

RUSSIAN NATIONAL SECURITY: PERCEPTIONS, POLICIES, AND PROSPECTS

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FOREWORD

This anthology is the result of a conference titled “Russian National Security: Perceptions, Policies, and Prospects,” held at the Collins Center of the Army War College’s Center for Strategic Leadership from 4 through 6 December 2000. The conference followed a February 2000 conference on “The Russian Armed Forces at the Dawn of the Millennium,” which addressed the socio-political environment of the Russian armed forces. These conferences complement the Center’s objective of examining the changing environment in which the United States—including its armed forces—finds itself. The conference brought together over 60 individuals from Western and Northern Europe, Japan, Russia, and the United States to examine the a wide range of issues related to Russian national security policy. The workshop examined that policy in terms of factors influencing Russian national security policy formulation, Russia’s perceptions of the world and itself, current Russian security and foreign policies in key regions of the world, and prospects for Russian interests and actions in the world, considering especially implications for the United States.

Part One begins with an examination of the roots of Russian national security policy, the players in the Russian national security community, current Russian perceptions of their role in the world, and the role of nationalism in post-Communist Russia. The authors voice both concern and optimism about Russia’s role in the international community. Part Two turns to Russia’s relationship with Europe, examining the complex relationships between Russia and the rest of Europe. Here, the choice is between historical patterns of distrust and leverage and new relationships based upon cooperation and integration of Russia into the European community of nations; the authors’ viewpoints are characterized by guarded optimism.

Part Three addresses Russia’s evolving relationships with the Caucasus and Central Asia. It examines the failures, costs, and impact of Russian military efforts in Chechnya, noting that the trends there point to a very real risk of the rise of a police state in Russia. In the South Caucasus, Russia exhibits a new assertiveness, applying traditional instruments of power to pursue its interests, while failing to attenuate conflict in the region. Russian efforts in Central Asia have engendered suspicion in some of the region’s nations, even as they—and Russia—are concerned about the spread of radical Islamic terrorism from Afghanistan. An examination of energy issues in Russian foreign policy, a key factor in Russian policy in the Caspian Basin, concludes that other powers must understand the role energy plays in Russian policy formulation. Part Four examines Russia’s relations with Asia, identifying the state of Russia’s economy as a key issue in its ties to the region. Arms sales and energy supplies are key factors in Russia’s policies, although traditional security issues also affect relations, most notably with Japan. Relations with India are likely to change as that country

now has expanded options and Russia's economy remains troubled. While China is increasingly important to Russia for both traditional security and economic reasons, Russia's economic weakness, particularly in the Far East, is again a factor limiting Russia's flexibility.

Part Five examines U.S.-Russian relations, and the authors reach a relatively pessimistic view of that relationship (in examining these papers, the reader should remember that they reflect the status of U.S.-Russian relations of almost a year ago—see below). The first paper points to cooperation achieved during the Yeltsin era but expresses concern that the Putin administration may be turning back to a more assertive stance, particularly in the Near Abroad. The second paper examines Russian perceptions of the United States and argues that Russian political leaders may be the victims of “mirror-imaging” when evaluating U.S. foreign policy positions. The next paper looks at the U.S.-Russian arms control relationship, noting that while the two countries regard each other with suspicion and that Cold War motivations for arms control are no longer so compelling, the two countries are likely to continue the arms control dialogue out of self-interest. Finally, an examination of the Russian economy gives little comfort to the hope that fundamental economic changes and modernization steps are being made in Russia; indeed, some efforts of the Putin administration may be aimed at reestablishing government control over the economy. If this is so, the author points out, Russia is unlikely to obtain the foreign investment needed to revive the country's economy.

Part Six turns to the issue of Russian military transformation. The first paper underscores the dismal record of Russian military reform and the risks posed by nostalgia for superpower status on the part of elements of the Russian military. This is followed by an examination of the strategic nuclear relationship between the United States and Russia that underscores the continued role of deterrence and arms control. This element of continuity from the Cold War era takes on a new importance in light of Russia's increasing reliance on nuclear weapons as a deterrent across the spectrum of conflict, although the American initiative for missile defense is likely to force a reexamination of past and current assumptions in this arena. In the conventional realm, the Russian military appears to be focused on the wrong threat, requiring the maintenance of expensive force structure that serves little useful purpose, the impact of which is exacerbated by a dearth of funding. As a result, the Russian military has been living off of war reserves and stopgap measures. Russian military leaders are likely to address force structure, modernization, and force manning issues realistically only when they are forced to do so by an empty resource barrel.

The world has changed much since this conference was held. A new administration is in place in Washington, and the September 11 attacks against the United States have radically altered the landscape of international affairs. Russian President Putin has voiced strong support for U.S. efforts to counter terrorism, indicating that on this issue, at least, Russia

perceives more to be gained from cooperation with the West than “going it alone.” This is but one of many choices Russia will face in the months and years ahead, and the other challenges outlined in this anthology are still to be met.

I would like to commend all the authors for their contributions to a better understanding of the issues, as well as the attendees for their valuable additions to the discussions throughout the conference. Their efforts shed considerable light on the challenges faced by the Russian leadership as it seeks to determine Russia’s role and its relationships in the world community in the years ahead.

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Part One

The Russian National Security Community

Introduction

Michael H. Crutcher

Like the defeat of Nazi Germany and Imperial Japan in 1945, the collapse of the Warsaw Pact and the dissolution of the Union of Soviet Socialist Republics, both in 1991, were not only the result of traumatic experiences but marked also the beginning of new political, social, and economic traumas for the Russian Federation. Both Germany and Japan experienced radical political, social, and economic change in the wake of their defeat, and, today, both countries pursue foreign policies radically different in both form and substance from those of their wartime predecessors. Arguably, their citizens are far better off, both materially and in terms of the rights they enjoy, than they would have been had their wartime governments instead been the victors of the Second World War.

Two factors, however, distinguish the events of 1991 from those of 1945. First, unlike the victories of 1945, the collapse of the Warsaw Pact and dissolution of the Soviet were not imposed by conquering armies. While the Cold War defeat was certainly a humiliation for the Soviet Union, that defeat did not entail the occupation of territory, trials of government leaders, and the temporary loss of sovereignty. To a significant degree, the Soviet defeat was self-inflicted, caused by the decades-long accumulation of internal economic and political contradictions, a disregard for basic human rights and dignity, and a determined drive for military superiority drive moderated only in the final years of the Soviet era by the last Soviet leader, Mikhail Gorbachev and resolute Western leadership in the Cold War. Second, Western aid and advice programs notwithstanding, Russia, its leaders, and its people were not forced to reevaluate their basic understanding of the relationship between the citizen and the state and relations among states. Russia was left pretty much on its own as it sought to reevaluate, if not redefine, these understandings.

This chapter examines some of the fundamentals of these understandings. What are the roots of Russian national security policy in the post–Cold War era? Reaching back to the long-term theme in Russian history, what elements of continuity and change are discernible? Who makes security policy in Russia? How has Russia reacted to the changes it faces, both those imposed on it and those that are taking place without particular regard to the Russian Federation, at the beginning of the twenty-first century? To undertake this effort, we turned to four distinguished individuals.

George Kolt examines the roots of the Russian national security outlook. He argues that, while objective factors such as a nation’s geography, resources, and population are major factors, they do not lead to “permanent interests.” Instead, he says, a country’s elites actually

define a country's national interests, usually consistent with an established body of writings and beliefs and most often consistent with that elite's own interests, even if they conflict with underlying national interests. Kolt then highlights the remarkable commonality between the Russian and Soviet security outlooks, even though the two countries are radically different in terms of both capabilities and the political environment, which consists essentially of territorial control resting primarily on military might. This particular outlook of Russian national security can be traced back to the time of Peter the Great. It was also common to most large European countries in the nineteenth century. Kolt points out, however, that while this outlook underwent change in other European countries, the most dramatic being the changes imposed as a result of World War II, Russia ossified this outlook of territorial control resting on military might through an ideology that served not only the country but also the elite, and perhaps the elite even more than the country. He then points out the implications of this ossification, most notably the immense financial costs involved and isolation from the rest of the world. In spite of these penalties, such an approach was continued because it ensured the Soviet Union's superpower status, was an inherent element of the country's ruling elites—party, military establishment, and defense industry—and provided prestige and economic benefits to the individual members of the elites. He then addresses the variations in outlook that were evident in the wake of the collapse of the USSR and the reemergence of the traditional Russian and Soviet outlook, a regression, in the last decade of the twentieth century. The great danger inherent for Russia from this regression, as Kolt points out, is that such a view is even more out of touch with the international reality in the twenty-first century than it was in the second half of the twentieth century. He concludes with an examination of factors, including changes in the elites, which might yet lead Russia to a true change away from its traditional and potentially confrontational security outlook.

Andrei Kortunov addresses the issue of just who is included in what is referred to in the West as the “national security community.” He points out that the concept of a national security community has in the past been defined in a more narrow sense than in the West, that most Russians probably would use that term when referring to the military or perhaps to the military and the defense sector of the country's economy, which, although reduced significantly since the Soviet era, nonetheless still constitutes a large portion of the country's population. Kortunov then looks at a number of elements of society that might be included as part of the national security community. He begins with President Putin, highlighting differences of approach and attitudes towards national security issues between the Yeltsin and Putin administrations. Kortunov then turns to the Security Council, and here again, he underscores the differences between the Yeltsin and Putin administrations: the Security Council has now become more important, and it is not so easy for individuals to rely on a personal relationship with the President to achieve specific goals at the expense of the larger defense community. He next considers the roles of the General Staff and the Ministry of Defense, arguing that the General Staff is gaining influence at the expense of the Defense Ministry. His chapter then addresses the central role of the Ministry of Finance and President Putin's efforts to involve it more in defense decision making and to make it more responsible. Kortunov also sees an expanded role for informal consulting groups and notes their potential as a bridge between society at large and defense decision-making bodies. As regards civil society, including the media and the Russian Parliament, Kortunov sees the

influence of these elements as declining, with the government able to largely ignore civil society and Parliament suffering from political fragmentation. On the positive side, Kortunov sees better organization in the defense decision-making process, and he also sees President Putin taking a longer, more strategic view than that exhibited by his predecessor. On the negative side, Kortunov expresses concern at the decline in the influence of civil society, the apparent unwillingness of the government to engage in a dialogue with elements of civil society on defense issues, and the emergence of a “post-imperial mentality.” In spite of the negative trends, Kortunov argues that resource constraints, societal fragmentation, and the gradual integration of Russia into Europe will influence Russian defense planning. He concludes by laying out the choice Russia faces in its security and foreign policy: a traditional and conservative line of “damage limitation”—how to limit the damage imposed on Russia in recent years—or a revisionist approach to security and foreign policy that aims for a broad integration of Russia into the Western world.

Alexander Golts writes from the viewpoint of a member of the civil society, as a journalist, a knowledgeable outsider looking in. He argues that Russian national security policy formulation remains vague and contradictory and that, in many ways, little has changed since the Soviet era. He points out that, in many cases, Russian policy makers have correctly identified trends and developments in the world but that their approaches to policy making are clouded by nostalgia for imperial grandeur and an inferiority complex. Citing the example of the trend towards globalization in economic, scientific, environmental, and informational affairs, he points out that Russian security concept authors recognize the growing roles of these trends yet also characterize them as a threat to national sovereignty. Golts identifies the same contradictory character in the Russian approach to its role in international security structures, and he notes the Russian impulse to be involved in issues throughout the world. Golts then notes the shift in threat perceptions from the early 1990s, when economic disruption and the difficulties of Russia’s transition from the Soviet era were identified as threats, to the more traditional threat definition of the most recent iterations of Russian security documents, focusing on the threat posed particularly by NATO expansion and unilateral action and perceived U.S. efforts to create a unipolar world. Even such problems as Chechen rebellion are seen as the result of external threats. Golts argues that this creates a dilemma for Russian leaders in which they are faced with numerous external threats at the same time that their conventional forces are very weak, and he then points out the risks involved in the increasing Russian reliance on nuclear weapons as a means of “expanded deterrence.” He also argues that reduced U.S. concern about Russian strategic nuclear forces will necessarily lower Russia’s importance in American eyes. Golts then turns to Russia’s lack of allies, discussing Russia’s ties to Belarus and to the newly independent nations of Central Asia. Like other authors in this work, he sees two conflicting trends in Russian security policy: one a continuation of Russia’s imperial tradition, and the other the emergence of a more cooperative approach to security issues. Although he notes that the second trend has yet to be developed, he cites several developments that he sees as cause for optimism that President Putin will adopt the second option.

Ilya Prizel addresses the issue of nationalism in post-Communist Russia and its implications for both Russia’s internal development and its relationship with the West. He notes the expectation in the West and in the Soviet Union in the wake of World War II that

individual liberty in the West and class solidarity in the Eastern bloc would supplant nationalism as a motivating or mobilizational factor. This expectation, however, was overturned in the wake of the energy crisis of the early 1970s, and political elites on both sides sought to harness nationalism. Prizel argues forcefully that the collapse of the Soviet Union left the Russian people with less of a national identity than was the case for the “subject” peoples, pointing out that it took eight years for Russia to agree on a national flag, an emblem, and a national anthem (which still has no lyrics). Prizel then turns to the collapse of the Westernizing, Moscow-based liberals over the period from 1991 to 1998, identifying a variety of factors instrumental in this collapse, primarily economics and disillusionment with the West. He notes that many Russians have come to perceive Westernization not as the return of Russia to the civilized West, but rather movement of the line of containment (from the Cold War) eastward. He describes the Yeltsin era as ending with the virtual de-legitimization of the Russian government and the discrediting of the nativist, moderate strain of Russian nationalism. Prizel then describes the growing Pan-Slavic and empire-building strain of nationalism that has taken root in the wake of the economic collapse of 1998 and of NATO operations in the Balkans. The result is a radicalization of Russian nationalism, nostalgia for the Soviet era, and the perception of the West as hostile to Russia. Prizel then looks ahead, forecasting greater authoritarianism, statism, and the possible remilitarization of the Russian body politic. He urges, however, that the West not write off Russia but that efforts be undertaken to incorporate Russia into the world community. Failure to do could result to a repeat of the nineteenth-century cycle in which “failed liberalization mutated to inward-looking parochialism that resulted in autocracy made possible by isolation.”

While all four of these authors have noted great cause for concern about the trends in Russia’s political development and Russia’s relations with the West, each also contains ground for cautious optimism. The first nine years of the post-Soviet era have been very difficult for Russia and its people due to a variety of factors: failed expectations on both sides, economic shocks, and, on a broader scale, a failure to understand the scope of the transition, both material and psychological, that is to be made. In its early years, the Russian Federation’s self-conception and foreign policy shifted far from the assertive stance taken by the Soviet Union. Clearly, this shift was not sustainable, and Russian attitudes have been shifting away from an uncritical embrace of the West. As Russia seeks to define both itself and its role in the world, its choice will be one of closer association with the West or the development of its ties with Asia. Which path it chooses will depend primarily on domestic factors and decisions by leaders in Moscow, but it will also depend on actions taken by leaders in other world capitals as well.

Roots of Russian National Security

George Kolt

The roots of a nation's security outlook—and we must distinguish a country's security outlook from its security policies—really go very deep, which means that it is hard to change them. Why are those roots deep? First, of course, are the objective factors of a nation's geography, its situation, and its resources. No country can change where it is located on the globe—its geographical situation. That does not mean, however, that “nations do not have permanent friends, just permanent interests,” as the cliché goes. I reject that view because it is really a nation's elite that defines a nation's interests, that decides how to adapt to its particular situation. Further, if a security outlook is indeed established, it builds up over time in a body of writings and traditions from which it is hard to break. Additionally, if one accepts the notion that it is a nation's elites that define national interests, we are likely to find that they—subconsciously or consciously—usually define their own interests as the nation's interests. The way they approach the world is that what serves them serves the country. So if the elite stays largely the same, it is hard to change the nation's security outlook; until such time that the elite starts to change, little change in the national security outlook should be expected.

Let us now turn to some of the characteristics of Russia's and then the Soviet Union's security outlook. Many authors have written about the subject. In a recent study of Russian nationalism, Astrid Tuminez came to a conclusion that is fairly common: that the salient feature of Russia's—pre-Soviet—security outlook since about the time of Peter the Great, has been great power aspiration resting primarily on military might. That is a pretty good definition, which I will accept. Now for great power aspiration you could also substitute territorial control, that is, control over areas around Russia. When you look at the nineteenth century, in many ways the policies of other large countries of Europe were very similar. There were specific features to each, but there was this commonality based on great power aspiration. It is really the Soviet era in which the Soviet Union—and Russia as its leading element—began to set Russia apart from the rest of the world, and I think that this is one of the many crimes of Soviet rule. Whereas the rest of the world slowly changed, Russia ossified this outlook of territorial control resting on military might through an ideology that was developed and served as the backbone of the state—again, a case of an elite equating its interests with those of the country. It ossified this outlook through the dictatorship it created, punishing any dissent from the view imposed from above. This is where Moscow really started to diverge from the rest of the world in its development in terms of national security outlook. These measures retained this great power aspiration—territorial control resting on military might—and made it a central feature of the Soviet Union's security outlook

* The views expressed in this paper are strictly those of the author and do not necessarily represent those of the National Intelligence Council or those of the United States Government.

Not surprisingly, this approach turned out to be very expensive. In a seminal article about fifteen years ago, William E. Odom defined the Russian question as essentially composed of three subordinate questions: the nationalities question, the military question, and the peasant question. By the nationalities question, Odom meant the search for territorial control of the area around Russia. This desire for control of nationalities required a strong military establishment, which rested on resources, which ties it to the peasant question here—drawing the resources of the state to support the military establishment needed for territorial control. This was really very expensive for Russia just as it was for the Soviet Union—this drawing on the resources of the state to support the security outlook. And the Soviet Union dug itself even deeper into this hole until the middle of the 1980s. Although this approach was very expensive for the state, it did create some satisfaction or benefits for some. First for Russia as a whole, those who thought about policy saw that it was expensive, but generally among Russians it did resonate as it gave a certain satisfaction to be regarded as a superpower, to have Russian as the lingua franca of the Soviet Union, and to have Russia control not only the former Russian empire but Eastern Europe as well. This was the given order of things that people supported. Additionally, this general outlook was part of the ideology that formed the backbone of the state. It thus served the interests of the elite, not only their positions of authority, but also their personal benefits. Here I have in mind both the military brass, which liked to have this big military establishment with themselves at the top, and the defense industrialists, who had absolute priority over resources to build up the military machine. They also received personal perks or economic benefits. Although they did not enjoy the living standards of the rich in the West, by Soviet standards they were very well off. This encrustation of security outlook by and for the elite explains why it is so hard to change a country's national security outlook.

As we have seen, however, a nation's security outlook can change. There are three factors that bring about such change. The first—and a critical one—is when whatever one has been doing, whatever policies one has been pursuing, no longer really correspond to anybody's interests—they are manifestly not working. At times, such a situation ends in a war that the country loses or, short of war, a crisis with which the country cannot cope. The second factor is a push from within and from without the elite establishment to start looking facts in the face. Sometimes this impetus for change comes from civil society—if one exists. Sometimes elements within the leadership perceive that one cannot go on this way any longer, that the outlook must adapt, must change. So, even though it is very hard to change a country's national security outlook, change does come. All these forces for change came into play during the perestroika years, which gave Russia the great opportunity to forge a new security outlook.

How did Russia fare with this dramatic change? The early 1990s were an era of great promise. I can only refer to what Russian Foreign Minister Kozyrev said: "Our foreign policy exists to support the economic development of Russia. This is how you should rate us, if we can achieve this in foreign policy." With this statement, Kozyrev, in effect, flipped upside down the old dictum that the economy had to support foreign policy. This is the kind of policy Kozyrev tried to implement.

At the time, many in the security elite were still in a state of shock brought about by the collapse of the Soviet Union, and, at first, there was only muted opposition to Kozyrev's new policies. Additionally, there apparently was a part of the old security elite that thought that maybe this new situation would develop favorably, that Russia could create a co-dominium with the United States. They saw "strategic partnership" as a close Russo-American relationship in which America would give Russia the wherewithal to rebuild its economy and together the two countries would preside over the world. That desire, whether conscious or subconscious, was of course never realized. In any event, Kozyrev and his allies really only spoke for a minority of the security elite, most of which never really accepted the new situation or Kozyrev's policies. General Nikolaev, Chief of the Border Guards, for example, suggested that Russia would build up a two-tiered defense of Russia, with the Russian border guards and the border guards of other countries of the former Russian Empire or Soviet Union. The border guards of the other countries would coordinate their policies with Russia, doing what Russia wanted and thus putting the burden—including the economic burden—of supporting the traditional Russian security outlook on others. A major factor in the growing criticism of Kozyrev, however, was that the security elite did not want to play a diminished role, either in Russian society or in the world. Officials in the Ministry of Defense and the Ministry of Foreign Affairs felt much more important when the economy served foreign policy and Russia strove to be a superpower. That was the approach they wanted Russia to take once again. Criticism of Kozyrev became withering in 1993–95. Finally, he was replaced by Mr. Primakov, who once again flipped the national security outlook upside down when he said that it was impossible to create favorable conditions for reform without retaining the status of a great power.

Some in Russia felt that the dominant factor in bringing about this second reversal was really the external environment, namely the actions of the West—NATO enlargement, the continued bombing of Iraq, and the war in Yugoslavia. While these actions and the way they were interpreted in Russia certainly contributed to the 1995 reversal, Western actions were not the key factors. The key factor, coming from within Russian society, was the inability of the old security elites to break with the old outlook and the benefits that it provided to them personally. They wanted the world to adapt to Russia rather than for Russia to adapt to the surrounding world. Thus we have witnessed a great regression in Russia to the old security outlook earlier described.

Two statements serve to illustrate this regression. The first is from General Ivashov, who is effectively the international ideologist of the Ministry of Defense:

Russia cannot exist outside of its essence as an empire. By its geographical situation, its historical path, and fate of the state.

This quote is so very appropriate because it refers to the external environment, the tradition of the past, and the ideology that supports the current elite, all points made above.

Russian analysts also have noted the change. As one extremely insightful Russian observer, Dmitri Trenin, has recently noted,

In a certain sense, conceptually there has been recreated the policy of Alexander III in its inclination towards great power mentality (*derzhavnost*), conservatism, paternalism, an independence from the West, and a reliance on the only true friends of Russia, the Army and the Navy.

