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## A Smarter Way | Episode 4

Rob Dannenberg, Former Chief of Central Eurasia Division, CIA

**We welcome Rob Dannenberg into the SmarterMarkets™ studio as we continue our A Smarter Way series. Rob is the former Chief of the Central Eurasia Division at the CIA. SmarterMarkets™ host David Greely sits down with Rob to discuss how understanding how our adversaries think is the first step in finding smarter ways to navigate an increasingly risky geopolitical environment.**

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**Rob Dannenberg** (00s):

I think that the way that Western leaders approached Vladimir Putin in the run up to this war showed a fundamental misunderstanding of what was motivating Putin, and in fact, Putin's mindset. And here we are today. And I think Putin's a great case study of how we can use our prejudices and our way of thinking to make mistakes about how foreign leaders are going to act and what motivates them.

**Announcer** (32s):

Welcome to SmarterMarkets, a weekly podcast featuring the icons and entrepreneurs of technology, commodities, and finance ranting on the inadequacies of our systems and riffing on ideas for how to solve them. Together we examine the questions are we facing a crisis of information or a crisis of trust? And will building Smarter Markets be the antidote?

**David Greely** (57s):

Welcome back to a Smarter Way on SmarterMarkets. I'm Dave Greely, Chief Economist at Abaxx Technologies. Our guest today is Rob Dannenberg, Former Chief of Central Eurasia Division at the CIA. We'll be discussing how understanding how our adversaries think is the first step in finding smarter ways to navigate an increasingly risky geopolitical environment. Hello, Rob. Welcome to SmarterMarkets.

**Rob Dannenberg** (01m 23s):

Hello, David. Thank you for having me.

**David Greely** (01m 25s):

Well, thanks so much for being here. I wanted to start today with an observation, which is that we seem to misunderstand the nature of our adversaries, whether they be in Russia, China, North Korea, or Iran. And we seem to be surprised by their choices in decisions over and over again and by way, I mean, you know, the public at large, but also many of our politicians and the media and your professional career was built on understanding how these leaders think, not agreeing with how they think, but understanding how they think and so I'm really glad to have you here to share those insights with us. For many of us, I imagine we make the mistakes of assuming that they think the way we do, or they think the way we would like them to think, or that they care about the things we care about, or that their choices are driven by some economic rationale. So maybe you can start us off today by sharing with us some of your background and how it taught you to learn to move past these types of biases and understand the way these other leaders truly think about things.

**Rob Dannenberg** (02m 28s):

Sure. It'd be a pleasure. Thanks, David. By the way, that's a great question, and it really anticipates what I'm going to say. First of all, for my background, for those of you who aren't familiar with me I spent just shy of 25 years in the Central Intelligence Agency, all of it on the operational side of the organization, which means that I was responsible for, for conducting espionage executing covert action, and essentially getting information for the United States government that my colleagues in the analytical side of the agency and other parts of the US intelligence community would then use to formulate intelligence guidance for the national security decision making community but one of the things about the operational side of the Central Intelligence Agency is your primary mission is to go out and persuade foreigners, often from hostile states and often operating in hostile environments to commit espionage on behalf of the United States government.

**Rob Dannenberg** (03m 30s):

One of the things that they, you first learn in CIA operational training is that it's not very useful in that context to only be able to understand or articulate the US point of view on what's going on in the world. So the more that you are able to listen, understand and empathize with the points of view of your adversaries, the better chance you have of getting prolonged contact with them, which is the key to building the type of relationship that'll ultimately allow you to hopefully persuade them to commit espionage on part of the United States and as I went through my career, I happen to have been pretty good at that, at least in the estimation of some people in the organization and I did spend a lot of time working in hostile environments, particularly the Russian Federation. I served two tour of duty there.

**Rob Dannenberg** (04m 23s):

I was responsible for the CIA's global collection program on Russia. I ran the CIA's Century Eurasia division, which was responsible for CIA operations in the then 26 states of the former Soviet Union, the Warsaw Treaty Organization, in which includes the Ukraine and as I, when I retired and, and moved into the private sector, I found that the skill of being able to understand other people's points of views, articulate them back to them was helpful for me as I tried to explain to my clients what was going on in the world and what was likely to happen. As you mentioned in your introductory question, David, I often found and still find that our leaders, leaders in the West and pundits in the media and members of the National Security Forces policy establishments in the United States tend to want to believe, and we're all products of our cultures.

**Rob Dannenberg** (05m 24s):

And those of us who are products of Western environments, we tend to view things in a, from a certain point of view, often based on some form of economic rationale or logic for what we do or the decisions that we make and we also tend to think that people think like we do, which very often they don't because they're products of their own environments and are driven by entirely different, often entirely different motivations. And perhaps the part that's least understood by the community that I just mentioned is that those very leaders or those very societies that are of interest to us or are, you know, we classify as opponents or competitors in some fashion the leaders of those countries are accountable, often to an entirely different set of actors than those of us in the West are leaders in the West are accountable to.

**Rob Dannenberg** (06m 24s):

And that's a piece of the equation that's often misunderstood and I think, I don't know if you want to explore the steps leading up to the invasion of the Ukraine, which is arguably the most important geopolitical event that has affected markets in the past couple of years, any anyhow, I think that the way that Western leaders approached Vladimir Putin in the run up to this war showed a fundamental misunderstanding of what was motivating Putin and in fact, Putin's mindset you can go back to the origins of, or the beginnings of Putin's administration as the President of the Russian Federation and he came in, in a, a very chaotic time in Russia and successor to Boris Yeltsin, a country that was really on the verge, I mean, was still recovering from the collapse of the Soviet Union, which Putin had characterized as the biggest catastrophe of the 20th century.

