

THURSDAY 13 NOVEMBER 2008

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Present

Anderson of Swansea, L  
Boyce, L  
Crickhowell, L  
Hamilton of Epsom, L  
Jones, L  
Roper, L (Chairman)  
Selkirk of Douglas, L  
Swinfen, L  
Truscott, L

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Witnesses: **Sir Roderic Lyne**, former British Ambassador to Moscow, and **Professor Robert Service**, St Antony's College Oxford, examined.

**Q1 Chairman:** Sir Roderic, Professor Service, we are very pleased to see both of you this morning. As I think you know, we carried out a fairly extensive inquiry into the European Union and Russia at the end of last year and the beginning of this year but we completed taking our evidence on that before the events of the summer. In light of that and, indeed, in particular of the work that was going on within the Commission and the Council in terms of the audit of EU-Russia relations, we felt it would be useful to have a short, follow-up inquiry and we are therefore inviting you to give us evidence today and we are going to invite the Foreign Office to give evidence to us next week. I think, Sir Roderic, you have something you would like to say by way of introductory statement.

**Sir Roderic Lyne:** I am told, Chairman, that your tolerance extends to seven minutes and I will not abuse that. I just wanted to pick out one or two salient points from the situation in which we now find ourselves, the first of which is that, despite the conflict in the Caucasus, I would assert that the European Union is not in a new Cold War with Russia. Russia does not represent a direct threat to the West. Secondly, as I think the Quentin Peel has pointed out

rather ably in today's *Financial Times*, the greatest risk to Russia is that it will marginalise itself and that it will fail to modernise. Russia is not a new emerging power. It is not comparable in that sense, say, to China, or India, or Brazil. It is a nuclear armed ex-superpower, very dependent on raw material exports, which is in demographic decline, has weak institutions and is still struggling to find its new place in the world. Confrontation and isolation would be very damaging for Russia and I believe that rational elements in the Russian leadership are well aware of this. However, it is also clearly the case that there are influential hard-liners who seek to generate an atmosphere of confrontation in order to consolidate and justify their own power. They have exerted, as we have seen, increasing pressure on Russian policy-making over the past five years. These hard-line elements actively prepared for an opportunity to take forcible action against Georgia. For a very long time they wanted to recognize Abkhazia and South Ossetia as independent states and President Saakashvili's reprehensible bombardment of Tskhinvali conveniently provided them with this opportunity. I am convinced that the recognition of South Ossetia and Abkhazia was, from the perspective of Russia and Russian interests, a huge mistake and I believe that opinion is shared by a lot of intelligent people in Moscow. The Russians have breached their own principle that their international borders should not be changed unilaterally and they have exacerbated the instability of the North Caucasus. I think the Russian leadership now has a problem. It faces a deepening economic crisis within its own country. It wants Western help and co-operation in dealing with this. It also wants to be seen to be playing a part, as we shall see over the next few days, in efforts to address global economic problems but, at the same time, within the country it has fostered a public mood of bitter animosity towards the United States and the West and a sense of paranoid victimhood, in part in order to deflect blame for internal failings on to an external, invented enemy. *Sotto voce*, senior Russians have been saying over the past year that they want to improve relations

with the West but they have boxed themselves in by their own propaganda. The economic crisis is already creating political tensions in Moscow. It could influence Russia's future course in very different ways. The immediate effect has been to put yet more power in the hands of the small group of state actors which has been dominant for several years. Pessimists fear that, as the situation deteriorates, this group might take increasingly authoritarian measures in order to preserve their own positions. A more optimistic view is that the crisis will have the benign effect of re-empowering rational pragmatists, bearing down on corruption and inefficiency, and creating a climate for much-needed reforms and restructuring. It is too soon, I think, to tell which way it is going to go. It is not in our interests and it is not in the EU's interests that Russia should become isolated, impoverished or unstable. On the major global issues Russia and the West are no longer on opposite sides but there is one important strategic issue which divides us, and that is what I call the "arc of mistrust", which stretches from the Baltic states or even the Arctic, down through Belarus, Ukraine, Moldova to the Caucasus and into Central Asia. So I would argue that it should be the EU's aim to continue to engage Russia constructively to the extent possible while restraining and deterring aggressive and coercive approaches by Russia to neighbouring countries within this arc. I think a balanced approach for the EU and the West could include a number of points: resolute resistance to any idea of re-dividing Europe into zones of influence; more active and better resourced support by the EU for the sovereignty of the post-Soviet states; stronger NATO soft security links with these states but postponement *sine die* of NATO decisions on membership action plan status for Georgia and Ukraine; a stronger NATO-Russia dialogue; support by the EU for Russian membership of the WTO and for new trade agreements with the European Union but I think that the European Union should be wary of a full-blown, so-called partnership agreement. I think we should support resumption of arms control negotiations between the USA and Russia, we should encourage a review by

the incoming US administration of the theatre missile defence project, which might either be suspended or be subject to a renewed negotiation with Russia over an inspection regime. Finally and most importantly, I think we should try to generate a wide-ranging negotiation on European security designed to build on the foundations of the Helsinki Final Act and of the OSCE and to address the many present sources of tension, including the so-called frozen conflicts. Thank you.

**Q2 Chairman:** Thank you very much indeed. Professor Service, we did not especially ask if you would like to make an opening statement or whether you would prefer to comment in response to the questions we are going to put you.

**Professor Service:** I would like to say a few things. I have not prepared a text but I agree with most of what has just been said. I think the way that we have to think about Russia now is in terms of Russia pursuing what its leaders think to be a foreign policy in its own national interest, not subservient to the interests of foreign powers. This is a really big change that has come over the airwaves from Russia in the last seven or eight years. We were used in the 1990s to Russian leaderships which more or less toed a Western line in Russian foreign policy. That is no longer the case and we have to get used to that. I do agree entirely that the sensationalism of recent talk about a renewal of the Cold War is extremely unhelpful. It has leached like a disease across to Russian hard-liners, for whom it is a godsend that Western media are talking about such an eventuality. As a historian, I would plead for a long-term view of what is happening in this part of the world. Russia has essentially lost an empire. It takes decades, as we know in Britain, for countries to get used to such a loss. A loss of this kind has not just economic and political consequences but social, cultural and ideological ones. Russian leaders today are talking about Russia as inhabiting a separate civilisation from the West. They are a bit like the British in as much as they are predominantly Russians as Russians but they also see themselves as Europeans. This has an echo in British

consciousness, I think, that we ought to be able to understand better than we actually do. They are schizophrenic. They are both now feeling that they are separate from Europe but actually they want to be part of Europe. They are more focused on Europe than on any other continent in the world except in regard to their relations with the one great hyperpower, the USA. Europe is really important for the Russians. Without economic linkages with Europe, Russia is done for, as your reports and reviews have indicated. I entirely agree with the thrust of that, that Russia needs Europe and Europe needs to cope with Russia. I would state more sharply perhaps than Sir Roderic the need to avoid being provocative towards the Russians. It does seem to me that the nuclear shield that is being installed in Poland and the Czech Republic is a gift to the worst elements in the Russian leadership. They are all, in my view, 'hard-liners'. The difference among them is about whether they should have the rule of law in their country and have a more liberal economic framework or not, but they are all essentially believers in Russia as a great power that has to be a greater one. They are all agreed on the space outside Russia that formerly belonged to the Soviet Union as being within their sphere of influence. This is the way they all think, so soft-liners and hard-liners agree on this in Moscow. This is a very, tricky matter for western policy-makers to resolve. The history of Russian-Ukrainian relations is extremely complicated. The history of relations within the Caucasus, within the North Caucasus and the South Caucasus, between the two halves of the Caucasus and between the Caucasus as a whole and Moscow is phenomenally complicated. We must not barge into these areas, thinking that simplistic analyses of Ukraine or Georgia are at all possible. That is not to say that we should not be assertive. I really do not think that the Russians appreciate a soft indulgence of their every whim. Far too often in the last decade or so sofa diplomacy has, alas, supplanted the proper procedures of the working out of the British national interest and the EU interest. Leaders have gazed into the eyes of Putin and declared him a democrat. Anyone who had the slightest interest in his

biography or in the biographies of those around him would have known that this was a nonsensical self-deception. I think that the war in Georgia has brought the entire European policy-making establishment to its senses. That is not to say that I think that brandishing of swords is a way out of this problem. If we had been more sensible a decade back, taken the measure of Putin and his group then, it would still have been very difficult because Russia is a great power.