Trenin accurately characterizes what we have come back to in terms of the Russian national security outlook.

This turning back of the clock brings Russia back to the old conundrum of resource extraction to support a policy that the country cannot afford, indeed, one that it can afford even less than during earlier periods. This outlook is more appropriate to the turn of the twentieth century. It does not really fit into the world in which we live today, in which territorial control in the old sense does not determine a nation's wealth, its standing in the world. Instead, it is a nation's ability to participate in technological change of all sorts, to participate in the world's current global economy, that determines a country's position and role. Thus the current Russian outlook does not fit into the larger world today.

Efforts to perpetuate Russia's old outlook will eventually lead to new pressures for change once again, and the change will likely come in the ways described earlier. There will be a crisis that will worsen—for example, the current demographic crisis that is recognized by President Putin is one possible factor—but there will be little ability to deal with the crisis while the elites hold the outlook that currently characterizes Russia. Another possibility for change lies in the growing civil society in Russia today, that there will be growing pressure on the leadership from within the society. It is also possible that there are, or will be, elements of the leadership that grasp the situation and can alter their outlook sufficiently to turn Russia onto a more promising path. The sooner that recognition of the need to change comes, the better it will be for Russia and for Russia's relations with the outside world. Over the longer term, this will most likely happen, and it will be possible to deal with Russia as a normal, twenty-first century country. In the short term, however, Russia will continue to suffer, as will its relations with its neighbors and with the West.

What is the Russian National Security Community?

Andrei Kortunov

The whole notion of a national security community is somewhat alien to Russians. The concept is quite ambiguous, and I do not think that there is a commonly accepted Russian notion of a Russian national security community; but this can be interpreted in many different ways. The most natural way would be to say that we are talking about the armed forces, but as is well known, there are at least eleven different agencies in Russia that employ uniformed personnel, and all together there are approximately three million people who are serving in uniform. We might also apply the concept to the defense sector of the Russian economy, but here again it is very difficult to give any account of what this defense sector looks like right now. It is large, and we must recall what was said during the Soviet era, that the difference between the U.S. economy and the Soviet economy was that the U.S. economy was primarily a civilian economy with a defense sector and the Soviet economy was primarily a defense economy with a small civilian sector. To some extent, this is still the case, but there has been a major decline in the value of defense contracts over the last decade. Nonetheless, the remaining defense economy consists of hundreds of enterprises with millions of employees, who, when taken with their dependents, constitute a large portion of the country's population.

Should we include in this notion the growing numbers of journalists, scholars, experts, and academics who write on security matters? What of the proliferation of national security departments and sub-departments in Russian universities, which has both positive and negative effects on the discussions we have on national security matters? Should we include in the notion of a national security community the Russia Duma members and members of the upper chamber of the Russian Parliament who are trying to analyze national security matters? Or, should we take a very narrow view of a national security community and talk only about President Vladimir Putin himself and the very narrow circle of people around him who define the basic decisions and strategies in Russian national security?

Instead of drawing charts and trying to place different agencies according to their role in the national security structure, let me try to use one very specific, but, I believe illustrative, case study that might show us how the situation in this field has changed since the presidency of Boris Yeltsin. I am referring specifically to the new attempts to start meaningful defense reform in the Russian Federation. Since the summer of 2000, the new administration has initiated efforts to do something about the armed forces and the national security complex at large. What we are talking about is another major reduction of the armed forces and related agencies, a reduction of approximately 600,000 personnel, of which about 470,000 are military personnel and 130,000 are civilian employees. The goal, as President Putin has stated, is to create a smaller but more mobile and more professional army. This is a serious

* This paper is an amended transcript of Dr. Kortunov's remarks.

issue for the Russian Federation, and we can analyze the decision-making process in the Russian Federation's security arena by looking at how this issue was discussed and how it has evolved since late summer 2000.

Seven major actors participated in this process, and by analyzing the roles of these seven actors we can gain a better understanding of the differences between the decision making processes of the administrations of Presidents Putin and Yeltsin in shaping the national security of the Russian Federation. The most important actor, of course, is the President himself, and we can see distinct differences between the two. President Putin obviously cares more about the security community. He demonstrates personal involvement and personal interest in the area of defense, which probably stem from the fact that he was a part of the security community himself. This differs significantly from the view of President Yeltsin, who was a civilian, who was not as knowledgeable about security issues, and who did not even try to pretend that he was a professional in this field. We know that Putin likes to visit military units, likes to wear uniforms, and likes to demonstrate his professionalism in the field of national security.

The question is, who controls whom? There were rumors, especially after the *Kursk* submarine disaster and Putin's handling of the disaster—he adopted a very cautious, very down to earth, and a hands-off role—that Putin probably depended too much on the military and the security establishment at large. The view was expressed that President Putin could not effectively impose his will on this professional group. Some went so far as to say that Putin was a puppet in the hands of the Russian national security establishment. However, I think that President Putin's efforts, especially in August and September 2000, to convince the military establishment that something had to be done about the Russian army, that some fundamental decisions had to be made, demonstrated that President Putin definitely is not a puppet and is not manipulated by the security establishment. Slowly, cautiously, steadily, President Putin is trying to introduce meaningful reforms in the national security establishment.

The second actor, closely linked to the President himself of course, is the Security Council, and here we can clearly see the changes from the "good old days" of Boris Yeltsin, when the Security Council vacillated among various roles, functioning sometimes as the strategic headquarters for the President and at other times as an emergency committee to cope with crises that were emerging in different parts of the world. Now, however, the Security Council has clearly established itself as a key participant and the prime coordinator for security-related decisions. The role of the Security Council, especially since mid-summer 2000, has increased dramatically. Here, again, it is necessary to emphasize the differences from its role under President Yeltsin, when every minister, every head of a security agency, could count on his personal relationship with the President. There might be an effort to impose cuts on a particular agency; but let us say, for example, that Mr. Sergei Shoigu was on friendly terms with Boris Yeltsin. He could go to President Yeltsin's office and probably renegotiate the deal. The same was true of Defense Minister Pavel Grachev, and later on, true of his successor, Mr. Sergeev.

Now, however, discussions in the Security Council demonstrate that it has become practically impossible to bypass this structure and to get direct access to the President himself. If you look at defense reform plans, you see that some of the best friends and most reliable allies of Vladimir Putin have had to pay a toll and sacrifice something. For example, the Minister of the Interior probably will lose about twenty thousand uniformed personnel in the next several years. Also, the oligarchs will be cut, and even such untouchable agencies as the Ministry for Emergencies will be subjected to serious reductions. So the role of the Security Council has increased, when compared to the Yeltsin era.

At the moment, I would probably identify the General Staff as the third actor in the Russian national security community. Again, it is not necessary to say that in the rivalry between the Ministry of Defense and the General Staff, the General Staff recently has been able to demonstrate its superior position. There is a long history of rivalry between the Ministry of Defense (MOD) and the General Staff that dates back to the Soviet period. Under Yeltsin this competition became explicit and, on many occasions, public. During his second presidential term Yeltsin tilted to MOD to the detriment of the General Staff decision-making role. Putin clearly reversed the trend.

The struggle between the Ministry of Defense and the General Staff today is a reflection of the competition between the Strategic Rocket Force and the general purpose forces of the Russian Army. If you look at changes in the Russian Army envisioned in plans for reform from this viewpoint, you can see that the General Staff has greatly influenced the outcome. As you know, right now we have four and one-half components of the Russian armed forces, and we have the Strategic Rocket Forces as a special component. In the course of the upcoming reforms, it is likely that these components will be reduced to the status of services, and, moreover, space forces will be taken out of these components and will form their own service. Thus it appears that, at least for the time being, the General Staff turned out to be much more powerful, much more active—if not aggressive—on issues of national security decision making than was the Minister of Defense. It might change, but for the time being, this is the case. In late 2000, the possibility of President Putin appointing a civilian Minister of Defense had been discussed widely, and it was expected that this would indicate a further shift in the balance of power between the General Staff and the Defense Ministry in favor of the Ministry. There were even rumors that Sergei Ivanov turned the position down, possibly because of concern that the Ministry was declining, not increasing, in power. We now know, subsequent to our conference, that Ivanov accepted the position, possibly with some sort of guarantees from President Putin that he would have sufficient authority to function as the Minister of Defense and not as an adjunct to the General Staff.

The fourth actor, which is a new one, and I think it very telling that we have this fourth actor, is the Ministry of Finance. Here we see a major difference between Yeltsin and Putin; Yeltsin tried to keep the economic apparatus of the government separate from the security apparatus. Yeltsin engaged in a kind of a game in which the government made decisions to fund the armed forces, but then the Ministry of Finance would come on line and simply say that there was no money and that the armed forces would have to wait. One result was that officers went unpaid and complained, so Yeltsin pretended that he was trying to do something about the situation. If you look at recent clashes between President Putin and Minister of

Finance Alexei Kudrin, however, you can see that the President is trying to involve the Ministry of Finance in the decision-making process on security issues and also to impose on the Ministry of Finance certain commitments and certain responsibilities. As you probably know, we now face a major problem in this issue—how to exchange specific social benefits for the military in return for additional financial compensation. Here the Ministry of Finance has been actively working together with the Ministry of Defense and the General Staff to “square the circle” and find a solution in terms of continuous funding of officer pay. President Putin has been very tough on Kudrin, saying that “if you are going to experiment with the military then I will experiment with you,” which many obviously interpreted as a hidden threat to get rid of the Minister of Finance altogether.

Now to the role of the Parliament—the fifth actor—which has, regretfully, declined. For the first time, the President has a very strong pro-presidential faction in the lower chamber of the Russian Parliament, and it is therefore very difficult for the State Duma to continue to perform the function of the major opponent to the government, to the presidential administration, in the field of security matters. The ease with which the Putin administration was able to provide for very quick ratification of the START II Treaty is quite telling. Moreover, the so-called opposition in the State Duma is fragmented and not united in its opposition to the current reform plans. Rather, their loyalties are divided along the lines of whether an individual shares the positions of either the General Staff or the positions of the Ministry of Defense. Some of them, for example Alexei Arbatov, are very clearly on the side of Minister Sergeev, and some, like Andrei Kokoshin, defend the position of Mr. Kvashnin. So the State Duma is fragmented, and if you take the upper chamber of the parliament, it consults primarily about social benefits, about retired military issues, and about the defense sector in their constituencies. So they compete with each other rather than cooperating to either oppose or support the administration. As a result, the role of the Parliament is declining.

The sixth actor, which we should not underestimate, is the grouping of formal or informal consulting groups that are working together with the president. The most powerful of these is the group working under Mr. Gref, and there are some others. These groups are important sources of new ideas, and I would even venture to say that they represent a bridge between academia, civil society, and non-governmental organizations, on the one hand, and the decision-making bodies, on the other.

Turning now to the role of the civil society itself, including the media, unfortunately, the role of this seventh actor also is declining. The power of the state at present is such that it is able to ignore voices of dissent coming from civil society and to ignore the non-governmental organizations, which were quite active several years ago. Similarly, it can ignore the media, as we saw in the cases of Andrei Babitsky and Captain Nikitin, the power of the state can tolerate dissent because dissent is no longer important.

In sum, the good news about the decision-making process in the field of national security is that the decision-making process is becoming more organized, more logical, and more predictable. Putin, unlike his predecessor, is not a man of surprises, but he relies on expert advice. In this sense, we can say that he is pursuing a more predictable approach. The

decision-making process also is becoming more complex with the addition of new institutional actors, such as the Ministry of Finance. This is a positive development because it allows the building of coalitions to mitigate some the impulses coming from the military establishment itself. Finally, given that President Putin has a different time horizon than Yeltsin had, the decision-making process is becoming a little bit more strategic as well. It is still opportune and tactical, but it is becoming more strategic in terms of thinking about implications five years from now, thinking about what will happen to the Russian military ten years from now.

Now to the bad news. It is unlikely that we will be able to retain the system of checks and balances. There is no one with whom the state is prepared to have a dialogue on security measures, and this is not a good sign. It is clear that the influence of the general public, the media, and the civil society is becoming more limited. This is happening primarily because the public is not very interested in national security decision making, but it is happening also because the state can afford to ignore public views.

Still, there will be a number of major constraints that will bring the decision-making process in the field close to what we saw under Boris Yeltsin. The first natural constraint is that resources will continue to be limited. Even if Russia experiences 5 percent economic growth over the next couple of years, it will be difficult to increase defense spending considerably. At present, the Army budget, not counting the Border Troops or the Ministry of Emergencies, accounts for approximately 28 percent of next year's federal budget, and you cannot really raise that number much without provoking serious political difficulties. The second constraint is that the capabilities of the state to provide for broad political mobilization of the society also will be very limited. It is unlikely that it will become fashionable to serve in the Army, for example, over the next couple of years, no matter how you enhance the material well-being of the military. It also will be very difficult to restore the traditional Soviet attitudes to the Army and to unite the society around a limited set of ideological goals. The society is simply too fragmented, too decentralized, and too self-oriented. Another important constraint is that Russia will face continued integration into Western economic, political, and even "civilizational" space. It does not matter whether the state tries to oppose these trends; it might slow them down, but it cannot prevent them. So it is unlikely that the creation of an enemy image of the West is going to reemerge in the Russian Federation, and this will affect defense planning and many decisions in the security field.

The last constraint, but not the least, is that, for the foreseeable future, Russia will have to live with a very powerful residual post-imperial mentality. We know that a post-imperial mentality is a very long-lasting phenomenon. We know that, in Western Europe, even such countries as France and the United Kingdom still have some remaining post-imperial mentality. For Russia, this is a more serious issue, and it will take generations before we can talk about Russia as "just another country." This mentality will definitely influence defense planning, and it will preserve some traditions and stereotypes that will drive the decision-making process.

In summary, the Russian decision-making process in this field—and more broadly in the field of foreign policy at large—will be limited to two parallel tracks. President Putin will be stuck between these two very different foreign policy agendas. The first will be the

conservative traditional foreign policy agenda, in which the main goal will be damage limitation—how to limit the damage caused by the disintegration of the Soviet Union, how to provide for Russia’s great power status, how to retain parity with the United States, how to block NATO expansion to the east, and how Russia should support its clients and restore relations with some of the Third World regimes that the Soviet Union supported. That will be the foreign policy agenda chosen in most cases, backed by the defense establishment, although the defense establishment is in no way monolithic.

The second track will be revisionist rather than traditional, and the goal will not be damage limitation but rather integration. So the challenges that President Putin will have to address include how to forge Russia’s relationship with the European Union, how to gain entry into various international economic and financial institutions (such as the WTO), how to restructure Russian debts—and Soviet debts as well—and how to get Russian companies listed on the New York Stock Exchange. It is still an open question as to which foreign policy agenda will prevail, because much will depend on the opportunities that Russia perceives outside of its borders and on the opportunities that Russia might perceive it might be deprived of. I tend to be moderately optimistic because, as a historian, I believe that people do all the right things; unfortunately, they usually do the right thing only after all other opportunities have been exhausted.

Kremlin Images of the World: Old-Age Hang-Ups and Juvenile Complexes

Alexander Golts

Looking for Foreign and Security Policies

One of the basic ideas of Putin's presidency is that his security and foreign policies, in contrast to those of his predecessor, must be clear and predictable. That is why President Putin is so focused on the development of different guidelines in these spheres. As Acting President, Putin approved the new national security policy on January 10, 2000, and he followed it with a new military doctrine three months later. Then, a foreign policy concept was adopted. But a search of these official documents for answers to practical questions will yield little. All of the guidelines set forth in these doctrines and concepts are so vague and contradictory that they have value only for use in developing a group psychological portrait of its authors.

The Foreign Policy Concept of the Russian Federation (hereafter referred to as *Concept*) is the best example of these contradictions. For instance, one reads that Russia perceives threats when, "in addressing fundamental issues of international security, the stakes are being put on (Western) institutions and forums of limited composition, and on weakening the role of the UN Security Council." But shortly thereafter, the reads, in part: "Russia attaches great importance to its participation in the Group of 8 of the most industrially developed states," which is precisely the kind of "forum with a limited number of participants" referred to earlier.

The document, which claims to be a guide for Russian diplomats, abounds with sentences that would confound anyone: "It is important to further develop relations with Iran." It may be important indeed, but it would help if the authors explained why relations should be fostered with Iran and not, for example, with Sudan, and in what areas relations should be developed. The reports of the General Secretaries of the Central Committee of the Communist Party of the Soviet Union (CPSU) to Party Congresses were full of such (resolute but uninformative) passages, but at least they served the purpose of scaring the West and making the whole world guess why this or that country had been singled out. Would a particular country get millions of dollars worth of weapons or a "limited military contingent?" Today, it is not Russia's aim to scare anyone. Indeed the President and the Foreign Minister have repeatedly promised that Russian foreign policy will be as open and transparent as possible. This may be the ultimate task, but the authors of the *Concept* have so far extricated only one foot from the past.

Their reading of the situation in the world seems to be sound: "The international situation that took shape by the beginning of the 21st century has made it necessary to rethink the

overall situation around the Russian Federation, the priorities of Russian foreign policy, and the availability of resources to support it.” One would expect that after this sentence, the foreign policy strategists would proceed to define one or two main goals and explain how they are to be achieved. This has been the format of foreign policy doctrines in developed countries for years.

However, most of the twenty-page “Ivanov Doctrine” (the brainchild of two Ivanovs, the Foreign Minister and the Secretary of the Security Council) bristles with revelations whose practical value is about the same as that of the Soviet-era slogan, “The People and the Party are United.” What benefit can our diplomats derive from such propositions as this? Russia, “possessing significant potential and resources in all areas of activities, maintaining intensive relations with the leading states of the world... exerts a substantial influence on the shaping of the new world order;” or, “Russia is a reliable partner in international relations.” By contrast, the goals of our foreign policy are couched in such vague language that even a Professor of Scientific Communism in the former Soviet Union could not be more vague. For example, “Ensuring... strong and authoritative positions in the world community” and “influencing general world process in order to form a stable, just and democratic world order,” and even contributing to “popularizing the Russian language and the cultures of the peoples of Russia in foreign states.” In other words, there is nothing under the sun that is not a goal of Russian foreign policy.

The only way in which this document may be useful is that it demonstrates the bizarre mix of senile nostalgia for imperial grandeur and the juvenile inferiority complex that exists in the heads of those who shape Russian foreign policy. The authors of the Concept go out their way to recognize the new trends: “Economic, political, scientific-technical, environmental, and information factors play an ever-growing role in the relations among states.” But whatever problem they touch upon, it ends up like the old joke about the factory worker who tried several times to build a sewing machine but each time constructed a Kalashnikov. For instance, they write on very glibly: “Integration groups are acquiring ever-greater importance in the world economy and are becoming an essential factor of regional and sub-regional security and peacekeeping.” So far, so good, but then the authors continue, warning that integration processes are fraught with attempts to belittle the role of the sovereign state and, therefore, “pose a threat of arbitrary interference in internal affairs.”

It is well nigh impossible to understand what the authors think about globalization of the world economy. In one place they say that it contributes to social and economic programs, but two lines further down we read a description of globalization as a pretty nasty thing because it (horror of horrors!) makes the economic system and the information space of the Russian Federation more exposed to outside influences. In this xenophobic context, attacks against the Americans for being obsessed with creating a “unipolar” structure of world dominated by the United States economically and militarily” do not come as a surprise.

One of the few international problems directly referred to in the Concept is, of course, the plan of the United States to create a national missile defense in violation of the 1972 Anti-Ballistic Missile (ABM) Treaty. But the Russian response to counter American plans is too laconic even by the standards of this document. The Concept says that Russia will take

“adequate measures.” Oddly, the perception that Russia is surrounded by enemies (the United States, NATO, and unspecified “forums with a limited number of participants”), which harkens back to the Soviet era, goes hand-in-hand with a desire to become established as a member of the very circle of states that are, in Moscow’s opinion, are its ill-wishers, if not avowed enemies. The fear that something might happen on the planet without Moscow’s participation pervades almost every sentence in the Concept. For instance, the authors state that the situation on the Korean Peninsula is the most worrisome problem in Asia. One would expect the next sentence to tell the reader how exactly Russia is going to contribute to the solution of that problem. Instead, we are told that “efforts will be concentrated on ensuring the equal participation of Russia in the solution of the Korea problem.” The same logic applies to a Middle East settlement: “Using its status as a cosponsor of the peace process, Russia is committed to active participation in the normalization of the situation. ... Russia will regard as its priority task the restoration and strengthening of its positions... in that rich region of the world which is important for our security interests.” The authors admit a bit too candidly that Moscow is interested not so much in the settlement of conflicts as in assuring its maximum participation in the settlement.

Even quite legitimate statements to the effect that the role of the United Nations should not be diminished and that military force should not be used without the sanction of the Security Council look like attempts by Russia (which has veto power there) to preserve, if only theoretically, its capacity to influence the actions of other powers in the world. Thus the Foreign Policy Concept of the Russian Federation, like the other documents of this kind, demonstrates that Russia has not yet made up its mind about its priorities in the world. The practice of Russian foreign and security policies is not based on distinct guidelines, but rather on a few myths and prejudices.

Looking for the Enemy

To lose the enemy is the worst thing that can happen on the battlefield (and to be without an enemy, as a nation, can be equally disastrous for the military). Russian strategists have been looking for the enemy for a few years. The first attempt at a post-Soviet military doctrine was drawn up in 1993, while Pavel Grachev was still the Russian Defense Minister, but the generals decided more was needed—an entire national security vision. This required another four years’ work in the Security Council, but when the first version of the security concept was adopted, the military bosses did not find in it what they were looking for—a powerful enemy to be resisted, justifying any amount of defense spending. The doctrine interpreted potential threats as being of a non-military nature—the social and economic hardships of the transition period appeared more menacing at that time.

All this changed, however, in 1999 when NATO action in Yugoslavia led to a rise in anti-Western sentiment in Russia and brought the hawks to the fore. Finally, there was an enemy to point a finger at. The authors of the new Security Concept were happy to write of a “conflict between two trends.” They meant, on the one hand, a world dominated by a single superpower relying on military superiority to resolve key global policy issues, and, on the

other hand, the concept of a multipolar world. Clearly, this was a reference to the United States and to the countries that would oppose U.S. dominance.

Itching to name its enemies, the General Headquarters sent a draft new Military doctrine to the Security Council last October, in which it said that Russia's security was threatened by the West, which wanted to create a single-pole world, expand NATO eastward, and carry out military operations without the approval of the UN Security Council. But the Russian Security Council realized that this would mean designating the leading Western countries as potential enemies—a provocative step.

