Gazprom joint venture South Stream. Questions along the western Asian transmission route for Nabucco, and of supply and price stability, all argue in favour of the South Stream project, and Russia can be more sanguine given the German decision to phase out nuclear power, which has thrust the door wide open to coal from the US and if anything to an increase in energy from Russia (for a still largely current overview, see Dusseault [2010]). Yet of course Greece gradually began in 2011 to cloud the horizon. In November, when oil slipped to just over USD 89 a barrel (down 4% on the day), the Gazeta found the cause in the “situation in Greece,” since the Greek PM had called for a referendum on the expected measures imposed on his country (a referendum which was not held) (“Нефть [Neft’],” 1 November 2011).

Russia is of course resource rich from agriculture to energy but dependent on higher prices, i.e. a palpable need for these commodities in its client markets to keep modernization projects on track at a time when falling populations, lower energy intensity and competition from across the Atlantic reduce demand in its traditional strongest market, the EU. Even today almost half of Russia’s trade is with the Union, although if such modernization of Russian energy infrastructure proceeds apace Asia will become more important. Russian gas is of course expected to flow eastwards and Russian coal is increasingly exported south and east, but Mongolian coal may be less expensive for China in the short term and closer of course to their markets (“Asians, Russians”). At a time when even vociferous ecologically minded nations like the Germans and the Dutch are importing US coal at near record levels, Russian energy exporters may take heart from the 2010 Hartwell Paper’s “radical reframing” of the climate change debate away from an obsession with carbon emissions (trading): “climate change is better understood as a persistent condition that must be coped with and can only be partially managed more – or less – well” (Prins 16).

The pivot turning east, but the EU still important

In 1904, Sir Halford J. Mackinder, the second Director of the London School of Economics, gave a lecture at the Royal Geographical Society in London, “The Geographical Pivot of History,” in which he argued the “pivotal” status of the Russian heartland in global (which still then largely was conceived as Eurasian) history. While attention to his thesis has waxed and waned over the years, Russia’s ability to switch over to supply energy to China when that country’s needs are rising as Europe’s demand declines gives back to Russia this “pivotal” position. As noted above, the NCRE public opinion poll found that Russians generally see Europe and China as about of equal importance economically (63% thought Europe very important; 59% China). Yet a June 2012 Всероссийский центр изучения общественного мнения (ВЦИОМ) (The All-Russian Public Opinion Research Center) open poll of residents in Siberia and the Russian Far East gives a different picture, with, not surprisingly, 59% saying that China was of greatest importance to the region(s) while Europe (16%) and the eastern part of Russia (11%) lagged far behind (All-Russian Public Opinion Research Centre, “Siberia”).

Yet the fulcrum position is as yet underdeveloped to Russia’s east, and if eurozone problems begin to spill over onto the Russian economy, such development might be indefinitely deferred. Given then the view that both the euro and the dollar are still indispensable anchors of world trade, at least in the near term, Russia might judiciously and prudently accept offers of investment in the EU where these seem manageable and profitable. When on 19 January (Zhebit, “Европа”), the Gazeta quoted Finance Minister Alexei Kudrin as saying that Russia might be interested in eurozone bonds (but not then those of Spain), the article’s title was reminiscent of one a week or so earlier (Зыкова, “Евро”, 13 January) which said that Japan and China had been considering similar actions, the latter even of buying Spanish debt. Like Russia, China seemed in favour of some form of “Eurobonds” (Lisbonne-de Vergeron 30). In a sign of an evolving situation and of relative criteria of profitability and growth, on 29 June, Arkady Dvorkovich, Assistant to the Russian President (and subsequently Deputy Prime Minister) mentioned that Russia could buy Spanish debt, but not that of Greece (“Аркадий Дворкович [Arkady Dvorkovich]”). Most recently, when in July 2012 Vladimir Putin met Spanish King Juan Carlos I in Moscow on confer on him the State Prize of the Russian Federation, the
Gazeta’s headline (a quotation from the Spanish monarch) was that the two countries were “partners of the first order” (“socios de primera clase”). The Russian President expressed his conviction that the Spanish king’s visit would serve to open up “yet untapped possibilities” (Петров, “Партнеры”, 20 July 2012).