**Rob Dannenberg** (07m 32s):

And the country itself was in the process of fragmenting and Putin product of KGB culture had a very firm set of ideas of what he needed to do to restore order in the Russian Federation and he was again, you know being a trained intelligence officer, he was savvy enough to look around and get the sense of the messaging he needed to be giving to leaders in the West who were then, I mean, it was, it had gone from a bipolar world to a unipolar world. Putin was smart enough to recognize that and it wasn't long after Putin became president of the Russian Federation that that 09/11 happened. It was just about 18 months into Putin's administration of the Russian Federation and here he was new guy in a running a run in a country that was fragmented in the process of getting even more fragmented.

**Rob Dannenberg** (08m 27s):

And he was just seeing his childhood adversary or the adversary that he was responsible for confronting his entire professional life. Just go to Defcon-4 and what do I need to do. Well, I need to send, maybe it's apocryphal, but I happen to have been, you know, right in the middle of Putin's reactions to 09/11 and his first phone call to George Bush to express concern for, for what had happened in the United States and to reassure the US President that the Russian Federation didn't know anything about it in advance, didn't have anything to do with it. So that was the first bit of messaging from Putin to the United States during his time and then he was quite accommodating in the first few years after 09/11 because he had to be and then when he achieved domestically, what he was trying to

achieve, that is to say he arrested Hart Kofsky, he brought the Russian oligarchs who were starting to get involved in politics back towards being responsible to responsive and responsible to the leader in the Kremlin.

**Rob Dannenberg** (09m 30s):

And he took steps that he needed to take to keep Russia from fragmenting geographically in, you know, it's Russia's 10 time zones, long and, you know, has literally dozens of major ethnic groups, languages, you know, he had to keep that from, from fracturing even further. He took steps he needed to bring them together and only then when he started to rebuild in his mind a more centralized state, recovering from the chaos in his mind, Putin's mind of the, the end of the Yeltsin era was Putin's real background, start to emerge his real views of the West, his real views of the future of the Russian Federation and if you hadn't been following, or you didn't have experience with the culture and training of a KGB officer, you might have been quite surprised in the, in the way that Vladimir Putin changed faces in a very short period of time.

**Rob Dannenberg** (10m 27s):

And his first public emergence southern Putin that we now know is that the Munich Security Conference in 2007 where he rejected American exceptionalism, rejected a unipolar world led by the west and, and so on and so forth, and immediately which shocked a lot of people and you can still see reactions to the Munich 2007 speech by Putin in current analysis of what Putin's mindset is, and properly so in my opinion, but then you could understand what the next steps that Putin was going to take. I mean, the first, first was in August, 2008, the invasion of the Republic of Georgia March 2014, the annexation of Crimea and the insertion of Russian forces into what are now known as the Donetsk and Luhansk People's Republics and a series of increasingly more confrontational steps that Putin took and people were surprised what happened to this guy?

**Rob Dannenberg** (11m 26s):

They were our friend, they helped us after 09/11, my goodness. They invited us, if you will, to establish a presence in Central Asia, their backyard. We were cooperating together in the war on terror what happened. Well, really nothing happened and if you understand the training that a guy like Putin went through as KGB officer, first things, first thing that he learned, the first thing a KGB officer had taught is at the ends justify the means. Maybe you've heard, heard that before. The second thing they, they are taught is that the state and the party are infallible and the third thing they're taught is that all compromise is tactical so go back to what Putin had to do in cooperation with the United States in 2001, after 09/11, he made tactical compromises until he was in a position where he felt that Russia was in a position to assert its legitimate reassert itself legitimately on the world stage and if you were following events in the way that I'm obliged to I wasn't surprised by any step loans, and I'm on record both publicly and with clients saying that Putin was going to address the problem of, of the Ukraine. It was inevitable and here we are today and I think I, you know, I think Putin's a great case study of how we can use our prejudices and our way of thinking to make mistakes about how foreign leaders are going to act and what motivates them.

**David Greely** (13m 00s):

And I'd love to get back to your thoughts on Ukraine going forward, but first, you know, when you talked about his ability to message in the wake of nine 11, his KGB background, I'm curious, do you think that Putin understands us better than we understand him?

**Rob Dannenberg** (13m 19s):

I think Putin is in some ways a victim of his own prejudices. Gary Casper, the former world chess champion, was quoted last year, I think as saying Putin doesn't play the situation on the chess board he plays his opponents and Putin thinks that he understands the United States and the West much better than he actually does, which in part explains, I think, the series of miscalculations that he made when he initiated the invasion of Ukraine on 24<sup>th</sup> February last year. You know, Putin, you know, if you put yourself in a mindset of Putin's about ready to make this decision, what's driving him. Well, there is a couple things that are driving him. Some are some we missed, we leaders of the West missed, and they, they were the increasingly public expression of a very warped view of history going back to his now famous essay on the unity and of, of the Ukrainian and the Russian peoples.

**Rob Dannenberg** (14m 30s):

And in that document, which was an extraordinary document, by the way, it used to be able to read it on the kremlin.ru website, but then some hackers took it down. So now you have to look for scrounging, you have to scrounge around for copies of extraordinary document in that a leader of a country as powerful as Russia could have such a warped interpretation of history. I mean, and I, and I'm not saying this warped, this is some western guy interpreting no it's just objectively and historically wrong at almost every level and that he could express this without immediately drawing outrage from quarters all, all around the world. If you take the arguments that

Putin put forward in that essay about the right of Russia to reclaim, allegedly lost imperial territories dating back to the 14<sup>th</sup> century if you use that same logic, Russia should belong to the Mongols. It's just completely unfathomable to us than the West but it just sort of passed without people really paying much attention to it. So this is an extraordinary document to be written and published under the name of the president of the Russian Federation.