The result was that, instead of being listed in the military doctrine, these threats were included in the national security concept. Nevertheless, among principal threats to Russia's security the authors of the new military doctrine name "military buildup around Russia's borders, the borders of its allies, and in adjacent seas." Expansion of military blocs and alliances is considered another potential threat—a reference to NATO's recent enlargement eastwards. Even events in Chechnya are interpreted in a geostrategic context, the perceived threat being not so much Chechen separatism as international terrorism. In late 2000, while addressing key military figures, Putin insisted that Chechen terrorism is the result of the activities of "geopolitical" enemies.

This reveals a dilemma for Russian leaders: the policy document states that Russia's national interests are threatened by Western countries, and yet it also points out the "critically low level of combat readiness in the Russian armed forces." As Viktor Yesin, the head of the military reform department on the Security Council, has said, "...[N]o matter how much Russia's economy improves, Russia will never be able to counter an organization like NATO with conventional weapons.

The new military doctrine resolves this dilemma by emphasizing the nuclear deterrent. Gone are the earlier "negative guarantees" under which Russia pledged not to launch a nuclear strike first. The new doctrine says that "Russia reserves the right to use nuclear weapons in the event of an attack on itself or its allies using nuclear or other weapons or in the event of large-scale aggression using conventional weapons in situations critical for its national security."

It seems that this readiness to use nuclear weapons is indicative of the new Russian "expanded deterrence" doctrine. Between the lines of the security concept lies a call for fundamental reconsideration of Russian nuclear strategy. Stendhal once wrote that you have to play all the cards presented by your epoch. Post-Soviet Russian leaders have had no other cards apart from massive nuclear power, and it is precisely this superpower attribute that affords the Kremlin heightened attention from the international community.

It is highly significant that the nuclear negotiations between Moscow and Washington are seen in Russia as a lever for influencing matters unconnected with the START treaties. The nuclear factor protects Russia's interests far beyond the bounds of defense. "Expanded deterrence" does, however, include the obvious defect that anti-Western rhetoric is necessary in order to justify the need for nuclear weapons. What this means is that the document marks

a return to confrontation with the West. Eventually, the lowering of the nuclear threshold could become a factor of deterrence in many areas of relations with the major powers—nobody is going to provoke Moscow into hypothetical conflict situations.

The problem, though, is that the Kremlin is rapidly starting to believe that nuclear warheads are the only way to resolve international problems. Former President Boris Yeltsin's declaration in Beijing hinted that Russia's nuclear capability prevents any criticism aimed in her direction. With conventional forces facing serious shortfalls and other problems, it is logical enough for Russia's leaders to emphasize nuclear forces. This concept also has its drawbacks, however, because the only countries able to organize such a full-scale attack on Russia are the Western countries and China. As a result, the broader deterrent is not just an insurance policy, but it also reproduces Cold-War-era confrontation and could eventually lead to a real conflict.

It also is not clear that the reliance on nuclear forces as a broader deterrent will ensure a worthy place for Russia among the leading countries. Moscow and Washington may reach an agreement on START-III and the ABM treaty, but relations could remain cool all the same. Russia has become accustomed to thinking that nuclear disarmament issues are of fundamental importance for the United States, but as relations between the two countries improve, America accords less importance to nuclear agreements with Russia. In part, this is because the United States no longer sees a direct threat coming from Russia, despite its nuclear arsenal. U.S. defense experts think that the nuclear factor will continue to decline as a consideration in relations with Russia, and they also think that future U.S. administrations will not look at Russia as the second superpower. According to this logic, only continued confrontation can justify great power status for Russia.

In the Absence of Allies

One character in a famous play could never suspect that he speaks prose. In a similar manner, Kremlin strategists seem not to know that they support the most archaic, if not the most primitive, form of realpolitik theory. The fact that Russia lacks military allies was a factor that gave former President Boris Yeltsin an inferiority complex. The Commonwealth of Independent States' (CIS) leaders took advantage of this to extract concessions from Yeltsin, while in return making a show of unity under Moscow's direction that, in reality, was only symbolic. The CIS's leaders will make military concessions in order to put off unpleasant discussions about the huge debts they owe to Russia. Quite recently, it appeared that Russia was finally going to break this bad habit. When Putin made visits to Minsk and Kiev in April 2000, he made it clear to his Belarussian and Ukrainian counterparts that there would be no more using military integration as a way of putting pressure on Russia

Belarussian President Alexander Lukashenko, who insists that Belarus is the front line of Russian defense in the face of an expanding NATO, was told that military integration would proceed only when Minsk has completely reviewed its economic policy. Ukrainian President Leonid Kuchma tried to play on Kiev's contacts with NATO, but Putin reminded him of

Ukraine's huge debts owed to Russia for gas and oil supplies. Putin also tried to make clear to his counterparts in Minsk and Kiev that he did not need them. Speaking to officers of the Black Sea Fleet, President-elect Putin said, "Without the Army and the Navy, Russia has no allies." This paraphrases a statement ascribed to one of Russia's Tsars (MC1), "Russia has only two allies—the Army and the Navy."

Putin quickly began to adhere to former President Boris Yeltsin's policy line. During the recent CIS summit, Putin, like Yeltsin before him, appeared happy to let his CIS colleagues acknowledge his senior role—in word, at least. At the summit, this acknowledgement took the form of general concern over American plans to deploy a national missile defense system and of support for the Russian initiative to build a non-strategic missile defense system. The agreement to establish a common anti-terrorist center also was cited as a significant achievement.

But this rational line was not maintained at the CIS summit. Moscow urgently wanted someone to support its foreign policy stand on missile defense. The idea of developing a non-strategic missile defense system in cooperation with the United States and Western Europe, proposed by Putin as an alternative to the U.S. program, has not found even minimal support in the West. Thus Moscow had little choice to tout the support that it could gain with the approval of the CIS states. In the end, however, Russia had to squeeze this support from its partners.

Practical implementation of the Russian project, which involves building a missile defense shield to cover rogue states, would, however, give the CIS states an immediate opportunity to pressure Russia. The Russian proposal would require resuscitating the old Soviet missile attack warning system, but most of the stations that made up that system are now outside the Russian Federation's territory. The station in the Crimea monitored the Middle East region, the Gabala station in Azerbaijan kept watch over the Persian Gulf, and the station in Kazakhstan monitored launches in India and Pakistan. Until recently, these stations were not an important issue—Kazakhstan, Azerbaijan, and Ukraine had no need for them, and it was likely that Russia would be able to maintain control of these facilities. But now, there is no doubt that these three CIS countries will extract the maximum price for cooperation on missile defense.

The joint anti-terrorist center—again, Moscow's initiative—could share the same fate. Russia has come up against serious international criticism for human rights violations during the "anti-terrorist" operations in Chechnya. The Kremlin has been trying, without much success, to prove that the fight in Chechnya is about Islamic extremism. The CIS states, however, have so far agreed with Moscow's explanations. The problem is that many of these states label anyone who opposes them as terrorists. Georgia, for example, considers separatists in Abkhazia to be terrorists; in Moldova, the leaders of breakaway Pridnestrovye are considered terrorists; and in Azerbaijan, the terrorists are Armenians from Nagorno-Karabakh. Now, it will not be too difficult for these countries to declare their opponents international criminals and call on Russia to help bring them to trial.

Turning to recent activities between Minsk and Moscow, all developments deliver a clear message: the union between the two countries is still very much on track. Putin's adherence to this union demonstrates that myth can overtake more reasonable approaches. The prospect of a union treaty worries a number of Russian economists and even some government officials, who fear that differences in the two countries' financial systems will make a smooth merger impossible and will lead to serious economic consequences. The armed forces' leadership in both countries, on the other hand, openly supports the military aspects of the union between the two countries. Military integration is about the only area in which substantial progress has been made since Belarus and Russia first drew up a union agenda in 1997.

The two countries now have close military cooperation and joint defense programs. A common command and training framework exists, the two countries' air defense forces perform joint security monitoring, and work continues on a unified missile defense system. Belarussian army officers participated in Russia's West-99 strategic military simulation exercises held in July 1999. In the exercise scenario, Belarus was invaded by a simulated aggressor, and a unified Russian-Belarussian command was formed to counter the aggression.

So far, Russian military officials see only advantages coming out of the integration. One factor underlying this enthusiasm is the Soviet-era military assets that Belarus inherited upon the collapse of the Soviet Union. During the Cold War, troops stationed in Belarus formed the Soviet Union's second line of defense, there to back up Soviet forces in East Germany and Poland. In the event of a war, the forces stationed in Belarus were to deliver decisive strikes against NATO forces on the European continent. As a consequence of that strategy, some of the Soviet Union's most efficient (combat-ready) and well-equipped units were stationed in Belarus. When the Soviet Union collapsed, Belarus managed to salvage much of that military heritage. Belarus' armed forces now number 83,000 men, down by half from the numbers stationed there in the Soviet era, but the country still has an experienced 23,000-strong officer corps. Career soldiers make up 50 percent of the country's armed forces, and the Defense Ministry says it could mobilize hundreds of thousands of reservists in the event of foreign aggression.

Along with well-trained men, Belarus inherited vast stocks of weapons and equipment. Thus, when the Defense Ministry says it can repel an attack, it is not just unsubstantiated bragging. Finally, Belarus possesses a large defense industry that also supplies the Russian army. For example, all the prime movers used by the Russian nuclear missile forces are made in Belarus.

Undoubtedly, further steps toward unification will strengthen the two states' combined military potential. But will this process bring greater security? Countries strengthen their defenses whenever they perceive a probable threat of aggression. In Russia's case, NATO's operations in Yugoslavia played right into the hands of those who see NATO expansion as a threat from the West. In accordance with this logic, Belarus, strategically placed on Russia's western border, becomes an invaluable ally. However, more recent events make clear that there is no threat to Russia from the West, and Russian political and military leaders have

stated that they do not consider NATO to be a direct military threat. What they do think is that NATO expansion will create new dividing lines in Europe and undermine confidence between Russia and the West.

Set against this backdrop, a military union between Russia and Belarus will transform the dividing lines into fortified borders. Some Russian generals are fond of repeating that “NATO is at our borders.” A military union would make this slogan reality, reproducing the Cold War scenario of two opposing alliances. With Poland now a NATO member, Russia’s relations with the West would become heavily dependent on the uneasy relationship between Poland and neighboring Belarus. As for the newest NATO members, if they feel their priority issues are being sidelined, they could play up the old “menace from the East” scenario in an attempt to get more attention.

Controversial Belarussian President Alexander Lukashenko is the ideal candidate for embodying that menace. His authoritarian regime already has pushed his country into isolation, and making Belarus a vanguard against NATO will only give him increased opportunities to develop his Soviet-style policies. Supporters of integration on the Russian General Staff are aware of this possibility. In the West-99 exercise scenario, the West invaded Belarus following several weeks of political pressure on the country. However, no indication was given as to what developments in Belarus could have provoked such a strong action from the West. The only real-life parallel comes from Yugoslavia, where the impetus for NATO action came from President Slobodan Milosevic’s ethnic cleansing in Kosovo.

Supporters of fast-track integration of the two countries, including Lukashenko himself, brandish the less comforting alternative to unification—that Belarus, tired of Russia’s hesitation, would instead throw itself into NATO’s arms. Such a development would give Russia’s armed forces a real case of the strategic jitters, with the dividing line between Russia and NATO lying somewhere near Smolensk. Although this scenario has no basis in reality, it can be used to scare the Kremlin.

The situation, then, is one in which two trends are struggling for the upper hand in Moscow. One is essentially a continuation of Russia’s imperial tradition, in which international cooperation boiled down to ensuring that “client states” provided their unconditional support to the “patron) state” while the patron state was willing to pay for that support. The other trend takes the view that more can be achieved through bilateral agreements that reflect real, rather than invented, national interests. Unfortunately, this trend has yet to be developed.

The single positive factor here is that Putin himself manages from time to time to overcome these myths and prejudices. In a few crucial instances, he has made a step back towards reality. At the very beginning of his presidency, he decided to restore relations with the West without any conditions. Putin emphasized that “seeing NATO as an enemy is destructive for Russia.” What is significant in these words is that Putin, now Russia’s President, sees NATO not just as a European institution, but also as a part of the civilized world. If these words of his are sincere, this constitutes fantastic progress.

Indeed, the events that have followed have shown that Putin was sincere in this statement. It is necessary to recall that on the eve of the presidential elections in Yugoslavia, the Russian Foreign Ministry recommended that Putin take a decidedly neutral position, in contrast to officials of the Security Council who insisted that he support Milosevic. These latter experts were sure that Milosevic would emerge victorious and that Russia should support the probable winner while insisting that Western countries abstain from “interference in the internal affairs of a sovereign state.” Putin originally heeded the experts in the Security Council and only at the last moment, when it became clear that they had seriously miscalculated, did he alter his position, managing to transform certain failure into a success for Russian foreign policy.

At this point, we have only a few facts that demonstrate these attempts to overcome approaches that until now have been based on inferiority complexes, but let us hope that more such facts emerge as the future unfolds before us.

Nationalism in Post-Communist Russia: From Resignation to Anger

Ilya Prizel

Besides ours, no other nation in Europe has such a peculiar understanding of its own past and present. No other nation's consciousness is torn into two halves, completely foreign to one another and utterly disconnected. Like us, all the European nations have experienced abrupt turning points in their histories, sometimes more than once ... But neither pre-Revolutionary France nor pre-Revolutionary Germany is separated, in the eyes of Frenchmen and Germans, from their reality by a wall as impassable as that separating ancient Russia, according to our perception, from modern Petrine Russia ... To this day we Russians are deprived of a unified national consciousness. Theoretically, abstractly, we understand that ... Peter and his reforms were prepared ... but all this somehow seems dry to us ... bookish and dead; it comes into our heads without emotions somehow, like the result of a mathematical calculation. In our immediate living consciousness we continue to be split in two, and this half-heartedness lies like a heavy stone on our whole being and on all our endeavors.

K.D. Kavelin 1856¹

Nationalism: The Ubiquitous Factor

The defeat of Nazism in 1945, while dividing the international community into two hostile ideological blocs, also provided perhaps the sole point of convergence between Western liberalism and Soviet style Marxism—the rejection of nationalism as an historical force in favor of an universalistic ideology. In the Eastern bloc, nationalism was supposed to give way to class solidarity; in the capitalist West, the spread of individualistic liberalism was allegedly leading to the inevitable “End of History.”²

The Universalistic notion of an institution-based liberal polity was enormously reinforced by the rise of the United States to economic, political, and cultural hegemony after World War II.³ Although there was a plethora of evidence that the teleological “universalistic Utopian” approach to history had no basis in reality, a powerful intellectual orthodoxy constrained debate that might question the inevitable rise of what Jurgen Habermas called *Verfassungspatriotismus*, or civil polities devoid of distinct nationalism. The apparent success of the United States and other English-speaking countries convinced an array of thinkers ranging from Hannah Arendt to Charles Taylor that the acceptance of a common political formula could create a successfully functioning polity with no reference to either ethnic or cultural nationalism. This entrenched Anglo-Saxon adulation of an institutional society led to a very poor appreciation by the United States of the gnawing power of nationalism and thus ignorant of the forces tearing the USSR apart.

The notion of a polity based on a political formula devoid of nationalist tendencies was further reinforced by the ability of political elites, enjoying twenty-five years (1948–1973) of

uninterrupted growth, to portray themselves also as agents of *equitable* growth, reconstructing the image of the nation as an agent of social justice. Thus the new political coin of economic and social justice enabled Konrad Adenauer to legitimate the Bonn Republic on the basis of the “German economic miracle” and the “social market”; Harold Macmillan to legitimate Britain’s withdrawal from the empire following the Suez debacle with the motto “you never had it so good”; and Jawharlal Nehru to forge an Indian state on the basis of the “Indian Socialism” of the Congress Party. Explaining the sources of strength of a denationalized civic society, Michael Ignatieff noted:

A strong “civic” culture depends on public investment and public services: schools, hospitals, roads, street lighting, police, libraries, swimming pools, parks. These are the sinews of a strong [civic] national identity. If these services deteriorate, three things happen: the wealthy secede from the public realm and purchase these amenities on the private market; they cease to be willing to pay extra taxes to renew a public realm from which they decided to secede; those who are left both abandoned and dependent upon failing services are tempted to withdraw from the national project.⁴

The world economic crisis that followed the 1973 oil embargo triggered a postindustrial age dominated by the globalization of services and a data based global economy.⁵ It also eroded the ability of the political elites to claim political legitimacy on the basis of social justice, leading to a resurgence of ethno-nationalism.⁶ All industrial countries saw a surge of unemployment and a growing economic gap between those who could participate in the global economy and those who could not. High levels of unemployment had a minor impact on those adapted to the global economy, but fundamentally fragmented the “civic” based polities that grounded their legitimacy in social justice. Thus, whereas until the 1980s recession in the industrial areas of an advanced industrial country had an immediate impact on the rest of the economy, this is no longer the case. Therefore, a recession in the industrial North of England (which is a part of the national economy) has a marginal impact on the City of London, whose fortunes are completely tied to the global economy. The fragmentation between the national and the global led to the general social fragmentation of the polities.

Political elites on both sides of the Iron Curtain, unable to cope with the post-industrial economic reality, resorted to harnessing nationalism as a source of legitimacy and social cohesion. In the Soviet Bloc, leaders such as Brezhnev and Ceausescu abandoned their international ideology in favor of a nationalist legitimacy.⁷ Similarly, in the West, the advent of the “global village” and world citizen not only did not lead to the decline of nationalism, but also, due to the deepening atomization and anomie of the post-modern world, led to the strengthening of the reliance on nationalism as a source of identity and belonging.⁸ Ignatieff, analyzing the political success of Thatcherism, noted that, “the more anomic her [Margaret Thatcher’s] vision of ‘society,’ the more important it became to her to emphasize the stabilizing virtues of national belonging.”⁹ The negation of nationalism as the central force in politics was a short interlude that lasted less than an intellectual generation.

Not only have most postcolonial states that appeared in Asia and Africa succumbed to nationalism as their main legitimating force, but even the institutionalized liberal polities of Europe and the English-speaking world have increasingly relied on nationalism as the underpinning of their respective political legitimacy and cohesion. For example, in Belgium,

even the national pension fund was divided along ethnic lines among the French-speaking Walloons and the Dutch-speaking Flemings. In West Germany, *verfassungspatriotismus* notwithstanding, there was a willingness to admit millions of immigrants from the former Soviet Union on the basis of ethnic solidarity, although the Volga Germans had emigrated to Russia in the eighteenth century. The willingness of the West Germans to spend trillions of DM on the rehabilitation of East Germany and the mammoth reconstruction of Berlin are a testament to the enduring power of nationalism.

Even the English-speaking countries, the foremost proponents of civic as opposed to ethno-cultural nationalism, did not manage to avoid the ubiquitous power of nationalism. The centrifugal ethno-national forces challenging the integrity of Canada and the United Kingdom are driven by powerful nationalisms, despite the centuries-old tradition of universal political institutions. The rejection of the “melting pot” mythology in Australia and the United States in favor of “multiculturalism,” in response to the “One Nation” movement in Australia and to growing anti-immigrant sentiment in the United States, is similar. Despite powerful and well-established political institutions, polities cannot rely exclusively on inclusive political institutions as a substitute for a nationalist basis for legitimacy and coherence. Multiculturalism, which supposedly could thrive in institutional civic polities, is increasingly perceived by broad segments of the Western body politic as a mere apology for relativism.¹⁰ The historic reality is that nationalism, a forces that has been present on the European scene at least since the Reformation, continues to be the dominant political force that endows polities with the essential consensus and sense of cohesion without which they cannot function.¹¹ Every polity relies on a mythical national idea that determines the contours of its political life.

All national identities are continuous “works in progress” subject to endless debate, change, and revision. However, overwhelming empiric evidence suggests that no society can effectively react to the challenges of the day without a broadly accepted mythic “national idea” legitimizing the existing order. The source of virtually all legitimating ideology is an irrational and incoherent *mélange* of religion and nationalism that is the keystone to any nation-building endeavor. It is the manipulation of the irrational forces of nationalism that affects the political direction of polities. Historically, the more fugitive and incoherent the sense of self in a polity, the more unstable it tends to be.

Russia’s Embryonic National Identify

It should be noted that, in all empires, the people who form the “core” of the empire tend to have a weaker extra-imperial identify than do the “subject” people(s). Therefore, the English have a weaker identity than the peoples of the “Celtic fringe”; the Austrians in the Habsburg Empire had a weaker identity than either the Magyars or the Slavs; Turks were less conscious of their distinct culture than either the peoples of the Balkans or the Sultan’s Arab subjects; the Catalans versus the Catalans and Galicians. Thus it is not surprising that the Russians have long had a far weaker sense of national consciousness than the subject peoples of the western borderlands or the Caucasus. It is therefore axiomatic that the post-imperial

adaptation of the “core” peoples is far more traumatic and complex than that of the “subject” peoples.¹²

Long before Russia could develop its distinct national institutions, those institutions were converted into imperial institutions, with no clear interest in distinctly Russian issues.¹³ Since Russian leaders, whether Tsarist or Soviet, derived their legitimacy from a messianic-universalistic ideology, notions of a distinct Russian identity were discouraged and at times even suppressed during both the Tsarist and Soviet periods. Although after the Crimean War (1854–55) Russia did experience an intellectual reawakening, it was unlike what occurred in Central Europe, where the reawakening spurred the development of nationalism and a distinct national agenda. Russia’s restless intelligentsia, whether Westernizer or Slavophile, continued with a messianic agenda, all but ignoring Russia’s distinct needs. As Russia’s first Prime Minister, Count Sergei Witte, noted: “[We] still have not realized that ever since the times of Peter the Great and Catherine the Great there has not been such a thing as Russia, only the Russian Empire.”¹⁴

While there were times, in both the Tsarist and Soviet periods, when weakened regimes turned to Russian nationalism as a source of legitimacy, these intervals did little to create a sense of national community. During these times of state-promoted nationalism, such as the reign of Alexander III, late Stalinism, and late Brezhnevism, the thrust of “official” Russian nationalism was directed at the glorification of Russia’s leading role within the empire; any discussion of Russia’s distinct interests or agenda was suppressed. Consequently, neither the Tsarist nor the Soviet regimes’ use of nationalism managed to narrow the gap between the state and society.¹⁵

The collapse of the Soviet Empire failed to generate the political experience that would help shape a clear Russian national identity. In a similar situation, the birth of the Turkish national state was ushered in by the Ottoman Empire’s defeat in World War I, by the massive population shifts caused by the Greco-Turkish War, and by the consolidation of a distinct Turkish nationalism. In the case of Russia, however, the demise of the USSR occurred primarily because of the atrophy of a cohesive elite, rather than a popular challenge to the system. When the USSR was dissolved in December 1991, most Russians, including the political elite, were not certain whether the Belovezhsk agreement (Minsk) signaled a new form of federalism or some other new arrangement. It was this uncertainty among the Russian elite that explains Russia’s prolonged failure to establish its own Defense Ministry or Central Bank.¹⁶ Therefore, the collapse of the USSR cannot be equated with the birth of Russia. In fact, the breakup of the USSR was initially perceived by many Russians as a power-sharing deal between various elements of the Soviet *nomenklatura*, which had little relevance to their lives.

