

Transcript – Ukraine Peace Talks: Will Putin accept a loss?

Christian Smith: Hello and welcome to this podcast from Geopolitical Futures. I'm Christian Smith. In less than three weeks time, the war in Ukraine will reach its four year anniversary. To put that into context, that is about the same length as both the First World War and the American Civil War. Residents in Ukraine are suffering through an immensely cold winter while grinding warfare with heavy casual royalties continues on the front lines. But on Wednesday, the two sides, plus the US are due to meet in Abu Dhabi for more peace talks. And that's just a few weeks after a first round of trilateral talks took place late last month. With mixed messages coming from all sides about how negotiations are progressing and the potentially insurmountable issue of land concessions on the table, it's a bit hard to get a grip on what to expect from the talks. But the fact that the three sides are in the same room in the first place is notable in itself. So today on the podcast, I'm joined by Geopolitical Futures chairman and founder, George Friedman as we look at the underlying imperatives facing Ukraine, Russia and the US and we ask where the talks might be headed. George, hello. How are you doing?

George Friedman: I'm doing fine. How are you?

Christian Smith: I'm all right. I'm all right, thank you. Look, let's start with Russia today. We haven't talked about Russia and Ukraine for a few episodes on the podcast for Russia in these talks. They're due to start on Wednesday. They were postponed from the weekend. What does Russia need to say yes to peace at these talks?

George Friedman: The parallel is the Vietnam War. The United States went into it fought for many years. It became very clear that the United States was not going to defeat the Viet Cong, no matter how much force it put in there. The Viet Cong was a guerrilla force and it would escape. For years the war lasted, not because we were going to win or anybody had any illusions on that, but because politically, Lyndon Johnson, who was behind the war, simply couldn't concede that he failed. So rather than admitting failure, he continued the war. It took a different government. It was under Nixon that the US Negotiated an end to the war. So nations get to a point where they cannot win the war, but they cannot afford to admit that. And so this has been the Russian case for several years. The war is now in, four years into it, and for three years, three of those years, it was clear the Russians were not going to be able to win. Neither could they admit defeat. And this is the problem, and it's an internal political problem, in part for Putin. The Russian economy is very weak as a result of the war. With that expenditures

simultaneously, many people have died, been wounded, and everything else. Walking away from this war without having something at least partially significant in his hands is very difficult. Therefore, it's a question of territory, but also of the US and the Europeans making some guarantees on the Ukrainians giving something. He's got to get out of there with something, and right now there's not much there. So this is a political issue.

Christian Smith: Well, that's interesting. So, I mean, last year, I believe it was Russia sort of dropped its demands for particular areas in Ukraine that didn't hold, like the Zaporizhzhia region, I believe, as well. But it currently, if you talk about the Donbass, which is obviously what's at issue here, it controls all of Luhansk and about 75% of Donetsk, and together those two areas make up the Donbas. But. But it's about that last 25% that we don't know for sure. We'll come to Ukraine's perspective in a minute, but that seems to be the last quarter that is up for debate. Are you sort of suggesting that this is a political thing? He needs to be able to go back to. Well, go on to Red Square and be able to parade around that final 25%?

George Friedman: Well, I mean, remember, it's a region that they're fighting over, but it's a very small part of Ukraine. It has some industry and has some value, but they're really a little less than 25%. For four years, fighting the great Russian army was unable to defeat the Ukrainians. As I said, this is like the Vietnam War. How could we be defeated by the Viet Cong? How could we be defeated by North Vietnam? We did everything. We bombed Hanoi, we sent more troops in. We did everything we could. We couldn't win the war. Well, the people who started the war had a great deal of trouble admitting that the war was lost, even though they knew it. We left Vietnam with everything. Putin really wants to hold on to something. So the issue is not this tiny bit of area that he's going to get is to face the fact that he failed in the primary mission, occupy Ukraine. He failed to take Kiev, which he attacked. This is all he has. And if he doesn't have this, he's got nothing to show for the war. So even with this, there are some serious questions about his position.

Christian Smith: Well, I was about to ask that. I mean, the Russian people aren't foolish. They're not stupid. The other people on the Kremlin who are around Putin aren't stupid as potential. You know, rivals aren't stupid. People can see that this hasn't really gone to plan. So even if, say, Ukraine agreed to give over the rest of the Donbas region to Putin, is Putin safe?