**David Greely** (15m 43s):

Yeah, it seems to be more mythology than history.

**Rob Dannenberg** (15m 47s):

Oh, it's absolutely more mythology than history, but it also shows I think a lack of understanding of the persuasiveness of those types of essays to whatever audience he is shooting for. I mean, it was largely ignored by the Russian people it was tremendously offensive to leaders in the West I mean, the presence of Lithuania and Estonia commenting on it because if you use the logic, it was they're next on the list for Putin to invade and of course Zelensky both the people on the government of the Ukraine were outraged Biden and even in his, in as far corner as the president of Turkey, he said, my God, by this logic, you know, there's a big chunk of Turkey that Russia could make a claim to, but I wanna get back to Putin's understanding of the West a little bit.

**Rob Dannenberg** (16m 42s):

So when he was making the series of decisions that he made to initiate the invasion, he looked around the table and what did he see. He saw Joe Biden as a president of the United States, and in Putin view, Biden's Week, Biden was the vice president during the Obama administration when the famous red line in Syria was crossed in the United States, didn't react, Biden was the president when he Putin annexed the Crimea, the United States didn't react. Okay, yeah, we put snacks on, right. yeah. The snacks is another important point in the psychology of leaders. Putin is, in addition to being a product of KGB training and KGB roots, his family comes from Leonard grad Slate slash St. Petersburg and I remember talking to a very senior former KGB officer right after the annexation of the Crimea and the announcement of US and Western sanctions out of Russia.

**Rob Dannenberg** (17m 37s):

And this guy leaned over me, he said, Robert, you misunderstand our leader. If you think that sanctions are gonna dissuade him from what he feels is the right chorus ration, you're completely getting this wrong. His people come from St. Petersburg, they were starved by the Nazis for 300 days in the second World War. You're not gonna intimidate him through sanctions. Another important part of Putin's psychology, and that, you know, I think was largely, and probably to this day, is still largely misunderstood in the West. So he looks around the table, he sees Putin, he sees Joe Biden says, this is a weak guy as president of the United States, and we might have got that wrong, right but this is what he was thinking. It's not important whether I believe that Putin's right or not. So this is what he was clearly thinking. He looked at Boris Johnson, who was then Prime Minister in the United Kingdom, you know, already beset by scandal, probably counting his days in office.

**Rob Dannenberg** (18m 29s):

You had an Angela Merkel had just left as the Bundes counselor, and Olaf Scholz, representative of the SPD a party that was traditionally responsible for politics and good relations with the Soviet Union was sitting in the chair in Germany. He had Macron and France, who at the time had his own challenges and, and both with the French parliament and with his presidency and so Putin looking around the table, go, these are the four big players I'm up against. You know what? I can whip them all. I don't think that they're gonna react. I don't think they're gonna do anything if I finish the job with Ukraine, big miscalculation, right, but if you, you're coming from where Putin's sitting and you're looking around and you're saying, you know, I know these guys. I've got a great intelligence services telling me all about the domestic turmoil in the United States, the turmoil in the United Kingdom, the fact that German business doesn't want to sanction Russia, and so on and so forth. He thought he, he thought he understood the situation perfectly well, and he had supreme confidence in his strategic thinking, his understanding of his opponents and the inevitability of his success in finishing the job, which in the Ukraine, which is really the final piece in Putin's mind of his legacy

**David Greely** (19m 46s):

And with him thinking about it as his legacy, that brings up the important question of, you know what, now clearly there is the big miscalculation going into Ukraine. It has not gone according to plan. There have been great military failures for Russia. So what do we need to understand now about his mindset, you know, what about Putin's thinking will guide his decision making from this point forward, is it the need for legacy at all costs, like what's his end game here and how do we engage or deter him from this point forward?

**Rob Dannenberg** (20m 22s):

Yeah, that's a great question, and it really is the \$64 question as we enter into a really what everybody anticipates can be decisive phase in this war and for markets, I think it's also important to understand that Putin is probably considering the fact that he's in an increasingly binary situation. He's needs to win the war in Ukraine and in order to win that war, especially now with the decision by the West to provide main battle tanks to the Ukrainian Federation, in addition to the other forms of military political intelligence and financial support that the West is to this point very solid in continuing to provide the Ukraine. If Putin were capable of making an honest strategic decision, not a delusional one, he would recognize that the war can't be won through conventional means. By all indications, Russia is preparing for a long war.

**Rob Dannenberg** (21m 21s):

I mean, Putin's talked about this publicly. There's preparations underway quietly, admittedly for another conscription in the Russian Federation for the fourth time now, Putin has replaced the overall commander for the special military operation. Now it's with the command is with Valery Gerasimov who is the longest serving chief of the Russian general staff and by all accounts, a pretty competent guy, although I would question that some since he and show the Ministry of Defense are responsible for building the Russian army that's performed so abysmally in the war in Ukraine thus far but what the interesting thing about Gerasimov's appointment is that now the levels of criticism for those who are throwing rocks at how the war has been conducted by the Russia Federation, now there's one layer removed before you get to Vladimir Putin. Used to be, you know, these are, these are army generals, you blame them.

**Rob Dannenberg** (22m 17s):

Now it's Gerasimov above Gerasimov is Sergei the Minister of defense and above him is Putin. So your layers of the layers of political insulation and those that Putin can blame for failure in the conduct of war is getting thinner. It's getting closer to the czar. So Putin's going to win this war. If he can't do it conventionally, then he's got out escalate and escalation can mean a lot of things that the far end of escalation, he needs a tactical nuclear weapon. He can take that open up that Pandora's box. I believe that there are probably some steps that he's going to take escalatory steps before that, in part because that last step, the tactical nuclear weapons step has been soundly criticized by arguably Putin's most important ally and that's Xi Jinping in China, who, when Olaf Olaf Scholz was visiting a few weeks ago, they both got up and said, there's no justification for the use of nuclear weapons or even the threat of the use of nuclear weapons.