**Chairman:** Thank you very much indeed. I notice that Lord Anderson would like to ask a supplementary. Most of the issues which have been raised do come up in our subsequent questions but, Lord Anderson, if you do need to ask a question now, please do so.

**Q3 Lord Anderson of Swansea:** In one corner is Edward Lucas, in the other corner are the professional diplomats who want a quiet life, and those with a special interest – the Germans, the Italians and others – who want to carry on business as usual. Surely the public will ask how one responds to Russia, which after all has invaded a sovereign country; one does not use the word punishment, but governments also show their disapproval in some way and not immediately allow the waters to settle over it? What should those repercussions be? We cannot go on without a response, particularly if Russia were effectively to annex South Ossetia.

**Professor Service:** I taught in Abkhazia four years ago and you only have to go there to see that half the population has left. It has been ethnically cleansed of Georgians. Half the buildings are wrecked. It is in a shocking state. The reason that happened was that the Georgians bullied the Abkhazians, so that although the Russians have now bullied the Georgians, even in the last 20 years there is a history of terrible international, inter-ethnic violence down there, and of wars. The Abkhazians on the whole regard the Russians as their protectors. They are not particularly fond of the Russians. They take the instrumental view that this is the way that they are going to survive.

**Q4 Lord Anderson of Swansea:** The question, with respect, is what should our response be? Should we simply continue now with business as usual? Should there not be some negative repercussions?

**Professor Service:** I take your point. I think that generally engagement with the Russians is better than non-engagement. I do think that our relations with them should be frosty and self-assertive but I think at this moment we have made as big a mess of this as the Russians have. I do not think that the Europeans come out awfully well. They have overlooked the nest of problems. They have suggested, with the Americans, that the Georgians should be invited into NATO. If there are to be any settlement of all of these very tricky issues down in the South Caucasus, then the Georgians have to be looked at with the same kind of scepticism that the Russians have to be looked at.

**Sir Roderic Lyne:** I think there were and still are strong repercussions to the Russian actions. I was in Australia when it happened so I was not in the best place to judge but it was quite clear that there was a very strong reaction in Europe and elsewhere. I think Russia's reputation has been materially damaged by this. A number of steps were taken and I think the Russians are in a worse position as a result of it. I think their policy of recognizing South Ossetia and Abkhazia has been, as I said, a complete failure. Only Nicaragua and Hamas have supported them in this. South Ossetia is a nonsense. It is 60,000 people and its leader, whom I had the privilege of meeting in Sochi about a month and a half ago, told the Valdai Group that I was with that his desire was to join North Ossetia in the Russian Federation. He had to be contradicted that day and made to recant because this was not the party line. This illustrated the absurdity of the position, that the Russians have now locked themselves into and from which I do not think they can go back. So I think they have suffered material damage. I am also pleased to see that, as a result of what they have done, there are more serious reviews going on in the European Union and NATO about how we should deal with

Russia, including about questions of energy security. I agree with Bob Service that this was a bit of a wake-up call for some in Europe, although not all. Lamentably, the Italian Prime Minister's absurd view on Russia has not changed, nor has that of the former German Chancellor or the current German Foreign Minister but overall I think the effect has been very negative. We now have to say: how do we move forward from here? Continuing to take further punitive actions against Russia is not going to solve this problem. The problem, as Bob says, is not a simple one and it is not a one-dimensional one. The Georgians are undoubtedly in large part to blame for what happened as well as the Russians. The way that the Georgians have treated Ossetia and Abkhazia over the past 20 years is very much a part of the issue. The outgoing administration in the United States also must bear a heavy responsibility. It has the greatest external influence on President Saakashvili and they clearly delivered very mixed messages to him. Colin Powell when he was Secretary of State evidently tried to restrain Saakashvili from conducting this sort of action. Clearly that message has not reached him from other members of the administration, perhaps including the Vice President. I think there is a big question as to why the Americans failed to restrain or deter Saakashvili from doing what he did. I do not think it is just about the Russians. The Russians have now withdrawn from the parts of Georgia beyond Ossetia and Abkhazia that they occupied, so they stopped short, though I think there were those who did not wish to, of actually invading Georgia as a country, of taking Tbilisi and of ousting President Saakashvili. Had they done that, our reaction, I think, would have been of a different order to the one that has been taken. We now need to try to first of all prevent further conflict of this kind breaking out, and we have to look very seriously at Ukraine, which is 100 times more important than Georgia in terms of European security, at other parts of the Caucasus, and I think we have to look at ways of trying to engage Russia in a negotiation about the many

issues that have been left lying around by the collapse of the Soviet Union to which we have really not been paying much attention over the last four or five years.

**Q5 Chairman:** Thank you very much indeed. Reference has already been made, of course, to the audit which the European Commission carried out of EU-Russia relations which was published last week and which was the basis for the decision this week about the re-opening of negotiations. What is your view about the current state of the relations and, in so far as you have had a chance to see the audit by the Commission, do you on the whole accept their assessment?

*Sir Roderic Lyne:* I have not read their audit. I think the current state of relations is a mess. There are some very positive elements in the EU-Russian relationship, particularly in terms of our trade relationship; a lot of inter-personal contacts between the EU and Russia continue in a very constructive way, including in areas like, say, the academic world, but overall it is a mess. It is a mess partly because the European Union is still very sharply divided into several different camps about what kind of the relationship the EU should have with Russia. We do not have a unified European Union view, partly because the European Union has been going down a course that was first set in the mid-1990s of trying to develop a partnership with Russia, and it has been very slow to appreciate that about four or five years ago the Russians started to make very clear that they did not want a partnership; they did not wish to take on the obligations of a partnership. The EU has not adjusted its course to that. We are now in a situation in which, as I said, Georgia has produced some correctly negative reactions in Europe. I think the prospects of achieving anything very significant in terms of forward progress in the EU-Russia relationship at the moment are very low. I think we are going to have to wait for a number of years until the situation in Russia changes and attitudes in Russia change and we have the opportunity of widening co-operation.

**Professor Service:** I agree with all of that. I think it is going to take decades. I doubt that the general underlying attitude in Russia is going to change though. I think they are always going to be assertive as a great power. At least, that will happen if their economy continues to surge. It is having terrible problems at the moment. I come back to this thing that was said by both of us earlier: they are in a mess at the moment economically. They are not in quite the same good bargaining position that they were a year ago or even a few months ago.