George Friedman: Well, it's a political question inside the country, just as the Vietnam War became a political issue inside the United States. Can he concede? And after he concedes that this is all he could get, what happens to him if he keeps fighting? He's a wartime president, and maybe he'll get lucky, maybe he'll do something. Once he admits that this is the end of the war

and this is all he got for all those dead and all the mass economy, then the question is, what is the political system inside of Russia? So it does not have even what the Soviet Union had, which was a Communist Party with a presidium and a central committee. There are people around him. There is no process of succession. He could be overthrown. But most of the people around him participated in a war, were part of it, so on and so forth. So the fact is that Russia is not really a democracy. The view of the people is not the significant thing. He has the oligarchs to answer to who had been wrecked in this economy, many others who had prospered through the war. So it's not something I can unravel. You have to be there to really understand it. Is he in danger? Well, he should be, but I don't know that he is. At the same time, I think he is trying to get something to show a little more of having achieved something at the enormous price.

Christian Smith: The Ukrainians are concerned, that in particular, as you say, there's some industry in this part of Donetsk and also a significant number of fortifications that make for useful defensive structures for Ukraine. I mean, what's the chance that he gets this and he sells it back home quietly by saying, we'll go back in a couple of years?

George Friedman: Well, he can say that, but that would be like Lyndon Johnson saying, hey, I'm negotiating this peace, but we'll be back in Vietnam in a few years. If you use that as your measure and if you were alive or have any memories of that, that would have been a catastrophic thing for him to say or even think or even mention. So the idea that having had his self humiliated in Ukraine, he will now use it to try again assumes, one, that he feels he's going to do better the next time. Second, that he'll be in power long enough to be able to do it again. At the same time, I think the Guarantees that are being given are significant now. Are they going to be honored? Well, that's the question everybody's asking, but Putin's asking that question the most. He does not know what would happen if it comes in. So guarantees, even if we're lying, if Trump is lying and he won't come in and Europeans won't come in, Putin doesn't know that. And he lost the war this time, or limitedly won the war, if you want to call it that, without any foreign intervention, militarily, underground. So, tsk. Two questions. Are the Russians in any way different in their military posture than they were when they failed in this war? Second, what will the Europeans and Americans do? We could all have our opinions, but time comes next, it'll be a different president and who knows what it'll do? So it's a gamble either way for him, and I don't think he can afford too many more gambles.

Christian Smith: That's interesting. We'll come back onto the security guarantees in a minute, but let's just stick with Russia from the economic perspective as well. I mean, how much pressure is Russia as a country, as an economy under to reach this deal? And I ask in part because there was news in the last couple of days. The Financial Times has been reporting

that Russian oil income dropped substantially by about a fifth last year, in part thanks to the new sanctions on Russian oil companies. Energy. Energy revenue, rather, overall dropped by about a fifth. The gap between the cost of a barrel of Brent crude and Russia's main Euros blend was \$24. So that's a gap between the two, which is significant. I mean, and just before we started recording, this news was breaking that the US And India was reaching a deal over oil sanctions and over tariffs, rather, and that India was going to stop importing Russian oil, which would be a significant blow. With the details of that, I'm sure will come to light in days. But that would be a significant blow given the fact that India is one of the main importers of Russian oil now. I mean, how much is this oil? The lack of oil revenue really for Russia, how much is that affecting it?

George Friedman: Well, we have to remember Russia is the ninth largest economy in the world. That's pretty far down for a major power. Okay. Secondly, its per capita income sometimes ranks at about 50, 45. So it's way down there economically. The war has caused a great deal of money. It has diverted many resources, it's used up many lives. They're drafting 50 year olds now because the rear has to be taken care of. And all the younger troops have to be there. He has a profound problem in the economy. They lost four years of economic development. They spent a huge amount of the wealth of Russia on this, and he failed to achieve the goal. So the economic problem is serious, especially if they can't export oil. So this is something that Trump wanted before from the Indians. Now, the Indians have made that concession in part because they want to have better relations with the United States. In part, they can read the writing on the wall and wouldn't mind participating in the downfall if it's going to happen anyway and please the Americans in doing that. Therefore, when you take a look at the situation economically, the ability to sustain the war is there, but a huge price to the civilian population. And just reached a point where in the past couple of years they haven't gained any ground. They barely held onto this and that was it. So like Vietnam, it is very hard. As in Vietnam, there was massive inflation in the United States partly due to the DOR War. Many people died there, went there. Many disruptions inside the society. The anti war movement and everything else. Wars, when you lose them and when you didn't need when you started them, cost a lot of money and a lot of time and a lot of credibility. So it's clear because they're meeting with the Ukrainians as well, that something is afoot. Whether Putin feels he can do it or not is the fundamental question. And the issue is if the war ends in this way, does he fall? If he stays in power, does he fall? All these questions have to be answered.