It is symptomatic of the psychological disorientation befalling Russia that it took over eight years after the breakup of the Soviet Union for the Russians to agree on the proper name for the country, much less its borders, flag, seal, or national anthem (for which there still are no approved lyrics). Russia, at the beginning of the twenty-first century, has yet to find its “usable past,” its historic heroes and villains, or, for that matter, a universal definition of what a Russian is. Sigmund Freud once observed that humanity always lives in the past and,

guided by the past, is constantly thinking about the future; humanity never lives in the present. Contemporary Russia has not arrived at a consensus about its past, and thus it is forced to contend with conflicting and contradictory visions of its future.

Russian Statehood: The Rise and Fall of Westernization

Russia's emergence as an independent state was not a "rebirth." Unlike the Baltic states or the republics of the Caucasus, there was no passionate national identity to invigorate the polity as a result of the Soviet collapse. Unlike Ukrainians, Russians could neither marvel at their newly won sovereignty nor anticipate a rapid improvement in their living standards, as most Ukrainians did.¹⁷ To most Russians, the demise of the USSR, engineered by the intelligentsia and *nomenklatura*, represented a rollback of Russia's frontiers to their pre-Petrine configuration, resulting in the loss of many "ancestral Russian lands," the creation of a massive Diaspora of Russians in the "near abroad," and a profound sense of humiliation and defeat. Furthermore, the borders of the Russian Federation, its federalist structure, and the existence within it of quasi-sovereign republics dominated by their titular nationalities, made the new state appear much more like an ersatz, truncated Soviet Union than a Russian state. Under these circumstances, it was all but impossible to devise a post-imperial myth as a compass for the new state.

While it is beyond the scope of this paper to retrace the dynamics that led to the dismantling of the USSR, it is essential to note that the intellectual force behind Mikhail Gorbachev's Perestroika—and later the supporters of Boris Yeltsin's reforms—was primarily the Moscow-based Westernized intelligentsia. Like other groups, the westernized intelligentsia was a complex body with a variety of subgroups, though several common beliefs applied to most of its members. The basic dogma of the Westernized intelligentsia consisted of the following assumptions:

- | The source of all the evils that befell the USSR was Russia's "falling out" of its natural Western cultural orbit.
- | The nationality problems were a direct outgrowth of Bolshevik totalitarianism; thus, once the USSR adopted "[Western] common values," the nationality problem would resolve itself.
- | The USSR's (and later Russia's) daunting economic problems could be easily overcome, given the country's human and mineral wealth. With a rapid integration into Western structures, Russia would relive the post-World War II experience of Germany or Japan and rapidly become a pillar of the "civilized North," escaping the intelligentsia's nightmare of "*Aziatshchina*" (Asianization).
- | The integration in the West of the "civilized North" would be facilitated by the West's appreciation of Russia's unilateral ending of the Cold War and by the gratitude of

the East Europeans and the citizens of the former Soviet Republics for making their independence possible.

- 1 Both the Russian Westernizers and their Western counterparts agreed that macro-economic reform and stabilization through a spillover effect would bring about democratization and the rule of law.¹⁸

Like Russia's Westernizers in the nineteenth century, the new Moscow intelligentsia adopted the prevailing Western model of neo-liberalism fashionable in the Thatcher-Reagan years, with little criticism or allowance for the USSR's distinct features. For example, they paid no heed to the fact that the keystone of the liberal economic model, a Lockian-type civil society where a strong, largely self-regulating society "tolerates" a weak and constrained state, was a phenomenon distinct to a small group of predominantly Anglo-Saxon states. They ignored also Russia's Hegelian legacy of the primacy of the state as the "rational extension of the individual" and the fact that the post-Stalinist USSR had attained something of a Montesquiean version of civil society where the citizenry organized into smaller subgroups which institutionally acted as intermediaries between the individual and the state.¹⁹ Thus the Westernized elite proceeded to dismantle all intermediate institutions with an almost religious zeal, in the belief that these Bolshevik leftovers stymied the emergence of both a self-sufficient Russian citizen and the "free" market. Unlike their democratic counterparts in Central Europe, where the agenda to destroy the Bolshevik autocracy did not automatically coincide with the establishment of neo-liberalism and where former dissidents formed either Social Democratic or Christian Democratic parties, the Russian intelligentsia proceeded to "build capitalism" with the same disregard of the predicament of the hinterland (*glubinka*) as their Marxist predecessors.²⁰ Yegor Gaidar, the father of Russia's "shock therapy," declared the need for the destruction of Russia's "pathological backwardness" if Russia was ever going to join the civilized world.²¹ Russian Westernizers and their Western counterparts adopted the neo-liberal dogma with the same zeal that their Western predecessors a generation earlier were enthralled by "development" theories.²²

The dismantling of the many institutions, such as the Trade Unions, *Komsomol*, Party Actives, women groups, etc. that mediated between the state and the individual did not result in the birth of a more individualistic citizen, but rather led to the complete atomization of the individual.²³ The result was that the individual lost his sole point of reference and his sole means of interacting with the state. Another result was the metamorphosis of many of these subgroups into criminal formations. In the end, the deliberate and often mechanical dismemberment of the old state institutions created a polity that has neither public power nor individual rights, making it an incoherent political society tenuously linked to an ever more deeply atomized and alienated individual.²⁴

One of the responses to the growing alienation from the center and the subsequent political atomization was the rise of regional identities in Russia (Siberia, the Urals, the Far East, et. al.). The importance of this development is more limited than meets the eye. While the rise of local nationalism has at times resulted in separatist rhetoric and refusal to pay taxes, in reality the local activism is a means to express frustration with Moscow rather than an attempt to separate from it. The "all Russian" concept remains very strong. In every

public opinion poll, the most loved institutions remain the national institutions, such as the army and the church, not local political organizations.

Without a doubt, the massive criminalization and collapse of the economy deprived the Russian government of the ability to use economic well-being as the underpinning of legitimacy that was afforded to other post-imperial polities after World War II. In addition to that, however, the collapse of the USSR, the sudden willful denunciation of the previous seventy years of Russian history, and the debasement of what were heretofore national icons triggered a bitter response across wide segments of the Russian society, especially outside the two capital cities.²⁵ This is a process that Oswald Spengler calls “Pseudomorphosis,” in which the borrowed culture overwhelms the receiving culture, leading to a profound disorientation on the part of the populace and creating a growing gap between an elite that assimilates the new culture and the masses that assimilate it only superficially. Societies experiencing Pseudomorphosis usually follow one of two paths: either despotism by the assimilated elite or complete political paralysis.²⁶ Thus, even if the agenda of the Westernizing elite had been successfully implemented, the cultural break (*perelom*) would have made the restoration of coherence to the new Russian state a daunting task.²⁷ Long before the economic collapse of August 1998, Genadii Zyuganov captured popular feeling when he referred to Westernized Moscow as a “wart on the nose of Russia.”

The utopian dream of the Westernizers, in any case, failed to materialize. The newly independent states of the former USSR not only did not express any gratitude to Russia for their painless liberation, but instead, in their attempt to fortify their own identities, turned Russian into the evil “other” responsible for all the calamities that had befallen them, including Stalinism. The Russian population and Russophone Diaspora resident in these newly independent states suddenly became an unloved leftover of imperialism, people who perceived the growth of discrimination and outright persecution against them.²⁸ In a similar fashion, within the Russian Federation itself, republics dominated by titular nationalities, such as Chechnya, Tatarstan, and Bashkortistan asserted their “native rights,” creating a large Russian population believing itself to be the subject of discrimination and even oppression. In one case, the assertiveness of the native population led to the denial of pensions to the Russians by the Dudayev regime in Chechnya. In Tatarstan, the conversion of the Russian Academy of Sciences (RAN) into the Academy of Science of the Republic of Tatarstan (ANRT) resulted in a rewrite of history aimed at breaking the “Russian falsification of Tatar history.”²⁹ The educational system of Tatarstan not only mandates the introduction of Tatar language across the republic, despite the fact that fewer than one percent of the Russians have any knowledge of the language, and embraced an ethnic rather than civic concept of citizenship, with the Russian population of the republic being depicted as colonizers or guests.³⁰

The Westernizers who believed and expected that the USSR’s and then Russia’s nationality problems would be easily solved with the advent of democracy turned out to be bitterly disappointed.

Another Westernizing notion to meet its Waterloo soon after the collapse of the USSR was the belief that the nations of East-Central Europe would appreciate the Russian role in their

liberation and would thus act as a bridge facilitating Russia's "return to Europe." As with the former Soviet republics, much of the pent-up hostility towards the USSR was transferred to Russia. Across the region, Soviet World War II cemeteries and monuments were vandalized, at times with the apparent blessing of the authorities, thereby attacking perhaps Russia's sole remaining national icon. Demands by Poland that democratic Russia assume moral responsibility for Stalinist travesties shook the underlying assumption of the Westernizers that the peoples of the former USSR and the Soviet bloc would realize that it was the Russians who were the prime victims of Stalinism. The countries of East-Central Europe not only failed to become facilitators for Russia, but instead spearheaded the attempt to exclude Russia from Europe, a process that culminated in the applications of Poland, Hungary, and the Czech Republic to enter NATO. The symbolic value alone of the decision to expand NATO severely discredited the notion of Westernization in the Russian body politic. The desperation of the Russian Westernizers was eloquently captured by the liberal publicist Kara Muzra:

We consider ourselves as a part of Europe in the cultural sense. But Europe does not consider Russia to be European. That's the problem. They fear us. We [are treated as] a guest of Europe. There is a saying: 'The uninvited guest has already been here for generations' [making everybody, especially the guest, uncomfortable, it would seem]. [Ivan] Silaev [ambassador to the European Union] was right when he said to NATO that you are only stimulating Zyuganov.³¹

Perhaps the greatest disappointment to the Russian westernized intelligentsia was in Russia's relationship with the developed West in general and the United States in particular. By 1995, there was a growing consensus that the attempted return to the "common Europe home" was an economic, political, and security calamity for Russia. In economic terms, the expectation that Russia would soon be integrated into the "civilized North" turned out to be an illusion. Western aid, never reaching the levels that some Westernizers such as Yavlinskii anticipated, was either spent on Western consultants or simply stolen by a parasitic rent-seeking elite.³² Within a very short period, Russian society fragmented to produce a small, criminalized economic elite that, with the West's blessing, continued to loot the country. The perception of continued Western support for Yeltsin, regardless of how corrupt and arbitrary he proved to be, was engrained in the Russian consciousness, especially following the events of 1993, when Yeltsin used tanks to subdue a duly elected parliament—again, with the approval of the West.

Similarly, the Westernizer's belief that Russia, with its human and mineral resources along with a population used to low wages, would be able to repeat the experience of Southeast Asia, where export promotion became a locomotive of sustained growth, was dashed, in large part due to the "anti-dumping" policies of both the United States and the European Union (EU). The requirement that the "non-market" economies of the CIS illustrate a priori that their manufactured goods were not being dumped on Western markets stymied any hope of an export-driven economy. Thanks to tight monetary policies stemming from the Russian Westernizers' heeding of International Monetary Fund advice, the "de-monetized" Russian economy drove much of Russia's manufacturing sector to rely on barter as the main means of trade. The reliance on barter resulted in the inability of most Russian manufacturers to demonstrate costs and thus avoid countervailing measures designed to thwart dumping. Furthermore, the tight monetary policy foisted on Russia by the

West led to an appreciation of the Russian currency, creating an import drive boom in Moscow, where 85 percent of the foreign capital in Russia was placed, while further constraining the ability of industry to compete, leading to massive impoverishment outside the two major cities.

The hopes of Russia's Westernizers for an export driven recovery were crushed. Post-Soviet Russia, shorn of its empire and unable to sell its manufactured goods to its former clients and satellites, was quickly reduced to a mineral and semi-processed commodities exporter, leading to the collapse of its manufacturing sector and to mass unemployment among the country's "technical intelligentsia," which, ironically, many early Westernizers saw as the basis of a putative middle class. In what may well turn out to be the ultimate irony of Russia's experiment with westernization, Russia's Westernizers fell victim to the neo-liberal dogma gripping the West between 1979 and 1997. They both ignored Karl Polanyi's seminal work, *The Great Transformation* (1944), which so clearly demonstrated how the gold standard and tight monetary policy delegitimized the Weimar Republic, and forgot that both the New Deal and the Marshall Plan included healthy doses of monetary injections into the economy.³³ Western advisors and their Russian counterparts proceeded with their neo-liberal prescriptions, ignoring all evidence that, in Russia's case at least, tight money did not result in greater savings and investments but was actually driving the economy toward barter and subsistence production. By 1998, the Russian Federation fragmented into dozens of pseudo-closed economies, while the country's GDP was hovering at 50 percent of its 1988 level. In economic terms, the Russian state ceased to be a coherent unit.

Finally, the Westernizer's assumption that the collapse of the Soviet bloc and the devolution of the USSR would lead to a partnership with the United States and an end to the Cold War has failed to materialize in Russian eyes. The decision to expand NATO eastward was perceived across the spectrum of Russia's political classes as, at best, a violation of the Zheleznovotsk agreements and, at the worst, a provocative step to isolate Russia within the international system. This sense of defeat and betrayal was reinforced by the decision of the United States to hold naval exercises off the Crimean Peninsula and later by the strong support of the Clinton administration for the Baku-Ceyhan oil pipeline, despite repeated statements by the oil industry that the project has no economic foundation. To most Russian observers, in security terms, westernization did not return Russia to the "civilized West," but rather moved the line of containment from the heart of Germany to the Polish-Ukrainian border and from the Persian Gulf to the Caucasus.

The Yeltsin years will be remembered as years of lost opportunities for both Russia and the West. In economic terms, the Russian economy shriveled to less than half of its Soviet era peak. In political terms, the collapse of communism failed to create a modern citizenry and instead degraded the population to an amorphous mass, oscillating between atomization and anomie on the one hand and criminalization on the other. Yet, perhaps the most grievous loss inflicted on Russia was in psychological terms. Russia's Westernized elite, ensconced in Moscow, perceived approval by the West as the highest form of legitimacy, giving the increasingly radical opposition almost a monopoly in shaping and defining Russia and its national myth. To many Russians, the warm relationship between Moscow-based Westernizers and the West, occurring in the context of an ever-deepening poverty and

corruption, appeared to be proof of the elite's duplicity and the West's perfidiousness. This was a reminder to them of Alexander Radishchev's observation in his *Journey from Petersburg to Moscow* (1790) that, while the French Philosophers marveled at the liberalism and enlightenment of Catherine the Great, both the Russian empress and her Western interlocutors conveniently forgot that she ruled a realm of enslaved serfs.

Similarly, the heroic treatment accorded to Yeltsin, Chernomyrdin, Chubais, and some of the New Russian tycoons, at a time when millions went unpaid and a new form of serfdom was introduced, discredited both the merit of westernization and the West itself.³⁴ The collapse of the Russian ruble, in August 1998, and Russia's subsequent default on its foreign debt, followed by a banking crisis that decimated the proto-middle class and was felt even in Moscow and St. Petersburg, dealt a severe blow to the "imagined community" of the Russian intelligentsia.

While we may be historically too close to analyze thoroughly all the complex reasons behind the collapse of Russia's liberal westernization, an important general observation can be made. The failure of both the late nineteenth and twentieth century liberalization movements continues to reflect the profound schism in Russian society. The contemporary Russian historian Aleksandr Akhiezer drew a striking analogy:

Every word of the 1861 reform harbored a schism, an abyss of a mutual lack of understanding. Liberal reformers, guided by the values of a developed utilitarianism as ways to become aware of the link between personal efforts and personal benefits, pursued liberal notions of growth and the importance of the individual in society. The peasants, by contrast, strove to close themselves off in their own local worlds; they were oriented toward the dominance of barter relations. Two sets of values, two types of civilization, two kinds of socio-cultural reproductions were in conflict.³⁵

Russia's *lumpen* urbanization and industrialization did not alter many features of Russian society. The end of central planning and the disintegration of the centralized state resulted in the reversion to a fragmentation of the economy that enabled local power brokers to close themselves in their own local worlds and revert to a barter relationship. Thus liberalization of prices in Russia did not lead to an explosion in production, to rational prices, or to an individual-based society.

By 1995, fully 64.5 percent of Russian adults were "ashamed of their country," 55 percent were certain that "[Russia] cannot go on living this way," and 82 percent longed to see Russia as a "great power."³⁶ In a symbolic coincidence, when, in December 1998, one of the "poet laureates" of Gorbachev's glasnost, Anatolii Rybakov, died in his home in New York, much of the Russian press virtually ignored the event. Russia's bout of political and economic liberalism was over.

Russia at a Crossroads: Ethno-Nationalism or Pan-Slavism

The new [Russian] national idea cannot be other than a continuation and a development of previous national ideas formed over the course of centuries and the embodiment of the integral experience of the nation and the principles of its existence.³⁷

It may well be that the greatest strength of Russia's pseudo-democracy is the absence of programmatic political parties and the very deep atomization of society, both of which act as obstacles to the formation of authoritarianism.³⁸ However, this apparent apathy should not be confused with the profound rejection of the current Russian reality. In the popular arts, the themes of Stalinist brutality, communist oppression, and Brezhnevite banality have all but disappeared. Russian popular music of today, especially among the heavy metal bands popular with the young, dwells on the people's feelings of anger and humiliation, with xenophobic and anti-Western overtones. Among the middle-aged groups, there is a powerful return to Soviet era *estrada* and a mix of war songs from both World War II and the Civil War. In the case of Civil War songs, however, it is the songs of the Whites fighting for "Holy Russia," rather than the Reds fighting for a "new world," that are most popular. Betrayal and abandonment by the West are a recurrent theme.

Beyond popular art, which is one measure of public sentiment, public opinion polls indicate profound nostalgia for the Soviet past. Though as noted above, nearly two-thirds of Russians are "ashamed" of their country, at the same time, 84 percent regret the breakup of the USSR.³⁹ The failure of the westernizing paradigm has left a huge psychological void in Russia, a void that is being filled with mythologies relying on nationalism as the basis of legitimacy. As was the case with German and Hungarian nationalism during the inter-war period, there are two major variants of the nationalist paradigm competing within Russia's body politic: a nativist group that focuses on Russia in its current "narrow definition" of ethnic Russians living within the Russian Federation; and a group with a "Pan-Slavic" vision, which extends the definition of Russians across the Slavic-Orthodox lands of the former Soviet Union. Both of the above currents in Russian politics are poorly formed and fluid in structure, with many individuals defying a strict characterization; however, while the process of formation might not be complete, several general observations can be made.

Nativist "Moderate" Nationalism

Nativist "moderate" nationalism emerged fairly soon after the collapse of the USSR and, indeed, found some resonance across wide segments of Russian society. Among the prominent political actors that might fit in this nationalist paradigm, albeit imperfectly, would be all three former major presidential contenders: Lebed, Luzhkov, and Primakov, along with Lukin and Solzhenitsyn. While the above-mentioned nationalists do not all have identical views, there are several key characteristics common to all of them:

- 1 In terms of a usable past, they all refuse to categorize either the Soviet era or the Tsarist period in any uni-dimensional manner. While freely admitting the short-

comings of the previous eras, they invariably stress the accomplishments of Russia and its people under both the Soviet and Tsarist regimes.

- 1 They perceive of Russia as a distinct culture and, while avoiding messianic or anti-status quo policies, they nevertheless support a vigorous defense of the country's distinct culture and an assertive foreign policy that defends Russia's national interests. This includes a sphere of influence across the former Soviet territory. Significantly, even the moderate Russian nationalists refuse to give up irredentist claims to "Russian lands" and closely link the Russian identity with the Russian state and the Russian Orthodox Church.⁴⁰

Their definition of "Russian-ness" tends to be relatively broad, with language and culture as the main markers of national identity.⁴¹ However, unlike the westernizing liberals who insist that decentralization and federalism are essential pillars of Russia's democracy, moderate nationalists fear that uncontrolled decentralization will lead to the fragmentation of the Russian Federation and a repeat of the experience of the USSR. Vladimir Lukin has noted that, given the regional and "civilizational" centrifugal forces across the unwieldy federation, Russia's sole priority over the next two decades is simply to "survive."⁴² Solzhenitsyn has noted that federalism was a "Leninist invention" meant to dilute and denude Russian culturally.⁴³ The anti-Federalist attitude among many Russian nationalists hardened when Tatarstan threatened to block any further integration between Russia and Belarus. The solution for preventing the disintegration of Russia is to create a unitary ethno-national state. Some of the more radical among the "narrow nationalists," such as Aleksandr Solzhenitsyn, Vladimir Kabuzan, and Ksenia Mialo, while supporting independence for the Chechens, included in their agenda the recovery of "Russian lands" such as the Crimea, Donbass, the Narva area of Estonia, and northern Kazakhstan.⁴⁴ Interestingly, while Ksenia Mialo narrowly focuses on Russia as a distinct entity—she traces the origin of the Russian state to Novgorod—others among the nativists link the birth of the Russian nation to the formation of a strong Muscovite state, abandoning the myth of Kievan Rus' as the birthplace of Russia, as the Slavophiles tend to do.⁴⁵ Strong centralized statehood is a key to Russian identity, according to this group.