**Q6 Chairman:** Of course, the fall in oil prices will have complicated that matter further for them.

**Professor Service:** Yes, because this is an economy that has been strategically aimed since at least 1991 at balancing its budget through the export of gas and oil, and actually also by the internal excise duty on vodka.

**Q7 Lord Jones:** The briefest of questions: tomorrow is the EU Russia summit in Nice. Could you talk to us on what you think are the prospects.

**Sir Roderic Lyne:** I think the prospects are for a score draw, a low-scoring score draw of about one-all, that is to say I do not think there are going to be any major achievements from this. The ground is not ready for it. Clearly, the decision has been taken to re-open the negotiations on a Partnership and Co-operation Agreement. I think they will take a very long time. I assume that there will be some substantial discussions about the world economic crisis and some exchange of views ahead of the G20 summit in Washington about our respective positions on that, where they may not be far apart but, in terms of the more ambitious ideas of different forms of partnership, I do not think tomorrow is going to mark a step forward, nor should it, nor is there a particular reason why this is going to develop into a shouting match or some spectacular breach, which is why I call it a score draw.

**Professor Service:** We cannot rule out that the Russians will engage in a bit of finger-wagging tomorrow. They really enjoy doing that. Western politicians are enormously weak in responding on site because of the question of manners. Russia's leaders however enjoy doing this because it is relayed on Moscow television. It is enormously popular. One should not, I think, fall to any great conclusions that somehow Russians have always wanted to have a leadership like this but Russians have had a terrible time since the late 1980s, materially and socially. They have had their culture completely ripped apart and denigrated, and implicitly mocked by foreigners. Their living conditions have been appalling in most Russian cities and on the farms. In those circumstances it is entirely natural that they will turn positively to a government that seems to have guaranteed a measure of economic resurgence. The fact that it all comes from oil is not something that is discussed publicly, and the fact that their leaders are now standing up proudly in the West is enormously popular. Apart from the very small period after the Kursk submarine disaster shortly after he came to office, Putin has been fantastically popular. This really is a people and a leadership more or less agreed on the benefits of assertiveness. I hope that what will happen is that there will just be at worst a theatrical display in the next couple of days.

**Q8 Lord Crickhowell:** Just a very narrow point. You have given us a very comprehensive overall view of the relationship but initially the British Government until very recently was apparently against too early a start and wanting to see the full conditions laid down after the Georgia thing carried further and I think Lord Hannay, our colleague, was last week hoping we would not rush too quickly back into the negotiations. There does seem to have been a shift by the Foreign Secretary during the recent discussions. Do you think it is right? Are you happy that we are going straight back in at this stage or would you have preferred to see things wait a little?

*Sir Roderic Lyne:* I have always been a sceptic about the negotiation *per se* long before Georgia happened because I think we are trying to roll over a policy that was framed for a different age of 10-12 years ago. I am sceptical about the value of a wide-ranging Partnership and Co-operation Agreement. I know the argument in favour, which is that by having a wide-ranging agreement one might be able to achieve trade-offs beneficial to us in some areas in return for conceding points in others but I would have preferred to have seen the European Union focus on a trade agreement, rigorously exclude an agreement that incorporates language that is not realistic, and does not actually reflect the realities of the relationship with Russia and of affairs within Russia at the moment. I think the European Union should have insisted that earlier agreements should be fulfilled before moving on to another one. If you look at the last agreement – I do not mean the last Partnership and Co-operation Agreement, though parts of that have not yet been fulfilled – the agreement on the four common spaces included a lot of highly aspirational points in the area of civil and political rights, cultural exchange and so on, freedom of media, et cetera, an awful lot of points that have simply not been implemented. I think it would have been more sensible to have said we should get up to that level first before we try to move into another one. I do not think we should deceive the European public by using the sort of language that says that we have a genuine strategic partnership with Russia, which is what the last agreement said. It is not the truth. That would have been my preference. In terms of whether we should go back into negotiations now and whether the British Government should have shifted its position, I do not think the UK as a single country within the European Union has a great deal of traction over Russia. I think the most sensible policy for us to pursue is one where we work as closely as we can with the centre of gravity in Europe, which means, obviously, Germany, which has a lot of traction with Russia; it means France; it also means countries in a pretty sensible position like Sweden, which again has quite a big relationship with Russia but is not uncritical. That may

mean that we have to concede certain points in order that we can be in the centre of this process of policy-making towards Russia and can argue against some of the Berlusconi-ism, if I may put it like that, and keep Europe on a path of rectitude. If that is the sort of compromise the Foreign Secretary has made, I would say he is right to do it.

**Professor Service:** I think on the whole that Britain and the EU should be engaged in discussions with the Russians on a new agreement. I think that the agreement should be based upon realistic principles from the European side and that no agreement should be signed unless there is Russian consent to them. I think the Russians have to be engaged. The worst thing that could happen at the moment is that we lose them from the European embrace. They do still go to the European Court of Human Rights, for example. This is very, very important for Russians. There are terrible abuses of human rights in Russia, the most appalling political assassinations happening, the most dreadful persecution of people campaigning for the environment, for civil liberties and so on. All of this is going on but at least if there is some kind of avenue of opportunity to go to Europe, it would be disastrous to play into the hands of those in the Russian leadership who do not want anything to do with European engagement. However, I do think that there should be no compromise on principles. If it takes a long time to sign this agreement, so be it. The Russians really do not respond well to soft negotiators and I think far too often over the past decade they have had a really soft negotiating partner.

**Q9 Lord Truscott:** Could I declare an interest in relation to our witnesses because Professor Service reviewed one of my books about Putin and I had the pleasure of meeting Sir Roderic when he was Ambassador in Moscow. In terms of the Partnership and Co-operation Agreement, is it not the case that currently that is the main mechanism for our engagement between the Russian Federation and the EU? If we remove the PCA, there is not really a vehicle for co-operation between the EU and Russia. I just wonder whether

Sir Roderic thinks there is a slight contradiction between that and his stated position that he does not really think there is a case for partnership with Russia, that we can only have selective co-operation, but if we do not negotiate a PCA, what is the vehicle for that selective co-operation?

*Sir Roderic Lyne:* I think we need agreements but I think we need a different sort of agreement and maybe several agreements rather than one. For example, we could have an agreement on political dialogue with Russia. It does not have to be part of a wider agreement. I would agree that it is sensible to have such a thing. I think we should focus very heavily on trying to expand trade through further trade agreements with Russia, including, as I argued earlier, supporting Russian entry to the WTO and embracing Russia under a wider set of trade rules, which I think would be very much to our advantage and also actually to theirs. So I am not arguing that we should have an absence of agreements; I am simply saying that we should not continue necessarily on this track of one large, all-embracing agreement that we set out in the 1990s.

**Q10 Lord Truscott:** But how would the EU engage with Russia if you take away the PCA? It is not really the EU's role to negotiate Russian accession to the WTO. How would we engage Russia in EU terms if we did not do it through the PCA?

*Sir Roderic Lyne:* The EU is engaging with Russia on a daily basis across a very wide front, not solely because of the Partnership and Co-operation Agreement. The biggest motive for this is trade, with 55 per cent of Russian exports coming into the European Union. We can have a network of agreements covering individual areas where we can co-operate with them. My argument on partnership is simply that I agree with the aspiration to form a real partnership with Russia and bring Russia more closely into Europe. I simply think that at the current moment it is not achievable and it is deceptive to pretend that we have such thing.