**Rob Dannenberg** (23m 17s):

They probably moved the risk of Putin using a tactical nuclear weapon a little bit further away but there's other steps in union, a attack satellites, don't forget, it's Starling satellites that are the biggest enabler of the battlefield, success of the Ukrainians in the war thus far as Putin has now played his energy card and Europe has shown remarkable resilience in building alternative sources of getting national gas and hydrocarbons into the European Union. You can attack those pipelines from Norway or from Algeria to Spain, so on and so forth. There's other infrastructure there that's outside of the scope of the war in the Ukraine, but it's relevant. Putin can make the argument that all these players are enabling my opponent and therefore there infrastructure is also potentially vulnerable and a legitimate target. Then there's of course undersea com, undersea communications cables critical for Western economies.

**Rob Dannenberg** (24m 15s):

And then there's always the cyber threat, which is, you know, the, the Russians have been using plenty since the war started, but happily for all of us, we've learned a lot about Russian cyber capabilities in the past few years. You know, we've been largely been able to neutralize them and what's the other part of the binary equation. The other part of the binary equation is Putin loses his job, which is unacceptable to him, right. You don't go through all the manipulations that you've gone through to build this structure in Russia that we look at and we now call, we call Putinism. You can't just walk away from that. The challenge for leaders like Putin, we can go and talk about how this is relevant to other leaders around the planet, is there's no succession planning, there's no agreed and established an historically legitimate process for succession.

**Rob Dannenberg** (25m 03s):

And Putin needs to be sure, just like Yeltsin needed to be sure when he pointed Putin that the guy who succeeds him is not gonna throw his family in jail and throw all his business associates and political associates in the jail or have him executed. Putin doesn't know that, and he doesn't, there, there's no, there's no process yet that guarantees that for Putin. So if he's gonna lose his job right now, it's not because he's gonna resign and go live in his multi-billion dollar palace on the Black Sea and live safely for the rest of his natural life when he turns 70, I think in October, it's probably not gonna happen. So he's, he's got to ride it out and the only path to riding it out is through victory.

**David Greely** (25m 46s):

Well, Rob, it sounds like, if I'm hearing you right, there's, there's not a lot of room for Putin to back down in this context, and we should probably all keep in mind, I think you said it was KGB rule number three that all compromises tactical and I wanted to ask you sometimes when we find ourselves in confrontations like the one with Russia, you know, I hear two sets of arguments. I hear one set of arguments that blames ourselves that were somehow responsible for the confrontation because we pushed too hard or we're threatening in some way and I hear another set of arguments that says that we need to avoid the confrontation because our adversaries are too strong and I'm curious, like, do you hear the same things in the public conversation and if so, why do you think that is?

**Rob Dannenberg** (26m 32s):

Well, I mean of, of course I hear the same things, David, and it, and it's not surprising. I mean, we have societies where in, you know, it's not just the United States obviously, but by and large throughout the West and many other parts of the world where people have opposing and divergent points of view and they have the opportunity to express them and so when you're talking about something as significant as a potential conflict with a nuclear power, you're gonna get a lot of people with a lot of strong feelings on expressing their views on the risk that that presents and quite properly. So in my opinion, I tend to look a bit scans at those that argue that in fact, Putin's arguments for why he has invaded Ukraine have some merit you know, there's a lot of people are in entitle express their opinions without knowing much about what they're talking about.

**Rob Dannenberg** (27m 27s):

And you know, that's okay, that's one of the great strengths of our societies. But if you'll remember in the months preceding the invasion of the Ukraine, Putin articulated a number of security guaranteed demands, which he presented to the West, which he said were required because of violations by the west of promises that had been made to the Russian Federation after the collapse of the Soviet Union and these centered around the eastward expansion of NATO. Well once again, Putin has managed to forget that the Russian Federation actually acceded to the expansion of NATO and that if you go back to the pre-history of before NATO, the reason that NATO came into existence was because of violations by the Soviet Union of Agreements that had been reached among the allies in the Second World War. So once again, it's getting, like, getting back to Putin's essay about the unity of the Russian and the Ukrainian peoples, you know, where both sides like to interpret, you know, like to pick the spot where they're gonna start recording history and anything before that was irrelevant.

**Rob Dannenberg** (28m 42s):

Well, you know, I just don't think you can, you know, if you're somebody saying that, oh, the West is guilty, we should have never expanded NATO, are you really gonna tell that to the polls who've been occupied by the Soviets for seven years, who'd been invaded in 1939 by the Soviets, and then the Nazis, and then occupied by the Soviets until the collapse of the Soviet Union. You tell them that they, they can't have any protection or the same for the Baltic states, or you can pick your Eastern European country that was occupied by the Soviets under an alliance agreement known as the Warsaw Treaty Organization and I reject those arguments and it was not an offensive military organization. It's been around since what, 1947 or 1949, I've forgotten. It's the Article 5 has been invoked once, that was after the 09/11 attack on the United States.

**Rob Dannenberg** (29m 34s):

Sure NATO got involved in the Balkans, NATO has been involved in, in some other operations outside of Central and Eastern Europe but it's never attacked the Russian Federation, nor did it have any, any intent to, and if as you might have suggested earlier in this conversation, David, if Putin's understanding of the West is as good as one could suppose it is and he knows perfectly well there's no plans or intentions by the West to invade the Russian Federation, dismantling any, anybody. If we had, we had a chance to do that if we wanted to and we've done in 1989, 1991, which is exactly the opposite. So I reject that form of argument. The second part of your question is, you know, the opponent is too strong and there were a lot of people who believed that and this isn't the first time in the history of US intelligence that we've got the strength of the Russian military wrong. It's not the West now that it's proved to be the paper tiger in this conflict, it's the forces of the Russian Federation and so I reject the argument that we shouldn't support the Ukraine because the danger from the Russian military is so great to us. So, but yeah, you know, people express their points of view and, you know, some are more informed than others, and that's just the way it is.