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click the link in the description below to gain access to our full 2026 forecast. Re anchoring the world complete with geopolitical predictions, maps and graphics from our global team of analysts. Well, a factor in that as well is going to be is what could potentially be Chechnya. George, tell us about what's been going on there.

George Friedman: Well, Chechnya is in the North Caucasus. Beneath it, the South Caucasus, which is Azerbaijan, Armenia, places like that, they used to be part of the Soviet Union. Now are independent states heavily under US Influence. Okay, so north of there there's a line of countries, provinces, if you will. Chechnya was a murderous uprising, brutal war. That's where Putin made his bones. It was in putting down that rebellion that gave him in the end the presidency because he held the north caucuses above border and it was significant. He put in place, shall we say, a rather brutal man, Kadyrov, who was Chechyan, and Chechnya, remember, is a Muslim province of Russia, who successfully and very oppressively pacified Chechnya. Now we know that he's in the process of getting very old and dying. He had wanted his third son to become the next prime minister. I don't know why the first and second weren't picked. Third was the one. It is said to me that the intelligence service inside of Russia, the fsb, does not want to create a family dynasty there. The third son, a few weeks ago, very tragically had a bad car accident, was badly injured. But at the same time, Chechnya is destabilizing. Now, think about this is what made Putin president of Russia. He put down the rebellion ruthlessly, brutally, but successfully. Now he's got problems all over the place. Central Asia broke away from Russia at the end. It now is moving closer again to the United States, possibly China, which is not friends with the Russians. He has lost all of the South Caucasus. All these countries in the south, which were part of the Soviet Union, are now independent states under American influence. He has failed in the west to build a buffer. Couldn't even take Ukraine, let alone Baltic states and everything else. If Chechnya blows up again, which I think they're desperately trying to suppress, and when. I mean suppress, I mean suppress, if that happens, then the foundation of Putin's presidency. He was a man who got the job done. In Russia, brutality is not necessarily unacceptable, as in many countries. So if that happens, the foundation of Putin's presidency is in danger, therefore the worst time possible for Putin. Something is gurgling in Chechnya. I think he's more concerned of putting that down than taking a couple of more miles in Ukraine. I mean, that is fundamental to him and that this happened and that the boy that he selected for his successor had an unfortunate accident and can't serve. This indicates something happening inside of Russia as well. Now, this is inferred, not proven. But when you look at Russia and see Chechnya doing this, seeing him have a car accident, everything, you begin to wonder what's happening.

Christian Smith: And in many ways, it is symptomatic, isn't it, of wider issues in Russia and the former Soviet space, I suppose. Suppose might be better. We did a podcast on this last year, of course, about areas in Central Asia and the South Caucuses where that's happening. But just remind us, George, the sort of. In some ways, Putin wanted to expand influence, but it's almost going the other way.

George Friedman: It's contracted again. Think about the last years of Lyndon Johnson's presidency, unwilling to concede that he was defeated, suffering economic crisis in the United States, the Arab oil embargo and everything else which came later. I should say, when you take a look at all these things, that was light compared to the pressure Putin's under. However, there is no political system, unlike in the United States, where the people can vote and unseat him. There's going to be elections at some point, but who knows who, how they will turn out and how they're counted.

Christian Smith: Let's have a look at Ukraine now. I think Ukraine. Well, two main questions for Ukraine, of course, are the security guarantees and the territory. Let's start with the territory just because, because that doesn't necessarily bring in other countries and we'll come to that. But Ukraine. Zelensky, President Zelensky has, broadly speaking, always said he doesn't want to interfere with Ukraine's territorial integrity, that the constitution requires a vote on that, that sort of thing. It seems unlikely that we would have got this far in negotiations had that not been a possibility at some point. I mean, do you think that Ukraine can and will cede territory?

George Friedman: George Ukrainians have also been very badly damaged by this war, many dead, hopes of massive economic development crushed. But this war is over in the sense that the Russians cannot defeat the Ukrainians and drive them back. The Ukrainians cannot drive the Russians out. Therefore the reality is that the war is over except for the bleeding. They're not going to be able to change it and it's going to end on these lines. So the question is for Ukraine is not whether it's willing to give up this territory that's settled, that it's not going to get it back. It doesn't have the force to attack the Russians and push them out. The question is how much longer will they engage in warfare and day blood given support. But there's something else that we have to understand. One of the things I had argued in the past was the way to end the war. The only way to end the war is to neutralize Ukraine, turn into Switzerland. There'd be plenty of distance. Russia could not surprise anybody massing troops and then driving through Ukraine or try to attack the Baltics or anything like that. Nor could NATO do it. I don't think there's going to be a buffer in all of Ukraine, but I think this region and the Russians have already proposed it should become a buffer zone demilitarized by both sides and