**Q11 Lord Hamilton of Epsom:** Sir Roderic, in your opening remarks I think you laid the blame for the conflict in Georgia probably on both sides. I would just like to know how you see that balancing out between Saakashvili and the Russians. I would also like to ask where you see things going as regards the Russians' attitude towards South Ossetia and Abkhazia. You said that they had locked themselves in and could not go back. Do you think that, if they have a policy, it is one of annexation, rather similar to Turkey and Northern Cyprus, which has run on for 30 years?

**Sir Roderic Lyne:** I think it is quite like Northern Cyprus but Turkey has never actually annexed Northern Cyprus. I think we may well find that for the next 30 years Abkhazia is rather like Northern Cyprus. I think Abkhazia and South Ossetia are rather different cases. Abkhazia is slightly bigger in population terms, about four or five times that of South Ossetia. It could be a viable mini-state. It does have some mining, it has quite a lot of tourism potential, it has a coastline. It is not a landlocked, mountainous entity of 60,000 people with no real economic viability other than crime and smuggling, which is roughly what South Ossetia is. South Ossetia also is a nonsense because you have an international boundary dividing the Ossetian people. It is a legacy of Stalin. Another factor in this, particularly with regard to Abkhazia, was commercial interest. When one tries to understand decisions in Russia one need sometimes to follow the money. Some of the people who were pushing for recognition of Abkhazia reportedly had very large commercial interests there, including some of the Duma members most vociferous on the subject and some other well-known players in the Moscow political landscape. With regard to the responsibility for the conflict, to me the surprising thing about this conflict was not that it happened; it was that it had not happened earlier. I was actually expecting conflict between Russia and Georgia a year and a half to two years ago. From the time that President Saakashvili came in he has, I think, very imprudently pursued a policy of needling and provoking the Russians. I think he has been encouraged to

do so by Neocon elements in Washington. I think he would have been better off trying to really focus on building up Georgia as a prosperous, modern state that made itself attractive to Abkhazia and Ossetia rather than trying to take on the Russians as he did. Over the past three years or so one has seen in Moscow attempts at blockading Georgia, various punitive measures, stopping their imports and so on, but a growing mood, particularly in military and other very hard-line quarters, that they should sort out this tiresome person. There is evidence, some of which has been produced by our own Defence Research Establishment and was published before the conflict in July, of a very deliberate Russian military build-up before this, of railway lines being repaired, troops being moved down, exercises being held, and so on. I think the Russian military were waiting for this to happen. It was perhaps more likely that it was going to happen in Abkhazia than Ossetia, and I think there was a deliberate intention on their part at some point when the opportunity presented itself to do what they have done, really to use force against Georgia. They have been talking about this for a long time, so they have done that. I think it is a combination of Saakashvili and the Russians that have led to this build-up that ultimately led to a conflict, and I think external powers failed to use their influence on both sides to prevent this from happening.

***Professor Service:*** I think it needs taking back even before the last 20 years. One has to bear in mind that Georgia is a patchwork quilt of national groups. When Georgia became a Soviet republic, the impetus of its Georgian communist rulers was to “Georgianise” everyone within the republic. Abkhazia at first was actually a separate Soviet republic. It was recognised as being a separate Soviet republic and it was then put into the Georgian Soviet republic. There was a very vigorous policy of Georgianisation, with a huge transfer of populations, particularly of Georgians into Abkhazia. Those people have now been ethnically cleansed. So the resentment of the Georgians is really pervasive in those two autonomous regions of Abkhazia and South Ossetia, and it goes way back before the fall of the Soviet Union. Even

within Georgia itself, outside those two regions, not everyone who is called a Georgian recognises himself as a Georgian and most famously the Mingrelian, Lavrenti Pavlovich Beria, the notorious Soviet political security policeman, was a Mingrelian. In the 1930s most Mingrelians did not recognise themselves as Georgians. So this is a very brittle, explosive country we are talking about, with all sorts of internal tensions that have yet to be fully resolved, and it really did not take very much for the Russians to decide that they could make a lot of mischief down there, especially as Georgia had been designated as some kind of close ally of the US.

**Q12 Lord Hamilton of Epsom:** Can I ask you both a very unfair, hypothetical question? If Georgia had been a member, one, of the EU, and two, of NATO, would this conflict have taken place?

*Professor Service:* I think it would have caused a conflict if 15 years ago Georgia had applied for and gained EU membership. There would have been some provocation.

**Q13 Lord Hamilton of Epsom:** That would have sparked it, you think?

*Professor Service:* That would have sparked it, yes, because the Russians do regard this as their back garden and they do see Georgia as being a way for Western powers to put pipelines across through to the Mediterranean, across the Black Sea, which damages Russia's economic interests. They see Georgia as being amenable to being used as the West's patsy power. There is something in it. That is not to say that we should not be firm in the way that we deal with the Russians but we should not think that the Georgian state is simply a victim state. It has not behaved well to what it regards as its minorities. Those minorities no longer regard themselves as minorities because they do not want anything to do with Georgia. Abkhazia rules itself.

*Sir Roderic Lyne:* There are plenty of people in Russia who dream of reconstituting the Soviet Union but I think that the Russian leadership know that this is not realistic. I do not believe that the Russians would now annex a Member State of the European Union.

**Q14 Lord Hamilton of Epsom:** Or part of it?

*Sir Roderic Lyne:* Annex a Member State of the European Union. I also do not believe that EU or NATO membership would have prevented this conflict from taking place. If the EU and NATO had been unable to deter President Saakashvili from behaving in the way that he did, the Russians would have felt that they had justification, as they do feel very strongly right across the spectrum, for reacting to it in the way that they did – not, as I say, for taking over the whole of Georgia. They would not have believed that NATO would have invoked Article 5 and gone to war with Russia over South Ossetia, so it would not have deterred them.

**Q15 Lord Anderson of Swansea:** Professor Service, you know the enclaves very well. Is it your view that Russia has in fact honoured the Sarkozy-Medvedev agreement, in particular Article 4, on the withdrawal to the position of the Russian troops on 7 August? Is it your view that possibly the Russians will ultimately annex South Ossetia or do they not need to because they are such a pliant group? Do you think there are any implications for other enclaves, such as, for example, Transnistria, of provoking crisis, having given passports to the Russian minority and seeing that possibly as a means of helping to reassert the old Empire?

*Professor Service:* It is hard to know what is going to happen there. I do not think simple annexation would be necessary in the case of South Ossetia but it would be pretty easy to organise a South Ossetian appeal for incorporation in the Russian Federation. At the moment I think the existence of a South Ossetia and an Abkhazia that is troublesome to the Georgian republic is an asset for the Russian Federation. The more that they try to pull those two enclaves into the Russian Federation, the less trouble those enclaves can make on the Russian

Federations behalf. I would have thought a pragmatic judgement in Moscow would have run along those lines. It has to be said, however, that over the last two or three years Putin has repeatedly talked about “disputable boundaries”, and when one thinks of how many times the internal boundaries of the USSR were redrawn, including the boundary of the Russian Federation, in the period between 1917 and 1991, one can see that frontier politics could become a real fighting matter. The state of Kazakhstan did not exist before the middle of the 1930s. It was part of the Russian Federation. The borders of Ukraine have been redrawn several times in the past 100 years and there are spots of Russian residence where the Russians could make a lot of trouble. Just occasionally in the last two or three years Putin has talked this way about frontiers, pursuant to the recognition of Kosovo. The Russians have said, “If you can do it, we could if we wanted to.”