Their attitude toward the West is very ambiguous, often indicating suppressed hostility. They firmly believe that the West, and particularly the United States, is not "anti-Communist" but rather "Russophobic." Thus the liberals' dream of partnership with the United States never had grounding in reality. The United States, according to the "narrow" nationalists, has humiliated Russia and exploited Russia's weakness in order to undermine the Russian state.⁴⁶ However, while perceiving the United States as a rival, the narrow nationalists recognize that, given Russia's economic weakness, it must avoid tension with the West until such time that its economy, and particularly its industrial base, has recovered. While most "narrow" nationalists blame the West for the economic misfortunes that have befallen Russia, they remain very cognizant of Russia's dependence on Western credits and hence are careful not to provoke a confrontation on truly substantive issues. Thus, at the current stage, Russia's policy should be limited to sustaining the integrity of Russia, for only upon regaining its strength can Russia reassert itself across "Russian lands."

Although the narrow nativist nationalist school may well contain some of the most respected names in Russian politics, and indeed dominated the political arena for the first five years of Russia's independence, their ideological paradigm suffered a severe setback with the outbreak of war with Chechnya and the subsequent Russian defeat. While the narrow Russian nationalists long rejected an intimate relationship with the West because it was seen as degrading to Russia's culture and status, many of these same nationalists adopted the view of the émigré "Eurasians" of the 1920s, who perceived the non-Slavic peoples of Russia to be symbiotic friends of Russia in the confrontation with the West.⁴⁷ The war in Chechnya, followed by the rise in fundamentalist Islam (Wahabism) there as well as in Dagestan and in other parts of the Russian Federation, coupled with the quagmire in Tajikistan and the ascent of the Taliban in Afghanistan, shattered all notions of "Eurasianism" or of an "Orthodox-Muslim axis" against the West. Aleksandr Prokhanov, the editor of the ultra-nationalist publication *Zavtra* and a strong proponent of "Eurasianism," wrote in late 1996 that it will be China and the Muslim world that will benefit most from the dissolution of Russia.⁴⁸ The Congress of Russian Communities (KRO) bluntly rejected the notion of "Eurasianism" in its Second Manifesto:

Eurasianism is only able to distract the *Russkie* from their own national challenges and weaken the firmness of the *Russkii* spirit, and entice the illusion of intermediary mission.⁴⁹

The first defeat in Chechnya was a turning point in post-Soviet, Russian history. On the one hand, that war exposed the decay in Yeltsin's Russia; at the same time, it delegitimized the Russian state that had emerged in 1991. Observing the status of the Russian state in 1998, the nationalist journal *Moskva* noted that "federalism destroyed Russia within the frontiers of the USSR and will destroy the Russian Federation unless [federalism] ceases to be the state dogma."⁵⁰ He cites the writing of the Dagestani nationalist Mohamed Tagaev, who has claimed that the stated aim of the Islamic population in the Russian Federation is to reduce Russia to the medieval "Moscovy, Tver, and Novgorod principalities."⁵¹ This initiated yet another shift in the center of gravity of Russian nationalism away from Eurasian nativism toward pan-Slavic imperialism, a process that would accelerate greatly after the economic crisis in the summer of 1998.

Pan-Slavists and Empire Builders

There always have been segments within the Russian body politic that have never accepted the demise of the USSR. However, after the defeat of the communist coup attempt in August 1991, the massive vote in Ukraine to secede from the Soviet Union and the willingness of vast portions of the Soviet Armed Forces to "betray" the Soviet Union and declare loyalty to Ukraine and other newly emerged states reduced those who sought the restoration of the USSR to fringe groups consisting mainly of communists and other disaffected types. In the months following the demise of the USSR, peripheral groups such as the National Salvation Front, led by Ilya Konstantinov, called for the restoration of the USSR in the context of a "multi-ethnic nation" (*Mnogonarodnaia natsiia*). The communists, both in Russia and Ukraine, from the very start did not accept the demise of the Soviet Union. As Roman Szporluk observed, "Independent Russia and independent Ukraine in their own ways define

themselves through the negation of the Soviet Union.”⁵² This definition was rejected from the start by hard-core communists, and the regrouped Russian Communist party called for the revival of the Soviet Union on the basis of “One Soviet People” (*edinnyi sovetskii narod*).

By 1993, the view of those wishing to restore the empire significantly changed. The growing crime wave in Russian cities, coupled with the prevailing perception that immigrants from Central Asia and the Caucasus represented a “criminal element,” cooled the internationalist ardor of many communists. The popularity of the expulsion of “Asians” from Moscow by the city’s mayor (Luzhkov) in October 1993, followed by the outbreak of the war in Chechnya, led the communists to shift from calling for the restoration of the Soviet Union to an embrace of a Pan-Slavic paradigm. The waves of Slavic immigrants from Central Asia and the perception of the oppression of the Russians in the Baltic states and in the titular republics of the Russian Federation rekindled an imperial version of Pan-Slavism. Instead of stressing internationalism, the leader of the Russian communists, Zyuganov, declared that, since only a nation can generate human values, “Slavic values” are superior to abstract “human values.” Vladimir Govorukhin, a former advocate of a Soviet restoration, declared his preference for a united Slavic state.⁵³ By 1997, Zyuganov asserted a distinctly Pan-Slavic version: “Our task is the reunification of Ukraine and Belarus with Russia.”⁵⁴

As the economic situation in Russia declined, an ever-growing segment of the Russian population perceived the Russian polity as an illegitimate criminal entity. The illegitimacy of the Russian state was further accelerated by the mass disenchantment in both Belarus and Ukraine with their respective independence. Interestingly, the term “the Soviet Union” was relegated to disuse, while the Russian political lexicon became increasingly dominated by terms such as Slavic Brotherhood (*Slavianskoe bratstvo*) and the Triune Orthodox Russian Nation (*triedinaya pravoslavniia russkaya narodnost*) consisting of Russians, Ukrainians, and Belarusians.⁵⁵

The shift toward a Pan-Slavic orientation was joined by other important political actors in Russia, including the Russian Orthodox Church, large segments of the officer corps, and most recently, members of the middle class ruined by the collapse of 1998. The Russian Orthodox Church, historically an organ of empire, reacted to the demise of the USSR with dismay. The breakup of the USSR meant the rise of autocephalous churches in Estonia, Ukraine, and Moldova, de facto dethroning the Patriarch of “Moscow and all the Russias.” Thus, from the very beginning, the Orthodox Church launched a campaign against its twin enemies: “ecumenism” as represented by the Westernizing liberals and “renovationism” as manifest in the rise of national orthodox churches in the newly independent states.⁵⁶ Appealing to Russian nationalism, Orthodox Church leaders equated ecumenism with the creeping “Catholicization” of Russia, recalling the resistance of Aleksandr Nevskii to the Teutonic Knights.⁵⁷

An even more extreme nationalist position was advocated by the late Metropolitan of St. Petersburg, Ioann, who praised Stalin as the gatherer of the “Lands of Rus” and called for a crusade against the genocidal “Russophobes,” including Gorbachev, Yeltsin, Jews, and American capitalists, all of whom were seen to be conspiring to break up “the greatest empire in the world.”⁵⁸ In Belarus, the Metropolitan of Minsk (Filaret) routinely referred to “our

homeland between the Baltic and the Pacific.” While not all clerics embraced Ioann’s sense of paranoia, Alexii II, Patriarch of Moscow and the Russias, declined to take issue with the ultra-nationalist sentiments emanating from his church. Significantly, when Presidents Aleksandr Lukashenko of Belarus and Boris Yeltsin of Russia launched the process of integration between the two countries, Alexii II presided over the ceremony, referring to it as a sacred task (*sviatoe delo*). The call for a synthesis of Orthodox Christianity and a Pan-Slavic ideology was enthusiastically endorsed by the publication *Literaturnaia Rossia*, of the Union of Russian writers.

Another advocate of Pan-Slavic integration are the Russian armed forces. While the armed forces were once the embodiment of the USSR as a superpower, they are now reduced to humiliating poverty. The Russian armed forces, both as an institution and as individual officers, increasingly see the current situation as untenable. In a text published by the Russian Ministry of Defense, both the alarm about the current situation and a blueprint for the future were laid out:

Today (at the end of the twentieth century) Russia has no national idea, no national consciousness... We are about to resemble a modern day Atlantis indifferently plunging into the ocean.⁵⁹

The authors, commissioned by the Russian Defense Ministry, argue that, if Russia is not to disintegrate or become a band of mercenaries, a Russian state organically linked to the Russian Orthodox Church and to the legacy of Kievan Rus’ must supplant the current incoherence.⁶⁰

The Union of Slavic Officers, representing military officers from the three Slavic states, has been active since 1993, organizing congresses and calling for a “Slavic Rebirth.” Many officers, especially those on duty within the Ministry of the Interior, developed overt links with the fascist Russian National Union (RNU), a relationship that allowed members of the RNU to acquire weapons.⁶¹ A recurring theme among nationalist military officers is that only a “united Slavdom” can confront the tidal wave of Islam from the South as well as that of the latter day Teutonic Knights, by which they mean NATO.⁶² In a bulletin published by the Union of Slavic Officers, there was a call for the defense of the “all-Russian” Slavic ethos against a crusade to destroy Russia, a defense that is attainable only in the context of a “unified all-Russian state.” Yeltsin, cognizant of the growing Pan-Slavic sentiment in the Russian Armed Forces, stated in an official address to military officers: “It is impossible to tear Ukraine from our hearts. The Ukrainians are our own people. That is our destiny—our common destiny.”⁶³ Primakov, a few days after Orthodox Christmas, attended a gathering organized by Alexii, bringing together churchmen, officers, and intellectuals.

Another important indicator of the shift of the Russian body politic from liberal to Pan-Slavic orientation is the change in the elite’s perception of the Commonwealth of Independent States (CIS). To the Westernizers, the CIS was a vital tool in dismantling the Soviet Union. Although the initial hopes of the liberals that the CIS would turn into a “new and improved federalism” were dashed, the liberals found the CIS useful for several reasons. The existence of the CIS, as Paul Goble aptly noted, was used by them as a “fig leaf” to deny the breakup of the USSR—a reality that no Russian politician wanted to face. Trade

relationships that developed between the banking oligarchs and the new elites in the newly independent states were favored by the oligarchs, as a means of participating in the “privatizations” in the NIS, as well as a conduit to export commodities out of Russia. Boris Berezovskii, along with Gazprom, was among the most vocal champions of the CIS.

The economic collapse of 1998, the demise of the banking oligarchs, and the ensuing shift of elites toward Pan-Slavism changed the attitude towards the CIS. Whereas in the past only nationalists and communists depicted the CIS as Yeltsin’s fig leaf and fraudulent façade, in post-August 1998 Russia, even mainstream Russian media started to depict the CIS as a Yeltsin Potemkin village, allowing him the role of a Mongol Khan holding court for minor vassals.⁶⁴

Increasingly, the CIS was perceived as a charade sustained with essentially free Russian natural gas, loans, trade concessions, and peacekeeping efforts, robbing Russia of 21 percent of its national income.⁶⁵ The reelection of Nazarbaev (one of the most vocal supporters of the CIS) as President of Kazakhstan drew derision from Russian nationalist politicians. Several held up Nazarbaev as a prototypical leader using the CIS to take advantage of Russia.⁶⁶ The calls for a Russian withdrawal from the CIS were accompanied by ever-louder calls for bilateral relationships. In fact, increasingly the term bilateralism has acquired a dual meaning. When dealing with Belarus, Ukraine, and, at times, Kazakhstan, it implies degrees of integration, while when dealing with the other states of the Caucasus and Central Asia, the same term means cold, pragmatic relations without any Russian concessions. Reflecting the mindset of post-liberal Russia, while most Russians claim to perceive the CIS as irrelevant, 80 percent welcomed the new plan to integrate with Belarus.

Conclusion: The Radicalization of Russian Politics and Prospects for the Future

All three Slavic countries were overcome with a tidal wave of nostalgia for the Soviet Union and a deepening perception that the only way for these Slavic peoples to survive the machinations of the “perfidious West,” the “Zionist Conspiracy,” and the “Wahabist adversity” was to join together. Within a very short time, a profound radicalization of Russian nationalism has occurred, fundamentally shifting the parameters of debate in Russia and launching to center stage what was in years past a fringe view. Xenophobic and nationalist rhetoric once considered unacceptable arrived with a vengeance and, indeed, gained a degree of respectability inconceivable only a year ago.⁶⁷ Nationalism and Pan-Slavic, or all-Russian (*obsherussskogo*), unification has become a tool of rhetoric across the political continuum. The current Russian state has no legitimacy, and public imagination is increasingly dominated by a blend of nostalgia and paranoia, with the West and its “agents” perceived as the culprits responsible for calamities ranging from betrayal to “ethno-genocide.” Russian nationalists increasingly wallow in self-pity, depicting Russia as an innocent entity driven by perfidious forces toward extinction.⁶⁸

The mutation from Marxism to fascism is both possible and has its historic precedents.⁶⁹ A drift in Russia towards greater corporatism and state intervention is likely if not inevitable. The use of nationalist rhetoric, laced with doses of anti-Western verbiage, will most likely dominate the political discourse in Russia as the Yeltsin era comes to an end. The mythology of a “distinct civilization” and some sort of restoration will continue to dominate the political agenda of all the political actors to varying degrees. Some re-militarization of the polity is bound to take place. The muted reaction, even by liberals, to the decision of the army to spend scarce resources on the Topol-M ICBM program is indicative of the current mind-set of the Russian body politic.

However, the currently fashionable talk of “Weimar Russia” or “fascist Russia” is premature and potentially dangerous, as it could become a self-fulfilling prophecy. Despite the obvious similarities between inter-war Germany and contemporary Russia, two key differences should not be overlooked. Unlike Germany, with its hyper-politicized population and tight network of political organizations, Russian society is extremely atomized, with most of its population struggling to survive rather than eager to participate in politics of any variety. Second, Germany during the inter-war period had a young population convinced of its superiority over its neighbors; Russia’s population is aging and declining. Having lived through the political violence of both Stalin and Hitler, the Russian people make poor material for the anti-status quo politics of the fascists.

The main danger that the West faces from Russia is not aggression, but rather, disintegration. This will potentially be accompanied by uncontrolled refugee flows, export of nuclear technology, and dissipation of its human capital to rogue states. The West cannot—nor should it try to—promote the “westernization” of Russia as it did in the 1990s. Russia simply lacks the infrastructure for a modern civil society, and the imposition of westernization from above (and from the outside) merely distances the elites from the country at large, adding to the country’s political instability. All functioning polities retain their stability and viability through a strange mix of practical results and legitimizing mythology. Contemporary Russia has neither of these preconditions. The West, through an enlightened aid policy that actually reaches the people in need and a clairvoyant trade policy that bolsters and ultimately expands the tiny middle class, can introduce a degree of legitimacy to the current Russian state. It is noteworthy that what keeps the countries of Central Europe on the path toward modern democratic politics is the belief that they will be rewarded by the West, whether through membership in the EU, NATO, or the WTO. Although neo-liberalism drew both Poland and Russia toward subsistence economies, the outcome in the two countries was different. The Poles were able to capitalize on the shuttle trade, which actually integrated individual Poles into the world economy and provided a locomotive for future growth. Russia’s subsistence economy deepened the isolation of the individual Russian, driving him to anomie and xenophobia. The Russians have nothing to hope for in this regard. Greater sensitivity to Russian national sensibilities on symbolic issues may help to prevent symbolic and psychological issues from boiling over into a real crisis.

The latest Balkan War and NATO unilateral action against Serbia appear to have drastically shifted the mind-set of the Russian nationalists from the nativism focused on Russian spiritual and cultural values and an inward-looking preoccupation with Russian

internal woes. The perception of danger and the sense of humiliation engendered by NATO's action pushed Russian nationalism toward the strand associated with statism and a powerful Russian state.

Nationalism, at times bombastic, will remain the political coin in Russian politics for a long time to come. However, Russia's integration into the world may well lead to the emergence of a kind of Russian DeGaulism, in reference to a situation in which bombastic nationalism was used as an anesthetic during a painful period of adjustment and modernization and, in the end, helped to create a new polity. At the current juncture of history, even ardent liberals such as Aleksandr Livshits concede that Russia's experiment with liberalism has failed and must be deferred until at least 2004—if not longer.⁷⁰ However, although Russia is bound for an authoritarian or chaotic period, it would be a mistake on the part of the West to write off Russia. We must be mindful that, until the outbreak of the Korean War, the United States tried to recast both Germany and Japan in its own image—with very mixed results. It was only following the outbreak of the Korean War that the United States shifted its policy toward the integration of Germany and Japan into the world economy, despite obvious dumping by both countries and despite the odious pedigree of many of the German and Japanese industrial elite.

In the case of Latin America, where dictatorships arose—again since 1970—the policy of the United States was not to overthrow “disagreeable” regimes, but instead to bolster the economic and political power of the middle class. The West must rise above the narrow interests of domestic lobbies and initiate a profound integration of the Russian economy into the world economy and nourishment of its middle class. The West must also abandon its missionary effort to “enlighten” the Russians. In the next generation, Russia is unlikely to become the democratic state we all seek; in the absence of a middle class, it cannot be.⁷¹ The successful economic integration of Russia may lead to a repeat of the process of democratization through international economic integration that was seen in the cases of Spain, Northern Mexico, Taiwan, and other countries, where a shift from nationalism and a move to seek legitimacy through the provision of social justice led to a gradual democratization.

The War in Kosovo and Its Aftermath

Western observers correctly noted that, despite the growing radicalization of the political discourse within the Russian political elites, the anonymous mass of the Russian people remained preoccupied with the difficult chores of survival and hence were largely inert to the issues of high politics in general and to the abstract debates about foreign policy in particular.

The popular indifference to foreign affairs changed radically following the NATO air war against Serbia. On the elite level, NATO's disregard for the United Nations and abrogation of assurances to Russia that NATO is a strictly defensive body was a graphic demonstration of the impotence of the Russian state. The sense of impotence and perceived American arrogance led to the consolidation of the Russian elite's foreign policy position; for the first

time, liberals such as the poet Yevgenii Yevtushenko and the conservative novelist Solzhenitsyn joined ranks in decrying NATO's aggression and arbitrariness. On the popular level, however, not only did NATO's air campaign signal Western perfidiousness, but it was perceived as a dress rehearsal to the dismemberment of Russia itself and thus a threat to Russia's own survival. While it is too early to assess the long-term impact of the war in Kosovo, several observations about the direction of Russian nationalism can be made. Since the war in Kosovo was broadly perceived as an act of aggression against a Slavic people, using the plight of the Muslims as a pretext for the West, for the first time since the collapse of the USSR (and perhaps for the first time since World War II), public opinion in Russia, as well as in Ukraine and Belarus, is mobilized by a perceived threat to their own survival. This perceived threat led to several changes within the Russian body politic:

- | The voice of the Westernizing liberals was all but silenced. Most Russians oppose further borrowing from the IMF and reject the need for U.S. agricultural support to help Russia overcome its poor crop yields, seeing the U.S. support as a calculated effort to destroy Russian agriculture;
- | Within all three Slavic countries, there has been growing fear of the West, forcing even Ukraine's Kuchma to tacitly support Russia's efforts to check Western policies in the Balkans;⁷²
- | The impetus toward closer integration with Belarus gained new momentum;
- | Within Russia's political spectrum, a shift in the balance of power occurred, with the armed forces apparently becoming more assertive both in terms of their role in shaping Russia's global posture, as well as in their demands for greater funding.

Failure to integrate Russia into the world community and world economy may lead that country to echo its nineteenth century cycle, so aptly described by the historian Yanov, where a failed liberalization mutated to inward-looking parochialism that resulted in an autocracy made possible by isolation.⁷³ An isolated Russia will repeat its historic cycle, experiencing a prolonged period of disintegration, chaos, and misery, a new "Times of Trouble" (*Smutnoe vremya*), which will be followed by the consolidation of a new autocracy. The West may not be able to choose the future of this vast and enigmatic land, but not only can it influence the choice that the Russian people make, indeed, it must.

ENDNOTES

1. Quoted in Igor' N. Ionov, "The Crisis of Historical Consciousness in Russia and the Ways to Overcome It," *Obshchestvennye nauki i sovremennost*, no. 6 (1994).

2. Francis Fukuyama, "The End of History," *National History* no. 16 (summer 1988).

3. U.S. attitudes toward nationalism have undergone several dramatic changes: until 1950, the United States followed the Wilsonian principle of "self determination," including partitioning along ethnic lines and even population transfers. Thus the U.S. supported Wilsonian plebiscites in Silesia in the 1920s, the Benes

Decree removing ethnic Germans from Czechoslovakia (1945), and the partition of Palestine in 1947. However, following the Korean War, when nationalism was perceived by Washington as a tool of leftist “National Liberation,” the United States shifted its policy, opposing independence for Algeria, a Palestinian state, or the breakup of the USSR. Despite the end of the Cold War, the United States continues to oppose the forces of nationalism as a legitimate basis for state formation. This view is reflected in America’s inability to come to terms with the potent force of nationalism and can be demonstrated by Washington’s stubborn refusal to consider the partition of Bosnia-Herzegovina or Kosovo along ethnic lines, despite the clear indication that this is the will of the native population.

4. Michael Ignatieff, “Identity Parades,” *Prospect* (April 1998).

5. Whereas, prior to 1973, each one percent growth of GDP demanded a two percent increase in the consumption of energy. Following the increase in the price of imports, the greatest value-added products became intellectual property, accelerating the process toward post-industrialism. Thus, within a generation, traditional industrial activity has become the main economic activity of the developing world, whereas the advanced countries moved to higher value-added activities generating intellectual property.

6. See David Brown, “Why is the Nation-State so Vulnerable to Ethnic Nationalism?” *Nations and Nationalism* 4, no. 1 (1998).

7. Ylitzhak Brudny, *Re-Inventing History: Russian Nationalism and the Soviet State, 1953–91*, (Cambridge: Harvard University Press, 1998); Katherine Verdery, *National Ideology Under Socialism: Identify and Cultural Politics in Ceaucescu’s Romania*, (Berkeley: University of California Press, 1995).

8. The Iranian Revolution of 1979–80 should have raised the question of whether modern liberal polities are a historic inevitability.

9. Ignatieff, “Belonging in the Past.”

10. On the contradiction between civil society and multiculturalism see Eamonn Callan: *Creating Citizens: Political Education and Liberal Democracy* (Oxford: Clarendon Press, 1997).

11. See Margaret Canovan, *Nationhood and Political Theory* (Cheltenham England: Edward Elgar, 1996).

12. While a case can be made that the English and French nationalisms were stronger than the “subject” peoples in Africa or Siberia’s “Little People,” this is only true when the comparison is made with pre-national societies.