**David Greely** (30m 54s):

So I'm curious, like, how do you think we should think about these confrontations and what could we be doing to avoid or deter them if you have an adversary for whom, I think you said rule number one, the ends justify the means and the means could include offensive military action as we've seen in Ukraine, you know, bringing war in Europe on this scale for the first time since the second World War?

**Rob Dannenberg** (31m 17s):

Yeah, that's, that's really a tough question and there's a lot of people with different points of view on it. My personal point of view and what I think influences the thinking of leaders like Putin, or for that matter, Kim Jong or Xi Jinping, or Ayatollah Khomeini, there's no substitute for strength and there's no substitute for the perception in the mind of your opponent that you're willing to use your strength, economic, military, cultural, there's lots of forms of power to defend your interests, and that's the best thing to do. I think the relationship with Putin was beyond saving, I think from the Munich Security Conference speech in 2007 up to the present day, there was, there was just no change in this guy's mind. He had started to form a vision of historical destiny and Russia's legitimate claims of wrongs that had been done to it since the 15<sup>th</sup> century.

**Rob Dannenberg** (32m 18s):

There was no pushing him backwards from that. And we should have, we should have recognized it, and we should have known that the best messaging we could have given to Putin to prevent a war was the fact that we would robustly defend the Ukraine and the messaging from Macron and Schultz and, and the parade of Western leaders that traveled to Moscow or got on the phone with Putin in the months and weeks leading up to the war, pleading to, for him to withdraw from the Ukrainian border, not to invade, he was sending exactly the wrong message. It gets back to the Garry Kaspar. He was loo, he was planning his opponents, and he, he was saying, these guys are sin. Every signal these guys are sending me is they don't want a scrap and I'm gonna give them a scrap and then I will be, my vision and my strategy will have been justified.

**Rob Dannenberg** (33m 07s):

These western weak Western paper tigers will all collapse. And then my friend Xi Jinping don't forget that, you know, the 20 days before the invasion of the Ukraine, Putin traveled to Beijing for the opening of the Olympics and the proclamation that Xi Jinping and Putin made with Xi agreeing to the legitimacy of Putin security demands, and Putin agreeing to the legitimacy of Xi's view of the need for Taiwan to be reunited with the mainland and the legitimacy of China's claims over the South China Sea in Southeast Asia it's an extraordinary document. I mean, in some ways it goes back to the Molotov Ribbentrop pact, which wasn't it, it wasn't as public at the time, but it set the stage for the invasion of Poland and then and then World War II in Europe and so, you know, in put in Putin's mind, I'm gonna, I'm gonna invade Ukraine, I'm gonna, I'm gonna restore these historically Russian lands and I'm gonna set the stage for me to reclaim all the other territory that was stolen from Imperial Russia through the centuries and that's gonna open the door for my friend Xi to do what he wants to do in Taiwan, what he wants to do in the South China Sea and what he wants to do in Southeast Asia but had, the story hasn't turned out that way. It's been quite the opposite.

**David Greely** (34m 30s):

Yeah, and I'd love to dig into that and kind of broaden the scope to talk about what we need to be understanding about China and President Xi and in particular is thinking towards Taiwan now, because now we've seen with the Ukraine invasion not having gone to plan for Vladimir Putin, it's suddenly, okay, what does that lead President Xi to think about the opportunity to invade Taiwan. Also in China they had a very strict response to the COVID pandemic and now they've seemingly abruptly changed course and so I'm curious, like, what do you think we need to understand about the way President Xi is thinking about the world right now, and what do you think is our greatest misunderstanding of how he's thinking and what he wants to achieve?

**Rob Dannenberg** (35m 15s):

Yeah, that's, that's a great question and a very important one as well. I think that many in the West misunderstand Xi's roots, the formative influences on his thinking. He is not a not a KGB officer by training. He's not an intelligence officer by training, but he is a product of the Chinese Communist Party and he if you look at his early writings and certainly if you look at his speeches during the 20<sup>th</sup> party Congress he is much more Stalinistic in his thinking and his approach to business than many in the West understand and appreciate and there's a lot of us in the West who go back to Xi's emergence on the world stage at the Paris Accords on climate change and China were gonna present a new vision of, were gonna be the world's leaders in the fight against global warming and climate change.

**Rob Dannenberg** (36m 20s):

And anyway, so oh my God, this is, look at this guy. He's got it right. Look at those crummy leaders in the west. Look at the President of the United States. Yeah, we got it wrong. This guy, this guy's, so me, we follow, this is tactical. He was setting the stage for a different perception of China that would him then to further what's, what's called the belt and road initiative, which is China's attempt to buy infrastructure around the world to tie poor, indebted or needy countries in some fashion or another to China to build a modern form of an economic empire and as obviously a lot's happened since the Paris Accords you've had the COVID outbreak, which anyone in the West who thinks that Xi is not a hard liner you know, you got to look at how China has managed this thing, how it, you know, this thing, this thing started in China.

**Rob Dannenberg** (37m 20s):

The Chinese immediately turned around and said, oh, oh no, this, it was, you know, American scientists and doctors that came over under a military exchange program that spread this thing and all, all this other nonsense, one lie after another that they've thrown out there as the world reeled from this virus and then China also advertising yeah and all these crummy western countries where their backwards science have done a poor job in managing this health crisis and in building effective vaccines. Well, I mean, you go back, you don't have to go very many months back to find, you know, Fiji and, and those level two below him and the Chinese government throwing heaping criticism on the West for, and they should be, the West should be using Sinovac, which China is exporting to poor countries in the world.