**Q16 Lord Anderson of Swansea:** Is there not a possible precedent for other frontier areas and have they honoured Article 4 of the Medvedev-Sarkozy agreement?

*Sir Roderic Lyne:* The agreement was short on detail and long on ambiguity. Clearly, the Russians have not withdrawn their forces to the positions that they occupied before the war and have no intention of doing so. They are now stationing permanent forces, not peacekeepers, on what we recognise as Georgian territory in South Ossetia and Abkhazia, and that is not going to change. The most important requirement of stopping the conflict and of getting the Russian troops out of the Georgian parts of Georgia that they were occupying has been achieved. Clearly, the rest of it has not, in our interpretation of the spirit of the agreement, though the Russians would argue otherwise and would use its ambiguity to say so. I think the general point that Bob makes about the precedent for redrawing boundaries is one of the reasons why we really do need to have a fundamental discussion about European security, embracing all the countries of Europe and of the OSCE, and all of the post-Soviet States, because it is extraordinarily dangerous for future European security if we go any

further down this track. There are no end of boundaries over which arguments could arise. President Medvedev, echoing earlier remarks by President Putin, is now asserting a doctrine under which Russia has privileged interests and has a priority to defend the interests of Russian citizens overseas. He combines that with reaffirmation of Russia's attachment to international law, to having good relations with all other countries, and the question is, where actually is the priority when push comes to shove? I think we would be much better off if we could be arguing across a table than having shells flying over South Ossetia over these issues, and I think we have to be extremely careful about Ukraine in the future, but not only Ukraine. One of the objectives of a wide-ranging negotiation needs to be to reaffirm sovereignty and territorial integrity and the inviolability of international boundaries. They should not be changed except by agreement and negotiation, and I think we really need to anchor that point, otherwise we could be back into an era of a succession of small-scale conflicts in this arc of countries where we have not resolved the post-Soviet issues.

**Q17 Lord Selkirk of Douglas:** I think in part you have answered the question I am about to ask. What is your assessment of the implications of the war in Georgia and the recognition of the independence of South Ossetia and Abkhazia for the future of Ukraine? Is Russia encouraging separatist elements in Ukraine? In general, is there a danger of Russia and the European Union not correctly understanding each other and of friction arising? Obviously, Finland and Ukraine have adopted very different policies towards joining NATO over the years. Is there a risk of war between Russia and Ukraine? How, in your view, would you see a sensible way forward without compromising any principles?

**Sir Roderic Lyne:** I do not think there is a risk of war between Russia and Ukraine. Russia is pursuing a policy in Ukraine, as it is in almost all of the other post-Soviet states, of maximising leverage, of being prepared to use different instruments, including economic and political, to destabilise these countries. Its objective is, I think, not to take them over but to

preserve to the greatest extent possible the Russian ability to coerce and influence these countries. I think it sees the development of their relations with the West in a zero sum way. They are asserting a sort of Monroe doctrine over this. They are using examples given to them by the Bush administration of unilateral and cross-border action in other parts of the world to justify what they are doing. In Ukraine, in Crimea in particular, clearly they have been exercising pressure on the Ukrainian Government by a number of devices. There is the whole question of the future of the Black Sea fleet, in which some mutual threats have been exchanged. They have been making Russian passports readily available to those who want them, to a degree encouraging separatist elements in Crimea. I do not think that means they are necessarily going to take over Crimea. In fact, I would be very surprised if they did so because that would be a much more serious matter than what they have done in, say, South Ossetia but it is a pressure point. I think they play the game differently in Ukraine. In Georgia they essentially had to play the game from the outside. There is not really a Russian constituency of any significance within Georgia. In Ukraine they are playing the game inside the country. They have all sorts of close connections: ethnic, security, commercial and so on. With Ukraine, you have about one-third of Ukraine that ethnically regards itself as Russian, another third, in crude terms, which is pretty mixed, and only about a third that is ethnically and historically really distinct from Russia. That is what they are seeking to do. Of course, it has never been the case that a majority of the Ukrainians in any opinion poll have been in favour of joining NATO. When President Yushchenko applied for membership action plan status he did not have a democratic mandate to do so. Now, with the current political situation in Ukraine, with yet another election coming up, I think that question will to an extent resolve itself. The Ukrainians do not actually want this and I think it is just as well that they do not want it because, if there were a serious prospect at this stage of NATO seeking to embrace Ukraine, the effects of that are fissile on the NATO-Russia relationship.

*Professor Service:* I think that the movement of Ukrainian opinion is very definitely against NATO membership. I think the last opinion poll suggested that 70 per cent of Ukrainians do not want the country to be taken into NATO, so President Yushchenko is going against the trend of opinion in his own country and his own Prime Minister is seeking a more accommodating line on relations with Russia. That said, the surveys of opinion that have been done on ethnic Russians in Ukraine also suggest that they do not want anything to do with reincorporation in Russia, that they have a pride in being separate from what they regard as a much more authoritarian state in the Russian Federation. I think that the EU generally has been remiss in not building up closer links with Ukraine. The talk has often been about NATO but really we in Britain have no reason for acting in the way that we do. We have not taken Ukraine seriously. We have very few students learning Ukrainian. That is when we take a country seriously, when we have 18, 19 or 20-year-olds in our universities learning the language, not just going out there as businessmen, talking only English, but understanding the country. Academic exchanges are enormously important. Language training facilities are enormously important. It really only happens in one centre in this country and a very small number of students are produced by it. I think there ought to be far more contact with Ukraine and helping them, for example, to reform their police system, to make their institutions truly different from those in Russia, truly adhering to the rule of law. We have concentrated so much on the geo-strategic dimensions in our relations with Ukraine and we should really be going under the surface to make proper contact with a country we should take really seriously as a total entity. We really have a chance here to do things that will not be seen as acutely threatening by the Russians but will make a big difference to lightening the atmosphere of conflict.

*Sir Roderic Lyne:* Chairman, can I just endorse that point. The number of EU leaders other than from neighbouring countries who have visited Ukraine over the past 10 or 15 years is

tiny compared to the number who are in and out of Moscow. I do not think a British Prime Minister has ever been there on a bilateral visit. We have had some multilateral EU-Ukrainian events. This is a very large European country that we are failing to take seriously. One of the points that the Foreign Secretary made in his speech in Kiev that was not really noticed was to take a much more forward position on Ukrainian accession to the EU than any British Government had ever done before, and he put EU above NATO in a very deliberate way. Since then the European Union is edging towards opening the door a little wider to Ukraine. It needs to do so further. If the European Union is prepared to contemplate Turkish membership in principle – it would take 30 years at least for Ukraine – it should, I think, deliver the same message to Ukraine. I completely agree with Bob Service; we have not taken Ukraine seriously enough, we have not put enough effort and resources in there, and we should do this in these soft ways that are not provocative, are not military, are entirely natural and are not zero-sum because Ukraine should always have and will always have quite naturally a very big relationship with Russia. We are not seeking to deny that but what we are seeking to do, I think, is to open more channels between Ukraine and Western and Central Europe.

**Q18 Lord Hamilton of Epsom:** So although NATO membership would be extremely provocative to Moscow, you do not think that EU membership, if it hypothetically could be accelerated, would be provocative in the same way?

**Sir Roderic Lyne:** I do not think it could be accelerated because of what the Ukrainians would need to do to get up to speed.