13. The only other analogous situation where the empire preceded the formation of a nation is the Ottoman Empire.

14. Sergei Witte, *Vospominania*, vol. 3 (Moscow: 1960), 273.

15. Ilya Prizel, *National Identify and Foreign Policy* (Cambridge: Cambridge University Press, 1998).

16. Unlike Russia, most of the other former republics of the USSR have either immediately introduced their own currency, as in the case of Estonia, or a parallel currency, as in the case of the Ukraine, thus creating an economically coherent unit from the start.

17. Interestingly, while much of the Westernized elite perceived the collapse of the USSR as an opportunity to integrate into the world economy, which would uplift the Russian economy, Russians, on the popular level, saw the “loss” of Ukraine as a separation from the traditional “breadbasket” that would lead to more hardships. That popular view was reinforced by the fact that in early 1992, while Russia suffered from acute shortages, Ukraine appeared to enjoy an abundance of food.

18. See Robert Sharlet, "Legal Transplants and Political Mutations: the Reception of Constitutional Law in Russia and the Newly Independent States," *East European Constitutional Review*, vol. 7, no. 4 (fall 1998), p. 62.
19. See Oleg Khakhordin, "Civil Society and Orthodox Christianity," *Europe-Asia*, vol. 50, no. 6, (1998).
20. Boris Kagarlitsky, *Restoration in Russia: Why Capitalism Failed* (London: Verso Press, 1995).
21. See Michael Urban, "Remythologising the Russian State," *Europe-Asia Studies*, 50, no. 6. (September 1998), 975.
22. See Colin Leys, *The Rise and Fall of Development Theory* (Bloomington: Indiana University Press, 1996).
23. It should be noted that with the exception of the Communist Party itself, which was actually banned, most of the other institutions disappeared as a result of either approbation, atrophy, or both.
24. See Stephen Holmes, "What Russia Teaches US Now: How Weak States Threaten Freedom," *The American Prospect*, no. 33, (July-August 1997).
25. The attack on the Soviet period included the revelation that Stalinism was a direct heir to Leninism and that even such national icons as the "Great Patriotic War" included many lies and deceptions.
26. See Oswald Spengler, *The Decline of the West*, (New York: Alfred A. Knopf, 1926), 189–195.
27. See Ernest Gellner, "The Rest of History," *Prospect*, (May 1996).
28. While there has been a massive outflow of Russians from Central Asia, the Russian population has remained in the Baltics, where the standard of living is much higher. This brings other challenges. In Latvia, where the Russians were allowed to vote in Russian national elections, it was Vladimir Zhirinovskky's LDP that gathered most of the votes. In both Estonia and Latvia, there is a decline in the number of young Russians opting for local citizenship, and Latvia's language law of July 1999 demands the use of Latvian in all official activities.
29. See Katherine E. Garney, "Education Reform in Tatarstan and Bashkortostan: Sovereignty Projects in Post-Soviet Russia," *Europe-Asia Studies*, vol. 51, no. 4 (1999).
30. Ibid.
31. Urban, "Remythologising the Russian State," 986.
32. Janine R. Wedel, *Collision and Collusion: the Strange Case of Western Aid to Eastern Europe, 1989–1998*, (New York: St. Martin's Press, 1998).
33. Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, (Boston: Beacon Press, 1944).
34. The universal feature of serfdom is the serf's inability to leave his place of employment at will. Millions of Russian workers, who are not paid by their employers in legal tender but rather either in parallel currency or kind, have become de facto serfs, as they cannot leave their employer at will. See Vladimir Shlapentokh, "Early Feudalism: the Best Parallel for Contemporary Russia," *Europe-Asia Studies*, vol. 48, no. 3 (May 1996), 393–411.
35. Aleksandr Akhiezer, "Rossiiski liberalizm pered litsom krizisa," *Obshchestvennye Nauki i Sovremennost'*, no. 1 (1993), reproduced in *Russian Social Review*, vol. 38, no. 5 (1997).
36. Nataliia Tikhonova, "Mirovzrecheskie tsennosti i politicheskii protsess v Rossii," *Obshchestvennye Nauki i Sovremennost'*, no. 4, (1996): 15–27. Reproduced in *Russian Social Review*, vol. 38, no. 5 (1997).

37. Eduard Batalov, "Kuda put' derzhim? O natsional'noi idee i gosudarstvennoi ideologii," *Rossiiskaia Federatsiia*, no. 15 (1996).
38. See Stephen E. Hanson and Jeffrey S. Kopstein, "The Weimar/Russia Comparison," *Post Soviet Affairs*, vol. 13, no. 3 (1997) 252–283.
39. *Interfax*, January 22, 1997.
40. See Alan Ingram, "A Nation Split into Fragments: The Congress of Russian Communities and Russian Nationalist Ideology," *Europe-Asia Studies*, vol. 51, no. 4 (1999).
41. I. Klymakin and V. Lapkin, "Russkii Vopros v Rossii," *Polis*, vol. 5, no. 29, p. 87.
42. Igor Zevelev, "The Russian Quest for New Identity: Implications for Security in Eurasia," in Sharyl Cross, Igor Zevelev, Victor Kremenyuk, and Vagan Gevorgian, eds. *Global Security Beyond the Millennium: American and Russian Perspectives*, (London: Macmillan, 1998) 111.
43. Igor Zevelev, "Nashe interv'iu" Solzhenitsyn o Chechne," *Argumenty i Fakty*, 1–2 (January 1995) 1.
44. See Vera Tolz, "Conflicting Homeland Myths and National-State Building in Post-Communist Russia," *Slavic Review* (summer 1998) 282.
45. See Vera Tolz, "Forging the Nation: National Identity and Nation-Building in Post Communist Russia," *Europe-Asia Studies*, vol. 50, no. 6 (September 1998), 1001.
46. Sergei Kortunov, "Kaitsa Rossii ne v chem," *Nezavisimaia Gazeta*, September 26, 1996.
47. See Dmitry Shlapentokh, "A Problem in Self Identity: Russian Intellectual Thought in the Context of the French Revolution," *Journal of European Studies*, vol. 26, no. 1 (March 1998).
48. See Vladimir Shlapentokh, "How Russians Will See the Status of Their Country by the End of the Century," *Journal of Communist Studies and Transition Politics*, vol. 13, no. 3 (1997), 12.
49. Ingram, "A Nation Split into Fragments," 691.
50. Mikhail Smolin, "Mein Kampf po-Dagestanskii ili protokoli gorskogo mudretsa," *Moskva*, no. 11, (1998), 147.
51. *Ibid.*
52. Roman Szporluk, "Nationalism After Communism: Reflections on Russia, Ukraine, Belarus, and Poland," *Nations and Nationalism*, 4(3), (1998), 317.
53. Tolz, "Conflicting Homeland Myths and National-State Building," 288.
54. Gennadi Zyuganov, *Geografiia Pobedy: Osnovy Rossisskoi Geopolitiki*, (Moscow: 1997), 249.
55. *Ibid.*
56. Konstantin Dushenov, "By Silence God is Betrayed," *Moskva 2* (1997).
57. *Ibid.*
58. See Ioann (Metropolitan of St. Petersburg), "Russkii uzal," *Rus' Pravoslavnaia*, no. 2; *Sovetskaia Rossia*, no. 83, (July 15, 1993), 3.
59. V.E. Gidirinskii, *Russkaia idea i armia*, (Moscow: Voennyi Universitet, 1997), 283.

60. Ibid., 286–289.
61. *Interpress Service*, July 1, 1998.
62. See Aleksandr Borodai, “kavakzskii khaos,” *Zavtra* 38(251), September 22, 1998. See also his “Su’dba prussov-Rossii?” *Duel*, January 28, 1998.
63. *Krasnaia Zvezda*, November 22, 1998.
64. See, for example, Semyon Ulanich and Oleg Medvedev, “A Farewell to the Commonwealth,” *Business in Russia*, January 1999.
65. Ibid., p. 28.
66. BBC Russia Survey (radio), January 11, 1998.
67. Zyuganov’s attack on Zionism, *Sovetskaia Rossiia*, December 24, 1998.
68. See interview with Valentin Rasputin, *Sovetskaia Rossiia*, (reported in Johnson’s List, January 5, 1999).
69. Many of Mussolini’s ideologues, including Roberto Michles, Paolo Orano, and Sergio Panunizo, were Marxists before World War I. Similarly in the 1930s, much of the Japanese communist leadership defected to the “National” cause.
70. *Business in Russia*, January 1999, p. 23.
71. My definition of middle class is based on the ownership of economic property, not education.
72. Ukraine waved the requirement that the Russian fleet in Sebastopol notify Kiev of its actions in advance, allowing the Russians to send their fleet into the Adriatic Sea.
73. Alexander Yanov, “Russian Nationalism: Ideology of Counter-Reform,” *RFE/RL Reports*, December 19, 1989.

Part Two Russia and Europe

Introduction

R. Craig Nation

Russia historically has been preoccupied with great power rivals in Western Europe, particularly with the threat of military invasion across its exposed western border. Today its primary concern is not exposure, but rather exclusion. NATO enlargement and the process of European unification are creating an ever larger and more consolidated European and Euro-Atlantic community. Moscow cannot realistically aspire to join either NATO or the European Union in the foreseeable future, but it also cannot afford to stand aside in self-imposed isolation while the European project goes forward. By any objective standard, and in its own best interest, Russia needs to strive for the closest possible association with its European neighbors.

NATO enlargement, combined with the precedent of NATO's air war against the Federal Republic of Yugoslavia, represents a strategic challenge for Moscow, but not an insurmountable one. NATO has no aggressive intent toward the Russian Federation, and since the conclusion of the 1997 Russia-NATO Founding Act, it has consistently sought to promote engagement. The involvement of Russian forces in NATO-led peacekeeping efforts in Bosnia-Herzegovina and Kosovo has been encouraged, and collaboration on the tactical level is creating a positive precedent. By putting to rest the existential concerns of the small states of the central European corridor that have historically been victimized by Russian power and clearing the slate for new forms of positive interaction, NATO enlargement can even work to the Russian Federation's advantage—so long as Moscow's own relationship with the Alliance remains on an even keel. Moscow's security concerns along its western marches in the post-Soviet period have not been imposed by Western hostility. They are the product of an inherited security culture emphasizing zero-sum measures of gain and loss, frustration with the surrender of influence and prestige, and imperial nostalgia that no longer corresponds to real national capacity or interests.

Will Vladimir Putin's Russia be able to realize the opportunities that the changing European security equation presents? The authors in our section offer divergent interpretations, with cautious optimism tempered by an awareness of the many obstacles still to be overcome.

Tatiana Parkhalina's overview of Russia's evolving relationship with the West suggests that the key choices have yet to be made. Russia stands at a crossroad in defining its relationship with the international community, and in regard to Europe, it can still move either forward toward patterns of broadened cooperation or backward toward isolation

within a Eurasian redoubt. Putin's strategic pragmatism is a hopeful factor, but this pragmatism is tempered by mutual misperceptions, opportunistic elements on both sides anxious to exploit windows of opportunity, and the difficult unresolved issues that continue to divide Russia and the West.

In his study of the security aspects of Russian policy in the Baltic Sea region, Dmitri Trenin accentuates the positive, placing a strong emphasis upon the prospect of using the European context to transform the Baltic problem into a Baltic opportunity. A positive approach to security that is sensitive to the mutual benefits to be derived from economic cooperation, he suggests, can transform the Baltic States into a gateway binding Russia's northwestern provinces to a wider West, and, in the longer term, make the nagging issue of NATO enlargement in the region irrelevant.

Jyriki Iivonen's contribution looks at Russia's relations with Nordic Europe in a broader framework. Like Trenin, he emphasizes the advantages to be gained from cooperative policies, but his evaluation of the prospects for such policies is less sanguine. Nordic Europe is identified in Russian strategic analysis as a historically stable region that does not pose economic or military threats, but relations with the area will be decisively affected by the quality of relations with the West as a whole—where positive trends are juxtaposed with factors working toward competition and closure.

Craig Nation's survey of Russian engagement in the Balkans during the 1990s notes that part of the reason why the region has been considered so important is that it has provided a test case for competitive interaction between the new Russia and the West. Moscow has opposed Western initiatives in the region, and it was particularly disturbed by the decision to use force unilaterally to resolve the Kosovo crisis. At every critical juncture, however, it has chosen to acquiesce in Western initiatives rather than risk isolation and exclusion. Today, Russia and the key Western allies share broadly coinciding goals in the Balkans and are working cooperatively to achieve them.

The same cannot be said for Russian and Western policy within the former Soviet space, evoked by James Sherr in his study of Russian-Ukrainian relations. In the "Near Abroad" as a whole, and in regard to Ukraine in particular, Sherr argues, Putin has presided over a more sophisticated and ambitious variant of policies originally associated with former Prime Minister Evgenii Primakov, using economic dependency in order to reinforce subordination. These policies have been to some extent successful in the short term. In the long term, they risk provoking local resentments and resistance and poisoning the spirit of cooperation with the West upon which Russia's larger security posture, in Europe and further abroad, must ultimately depend.

All the contributors identify an objective foundation for a new, cooperative relationship between Russia and its western neighbors, and they accept the fact that "Fortress Europe" and "Fortress Russia" scenarios are in no one's best interest. All are guardedly optimistic that progress in improving relations can be achieved—though some are more guarded than others. All take note of the fact that critical choices remain to be made on both sides. Despite encouraging prospects, the possibility cannot be altogether ruled out that a competitive

search for leverage, informed by deeply rooted misapprehensions, could drag relations between Russia and Euro-Atlantic community back toward a more familiar pattern of distancing and distrust.

Russia and Western Europe: Problems and Perspectives

Tatiana G. Parkhalina

It is not possible to understand the present state of the relationship between Russia and Western Europe without a short historical review. After the collapse of the Soviet Union at the beginning of the 1990s, the challenges of formulating foreign and security policy and of participating in the future European security architecture seemed to have become a pressing issue for Russian society. Since the end of the Soviet period, Russia has been challenged by the problem of defining its national identity and its place in the European community and the larger world. Russia's loss of its former international superpower status and the loss of control over vast territories was a national humiliation leading to political disorientation for many Russians. The ensuing debate on foreign and security policy has focused on the scope and substance of Russia's relations with the West, preservation of Russia's special status—particularly as regards strategic security issues—and the issue of the balance between European and Asian orientations in the formulation of Russian foreign and security policies. A closer look at recent Soviet and Russian history explains this development.

The manner in which Russian society reacted to the reform efforts of Mikhail Gorbachev and Boris Yeltsin was similar to the reaction to reform efforts of the nineteenth century. Russia's special role in world history and the country's function as a bridge between the East and West were—and still are—an important issue to many Russians. While closer ties to the West have many attractions, serious doubts are voiced as to whether Russia should emulate Western models and rely on Western aid, and fears are expressed about the corrupting influence of Western culture. The recent debate in Russia on the problems of European security has focused on NATO enlargement. While this Russian focus on the relatively narrow issue of NATO enlargement stems in part from Soviet Cold War attitudes towards NATO, it nonetheless also reflects Russian concern with NATO's role in the future and the implications of that role for Russia. Focus on the NATO expansion issue has so caught the attention of Russian security planners that they perhaps have lost sight of how Russia fits into the larger European security picture. However, that bigger picture could potentially overshadow the NATO expansion issue and has great long-term security implications for Russia.

Since 1993, Russia's attitude towards Western Europe has been conditioned by two major factors: the process of NATO enlargement and the desire to have special relations with the European Union. With regard to NATO expansion, it should be recalled that Russia took a fairly benign view of the intent of Poland to join NATO and of NATO's Partnership for Peace Program (PfP) when these ideas were suggested during the official visit of President Yeltsin to Warsaw and again in late 1993. At that time, the Russian military and political establishment believed that the PfP program would turn out to be something of a "waiting room," into which Central and Eastern European countries and Russia would enter and

where they would stay for an indefinite period—because nobody was going to ask them into the “parlor” of NATO proper by offering full NATO membership. It was not until the PfP Framework Document was published and the Partnership for Peace Program was actually launched, in January 1994, that the Russian Press mounted a massive anti-NATO campaign. Many of the Framework Document’s provisions went against the grain of the Russian military-political establishment, and particular concern was expressed over paragraph three of the Document, which calls for transparency in organizing and planning national defense, developing military budgets, and ensuring democratic control of defense forces.

In general, the question of NATO enlargement has spawned many myths and illusions that were skillfully exploited by Russian politicians. For many Russians, especially those of the older generation, the problem of interaction with the West is, above all, psychological. In 1994, NATO and Russia cooperated in response to the Balkans crisis (Bosnia and Herzegovina). During that period, Russia voted in the UN with the Western countries for the resolution against the policies of Serbian leader Slobodan Milosevic. After the NATO bombings of Serbian positions in Bosnia, the then Russian Foreign Minister, Andrei Kozyrev, was attacked inside the country by so called national-patriots, castigated for his pursuit of a pro-Western policy line, and labeled as a traitor. At the same time, however, Russia and NATO have cooperated fruitfully in Bosnia in the framework of IFOR. Moreover, those Russian military officers who have been through the IFOR experience are much more open to the idea of cooperation with NATO and the West.

In May 1995, Russia finally signed the individual program of partnership with NATO. It is noteworthy that, while preparing the document, Russian officials always insisted on a special status for their country, repeatedly emphasizing that Russia could not be compared with other European states. The problem was, however, that Russia didn’t really participate in the Program; this is explained partly by the fact that Russian military circles were not prepared to cooperate as an “ordinary” (not “great”) power. They repeatedly raised the issue of command relationships, and they considered it a humiliation that Russian troops would be placed under NATO control. At the end of 1996 when Russian politicians realized that the process of NATO enlargement was becoming a new political reality, they began negotiations on an agreement to regulate the process of enlargement. The resulting product, the NATO-Russia Founding Act on Mutual Relations, Cooperation, and Security, was signed in Paris in May 1997. In the text of this document, both sides declared themselves to be partners.

But did they really become partners? The answer to that question is “no.” The reasons—perhaps it might be called the blame—for this development can be found in the actions of both sides. Part of the fault lies with the West’s failure to take into account the psychological characteristics and conditions of post-Soviet Russian society. But the West also failed by lending support not to enduring policies, but to individual political figures who gave the West the impression that political and economic reforms in Russia were proceeding in the right direction. For its part, Russia bears some of the responsibility because rather, than using the Founding Act to the fullest degree possible to shape a cooperative relationship with NATO, it adopted a negative attitude towards NATO expansion and embarked on a policy of “minimizing the damage” resulting from the NATO enlargement process.

What about Russia's relations with the European Union (EU)? Since 1994, the relationship with the EU has been declared to be of high priority for Russian foreign policy and economic policies and development. In 1994, Russia and the EU signed the Partnership and Cooperation Agreement, but Russia did not shape a strategy of cooperation with the European Union, and it also did not use the Agreement to the full extent possible to enhance relations. Just to cite one example, it took Russia three years to nominate its Ambassador to the EU in Brussels. While analyzing Russian policy towards the EU, one should note that the development of cooperation with this European institution cannot be formulated and developed outside of the context of the relationships with other international and Euro-Atlantic institutions, such as OSCE, NATO, and the Council of Europe. The strategic goals of this broader cooperation should be the creation of an "environment of security and stability in Europe," which, when interpreted in a broader sense, means taking into account the political, military, economic, social, cultural, informational, ecological, and other dimensions of interactions between societies. In this context, both Russia and the European states presuppose that without Russia it is not possible to construct such an environment in Europe as regards security. For there to be fruitful cooperation with the EU, Russia should reject certain stereotypes:

- | A "zero-sum game option" perception in the field of security; in other words, Russian security is not weakened as the potential for wider European security integration increases.
- | Traditional security notions such as "balance of forces" and "spheres of interests," as well as "conflicting alliances." In the past, these concepts were considered to be stabilizing factors, but those "stabilizers" resulted in war. Perhaps these concepts have become outdated.
- | The stereotype that "Central-Eastern European countries are apostates that are naturally hostile to Russia, so it is not worthwhile to conduct a positive policy with regard to them." Russia must reject this notion promptly, as it undermines any possibility of shaping a system of cooperative security with these countries.

In spite of the facts that some Central European countries are already NATO member states and that others would like to join this Euro-Atlantic institution, Russia must develop a relationship with them on a bilateral basis as well as on a subregional (multilateral) level; it is likely that it will be Russia that must initiate the elaboration of a new policy toward the Central-Eastern European countries. Russian concerns related to the enlargement of the EU and NATO could be diminished by a political document—a "code of conduct" for all sides in the process of opening Western institutions to the East. Such a document could delineate certain confidence building measures, as well as set forth norms and standards in economic relations.

Since 1998, a new Balkan crisis centered in Kosovo has developed. During the Rambouillet negotiations, Russian politicians and diplomats supported the Serbs and, moreover, they gave Milosevic the impression that Russia would support Yugoslavia in the event of a "hot" confrontation with NATO. Having supported UN Security Council resolutions 1199 and 1244, Russia then threatened to use its Security Council veto when the

UN discussed giving NATO a UN mandate for peacemaking and peacekeeping operations in Kosovo. Meanwhile, in Russia, the authorities did not allow the release any information on ethnic cleansing against Albanians in Kosovo.

After the beginning of the NATO air strikes against Yugoslavia, Russian officials did not hesitate to freeze relations with NATO, justifying this step by asserting that it was the Atlantic Alliance that violated the Founding Act, that pursued an aggressive policy against a sovereign state, and that did not take into account the Russian position. These Russian actions created the impression that certain representatives of the Russian political and military “elites” were actually waiting for a pretext to express their desire to destroy the emerging NATO-Russia relationship.

How can we explain this phenomenon? The fact is that the Russian political class is searching for some factor to offset (we might call it hyper-compensation) both the many setbacks experienced in the process of reforming the country and their economic failure in the wake of the collapse of the USSR. To deflect attention from their own failures, they are exploiting the population’s fears and tendencies towards nationalism. The recent groundswell of nationalism is in no small measure the result of the inability of Russian political leaders and institutions to develop and implement measures that would meet society’s genuine security interests in the economic, political, military, and cultural spheres. Manipulating such nationalistic tendencies (civic rather than ethnic) is the most effective way of gaining political power and of maintaining a significant degree of control over the country’s population.