**Rob Dannenberg** (38m 14s):

And, and I don't mean to be a diatribe against China per se, but I'm saying you're gonna understand the leader here if you want to be able to answer for yourself the question, is there a risk to Taiwan. You got to understand the leader of China, he's now been appointed to, or elected to his third term as President of, of China. Unprecedented puts him up there on the pantheon of Chinese leaders. He's doing something that you Mayo wasn't able to do but the important part of understanding the way she looks at Taiwan is that it's an uncompleted part of his legacy. He has got to bring it back in. It was under Mayo, the great founder of the Chinese Communist Party that Taiwan was lost, and before I finished my job, I'm gonna fix that historical problem and he's absolutely going to, there will be a war.

**Rob Dannenberg** (39m 06s):

Now, many thought that the, that the war was gonna come in 2022 after the party of Congress, but Xi had already had plenty of time then to observe the dismal performance of the Russian military in the Ukraine. Its just significant. I mean, Putin had this image, or was told by his intelligence services that the Ukraine was weak and was gonna collapse in a big hurry. So he was getting bad information, bad intelligence. Secondly, he'd been persuaded by his military leaders that the stellar performance in the annexation of Crimea in the establishment of Peoples Republics backed by the Russian military, the success in Syria, the Russian intervention in Libya and so on and so forth, that the Russian military was invincible. That our technology, that Russian technology works, our soldiers are better at all this sort of stuff, never having fought a real opponent in what would consider when we consider a war of scale.

**Rob Dannenberg** (40m 01s):

Oh yeah and they, oh, and they attacked the Republic of Georgia and took a big chunk of Georgia and territory and so on and so forth, you know, an unending string of victories and then all of a sudden the victory stopped and so she's looking at this and saying, you know, my military, I'm getting a lot of the same messaging from my, my intelligence service as the Taiwanese are weak, they're gonna collapse. Nobody wants to fight. Secondly, that our military's tough look, we fought the Indians up on the line of absolute control. We fought the Vietnamese, and they fought the Vietnamese in when, 1979 ish, 80, 81. Other than that, they haven't been in a scrap in 40 years and crossing the Strait of Taiwan to invade an island is a very difficult and challenging military operation. So all of a sudden there's a pause there.

**Rob Dannenberg** (40m 50s):

And by the way, China's got a ton of economic problems as well emerging from the COVID crisis and this was back still when they had zero COVID policy and you take that away, and now you have the disease killing people by the thousands every week in China. I mean, that's, that's not the time to launch an invasion, but it's, it's still unfinished business in Xi's mind and so when Xi who's, you know, and this is part of, also part of the problem with us assessing the motivations of foreign leaders. I mean, Xi is responsible. I mean, he's the boss, right and he's purged the military and he's purged the high tech companies and he's purged the intelligence service. He's done all these things to secure his hold on power, but in the end, he's accountable to the Chinese Communist Party and if he fails on Taiwan, he will be held accountable.

**Rob Dannenberg** (41m 45s):

And you wonder why the reversal on zero COVID it's also because he was getting messaging from the other levels of the party that this compact, that the Chinese Communist Party has had with the people of China, that you give us power and we'll give you prosperity was starting to erode and you were seeing it in the form of protests. You were seeing it in a lot of different ways and some of the messaging was starting to come up to the Xi, and by the way, China's relative economic performance was waning and the great source of Chinese power that's actually worked has been their economy and it, with that starting to falter in the post COVID environment and the West doing relatively well, I know we got inflation, we got a bunch of problems, but relatively well our economy economy's recovering people.

**Rob Dannenberg** (42m 35s):

You know, it's hard to find anybody that even remembers COVID anymore in, in the West. I mean, I travel a lot and it's more or less normal not so in, in China. So you get G's getting some messaging, we got to fix some domestic problems first, hence the reversal on zero COVID. Hence the reversal in China's approach towards dealing with the rest of the world. Remember, remember that wolf warrior diplomacy that we've been experiencing for the last couple years now, it's all peace, love, and harmony. It's about, hey, love us Chinese. Again, let's not, don't cancel your relationships with the Belch Belton Road Initiative. Don't relocate your supply chains out of China. Don't support this crazy confrontational United States and try to restrict the flow of technology into China's so that we, we can become self-sufficient and semiconductors, or you pick your sector. Don't go along with that. Quite different tone, but it's all tactical. It's all setting the stage to rebuild his economy, to weaken perception in the west, that China is an aggressor and an enemy, and set the stage for the eventual reunification with Taiwan.

**David Greely** (43m 43s):

Definitely keeping in mind that compromise is tactical with many of these leaders seems to be a very important lesson for us all to take away and I want to dig into another point you raised, because I think it's really important and that's distinguishing the thinking of the leader from what we might think of as the thinking of the people or what's in the best interest of the people. So there are certainly accountability mechanisms, but often you'll read about, oh, China's doing this, or Russia's doing that, when it's really about what is the leader who's making the decisions, thinking about, and this has come out I think, and I'd like to talk to you about Iran with the recent protests. And so what do we need to understand about how internal dissent affects or doesn't affect the decisions by leaders and it sounds like it's had some incremental effect on President Xi in China and dealing with COVID, but in general, how big of a concern, is it to them and how do we engage with the dissenters?