**Q19 Lord Hamilton of Epsom:** No, that is why it has to be hypothetical.

**Sir Roderic Lyne:** I think what the EU has failed to do is to deliver a signal to Ukraine that ultimately they could qualify for membership, and I think we need to do that, to set them

some kind of a target, if they want it, at some point down the road but be absolutely realistic about what has to be done to get there. I think this would be a big incentive to them to help to modernise their country and improve law and order and governance and many of the other things that need to be done. I do not think that would be remotely as provocative to Russia as NATO membership, not least because the timescale would be different. As Bob said earlier, we have to allow a lot of time for people to absorb what has happened. It is not that NATO membership is necessarily wrong. It is that it is premature for a lot of these countries. The situation is too delicate at the moment and we have not yet built up a sufficiently strong and robust relationship with Russia for the Russians to absorb that.

**Q20 Lord Anderson of Swansea:** Sir Roderic, you have a distinguished record in terms of cultural exchange, language studies and so on. We have a considerable advantage in the UK of having a vibrant Ukrainian community which is culturally very self-conscious. Do you think we should be exploiting that more in terms of student exchanges, producing interpreters and so on?

*Sir Roderic Lyne:* Yes. The number of people in this country who actually speak Ukrainian other than the Ukrainian community is tiny. The number of people who have a real awareness of Ukraine is absolutely tiny.

**Q21 Lord Anderson of Swansea:** But that resource could be exploited, the existing Ukrainian community.

*Sir Roderic Lyne:* Yes. I have an interest here because I chair the Advisory Committee of the CEELBAS network, Central and Eastern European Language Based Area Studies, which I think I mentioned. I think this is exactly the kind of inter-personal contacts that are natural in the world we are in, a world that the former Soviet countries only entered 17 years ago, having been cut off from it before, that we should encourage and stimulate and foster. Look

at the huge benefits that have accrued from people from countries like Poland coming to work here. Quite a lot of Ukrainians are coming to work here and I think this is wholly beneficial.

**Q22 Lord Truscott:** If I could address my question in the first instance to Professor Service, how have recent events in Georgia affected the prospects for progress in the EU-Russia energy relations and is progress more likely to take place if negotiations are resumed on the PCA? There are some commentators who feel that, for example, the EU proposals on Nabucco are being affected badly by the conflict in Georgia and in some senses it strengthens Russia's energy hand. It may have damaged Russia's reputation internationally but if you look at the energy sphere, because of Georgia's position as a potential transit route for oil and gas, it has actually strengthened Russia's position.

**Professor Service:** As you know, as part of the military campaign they did smash what they could of the infrastructure that might lead to the construction of a more efficient pipeline. I feel, in general terms, that negotiations about a new agreement are better than no negotiations at all but that the negotiations should be based upon principles acceptable to the EU; in other words, the latitude for compromise should be very small. It has always astounded me how little interest the Russians have shown in building a pipeline from to Siberia down to China. China is having to get its oil from parts of Africa, yet there is one of the most enormous reserves of oil and gas lying up there in Siberia. Siberia itself is subject to huge amount of Chinese immigration at the moment. The Russians themselves are depopulating eastern Siberia. The fact is that the Russians have, either consciously or otherwise, decided that they want to sell their oil to Europe. The reasons for this would seem to be that the Chinese haggle over the prices more vigorously and do not pay on time. The Europeans, by contrast, do accept the prices and do pay on time, so that the bargaining position, it seems to me, is not as weak on the European side; it should not be seen as weak, as it is often portrayed in the media. We should be tough negotiators with these Russians. I think on the whole it is better

to have them in a process of negotiations for an agreement rather than the opposite, although I can see the case for the opposite.

**Sir Roderic Lyne:** I am not a believer in some grand bargain on energy under which Europe locks itself into Russia. I think it is extremely important that the European Union diversifies to the maximum extent possible both its sources of energy and the types of energy it uses. One has to distinguish between oil and gas. Clearly, you can be very flexible about where you buy your oil from whereas with gas you are locking yourself into long-term relationships. We need to recognise that Russia, in terms of gas supply, is as dependent on the European Union as the European Union is on Russia. About 90 per cent of the profits of Gazprom come from the sale of gas to the European Union. It is selling gas at no profit at all in Russia. It does not have alternative markets, as Bob points out. It has failed to build pipelines into China. In any case, it would not necessarily make sense to transport some of the gas right across Russia to China. It should have developed, it has the possibility to develop reserves of gas in the far east of Russia to supply the Chinese market. For a whole load of reasons it has failed to do so up to now, which is a source of some frustration to the Chinese, though they too do not want to be dependent on Russian energy supplies. They are prepared to have Russian gas at the margin, five per cent or so. They do not want more than that; they do not want dependence. The Russians are very nervous about admitting the Chinese to ownership of what they regard as strategic upstream resources in Siberia. So that has all gone very slowly. We need also to bear in mind that the biggest problem in terms of energy in Russia is Russian failure to invest and the limited capacity of Russia to increase production in the years ahead. Russia is moving into a gas deficit. It can only meeting its existing commitments by buying gas from Central Asia, not only for export but indeed for its domestic market, and because it has failed to invest in new production, and most of the new production is going to come in more difficult areas of Russia which are more expensive to develop, there is going to

be a widening hole over the next few years. For that reason alone the European Union would not be wise to assume that the Russians are going to provide huge amounts of the additional energy that we are going to need over the next 10, 15 or 20 years and we have got to look elsewhere for it. Russia will, I think, continue to remain an important supplier to us because it has to be, and because the Russians are quite proud of the fact that they have never interrupted their supplies of gas to Germany in the many years they have been doing it, and they know that if they ever did so, it would be incredibly damaging to their own interests.

**Q23 Lord Crickhowell:** Thank you very much. You have now addressed very well the one issue which you did not actually include in your Open Democracy paper, which I read with great interest. You have both talked about energy and the weaknesses from the Russian point of view and of its importance to Russia; but one of the fundamental problems up till now has been that the whole European approach has been fundamentally flawed. The actual total share of European energy provided from Russia is very small. The problem is that in some parts of Europe the gas element is very big. So far Europe has resolutely failed to get its act together. Most important of all, it has failed to really think about, let alone get on with constructing a gas network, which would totally transform our position and the ability of Europe to deal with Russia. The difficulty, of course, as we all know, is that Germany, because of its particular pipeline dependence on Russia, France probably for other reasons, are reluctant, as are others, to enter into such a deal, though Europe is now trying to get moving on this. Is it not actually pretty central, if we are going to have sensible relations with Russia, that we actually get a European energy structure that makes sense from the European point of view? At the moment we are giving the tools to Russia to negotiate against us because we are absolutely magnifying out of all proportion the importance of Russian gas to the total energy supplies of Europe. Have you any comment to make about that particular aspect?

**Sir Roderic Lyne:** I agree 100 per cent with you. I think it is the single most important thing that the European Union should do affecting its relationship with Russia. It would give us a bargaining position that we simply lack at the moment by being divided by, as you say, not having a unified network and by exaggerating our own sense of dependency on Russian gas. Even in Germany Russian gas is about 30 per cent of their overall supplies or the EU's overall supplies. It is only about 10 per cent of German primary energy consumption. In Poland it is almost zero because they get most of their energy from coal. The Commission has put forward some rather good proposals and Russian actions over the last two years have actually started to push Europe in the right direction but too slowly. We need to put that at the very top of our list and carry it forward and to have a unified energy strategy for Europe and on the basis of that, yes, conduct future negotiations with Russia, but let us get our own policy sorted first, otherwise we are not really in a position to negotiate and, because of that, you can get countries like Italy striking bilateral deals with Russia, or Austria, or Austria becoming a hub for the Russian pipelines, that undermine European position.