Oppositions and alliances between dominant and emerging currencies: the US dollar, the euro, the ruble and the yuan

As Sergey Karaganov reminded his readers in his 13 July 2012 op-ed piece for the Gazeta mentioned above, “Европа: хорошие новости” [“Europe: good news”], we are all “in the same boat”. This “we” has begun to include not only the EU’s neighbours but the world in general. As commentators in the Gazeta noted in 2011, the world needs a strong (but not overwhelming or in Karaganov’s words “triumphantalist”) euro as a counter-weight to the US dollar, or at least until such time as other currencies can add to the basket of reserve currencies, the place of the pound and yen in which is gradually being eroded. Here the position of the Gazeta in early 2011 is instructive and in some ways prophetic (although the newspaper was not the only place where such views were being expressed). On the one hand (in the two articles by Зыкова, “Рубль”, 12 January and “Евро”, 13 January), the euro is threatened (although, as mentioned above, the situation is not critical), and thus casts a cloud on a favourable picture for Russia (for example that oil prices will stay at around USD 100) since even if the country would like to diversify its export portfolio (and the Duma’s ratification of WTO accession in mid-2012 might help this) some 70% of Russia’s exports are still in the energy sector. On the other hand, the “monopoly” or “hegemony” (Чичкин, “Валютный”, 13 January 2011) was detrimental, as “global finances should not depend on the Federal reserve.” On 18 January 2011, an article quotes Chinese President Hu Jintao as calling the global currency system based on the dollar a “relic of the past” (Чичкин, “Юань”). An article published on the eve of the 2011 Davos Forum (25 January) under the heading “Hostages to the dollar” (the term is from Руслан Гринберг), reminds readers of the enormous size of the US debt and the Chinese dollar holdings, and quotes Чен Фенъйинг of the Institute of World Economic Studies in Beijing as stating that a full-scale US recession and attendant drastic dollar devaluation would led to the “loss of all that [the Chinese] had amassed with such effort” (Кыкол, “Заложники”, 25 January 2011).

If however the yuan is to strengthen—as it had been doing “if not as quickly as the US would like” (Чичкин, “Валютный”, 13 January 2011)—this would be not only through a growing per capita GDP but also by its global presence, to which end a ruble-yuan alliance should be strengthened, and the opening of direct ruble-yuan trade at the end of 2010 was a positive first step. As an article a week later implied (with the focalisation a little more from the Chinese side perhaps), US-Chinese relations could be strained, but the two countries were “sworn to friendship” (Заклятая дружба, a reversal of the Russian term for “sworn enemies”) through business deals. On the occasion of President Hu’s visit to Washington, President Obama did not miss the opportunity to repeat a call for the Chinese to help ease the yuan’s appreciation. The article ends with a point, taken from an NBC poll, that 38% of Americans thought that China would be world leader in 20 years, yet only 35% considered the US to be capable of sustaining its position (Гасюк, “В переводе”, 21 January 2011).

Pragmatic alliances, of varying duration, are thus considered best in a changeable, even volatile situation. It is not surprising therefore that throughout the half year the Gazeta returns to the importance of forging partnerships, particularly with those with long-term common interests, for example, the customs union between Russia, Belarus and Kazakhstan (2011/05/05 and 2011/05/19) and the intention to outline an agreement on a Eurasian economic community (the new EEC if you will) by the beginning of 2013 (“Владимир Путин [Vladimir Putin]”, 19 May 2011). In the opinion of Ruslan Greenberg, as quoted in an article dated 2 February 2011, the Community would act to lessen any inflationary impact of a weakening ruble as a consequence of eurozone problems (Зыкова, “Греция”). Of equal importance has been a strengthening of the Russo-German relation, especially through commercial ties. On 5 May 2011, Анна Розэ (Anna Rose), Berlin correspondent, reported on 90 years of Russo-German business relations and highlighted the view of Европейский комитет по изучению российского промышленного сектора (Европейский комитет по изучению российского промышленного сектора) that only by “combining their efforts” could Germany and Russia hold out against the world’s leading economic powers, China and the USA (Rose, “Дружба”). Cordes stressed such an opinion almost a year later in an op-
ed piece for Die Welt (Cordes, “Zeit”, 8 May 2012) a few months before the Duma ratified their country’s entry into the WTO and the Year of Germany in Russia started (2012-2013) under the ambitious motto “Building the future together“ (“вместе строим будущее”; “gemeinsam die Zukunft gestalten”).

Russia still as pivot, even more so in 2012 than 1904: Asia, the EU and the US

Yet here, geography is destiny. Mackinder’s “heartland” or “pivot” thesis may seem outdated since air has taken the place of rail in global communications. Yet the geographical location of Russia has not of course changed, whatever its political composition since 1918, 1945 and then 1989. Arguably (as we await the outcome of future UN deliberation about “ownership” of the Arctic), Russia has contiguous or near-contiguous borders with several of the world’s larger countries, leading populations and economies: China, the US and Canada, and the EU. Indeed, with national armaments of the EU member states considered as part of some future EU arsenal, Russia sees a considerable proportion of its borders surrounded by nuclear powers, more so than perhaps any other country. The new nuclear potentialities of several states, and the continuing nuclear armaments of others (certain ex-Soviet states like Kazakhstan notwithstanding), make the 21st century a particularly risky time for the country, and agreements to end old animosities are necessary to free agendas for handling potential new ones. Russian moves into the Arctic have been used to remind that the world is “round” (to pick up an image from Mackinder’s 1943 essay, “The round world and the winning of the peace”), but this both north-south and east-west. Hence the successful ratification of the START-3 treaty in January and entry into force when signed by Hillary Clinton and Sergei Lavrov in February was cause for some celebration.