**Rob Dannenberg** (44m 57s):

Yeah, that's a, that's a really good question. And, and you know, we've got mixed, we, I'm, let's call it western influencers or western intelligence services or combination. There we've got a really mixed record in appealing to the people on the other side of autocracies or theocracies. I think we tend to, we in the west tend to underestimate the power of oppression. Yeah, I know we went through the Arab spring and, and there have been examples where, where autocratic regimes have been overturned by the will of the people, but the, the list where the will of the people to be governed in a different way has failed is a lot longer than the list where it's succeeded especially in the modern world. But that's a challenge for, for us, because, I mean, in Iran it's a great case example. I mean, this is a theocracy that emerged from an autocracy that was supported by the West.

**Rob Dannenberg** (45m 58s):

And in some respects, Iran is a managed democracy. I mean, they do actually have elections there. I know the slates of candidates are picked by committee, and, and it's, and they're all approved by the theocracy and the IRGC before you even get on the candidate list and in the end, it's the ITO that makes the decisions. But I mean, there is a form of representative government there, and it's worked for a long time and then there's a religious dimension there. I mean, Iran's largely a Shia population there, geographic and theological rivals with the Sunni world, which surround them. That helps bring a bit of national unity there. But Iranian people are by and large, well educated. They've had the experience to travel more than, let's say, citizens in North Korea, for example, to give another example on the autocratic side of things.

**Rob Dannenberg** (46:52):

And they, they know a little bit about the west and they know a little bit about freedom, and they know a little bit about women's rights and the rights of women to get proper education, to have jobs and things like that. Now, the Saudis are learning this lesson too, by the way. And so there's a lot of sympathy for what's in the West for what's going on in Iran. The piece that I think we fail to appreciate is the

enormous risk that these protestors are taking, and in the opinion of many, not necessarily me, but in the opinion of many direct outreach from the West to aid the protests brings an immense amount of danger to these people and it could be counterproductive to what you're really trying to achieve and I do believe that, that we have a responsibility, we in the West, if we've got a certain value set that where the actions of a theocracy or an autocracy are, are violate fundamentally our belief in the way that, that people should be allowed to live their lives.

**Rob Dannenberg** (47m 51s):

Or you can take a legal list there and say, violate what's in the UN charter. We feel like we should do something about it. There's a long range of what doing something about it can look like at the high end you know, we invaded Iraq and over through Saddam Saint and interestingly, I think the Russians had a quite different point of view about that. You know, there was a close friendship between Saddam Hussain and Soviets and all that sort of thing but I've had very senior Russian officials turn to me in the couple of years after the invasion Iraq and saying, okay, now you, you guys want us to help you, us to work together to throw over Bashar Al-Assad in Syria. Is that because you, like what happened when you overthrew Saddam Hussein in Iraq, look at Iraq. You think you did a good job, and this is Russians speaking.

**Rob Dannenberg** (48m 50s):

You know what and when you hear, look at it from their perspective and the Russians, you can argue whether they're right or wrong, but they like this concept of stability and order. You know, if it's an order and stability that are brought about through oppression, that's one thing, but it's worth it. It's better than chaos and the Chinese, in many ways have the same view of things, and probably the theocracy does as well, but backed by their view of the, of, you know, their divine right to run the country the way they want to run the country as it comes from God. So, you know, what, what, you know, what should we do about it? I do believe, you know, I was saying, you know, the high end is he invaded, he overthrow the government, but there's other softer ways to send messaging. I, you know, I think the concept of radio free Europe was enormously effective during the Cold War.

**Rob Dannenberg** (49m 30s):

And I think it has some utility now, and it probably is some utility and other, other theaters and other forms of communication directly with the people. That's not, that's short of US intelligence officers or officials, hands and bags of money to protesters or giving them weapons or things like that. There are steps in between that you could take. And they're probably appropriate for us hoping to set the stage where the people themselves will rise up and throw off these autocrats, which has, has happened in history but it's a very, it's a very challenging question and yeah, I'm really glad that you brought Iran because we, you know, we're looking at a particular risk here in the context of Iranian support for the Russian federation's invasion of the Ukraine at a time when there's plenty of domestic turmoil in Iran and you've got Benjamin Netanyahu's government has returned to power in Israel, arguably most conservative government since the formation of Israel in 1947.

**Rob Dannenberg** (50m 36s):

And you've got Iran on the verge of a nuclear breakout. I mean, for the first time now they publicly admit that they've got enough highly enriched uranium to build a bomb or more than one bomb. You've got this very tight military relationship between the Russian Federation now and the Islamic Republic of Iran. That might help. This is a bit of a jump, but I just want you, you know, don't be surprised if you see an Iranian nuclear test in 2023 and you see the Iranians announce that they have the technological capability to put that highly enriched uranium in a warhead and put it on top of a missile and be able to hit something. You know, that's the one technological step the Iranians haven't been able to achieve thus far. But in this partnership with the Russian Federation, you want to know what the quid pro quo is for the drones and cruise missiles that the Iranians are depriving the Russian.

**Rob Dannenberg** (51m 18s):

So will just hypothesize for a moment that that quid pro quo includes Russians helping them with the weaponization of that highly enriched uranium. What does the world look like then and in the context of, of nationwide unrest in Iran, which whether it's true or not, the Iranian government blames on Israel and blames on the United States, does that provide in the minds of EC or harmony that justification to go nuclear and the Iran seems, and oh by the way, it was you, the United States that withdrew from the joint comprehensive plan of action. It wasn't us.

**David Greely** (52:00):

Yeah and it seems you had brought up Iraq, and it seems like one of the lessons that some of these countries have taken away from Iraq is that if you're nuclear, you're safe a little bit the nuclear the North Korean model of sitting behind a nuclear mode, and now you look

at Russia, you know, where it's conventional military forces have been exposed to have many flaws, but it still has nuclear forces, as you said, Iran potentially looking for nuclear weapons. It really seems to change the calculus of how much pressure the US you know, the west can exert and I'm curious, you brought up the example of a radio free Europe and this idea of there are multiple forms of power and cultural power being among them and one thing we've seen recently, and I wanted to get your thoughts on it, is the cultural power in some sense being turned on us like there seem to be, in recent years a situation where aspects of our adversaries are appealing to our own fellow citizens or some of our own fellow citizens and I'm curious, what do you think that appeal is, how broad is it and how do we address it?