**Professor Service:** I entirely agree. There really has to be a unified European response on this. When you get a German Chancellor, on stepping down from office, accepting a directorship of Gazprom, you have some indication of how difficult that is going to be. With Berlusconi chummy-ing up to Putin on every possible occasion, I do not know how realistic it is to imagine Europe having a unified energy policy. That is the only thing that is going to make a difference to Russian tendencies to play with the oil weapon, although, as Sir Roderic says, they have not actually cut off the supplies to Germany. They have done this to other countries within the former Soviet Union but they have not yet done this to Germany. In the years before the Cold War ended it would have been seen as something really serious, involving a drastic deterioration in international relations, virtually the first step to the Cold War becoming a hot war. Nothing happened like that then and nothing like that has happened

since, so we should not exaggerate how bad things are at the moment. They are bad enough but we should not think they are that bad.

**Q24 Lord Boyce:** My question has been largely trampled on to a certain extent by some of your opening comments and also during the other questions. It is about the tensions created by NATO's various moves, the policy of future enlargement and the siting of the missile shield in Poland and the Czech Republic. I was interested in to what extent you think these tensions are going to affect the climate in which our EU-Russian relations have been conducted and also what does the EU think – some thought perhaps Russia would live with the missile shield but, of course, Medvedev has done something very aggressive in putting up electronic warfare countermeasures, missiles in Kaliningrad, and so forth. How do you think all these tensions are affecting the climate for EU-Russian relations?

**Professor Service:** I think they are going to have a terrible effect and I think we have an indication of how they are going to go on in the next few months from the announcement made by Dmitry Medvedev about the positioning of missiles next to the Polish frontier on the very day that Barack Obama was announced as American President. This cannot have been an accident. They are really seriously furious about this nuclear shield against the possible long-term Iranian threat. They really cannot see the logic of the American standpoint on this. I personally think it was a mistake of the Americans to do this at the time they did it, in the way they did it, and even to some extent for the purposes for which they did it. All of the opinion polls in Russia suggest that, without stirring up a popular mood, most people in Russia feel this way. I suppose one cannot always say "Let's look back at history" but it is hard not to say this about a country that was nearly overwhelmed by the Wehrmacht in 1941, where the one rallying point of popular opinion is the commemoration of the Second World War, where veterans are still respected, where the memory of Nazi atrocities is still really acutely felt. Russians have a memory that trouble comes from Germany through Poland,

from Europe through Poland, so it is not exaggerating too much to say that this really was a provocative step by the Americans, a really serious diplomatic error, I think, and so seriously do the Russians take it that they chose the day of the Obama's election to indicate that this is not going to change in their foreign policy with the Obama presidency. They are not exactly going out of their way to wave a white flag at him at the moment or to accommodate him or make things easy for him.

*Sir Roderic Lyne:* I think this is much more about perceptions than it is about strategic reality. The reality is that the Russian military and Russian strategic thinkers do not see any military threat from NATO. They have actually shifted forces, as Lord Boyce would know much better than I do, away from their frontier with us. They recognise privately that putting ten interceptor missiles in Poland in no way changes the strategic balance between Russia and NATO or the United States, and for that matter NATO enlargement likewise. The perception is completely different and it is essentially politically driven but it affects everybody. Last weekend I heard one of the best-known and most senior Russian liberals, a former chief of staff in the presidential administration, somebody who would be labelled pro-Western by most Russians, say that he felt unsafe in his apartment in Moscow with the thought that missiles could get in six minutes from Poland to Russia whereas previously it would take 35 minutes. The point he made was that in 35 minutes you can have a presidential decision; in six minutes you cannot contact the president, therefore a decision on how to respond would be taken by a major, and you can get an escalation of a very dangerous and ill-considered kind as a result of that. Of course, these missiles cannot get to Moscow, any more than the Iskander missiles that President Medvedev talked about deploying in Kaliningrad – and now it has been slightly adjusted that they would be deployed if the Americans deployed their system – and it was not anyway a new statement because Defence Minister Ivanov made a very similar statement over a year ago. I understand they do not have many Iskander missiles, they do not

work very well, and they do not yet have the range; they could reach Poland from Kaliningrad but they could not reach the Czech Republic, where the radar would be. Back in the realm of reality, the Russians and the Americans were in a negotiation about these systems and the Russians were privately saying to the Americans, and even Putin I think said this on one occasion publicly, that while they did not like it, they could live with it. It would make more sense if the Americans put it in Azerbaijan, which is closer to Iran, but they could live with it so long as they had the ability to inspect it and see that it was not being enlarged into some facility of a different kind that could be used against them. The Georgian war broke out before this negotiation, which was not going terribly well, had reached a conclusion. Condoleezza Rice flies into Warsaw, signs an agreement with the Poles, as a sort of tit-for-tat gesture, rather silly gesture politics by this rather silly administration in Washington. So now the Russians have responded with a silly gesture of their own. One must hope that under President Obama that grown-up behaviour might break out again. The Democrats have never been that keen on missile defence. President Medvedev's statement, which was out of tune with the rest of the reaction in the whole of the world to the election of President Obama, makes it slightly more difficult for Obama to say that he is going to review the case for missile defence and either negotiate with the Russians conditions under which this does not disturb them, or indeed perhaps put it into cold storage for the time being, let us say, until the Iranians actually get themselves a missile capable of flying over Warsaw, which they do not have either. So we will have to wait and see but I am not totally pessimistic about the prospects.

**Q25 Lord Boyce:** Do you think on EU-Russia relations though there is an opportunity here, now that Obama has come in, for the EU overtly to be trying to persuade Obama to back off, and be more sensible, and Russia-EU relations may benefit from that by the EU being seen to be sensitive to Russia's concerns?

*Sir Roderic Lyne:* I think we need to do this privately. If we do it publicly, a lot of people will pile in on the other side on Obama saying “Don’t listen to those wet Europeans because they are just terrified that their gas is going to be cut off.” Privately, I hope we are talking to the Obama team about the fact that he needs to pay some attention to Russia even though it is not in his top five priorities and cannot be and that, if he does, he may find that the Russian leadership, despite the fact that they have boxed themselves in with domestic opinion, would like to ease their way out of that box, especially as the economic crisis bears down on Russia. I was very interested to hear a very senior Russian in the administration about a month ago talk about the possibility of reviving the old Gore-Chernomyrdin Commission as a Putin-Biden Commission. They are beginning to think along those lines. The current issue of foreign affairs in the United States is also very interesting. There is an article by Stephen Sestanovich, who is a member of one of these groups that advises the Obama machine, which is totally different to the report of the Council on Foreign Relations, of which he was a prime author two years ago, which was very much in terms of containment, and is looking towards picking up Russian proposals on European security, resuming arms control negotiations, including on issues like CFE as well as strategic arms limitation, and I think this could embrace missile defence. This is why I say there is the possibility of moving into a more grown-up mode of behaviour under President Obama, and I think the European Union and the British Government in particular need to avoid being stranded by this. We have an opportunity: it will take four or five months for the Obama team to get into place and really start thinking hard about Russia, because they have other priorities. That gives the EU and the European members of NATO bit of time, if they will only use it wisely, to get their own thinking together about European security and to start conducting a quiet dialogue with the American administration about how we handle Russia in a sensible way, and if it is going to

be on Sestanovich lines, the lines of this article, I do not think it is going to be a big gap that we have to bridge but maybe I am being overoptimistic now.