What has been the net result of the Russian position during the Kosovo crisis? What has Russia gained in terms of strengthening its position in the world and upholding its interests in the Balkans? What have been the results of this foreign policy position for the internal situation in the Russian Federation? Regrettably, in all dimensions, the results have been negative:

- | Relations with the West have suffered very serious damage.
- | China and India, with whom some Russian politicians have projected the construction of a so-called “strategic triangle,” have avoided building up such strategic schemes jointly with Russia, although cooperation with China, in particular, has increased.
- | Those countries of Eastern Europe that have not yet managed to join NATO are now knocking even harder at the door of the Western Alliance as a result of Russian policies. The so-called second wave of NATO enlargement is becoming more likely than ever, because now the East European countries have much stronger arguments to justify their persistence.
- | Russian interests in the Balkans have suffered. While in recent years, Russian foreign and security policy has become more economically aware, those policies are increasingly geared to the interests of the Russian monopolies. The Balkans depend

on Russian energy supplies, and one might assume that the Russian oil monopolies expected the Milosevic regime to protect their interests in Yugoslavia. In this regard, the failure of Milosevic to win reelection should be viewed as a setback for Russian interests, although Russian energy sales to the Balkans are likely to be largely unaffected.

- | The CIS countries demonstrated during the Washington Summit, to which Russia did not send representatives, that they would distance themselves from Russian positions, that they did not want to construct a so-called anti-Western front, and that they were ready to continue their cooperation with NATO within the framework of the PfP program.

What has happened inside Russia? Has the pro-Serbian position resulted in a national consensus? Again the answer is negative. It is true that the majority of Russians condemned the bombings, but that is the attitude of normal people to war in general, especially considering that the Russian media carried hardly any information about Belgrade's actions in Kosovo that preceded and prompted the NATO bombings. At the same time, various opinion surveys have revealed that the majority of Russians were against Russia being drawn into the war on the side of Yugoslavia. And the leaders of the Muslim republics inside Russia made it very clear that they would prevent the sending of volunteers to Yugoslavia because that would mark the start of a civil war inside Russia, which has about twenty-eight million Muslims, who obviously sympathize with the Kosovar Albanians. Instead of an all-Russian consensus, this crisis saw the aggravation of internal political tensions and calls by left-wing radical forces for the resignation of the President, who decided against rendering immediate military assistance to the Milosevic regime.

What is the impact of a "NATO-Russia crisis" on the relations with the EU likely to be? During and after the Kosovo crisis, Russian politicians and diplomats tried to divide the West into "good" and "bad"; "bad" being NATO, "good" being the European Union. This unrealistic attempt has failed, and it has demonstrated that even the Russian experts don't understand the real nature and character of the European integration process.

In the context of the crisis resulting from the second Chechen war, questions about which were addressed to Russia by different international institutions (the Council of Europe, the EU, the OSCE), the Russian political establishment tried to reshape relations with NATO in the wake of the resignation of President Yeltsin. On the initiative of Acting President Putin, the Russian Ministry of Foreign Affairs approached the NATO Secretary General with an invitation to visit Moscow even before the Russian presidential elections. What was the real purpose of this initiative?

- | To reassure the West that the so-called "new" Kremlin team was ready to reopen a dialog as they understand it.
- | To try to portray developments in Chechnya as similar to the situation in Kosovo during the crisis and the NATO bombings; while this may be regarded as cynical, in

a sense, the second Chechen war helped to restore the relationship with NATO, perhaps due to increased Russian confidence in dealing with NATO.

- 1 In the face of both EU and Council of Europe criticism of Russian policy in the Northern Caucasus, the Kremlin was trying to use NATO to change the attitude of the West, aiming at future support of Russian policy after the presidential elections.

Given that President Putin is a pragmatic politician, he probably understood that confrontation with the West runs counter to long-term Russian interests, foremost among which is the modernization of the country, which will be impossible without extensive Western financial and technical assistance.

In the framework of the Russia-EU relationship, there is yet another serious problem—how should Russia perceive the new European initiatives concerning the European Security and Defense Identity (ESDI) and the European Spatial Development Perspective (ESDP)? Before the Kosovo crisis, Russia emphasized its positive attitude towards strengthening the “European pillar” of the security of the West, towards ESDI, and towards a common foreign and security policy. But what is the Russian approach towards all these integrative and potentially intrusive processes in the wake of NATO action in Kosovo?

At the end of 1999 and the beginning of 2000, Russia tried once again to pursue a policy intended to “divide the West.” In spite of the views of European politicians and experts that NATO continues to be a cornerstone of the European security system, that all EU member-states are working according to NATO standards in the field of security and defense, and that, in the majority of cases, European defense efforts will be based first on NATO capabilities, Russian political and military elites decided to “support” the ESDI and ESDP primarily as a counterbalance to NATO. Only now is a more realistic understanding of the real character of that process emerging.

What should be Russian attitudes towards the phenomenon of a wider European security and defense identity that would not compete with NATO but rather supplement NATO? First, it is counterproductive for Russia in the short term and contrary to Russia’s national interests in the longer term to perceive of European defense as an antipode of NATO and to try to use it to counterbalance various NATO initiatives. Second, Russia has to cooperate with the emerging EU structures, thus using the mechanisms of the EU-Russia agreements on cooperation and partnership and the NATO-Russia Permanent Joint Council (PJC). Russia probably should try to institutionalize relations with emerging European defense structures and avoid “grand design” (at times referred to as “agreement in principle” but in fact failing to achieve any substantive results) initiatives that usually end up with only declarations or the signing of unrealistic and thus largely meaningless documents.

What are prospects for the relationship between Western Europe and Russia? There are (at least) five possible scenarios—three negative and two positive.

- 1 If there is a second wave of NATO expansion to the east, including invitations to one or two Baltic countries, Russia could redeploy certain tactical nuclear weapons to

the territory of Belarus; such an action by Russia most likely would result in an escalation of tensions between Russia and the United States and between Russia and Western Europe.

- | Another explosive situation could arise if Russia comes to perceive that European Union (EU) enlargement will lead to negative consequences for the Russian economy. Such a perception could arise in connection with the new visa regime, the application of EU standards and norms of behavior in the field of finances and commerce, and some restrictions in foreign trade. Russia is worried that EU enlargement to the east could lead to Russia being cut off from the process of European integration if Russia is not fully integrated at the same as its western neighbors. Another difficult issue in the context of the EU-Russian relationship is that of Kaliningrad—Russia’s leadership is seeking a solution that includes Kaliningrad remaining as an integral part of Russia. At the same time, the EU perceives of Kaliningrad as a future enclave to be included in the EU. A failure by the two sides to resolve their differences over this issue could provoke significant troubles in the EU-Russian relationship.
- | Russia has expressed serious concerns about the changing role of the OSCE, accusing the West of emphasizing only the aspects of humanitarian missions and human rights and paying less attention to other issues that were envisioned as part of the OSCE charter, such as the inviolability of borders. In November 2000, Russian Foreign Minister Igor Ivanov repeated in Vienna that such a focus on a narrow set of issues would provoke new dividing lines in Europe. At the same time, Russia began to implement its policy of so-called “strategic pragmatism,” which involves cooperation with such states as Iran and Iraq. These issues and Russian initiatives with states that many European nations (and the United States) regard as “rogues” are likely to provoke new tensions between Russia and Western Europe and inhibit Russia’s integration into the wider European community and the development of closer relations between the EU and Russia.
- | A more positive option would include Russian recognition that the processes of EU and NATO enlargement are manifestations of a new political reality involving the shaping of a European Foreign and Security Policy, including a defense component. In this option, Russia does not automatically regard this process as a vehicle to counterbalance the influence of the United States. As a result, Russia revives and expands its cooperation with NATO, participates in the PfP, and gains wider acceptance as an integral member of the growing European Community. Unfortunately, however, this outcome is among the less probable.
- | Russia recognizes that it has to cooperate with Western Europe and with the European Union more closely, in part to solve the ongoing conflicts in the Caucasus and to stabilize the region. Having this purpose in mind, Russian authorities carefully avoid any polemics against regional infrastructure enhancement projects such as TRASECA (a transportation infrastructure improvement connecting the Black Sea countries to Central Asia and the Persian Gulf) and INOGATE (Interstate Oil and

Gas Transport to Europe) that bypass Russia. In this option, Russian leaders declare their readiness to cooperate with the emerging European Defense Identity in military matters and in preventing and resolving local conflicts.

At this point, it is difficult to determine just how Russia's emerging closer relationship with China will influence its relations with Europe and the process of closer Russian integration into the European community. Russia is actually caught in a four-way relationship here, involving its ties to Europe, the United States, and China. While there are no systemic reasons that would preclude developing favorable relationships with all three, practical reasons make such an outcome unlikely. If Russia opts to "play the China card" in an effort to frustrate what it sees as American efforts to create a "unipolar" international political environment, there are likely to be negative consequences not only for Russian-U.S. relations, but also for Russian-European relations, differences between the United States and several European nations on several issues notwithstanding. On the other hand, if Russia seeks to expand the broad range of its relations with China, expanding this initiative beyond "playing the China card" in the three-way Sino-Russian-American relationship, there also could be negative results for Russia's efforts to further its integration into European political, security, and economic structures. Russia quite literally stands at a crossroads in defining its role within the international community, and, in spite of its reduced stature when compared to the influence enjoyed by the Soviet Union, the choices Russia makes will have profound implications not only for Russia itself but also for the international community at large.

Russian Policy vis-à-vis Western and Northern Europe

Jyriki Iivonen

General Goals of Russian Foreign and Security Policy

It is a well-known fact that during the last decade the loss of great power status has been a difficult and frustrating development for Russia and Russians. During that time it has lost both parts of its capabilities as well as its prestige. The loss has had several consequences both domestically and internationally. Former Soviet republics were considered to be ungrateful when, in 1991, they declared independence and after that, in many cases, adopted a new security and foreign policy that was critical and, in some cases, even hostile to Russia and Russians. Those responsible were also sought from the group of the political leaders of the 1980s and 1990s (Gorbachev in particular). Because of this, the process of *Vergangenheitsbewältigung* (management of the past) has been rather painful and has led to quite tense situations both inside Russia as well as in relations with most of the former Soviet republics.¹

Russia has adapted itself quickly to the role of the successor state of the Soviet Union. Being aware of its internal and external problems, it strives to fill a more modest role than before, that of a regional great power. This was quite evident in the immediate aftermath of the dissolution of the Soviet Union. On one hand, Russia was satisfied with inheriting the position of the Soviet Union in various international regimes (permanent member of the UN Security Council, a special relationship to the United States in arms control and disarmament, membership in G-7, etc.). On the other hand, by making a separation between “*near abroad*” and “*far abroad*,” Russia has made it clear that it realistically want to devote its main attention to securing a dominant role within the borders of the former Soviet Union. This has been its goal ever since: to preserve its status as a great power, albeit at a lower regional level than before.

During the Cold War, the Soviet Union was a superpower in its own right. Its international position was at its strongest in the beginning of the 1980s, when it had a military parity with the United States and defended its interests on all continents. But since then, it has been in constant decline. Beginning during the Gorbachev period, the first symptoms of decline and erosion emerged, a process that was only strengthened by the policies of President Reagan. Since then, all elements of its great power status have gradually deteriorated.² There are four different sectors where this erosion has been visible.

First, the Russian economy has been—in spite of some positive changes during the last year—in decline for the last twenty years or so. It is not only that the growth of Russia’s gross national product has been negative through most of that time and that the national

infrastructure as a whole has been on the brink of a total collapse. In addition, Russia's foreign trade has been small in scale and has been based more and more on the sale of raw materials, mainly energy. Capital flow has been negative: even many Russians take their capital out of the country as soon as possible, while foreign investments are not directed to Russia, but rather to countries regarded as more stable, such as China or certain countries in Eastern Central Europe. The Baltic countries, for example, have been much more successful than Russia. Economic difficulties have also led to the disappearance of technological and scientific innovation—never a strong feature of Russia or the Soviet Union.³ The inefficiency of the bureaucracy connected to the high level of corruption has also been an obstacle to positive economic development. With its economy in decline, Russia has not been able to pursue any wider foreign policy goals.

Second, there has been an erosion of the whole Russian society. The list of its problems is too long to be written down here. Suffice to say that if alienation of citizens was typical for the Soviet Union, then the situation really has not improved since 1991. After the events of 1991, the expectations were high, and a new era of security and prosperity was presumed to begin. Several problems have remained, however, and some of them have become more difficult than before. It is obvious that, especially during the last years of Yeltsin's presidency, most Russians lost their trust in the government. His own support remained minimal, and people did not even bother to vote, apparently believing that their vote would not change things. Politics has been seen as an unnecessary fight between central state organs and persons representing them. It was especially important for the President and the Duma to find a common voice in important political affairs. At the same time, social and political difficulties have increased. The standard of living of lower strata of incomes has dramatically declined; it is quite clear that the poor have become poorer and the rich richer. At the same time, regional differences have also increased. Domestic security, mainly owing to the growing role of organized crime in the daily lives of Russian citizens, has deteriorated. Environmental catastrophes, various epidemics, and similar phenomena have become more common. All these difficulties have created a fruitful ground for leftist parties to propagandize against the marketization of the Russian economy.

Third, there has been an erosion of the Russian military that seems to continue in spite of some positive changes in the economy. Russian military capabilities have been in decline for almost twenty years. In spite of that, it still possesses nuclear weapons and has been able to conduct two resource-consuming wars in Chechnya during the last decade.⁴ The present erosion is very difficult in the sense that recovery becomes more difficult every year. In terms of its nuclear capability, Russia is still a great power, but even the credibility of its nuclear deterrent is in decline. Russia has, so far, based its military policy on the idea of universal conscription, but it is increasingly difficult to get young men to qualify for the army. Right now, only 13 percent of each age group is accepted to serve in the military. It is especially difficult because the health of young men has deteriorated.

Along with the manpower problems, there is also a growing shortage of effective arms and other instruments needed by the military. National military research and development activities have disappeared almost completely, the procurement of new weapons is minimal, and even the export of arms has declined, although Russia is still the second largest seller

globally, after the United States. Russia has faced difficulties in getting rid of outdated weapon systems and materials; without continuous U.S. financial support, much nuclear material and even weapons would move freely to and from various countries of concern.⁵ The situation is similar in some other CIS countries as well.⁶ Russia is still relying on its nuclear deterrent, but in the military, it has also admitted that more effective conventional weapons are needed to solve some concrete security problems.⁷

Fourth, there has been an erosion of Russian foreign policy, where the discrepancy between Russia's goals and its capabilities is wider than ever. Russia would like to act like a superpower but does not have sufficient capabilities to do so. It is growingly dependent on contributions by other countries, and rhetorical statements do not change that fact. For the last ten years, Russia has opposed both NATO enlargement and any changes to the present disarmament and arms control regimes. At the same time, it has followed its own arms control agenda that, among other things, includes strategic cooperation with several rogue states, against the wishes of its partners in the West. Russia's "zero-sum" approach has been without consequences. While, during the Cold War, the Soviet Union was a natural participant in various international negotiations, today it is a pure spectator (e.g., in the Middle East Peace process). Its main attention today is directed towards its own border areas in the South, where its largest security threats have emerged (Chechnya, Tajikistan). Russia has further been unable to cope in an effective way with new unconventional threats, such as terrorism, environmental threats, international organized crime, and information warfare. Being unable to become a Western society, it has launched an anti-Western policy, aiming at transforming the international system in a multilateral direction.

Russian Security and Defense Doctrines

There is no reason to deny that Vladimir Putin's rise to power on the last day of 1999 has brought new consistency to the formulation of basic principles of Russian foreign and security policy. During his reign, two important documents have already been published. The National Security Concept (*Kontseptsiya Natsionalnoy Bezopasnosti Rossiiskoy Federatsii*) entered into force by Putin's order (*ukaz*) in January 2000. Russia's new Military Doctrine (*Voennaya Doktrina Rossii*) entered into force a few months later, in April 2000.⁸ In addition, a separate document on information security was published last year.⁹

There is no need to go into details with these documents. It is sufficient to point out that all of them are based on the same basic principles: the supposition that the direct military threat has decreased and on the idea of comprehensive security—where in addition to military and internal threats—attention has been paid to a phenomenon that has sometimes been called soft security. Historically, Russians have always been very sensitive towards the threat of being attacked from outside. By referring to the wars launched by Napoleon and Hitler, the Russians have appreciated strong national defense and the ownership of a large territory as an additional protection. Even in the era of intercontinental strategic missiles, the ability to control as wide an area as possible was important for the Soviet Union. Still today, the leaders of the Russian military seem to think in geopolitical terms.¹⁰

After the loss of their superpower status, the Russians have retained their old way of thinking, speaking in terms of spatial control of political space. This can also be seen in their perception of external threats: territorial claims, regional conflicts close to the Russian borders, the expansion of presumably hostile military alliances, international terrorism and organized crime, and the fear of the interference in Russia's internal affairs. Even discrimination against Russian minorities in other countries is mentioned as an external threat and, in some conditions, as a potential cause of war. The importance of military strength is also reflected in the statement that Russia finds the possession of nuclear weapons vital to its national security. Because rhetoric against nuclear weapons has always been central in Russian thinking, it was simultaneously emphasized that these weapons would be used only if other countries used them first or if a massive conventional attack was launched against Russia and no other means of defense were available.

Among internal threats are, for example, attempts to overthrow—through violent means—the constitutional order of Russia, the spread of national and religious extremism, the activities of illegal armed units inside the country, and the illicit trade in small arms and light weapons and their uncontrolled diffusion among the civilian population, as well as the spread of organized crime and drug trafficking. It is interesting to note that Russia, too, has started to pay more attention to the effects of information warfare. In the new Information Security Doctrine, it is pointed out that Russia's national security depends to a substantial degree on its ability to ensure information security. For Russia, information security is a very extensive concept, especially when it is compared to the perception of information security in the West. By incorporating information security into its security concept, Russia significantly expanded its perception of unconventional threats to its national security.

Taken as a whole, Russia has faced difficulties in defining its relationship to the West in the context of its new security and defense doctrines. Russian perceptions of the West have historically been defined in the context of two opposing views: the West is either a threat or an example to emulated, at least in some ways. There have been times in Russian history when the West has been a target of admiration and imitation. Peter the Great was a great Westernizer (*zapadnik*), and even the Soviet period can be understood as an effort to develop Russia and other Soviet republics to become technologically advanced nations. In spite of its hostile relationship with the capitalist world, the Soviet Union was, in many respects, a Western country. But there have also been times when Russians wanted to turn inside and felt that the West and its values were a threat to the very existence of the Russian national idea. In the latest official Russian documents, these two elements exist side by side. While during the first ten post-Communist years, the West as a cultural concept was seen as a positive goal, post-Yeltsin Russia has made a definite turn towards a more negative perception of Western values. The opponents of westernization, the Slavophiles, do not constitute a homogenous group, but they are still able to collaborate, at least to a certain degree. The Slavophile tradition has had different manifestations and has seldom been in the majority, but it has always had an impact on Russian developments.¹¹

The Instruments of Russian Foreign and Defense Policy

As mentioned earlier, the dissolution of the Soviet Union in 1991 has dramatically limited the effective means of Russian foreign policy. Until then, the USSR was regarded as the only country capable of equal competition with the United States. In spite of its staggering economy, the USSR was militarily strong, exerting global influence through direct contacts as well as through an alliance system that covered half of Europe and extended to different parts of the Third World. After the events of 1991, Russia was forced to give up the idea of functioning as a global superpower and to replace it with that of functioning as a regional great power. From now on, it was deemed prudent to have good relations with the far abroad (similar to peaceful coexistence, as practiced by the Soviet Union), while the near abroad was to be an arena where Russia still would be a decisive actor. Vis-à-vis the West, the new policy was a reformulation of the doctrine of peaceful coexistence between countries belonging to different social system, although this difference was no longer explicitly mentioned or emphasized.

In the post-Soviet circumstances, Russia has tried to preserve its credibility as a great power through three different means. Soviet superpower status was based first of all on the possession of nuclear weapons. The international arms control regime based on the idea of mutual assured destruction (MAD), the assumption that the ability of a country to launch a totally destructive counterstrike would deter an adversary from launching a first strike. In other words, the Soviet Union's nuclear capacity to strike back prevented it from becoming a first strike target for the United States. In the Russian military, there is a growing awareness, however, of its inability to remain in an equal competition on nuclear weapons (and other weapons of mass destruction). Because of that, a choice must be made of what level of deterrence Russia is aiming for. A limited capability for a second strike can be preserved even at a lower quantitative level than today. It can be calculated that even a few intercontinental ballistic missiles can penetrate the defense of the other country and, therefore, act as a sufficient deterrence. From the Russian perspective, two requirements are therefore put forward: first, that the United States also must cut its strategic weapons (as President Bush had already promised during his campaign) and, second, that it can convince the United States to refrain from building a comprehensive national missile defense system and instead concentrate on a limited national missile defense, where the theater-level missile defense (TMD) has been given a priority and the United States has a limited role. Russia would also benefit from an agreement in which it would receive U.S. missile defense technology, because its own capacity to develop such a system is limited. The proposal made by Defense Minister Igor Sergeev to NATO in February 2001 is connected to that goal.¹²

Russia has warned that if the United States makes unilateral decisions on national missile defense, one consequence, in addition to worsening great power relations, could be a new arms race between Russia and the United States, a race that possibly could be joined by China and some other countries as well. This warning is, however, mainly rhetorical by nature. Russian nuclear deterrence is both quantitatively and qualitatively in decline, while China's level is still far behind the other two countries. It is also quite clear that Chinese programs on strategic arms development will be continued independently of the U.S. missile defense programs. For Russia, its nuclear deterrence is the last remaining element of its

superpower status and therefore, psychologically, very important to preserve. But very few believe that Russia really could launch a new arms race with the United States.

Nuclear deterrence is an element of the great power status, but it is of no use in various small-scale conflicts that Russia needs to solve in its border areas in the South. The difficulties faced by the Russian armed forces in the war in Chechnya reveal its desperate need for more modern and effective conventional weapons. The use of weapons of mass destruction in this war is out of the question for both tactical and political reasons. With limited conventional capability, on the other hand, the war will only be prolonged and leave Russia more vulnerable to various political pressures both from within and from without. To avoid this, several measures are needed. In addition to investment in the modernization of the equipment of the armed forces, Russia needs a military reform in administrative terms. Both the conscription system and the C⁴I (command, control, communication, computers and intelligence) capabilities must be reformed. All this cannot be done alone nor in cooperation with such strategic partners as China or India, as earlier proposed by Russia. Modernization of the conventional sector can only be accomplished in cooperation with the United States and other Western countries, most of whom are NATO members. In other words, Russia might have a tactical and temporary relationship to some countries, but its only viable strategic partners are Western countries.