**Rob Dannenberg** (53m 03s):

Yeah, let me just offer one quick thought on the nuclear question since you know, you know, I think there's a thread there that should be closed. Don't forget that Ukraine was a nuclear power as well for a couple of years after the collapse of the Soviet Union and it was through mutual agreement that they gave up their nuclear weapons. And so if you're, if you're Kim Jong on and you're looking at the world saying, you know, boy, I don't have to worry about the Americans made me because I'm a nuclear power and I can deliver, I can prove that I've proved that I can deliver my nuclear kinetic capability to areas that matter to the United States, including Japan and May and arguably the West coast of the United States and if you're Iran and you're thinking, okay, the Americans are vomiting this revolution micro this unrest in my country the only thing that can save us from the next step, which is in the Iranians mind a joint US Israeli strike against Iran's nuclear facilities, we got to go now.

**Rob Dannenberg** (54m 03s):

We got to go, we got to have mushroom crop. Now to your latter question, you know, we live in the, in an information age, and the ability to communicate isn't always positive thing. Powers that don't agree with freedom of expression with capitalism, you know what, whatever package of values that we hold dear want to weaken us and they've under, they have come to understand that the ability to communicate through the internet, through various forms of media gives them an opportunity to take advantage of our freedom of expression and foment descent and the Russians or the Iranians or the Chinese for that matter, or the North Koreans, they all look around and say, turnabouts fair play. You know, you guys have done everything that you can to undermine the way we want to run our countries and we can do the same thing to you. And they're very adept at using social media to identify fishers not, and this isn't in just in the United States, it's in France, in the United Kingdom, lesser extent in Germany.

**Rob Dannenberg** (55m 15s):

But it, but it, it exists throughout the last to identify dissenting parties and enable them through community. You know, in back in the pre-information age, it was literally have, I mean guys from Russian embassies go carry bags of money to, you know, small and largely ridiculous opposition groups in the United States and elsewhere in the last, now it's, it's another form of enabling, you know, cleverly editing soundtracks or video to appeal to whatever grievances a group might have. I mean, prominent in in threat circles these days are, are extreme right wing extremist groups in Germany, the United States, other countries in the west, who in a sense share the value set, the highly conservative, both religiously and ethnically conservative value set of a guy like Vladimir Putin, who in his own way portrays himself at least domestically, if not internationally, as a protector of Christian values.

**Rob Dannenberg** (56m 13s):

And they, you know, this message appeals to certain communities in the countries that Putin considers to be rivals and they're perfectly happy to exploit that. And the challenge for us is we've learned in the last few years as content management for big social network or organizations has become a big challenge and you know, it's, it's hard to find the balance between what's legitimate expression and what's hate speech and the Russians and our opponents are perfectly happy to exacerbate those differences and create as much friction in our societies as they can, and they're gonna continue to do so because it's in their interest to do it.

**David Greely** (56m 59s):

Rob, you've been so generous with your time today. I really want to thank you for that. And I have one more question before I let you go. One of the many things that I take away from our conversation today is that as we look out over the next few years, the stakes are only gonna be rising. If you look at Russia, it seems like there's no, there's no direct path for Vladimir Putin to back down in Ukraine. It seems, you know, you've mentioned that would not be surprising to see Iran try to go nuclear over the next year or 2023, I think you said potential, high potential for China to want to invade Taiwan 2024. These are big events that could have truly tragic consequences and I'm wondering, what do you think is the way with these types of stakes rising that we could be engaging or deterring our adversaries in a better way, in a smarter way as we look forward?

**Rob Dannenberg** (58m 00s):

Well, I certainly agree with your characterization of the risks going forward. I think also, however, David, one of the lessons that we've learned from the Russian aggression against Ukraine is that the west can unite and that despite whatever partisan bickering might occur in the US Congress or various quarters of power in the last, in the end, there's broad agreement that this is an aggression that cannot stand and we can come together and we need it. There are some steps that we collectively need to take to prevent this from happening elsewhere. One of them is spending more money on weapons and improving our weapon systems and understanding the risks in a more comprehensive fashion that our adversaries posed in a more comprehensive fashion than we have in the past. And I don't know, you know, for all the noise that was made about the Russian efforts to influence the 2016 and 2020 elections in the end, I think all responsible analysis shown that, that that influence effort was marginal and that our society is stronger than those who say we're on the verge of collapses have led some to believe.

**Rob Dannenberg** (59m 00s):

And I think it's gonna be one of the lessons from, from the Ukraine is that United West is very strong and is capable of standing up to autocrats as heinous as Putin and I hope that message is going to Xi Jinping as well and I think that might be part of the reason for this zeit vanda that Chinese diplomats and government officials are displaying right now, you know, or Wolf Warriors have been retired for the moment. Maybe it's all tactical and maybe it's just a reflection of a reassessment of the strength of Western societies and the strength of a unified and economically powerful and militarily powerful as we're showing West. So, you know, for all the problems and the challenges out there, I've become a bit more of an optimist since the 24<sup>th</sup> of February than I had been before.

**David Greely** (60m 08s):

Thanks again to Rob Dannenberg, former Chief of Central Eurasia Division at the CIA. We hope you enjoyed the episode. Join us next week as we continue our series of Smarter Ways with guest Ben Hunt, Author of Epsilon Theory and Co-Founder and CIO of Second Foundation Partners. We hope you'll join us.

**Announcer** (60m 26s):

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