**Q26 Lord Hamilton of Epsom:** The decision by President Reagan to deploy the theatre missile defence was a brilliant strategic play at the time with the Russians, and I think persuaded them that technologically they were going to be left miles behind and therefore they were in a very weak position. Having said that, I would have been much happier if he had abandoned the whole idea not too long afterwards because I am not sure it does not make nuclear exchange rather more likely than less, because you then move away from the concept of mutually assured destruction, which I always thought seriously concentrated minds, and you blur the issue with theatre missile defence. Would you agree with that?

**Sir Roderic Lyne:** I would agree with that but I have not had the benefit of being a Minister in the Ministry of Defence. I think it was a fine bit of bluff by Reagan, rather like the bluff by Khrushchev when he pretended he could hit a fly in space and convinced America that this was the case, when in fact he could barely hit America, let alone a fly.

**Q27 Lord Crickhowell:** You have been talking mainly in the last five minutes about the missile issue. In your recent paper, which I have already referred to, Sir Roderic, you are splendidly robust on the NATO enlargement issue and take up a point that some of us raised in our recent debate in the House about our report: “The West should freeze NATO enlargement until such time, many years hence, as it can be implemented without these consequences.” I am wholly sympathetic to that point of view. Do you think, following up on the way you think things are going on missile defence, particularly on British views about this, that this is something which will increasingly, wisely, become policy? How do you see the NATO issue developing away from what it has been in the past?

*Sir Roderic Lyne:* I think our starting point needs to be European security and we need to ask ourselves what is going to strengthen that and contribute to it, and if enlargement of NATO does not do so, it is not the right course to go down. I listened the other day to a very senior German who had been involved in the enlargement negotiations of 1990 saying that at that time three criteria were agreed informally between the Europeans and the Americans and this was to ask: would it be good for the country in question, would it be good for NATO and would it be good for European security? Unless you could tick all the boxes, you did not go further down that road. In that case, you would not begin to go down that road with a country like Ukraine or Georgia. Somewhere in the Balkans may be different. I think there are other things we can do. I do not think that awarding MAP status to Ukraine or Georgia increases their security at all; actually, I think it does the opposite, and of course, it does not even embrace the Article 5 guarantee. It does not mean NATO can do nothing. It can strengthen its relationships with those countries in lots of other ways without touching on this question of actual membership, which is almost irrelevant to security. I do believe that is where we need to get our thinking straight, and start with the right question, which is: what is going to be good for European security?

**Q28 Lord Crickhowell:** Are you optimistic that there will be a change of attitude? We do not know how Obama will react on this one.

*Sir Roderic Lyne:* We do not know that. I hope that no imprudent decisions are taken in December in the dying days of this ghastly administration in Washington and I hope Europeans will have the *cojones* to stand up to any pressure that might come from those quarters more effectively than they did at Bucharest in April, when they ended up in this ridiculous position of facing both ways at once.

**Q29 Lord Truscott:** I do not disagree with anything that you have said but is it not the slight danger that in effect you are giving Russia a veto over who joins NATO? What you are saying is, if Georgia or Ukraine join NATO, this will endanger European stability and security but it is Russia in effect that will endanger European security. So by not progressing with Georgia's and Ukraine's membership, in effect we are giving Russia a veto, are we not?

**Sir Roderic Lyne:** I do not know anybody who thinks that we should give Russia a veto over this membership. If you take the case of Georgia, I think it would be bad for Georgia at the moment to be made to think that it was a quasi member of NATO because it would encourage the Georgians to take actions – and we have seen plenty of evidence of this recently – that are imprudent because it had a false sense of security. So it would be bad for Georgia, and I think it would be extremely bad for NATO to implant itself in such a volatile region of the world as the Caucasus when we have plenty of problems to cope with in Afghanistan. So I think it would be bad for NATO. What is Georgia going to bring to NATO that strengthens NATO? Very, very little, and that is before you even bring Russia into the equation. With regard to Ukraine, were we to try to put in the direction that Yushchenko has wanted, it would be unbelievably divisive in Ukraine where, as Bob said earlier, 70 per cent of the population does not want Ukrainian membership. So it would be destabilising in Ukraine, it would take a very long time to get the Ukrainians anyway up to the point where they made an important contribution to NATO and, again, that is even before you start referring to the effect on Russia. So, on its own merits, this is a bad idea right now. Down the road maybe when the situation is different but not now. That is my argument.

**Q30 Lord Selkirk of Douglas:** May I ask what is quite a difficult question: to what extent do you think that Russia has experienced a sense of humiliation in the past, either through economic circumstances or on account of other factors? To what extent is that an issue which we should address today and how best is it addressed?

*Professor Service:* Undoubtedly this is a major factor. Politics is not just all about diplomacy and government; it is about the way that people feel, and the disorientation, as well as the humiliation, of Russians is a fact of life. It is something that cunning leaders like Putin and Medvedev can play with. They can play with this disorientation and this sense of humiliation. In fact, when he came to the presidency in the year 2000 Putin explicitly said that he was opposed to the continued “denigration” of the achievements of the Soviet Union in the 1930s in regard to mass education and industrialisation. This message was put out by the leadership and was welcomed by most Russian people. They have lost their great state, they have lost their power in the world, and they have lost their good feeling about themselves. They had a leader in Yeltsin who was drunk in Berlin, was incapable of functioning at Dublin airport, who stood next to President Clinton in Washington, who laughed at him when he was fumbling his words. On television screens and in the newspapers Russians felt humiliated but also disorientated. This makes Russia much more dangerous to deal with. It is not just a question of leadership. There really is something linking the leadership with the people at the moment and the leadership know how, I would say, to mischievously exploit this situation. They are a bunch of toughs. Many of them are thugs. We will never know who killed Litvinenko but we do know that there is an atmosphere of indulgence shown when human rights campaigners are assassinated. There is no reason to think that Putin ordered the killing but there is no reason to think that Putin has seriously tried to find the killers. It is a very nasty authoritarian regime. Far too many political scientists in this country and in Europe studying Russia will not call things by their names. It is an authoritarian state, a very nasty one. It is not a totalitarian one; it does not intrude into the private lives of its citizens in the way that Stalin did and to some extent Khrushchev did. There is a good deal of religious freedom, there is freedom of recreation – even that was not free in the Soviet period. In many, many ways it is not a totalitarian state. You can use the Internet in ways you cannot

use it in China. It is still a very nasty, authoritarian state, which is so worried about its prospects that, even though it knows that its candidate for the presidency is going to win a thumping majority, it still seeks to remove other rivals who did not stand a chance of winning in the presidency elections last year, removing them from the ballot paper. It is a thoroughly nasty regime we are talking about.

**Chairman:** Professor Service and Sir Roderic, can I on behalf of the Committee say how very much we have appreciated the evidence you have been able to give us. It has been a very rich diet and you have really enlightened us in a lot of ways, drawing upon the wide experience of both of you. I particularly appreciated from Professor Service some of the historical analogies. I think we understand history more in this country than they do in the United States but, nonetheless, we do not always have enough of the history which is necessary. Thank you both very much again. This will be very useful for us when we come to prepare our report.