The other important topic for the Gazeta during the time of the ripening of the euro crisis is then the country’s relations with the US. While those with the EU look dismal, those with East Asia uncertain and demanding, those with the US seemed to be picking up with the START agreement signed. Yet the European missile defence scheme, reportedly to be commanded from the well-known Ramstein base in Germany, was already by the end of January 2011 the new talking point, and has steadily occupied the Gazeta. Indeed, more articles have been published on it from that time to mid-2012 (when President Obama told a NATO conference in Chicago that the system was half-ready) than on the eurozone crisis and its implications for Russia. Yet while START was seen as a Russia-US treaty, the missile defence scheme (in Russian, ЕвроПРО, the Система противоракетной обороны в Европе) was foregrounded as an issue between Russia and Europe, even though of course both entangle NATO. As Vladimir Kuzmin opined in an article on the 31st January 2011, with START concluded, Russian attention needed to “switch over” (переключается) to the “problem of anti-missile defence, as yet unresolved between Russia and Europe” (my emphasis) (Kuzmin, “От ЧБ” 31st January 2011). Just after the signing of the START-3 Treaty, the Gazeta quoted Deputy Foreign Minister Sergei Ryabkov and Deputy Defence Minister Anatoly Antonov as saying that the new treaty gave a “new start” to Russo-US relations. But the paper is quick to insert Ryabkov’s proviso that the pace must be kept up and the countries need to “move on” (двигаться дальше) as new problems may soon arise (Gavrilov, “Ракеты”, 8 February 2011).

Conclusion

Detachment and concern, in combination and alternation, over the prospects for Europe characterize the Gazeta’s coverage of the euro crisis, and such ambivalence is in some ways comparable to that of the British press, especially in view of the two countries’ projection of their (clearly distinct) exceptionalism in relation to the eurozone. The Gazeta shows Russia conscious again of its multipolarity (as perhaps before in the “Primakov doctrine” [Gulyaeva 2012]), but also of its own specific location and vantage-point both geographically and historically, one which “the West” sometimes struggles to accommodate. As the report of a 2009 Moscow conference opines, “Europe [...] finds it hard to swallow the idea of an exclusive relationship between Russia and the US” or more generally to “deal [...] with a real, global Russia” [Krastev et al. 76]). Such a “glocal” self-conception evinces an attitude again reminiscent of the writings of Mackinder but also of and Nikolai S. Trubetzkoj later in the 20th century. As mentioned earlier, Mackinder thought Eurasian space the “pivot” or “heartland” of history; Trubetzkoj conceived of the awakening consciousness of the peoples of this region to “one whole, organic unity” (к одному целому, к
органическому единству (Trubetzkoy, “Pan-Eurasian Nationalism” [1927], 244). Such a patterning of contiguities emanating from a known and definite centre might concord well with a nuancing of Primakov’s view of multipolarity as a mesh of bilateral relationships or contiguities and lesser or greater regionalisms (Primakov, Mup [2009], 168-169). Even if Russia has recently joined ASEM, its position in the institutional architecture (an Asian member, a European one? Neither?) is anomalous. A June 2012 All-Russian Public Opinion Research Centre (Всероссийский центр изучения общественного мнения [ВЦИОМ]) open poll found that 55% of Russians did not think that Russia could be compared to any other country (Germany was a distant second, at 12%, then the USA and Switzerland at 4% each; 7% were undecided) (All-Russian Public Opinion Research Centre, “Что ждёт Россию в 2020 году?” [“What awaits Russia in 2020?”]).

With so much still uncertain, then, it is indeed tempting to fall back on established patterns of thought and pathways to partnerships and hence to transitory security. In his “Европа: хорошие новости” (“Europe: good news”) article (13 July 2012), Sergey Karaganov distinguished himself from the prevailing “apocalyptic moods” among expert opinion with regard to the future course of the euro and the EU in general and separated abiding European values from the series of calamities through which the Union was currently going. There is something rather appealing but on the other hand also rather demeaning in the view that an almost superannuated Europe should still see itself as a “larger-sized Venice”, the city state through which because of its trade routes to the East and especially the Islamic world the Renaissance made landfall in Europe, and in a sense the Germany of its day, but now most of all a tourist destination: “Let Europe where it can continue to produce the best products, technologies and brands. And may it become a great museum, a sanatorium for the soul and the body for hundreds of millions of people from other regions of the world, including for Russians.” The accent, it appears, should settle on the second objective, Europe’s ability to furnish the former (“where it can”, где сможет) being seemingly more limited and circumscribed. When trade in goods and even services no longer seems so self-evident as a motor of integration and expansion, falling back on cultural goods and a traditional, even the “eternal” Europe seems second-best but does offer for some a consolation. In such a view, and to paraphrase Sylvia Plath, cultivating a detachment where possible may help patch together an (albeit limited) contentment of sorts.
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