possibly involving economic cooperation after zoldon. Remember, these days, the United States buys a great deal of goods from Vietnam. So wars end and they go on. But I think the most important thing is that unlike the cold war where American and NATO forces faced Russian forces right on the border at each other, okay, that would be a very difficult thing for both countries to do. So I think what emerges from this is that the area remains under Russian control, but is in a way a neutral zone, a buffer between the two countries, and possibly they wind up collaborating with each other. So as I mentioned, in Vietnam we do a lot of business. So when you look at wars, that's how they end. And I suspect that that will be the final outcome because the Russian forces constantly facing the Ukrainian forces a half a mile apart is a very dangerous thing for both sides. So I think a settlement can be reached on these regions by agreeing that they are part of the Russian nation. At the same time, a demilitarized zone and business being done on both sides.

Christian Smith: I suppose what the Ukrainians would say is that how do they trust Russia if it was a demilitarized zone, that so the donbas is demilitarized, but then with no troops there, Russia could rush troops in and occupy it and make it militarized if they felt like it. And I suppose that's. That's their concern. I mean, what would be the solution to that?

George Friedman: There would be like two years later, U.S. Invading in Vietnam again to start the war. What makes the Russians think that having their butts kicked, kicked on this war, they're going to do it again. There is a vast overestimation of Russian power, Russian skill and Russian duplicity. The reality on the ground is that the Russians fail to defeat the Ukrainians. The idea that, oh, well, that means that in a few years they'll do it again, means that they're going to dramatically change the reality. Ukrainians will be arming and so on and so forth. It also assumes that he believes that if he's just got some time, he'd be able to rebuild his forces. His forces are badly hurt, badly wounded. The country is in the same position. So this would be the idea, and I think there's a vast misunderstanding of how much the Russia's lost. So they're saying if we give this, they will give the have greater incentive to invade the baltics and other areas. They lost the war by not winning it. So you have to understand, well, they lost the war. Why their military was not capable of defeating the other side. So the idea that suddenly a successful military will emerge in two, three years and they'll try it again. Underestimates how much repair there has to be in the Russian army. But again, I go to the Vietnam example. The Vietnamese could have said, we're not going to reach an agreement with you. We want to defeat you, because if we just let you leave, then you'll attack us again. That was the last thing the US Army's Navy's air force would want to do and was going to do. So I think the idea that if they make a peace, they set up the next round for the Russians

underestimates how much the Russians lost in terms of manpower capabilities and credibility in this war. May, 20 years, they'll try again, maybe for some reason or other, but you don't recover from this kind of stalemate that they reached very easily. So the idea that Russia, having failed to take Ukraine, is suddenly going to invade all over the place if we let them keep this territory simply does not look at military reality.

Christian Smith: And that reality could obviously include security guarantees as we touched on earlier. I mean, for Ukraine, of course, watertight security guarantees are crucial, particularly from the US but also from Europe. How likely are these guarantees for Ukraine, do you think?

George Friedman: First, Ukraine did pretty well in this war by itself, just getting weapons from it. Okay? They didn't do this with foreign forces there. They did it themselves. Therefore, the idea that the Ukrainians have lost confidence in themselves and need allies, well, they fought for four years without those people on the ground and did well. So do not underestimate the Ukrainian army or the Ukrainian people as the Russians did. So the military guarantees are there. Will they be honored? I don't really know. Neither does Putin, neither do the Russians. Having not failed to defeat the Ukrainians, the thought of also having to fight the Americans or the Poles and so on and so forth, who are pretty heavily armed, is not something the Russian army looks forward to. NORTH of Russian PUBLIC if this war ends, there has to be a reconstruction of the Russian economy, a massive job after this war, and as in the United States, a period of peace after the war and not another one. So rather than look at the situation in Ukraine, what are the guarantees worth? Look at it from the Russian point of view. I don't know what they're worth, but we didn't do well against the Ukrainians. God knows what happens when the Americans come in. So the uncertainty and the reality of this war both come together to make it unlikely the Russians are going to tack in.

Christian Smith: Let's put the Russian perspective to one side. For a moment, let's look at the perspective of the West. The US and the rest of Europe are sort of different beasts in this. But let's start with Europe. I mean, sitting here in London, for example, let's say in five years time, Russia attacks Ukraine again and the UK is called in to honour its guarantee. I do want, you know, Poland is one situ, one, one case. Maybe the Baltic countries and some of the Central and Eastern European countries are one case, but the UK has a significant army or military in the context of Europe, France as well. I'm obviously not advocating for this position, but. But I wonder, you know, how likely it would be for these countries to say, all right, yep, let's go to war with Russia.

George Friedman: Well, there's a fundamental question. There's no such place as Europe, it's a continent, there's no European country and there are no Europeans. Europe is divided into 30, 40 countries that can never figure it out what's part of Europe or not, all of whom speak different languages, all of whom have different cultures and all of them have terrible memories of each other. You can say the French and Germans have made up, but still there's a memory. The idea of European cooperation is unlikely in the sense that the only way Europe could become a great power, and it could become a great power because its economy of the eu, the economy is a little larger than the Chinese. The only way they could get together is if they could create a federation like the United States with central government, a central army and the various states, provinces, various nations, provinces. They're about as likely to do that as I am likely to become American President. They're not going to be able to pull that off. So when we start talking about the Europeans, we really have to talk about different Europeans. The Poles are there on the Eastern front. They've now. Their economy is now the G20. They're among the 20th most largest economies in the world. Their military is substantial. There are U.S. forces there in Poland. And in addition, the relationship economic, militarily, particularly and economically with the United States in Poland. Poland is pretty deep and has continued under the. So the question that the Russians will ask is not what will the British do, not what the French will do, what will the Poles do? And the fact is the Poles are a very dangerous force at this point. They've not been battle tested, so we don't know, but neither do Russians. So rather than talk about Europe, talk about the evolution of Poland, also bordering on Ukraine, and that if they decided to take a shot at the Baltics, they'd have the Ukrainian army on their flanks, plus several thousand American troops already there in Poland. So it would not be a question of US Intervention in Ukraine. We already have troops at risk in Poland. They'd follow. So when you look at the map and you look at the consideration, forget Europe, okay? Think about Poland. The Germans themselves have deployed a brigade of armor to Lithuania. That's not enough to stop very much, as a brigade is not a major, is not a decisive force. But even they've gotten a little bit involved, okay? The idea that after the Vietnam War we would, after two years, jump into another guerrilla war somewhere in the world was extremely unlikely. The same way, the idea that they're going to wait a couple of years and recover and attack again is unlikely. And remember, it takes a long time for recovering from war like this, both inside the country politically and also militarily. To rebuild a military takes a long time. But more than that, it's as if we had gone in Vietnam, signed a treaty, and a year later, two years later, invaded Vietnam again. There was no one who's going to do that. No new president. Nixon was elected and he stopped the war, and they were not going to go into it again. So that's. There are many people who make much more of Russia than it is. This war proved that,

at least after Soviet Union fell. Russia is not a global power. It does not have a reach into the Pacific and the Atlantic and against China and the United States. It is a regional power. And as a regional power, it's not as powerful as Ukraine. So we have to put into context what happened here. Russia is not a major global economy. Russia could not win a regional war against a much smaller, less populated country. Let's stop thinking about what the Russians will do. What the Russians will do is try to reconstruct their country and over a generation, build a new army. It really took a long while for us to recover Vietnam, and the Russians have taken much more losses and much closer to home.

Christian Smith: Well, George, final question. Let's go back to the negotiations themselves. Could the US Walk away if a deal can't be reached? And what would cause it to walk away?

George Friedman: Well, we're really not there, so we have nothing to walk away from.

Christian Smith: Well, from its interest in helping the negotiations along.

George Friedman: The United States is helping the negotiations along. We cannot make the Russians negotiate or the Ukrainians negotiate. We will try to facilitate it. If the war goes on, it will be Russians that are dying and Ukrainians that are dying. Now, for four years, Russians died and didn't get what they wanted. So it really is a question, how do we make it appear that we didn't humiliate the Russians in this peace so they could make the peace? And one of the ways to do it is to treat them with respect, which Trump is being done. And he's kind of seen by some as a traitor by trying to. But you've got to give the Russians some Runway to make this peace. I think that's what Trump is trying to do. It's not a capitulation. If you make it a terrible surrender that he does, then Putin can't do it. So I think what's going on, these talks, is two things. One, the war is over. Let's not even discuss this. Two, we don't want to get involved. Okay. Three, how can we end this war with Russia having won something, so saves face? And that's what the small area is. It's invaluable area, but it's a small area. It's giving him that that allows him to make the peace. And is it fair? Well, geopolitics is about fairness. It's about power, and that's about the best we can do.

Christian Smith: Well, on that note, George, thanks as always for being on the podcast. Good to talk to you, and thank you very much out there for listening as well. We'll be back again soon with another podcast from Geopolitical Futures. But until then, you take care and goodbye.

George Friedman: Thank you.

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