As Russia's economic and military capabilities have declined, its political role in the international system has been reduced as well. While the Soviet Union in the 1970s had a role to play in regional conflicts on every continent, today its role has been limited to its neighboring areas only. Some instruments have remained, however, such as membership in the UN Security Council and recent membership in G-8 along with the most developed countries of the world. Russia would like to have a role in international crisis management even today, but has limited chances to do so. A clear indication of its role can be seen in the Middle East peace process. Earlier, the Soviet Union was the most important supporter of the Arab countries, providing them both political support and weapons. Today, Russia is not a member of this process—its role has been limited to joint efforts with China and France to get the UN sanctions against Iraq to be lifted. Russia has also been criticized for its close military and nuclear cooperation with countries such as Iran and India.

Recently, Russia has become politically more active and has even achieved some success. In its relationship with NATO, for example, the creation of the Permanent Joint Council is an example of on such success. Such achievements are based not on its political importance, however, but only on its possession of weapons of mass destruction. Now that its internal problems are becoming slightly more manageable, it has started to adopt a more active policy globally. Its participation in the peacekeeping operation in Bosnia and Kosovo is a proof of that. Most of its troops have been deployed in various ethnic and religious conflicts within the CIS area (in former Soviet republics in the South), but some Russian peacekeepers can be found even in such distant places as Sierra Leone. But its main area of interest is, of course, in the near abroad (Caucasus, Tajikistan).

Russian Perceptions of the International System

The dichotomy between Slavophiles and Westernizers, those who saw the West as a threat and those who saw it as an example, has been mentioned earlier. These two trends of thought have dominated Russian perceptions of the outside world since medieval times. When the West was seen as a threat, the idea of territoriality dominated Russian thinking and policy. Expansion, the dominance of space, was seen as a natural policy. When the West was seen as an example, territory and its control was not seen as central, and security was mainly constructed through more active cooperation.¹³ For most of the time, the threat and example perceptions existed side by side—Russia wanted to become a modern society and avoid being regarded as a semi-Asiatic despotic state; but at the same time, Russia believed that it needed wide border areas to be able to protect itself against the imperialistic plans of larger European countries, especially Germany.

Throughout the twentieth century, the official Soviet view of the international system was based on the concept of the balance of power.¹⁴ The proclamations on the world revolution and the transformation of the international system were intended for political use—after failures in Germany and Hungary in the early 1920s, the Soviet leaders no longer believed in the ability of European countries to carry out a revolution similar to the Russian Revolution of 1917. Even the Soviet victory in World War II and the success of communism in Asia left the idea of balance untouched. In 1989, this whole system collapsed, and the Soviet Union started its retreat to the East, leading to its dissolution only two years later, in 1991. At the same time, the idea of the West became a much more topical issue than it had been ever before. With Soviet structures abandoned, the new Russian leadership had a real choice between integration and isolation.

Below, four different Russian ideas of the structure of the international system, with the place of Europe, Russia/Soviet Union and the United States, are presented. The first one describes the international system of the Cold War period, with its clear bipolar division into two antagonistic blocs. The second describes the international system as Russia sees it today. The third tries to capture the present Russian threat perception, how they fear the international system can develop in the near future. Finally, the fourth figure shows how the Russian leadership would like to see tomorrow's world look, the goal towards which they are working in their relations to the West.

As said above, in the bilateral Cold War system, the division between the East and the West, the Soviet and Western blocs, was clear. There were two blocs, one led by the Soviet Union and the other by the United States. Soviet domination over its bloc was indisputable, as was shown by its interventions in Hungary in 1956 and in Czechoslovakia in 1968. Although both interventions were verbally criticized, they did not lead to any military countermeasures. In the same way, the Soviet Union accepted the dominant role of the United States within the Western bloc. Western Europe was part of the U.S. bloc, and no serious efforts were made to change the situation. Even in divided Germany, a stalemate was accepted, especially after it was discovered during the Berlin crises at the end of the 1940s and in the beginning of the 1960s that a more independent German Federal Republic was not a threat to Soviet security interests.

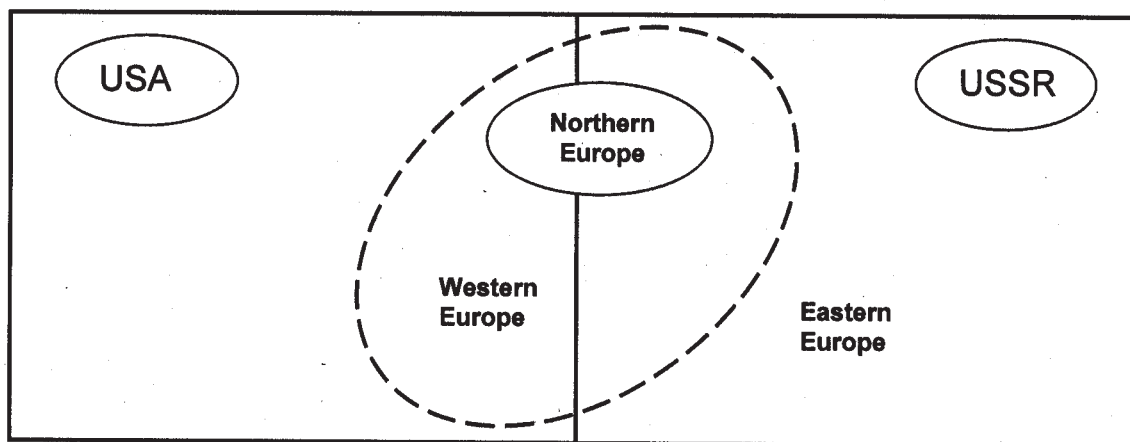


Figure 1. Cold War Relationships..

The role of Northern Europe was more complicated in this configuration. While Denmark and Norway were NATO members, Sweden and Finland were formally neutral countries, not part of the alliance. The position of Finland was especially complicated. Formally, in the Soviet jargon, Finnish-Soviet relations were described as “an example of the fruitful nature of relations between countries belonging to different social systems.”¹⁵ But at the same time, Finland was regarded as a special case, as a country that belonged neither to the West nor to the East. For that reason, throughout the whole Cold War period Finnish foreign policy was very cautious, where the separation was almost as a line in water.¹⁶ During this period, several options, in particular participation in the economic integration in Western Europe, were closed to Finland. Even when some trade agreements (e.g. membership in EFTA) were made, it was more or less compulsory that similar rights were given to the Soviet Union in its trade with Finland. It was only in 1989, when Soviet President Mikhail Gorbachev presented a formulation, that Finland’s special position was no longer emphasized. That Sweden at the same time was closer to the West than Finland was accepted by the Soviet Union.

In 1991, the Soviet Union collapsed and disappeared from the political map of the world. Although Russia inherited its international status in the UN and in some other international arrangements and treaties, the bipolar international system had disappeared, with the United States remaining as the only superpower that also controlled indirectly most of Europe. Russia, for its part, became a regional great power with its own internal problems—but no more than that.

The new Russian perception of the international system is presented in Figure 2. Here, the area controlled by Russia is smaller than that controlled by the Soviet Union, covering only the near abroad, that is, all former Soviet republics. The former Soviet dominance in Eastern Europe and in some parts of Asia has disappeared for good. Even Russian dominance over the CIS (Commonwealth of Independent States)¹⁷ was then, and is now, challenged. In spite of its own economic difficulties, Russia has been able to exert a limited economic control over these countries (Russia, for example, has used energy deliveries to sanction Ukraine). There are new challenges for Russia in the future, however. At least some of the CIS member

states can become more prosperous and therefore also more independent through their newly found energy resources.

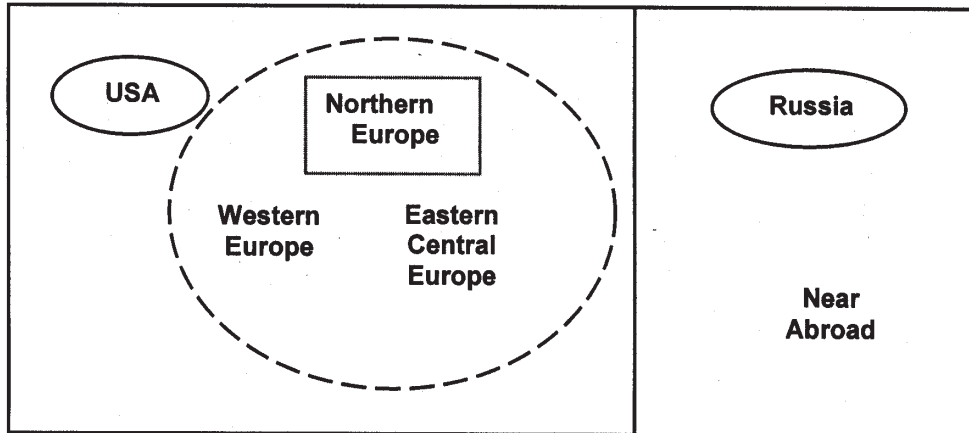


Figure 2. Post-Cold War, Present Russian Variant.

While Russia still hopes to exert control over its reduced sphere of interest, the Western bloc is believed to be more or less totally beyond its control. Through several simultaneous integration processes, Western, Central, Eastern, and Northern Europe belong to the sphere of interest dominated mainly by the United States. While this is a general picture, some nuances can be found. Within the Western group, there are internal tensions that Russia believes it can exploit for its own purposes. It also seeks to prevent the integration of former socialist countries into NATO. It failed in the cases of Poland, the Czech Republic, and Hungary, but it holds some hope with regard to other countries. It has a similar goal—although a different strategy—with regard to the former European neutrals. Russia is also well aware of the fact that not all Western European countries are happy with the dominant position of the United States. France has, on many occasions, been closer to Russia than to the United States.¹⁸ It is strongly believed that it is quite probable that new tensions will arise within the Western bloc in the future

The third figure depicts the world according to the worst-case scenario by the Russian leadership. Here the basic issue is the status of the near abroad. What Russia is most concerned with is the possibility that the Western community will initiate serious efforts to integrate at least some of the former Soviet republics into its sphere of interest. NATO enlargement is, for Russia, a concrete program towards that direction. It has already more or less assumed that Estonia, Latvia, and Lithuania are a lost cause for Russia. NATO membership for them must be opposed, but it is highly probable that Russia is not ready to do more than that. But those countries that belong to the CIS should be preserved within the Russian reach.

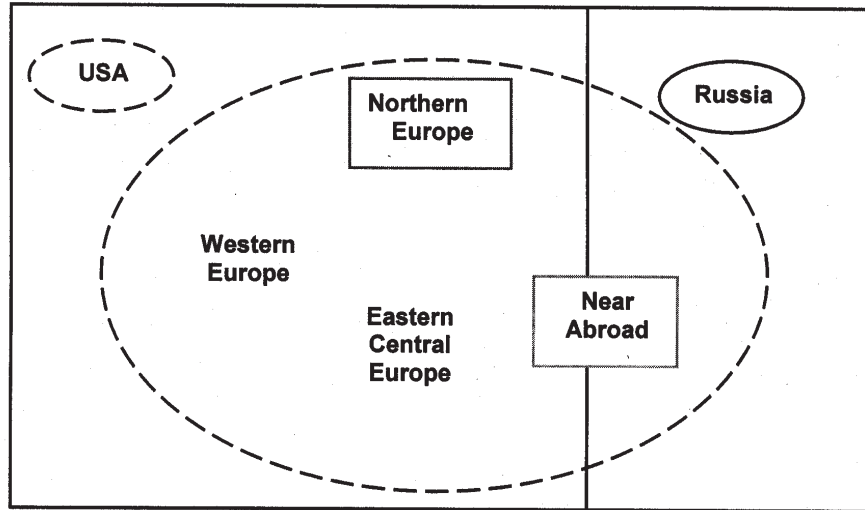


Figure 3. Post-Cold War, Russian Threat Variant

The basic idea in this figure is the victimization of Russia, an idea that Russia is surrounded by hostile powers that seek its destruction and division. The main actor in the hostile Western bloc in this Russian threat variant seems to be the United States, presumed to be using NATO for its own purposes. Western, Northern, and Central Eastern Europe are under its control, without any without real capability to question U.S. goals. The United States is also trying to extend the scope of its influence to the former Soviet sphere, in Ukraine, the Caucasus, and Central Asia. In this variant, Russia's future as a great power will be decided in the struggle with the West close to its borders, especially in the South. Eastern Central Europe is, in this variant, also a lost cause, an organic part of the Western bloc mainly through their membership in NATO. Contrary to the Cold War situation, the position of Northern Europe is also quite clear in this variant. Although Sweden and Finland have chosen nonalignment, they have made it clear that they look for a close relationship and cooperation with NATO. Their efforts to contribute to the building of national military structures in the three Baltic countries could, in the longer run, lead to disputes with Russia. To find some counter force to the expansion of the West, Russia is searching for allies from outside this figure, mainly from Asia, where efforts have been made to increase both economic and military cooperation with countries like China and India. It is a common belief, however, that these alliances are temporary only and will not really change the position of Russia.

What are then the conditions under which this threat variant could become a reality? People in power in Moscow seem to think that the weaker Russia is internally, the more difficult it will become for it to oppose and contain the expansion of Western influence. It is military reform in particular that should be carried out as soon as possible. But those in power know also that isolation from the West is not an option for them. Right now, their answer seems to be a kind of a zero-sum game that they are playing, especially with the United States. Whatever difficulties the Americans have in dealing with the rest of the world are believed to benefit Russia. However, Russia must be cautious in this game, because on the other hand they are clearly benefiting from cooperation with the USA.

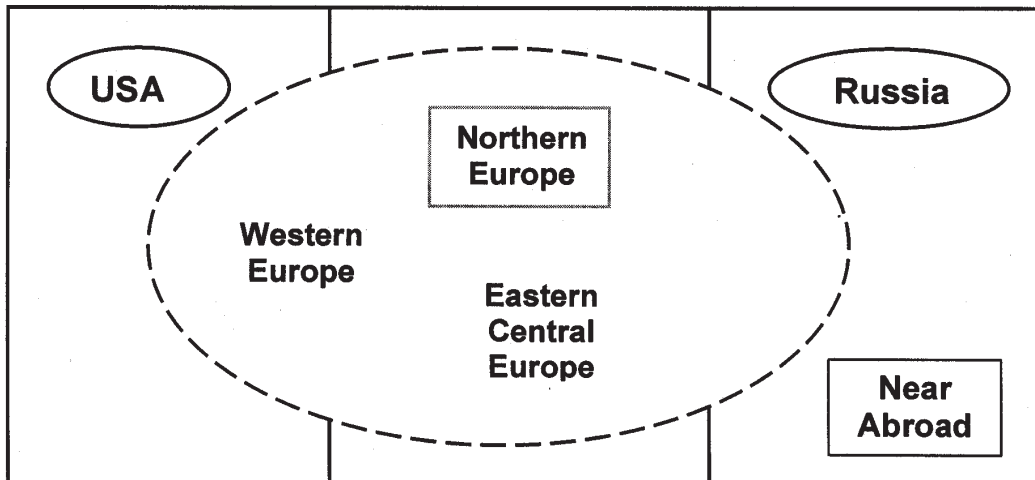


Figure 4. Post-Cold War, Russian Goal Variant.

The last figure describes the type of international system that Russia would like to build. It is a system where Russia's control over its near abroad is indisputable and where the United States would have lost its dominance over European countries. It would retreat back to America and leave Europeans to solve their own problems. This would lead to a certain type of a trilateral international system, where the European bloc would be located in the middle of two blocs and would balance their competition. This is, in a sense, a variant or a reformulated version of the Cold War bipolar system, although Russians no longer believe that they would become a superpower again.

There are several differences between variants three and four. First, the control of Russia over its near abroad should be indisputable so that it would have the last word in making decisions concerning the whole area. For example, Caspian Sea oil should be taken to the world market under Russian control and through Russian territory. Second, in the fourth variant, the European countries have become more independent vis-à-vis the United States. Both its economic and military control over Europe is declining, and NATO has become a political rather than defense organization. It will be the European Union, with more natural relations with Russia, that dominates the European scene. The threat of having NATO interfere in the Russian sphere of interest has declined or even disappeared. Third, the United States will have only a few really trustworthy European allies, most probably the United Kingdom, while other European countries are more prepared to intensify their relations with Russia, thus creating a strategic partnership between the two poles of Europe.

Russia and NATO

For Russia—and before that, for the Soviet Union—NATO has most of all been an instrument of U.S. foreign and security policy. It has also been an organization that has been seen as the embodiment of the unipolar international system. Especially after president Putin rose to power, opposition to NATO has been obvious in Russian foreign and security

policy. However, Russians also know that they cannot just ignore the existence of NATO. Its policy has therefore been a combination of competition and cooperation, very much in the same way as in its policy vis-à-vis the West in general. The main point is that the new changes in NATO's mission have not changed the Russian perception—NATO is still hostile towards Russia.¹⁹

Russian leaders—and before them, Soviet leaders—have viewed world politics in terms of conflict rather than cooperation. That explains why their world is like a zero-sum game, where they are on one side and the United States and NATO on the other. The dissolution of the Soviet Union has not led to any change in this thinking. Russian leaders have consistently opposed NATO enlargement, seeing it as a direct threat to their national security. The closer to the Russian border NATO gets, the more aggressive the tones have become. The membership of Baltic countries would be especially worrisome, because in that case NATO would be much closer to St. Petersburg and Moscow than before and because the Kaliningrad area would be separated from the rest of the Russian Federation. At the same time, Russia has agreed to create the Permanent Joint Council with NATO and to cooperate in operations like KFOR in Kosovo. There is a lot of cooperation in those sectors that are politically less dangerous, such as patriotic training or environmental projects.

Russian strategy against NATO enlargement has been twofold. On one hand, it has tried to put clear limits to the acceptance of new members. The membership of Poland, the Czech Republic, and Hungary was accepted as something inevitable, but it was simultaneously pointed out that any further enlargement would be completely unacceptable. It has especially emphasized that any former Soviet republic (here the main reference has been to the Baltic countries) should not be accepted to NATO and that NATO enlargement in general should take place only if that can be done without violating the security interests of any countries. On the other hand, Russia has tried to create formal bilateral relations with NATO that would give it at least an informal—if not official—veto right in its decision-making efforts. For example, the functions of the NATO-Russia Permanent Joint Council have continued since it was founded in 1997 with only small interruptions. Russia has so far failed in its efforts to have a veto right in NATO decisions. Because of that, other means of opposing NATO enlargement have been sought.

The most serious strain on the NATO-Russia relationship so far was created by the Kosovo crisis.²⁰ First, Russia strongly opposed the use of military strength against Yugoslavia and then, once a decision was made for an international peace keeping operation there, tried to secure itself more than was agreed by marching, without any warning, to the Pristina Airport. The formal interaction between NATO and Russia was interrupted for several months, although cooperation in Kosovo continued even then. Even today, Russian representatives often refer to the events in Kosovo when they try to explain their negative attitudes. But at the same time, they try to continue their cooperation as if nothing had happened. It has been emphasized by NATO representatives that day-to-day military cooperation in Kosovo between them and Russia has been amazingly smooth.

In spite of its critical attitude in general, Russia has been willing to continue technical cooperation with NATO. There are several ongoing projects dealing with military training,

exchange of officers, and so forth. That Russians now and then have expressed some reluctance could result more from their unwillingness to reveal their internal problems and weaknesses than from their critical attitude towards cooperation as such. If and when the situation inside the Russian armed forces improves, their interest in bilateral and multilateral cooperation will increase again in the case of NATO as well. But even then, it is possible that the obstacles to cooperation are too large.

The latest example of Russia's complicated relationship to NATO has been its proposal of a joint European missile defense against short and middle range non-strategic missiles, handed over to Secretary General George Robertson during his visit in Moscow in February 2001.²¹ In this proposal, an effort has been made, in addition to building an all-European defense system with the help of Russian technology, to give a concrete push to the division between the United States and its European NATO allies. The proposal has left the United States completely out and concentrates on the cooperation between Russia and other European countries. This proposal is one of several examples where Russia tries to invite European countries into projects and programs that could put Europe and the United States on opposite sides of the barricade. So far its success has been limited, however.

Russia and the European Union

If NATO has been seen as a threat to Russia, the European Union has been regarded in a much more positive light. To put it simply, NATO is assumed to be an American organization and the EU, a European organization. Supporting the former would strengthen unipolarity, and the latter favors a multipolar international system. Russia's role would be much more central in the latter case, so it is no surprise that the EU is preferred. Earlier, the OSCE was another favorite organization for Russians. However, its support has recently been in decline.

The positive attitude towards the European Union has not developed suddenly in Russia; it has been a process that has taken over ten years. At the end of the 1980s, representatives of the academic community in Moscow started to emphasize that it would be both economically and politically beneficial for Russia to cooperate with the EEC. An ambassador to Brussels was sent soon thereafter. When Finland considered EU membership in 1994, very few Russian leaders made any critical or suspicious remarks. It was believed rather, that through Finland's membership, Russia would obtain more direct access to the European market. And during the Finnish membership since then, and especially during the Finnish presidency in 1999, special attention was paid to cooperation between Russia and the EU. For Russia, the Northern Dimension has been a welcome opportunity to play down the living standard differences with other European countries. The fact that there are some EU countries that do not belong to NATO and are not even planning to join it is also of some importance to Russia.²² Russia has, on several occasions warned Austria against seeking NATO membership and praised Finland and Sweden for their more reserved attitudes.²³

These positive developments are not connected to economic relations only. It is worth noting that in private discussions the representatives of the Russian military have several

times pointed out that the development of the Common Foreign and Security Policy (CFSP) is a positive process from both the European and Russian point of view.²⁴ While acknowledging that Russia is not ready for EU membership for some time, Russian leaders seem to think that Russia's integration into European economic and security structures would be easier if it would have an opportunity to cooperate with EU countries within the Common European Security and Defense Policy (CESDP) framework. Russia, in other words, is willing to start even crisis management cooperation with the EU, although in the past they have preferred the OSCE (Organization for Security and Cooperation in Europe). There are at least two reasons for their more critical attitude towards the OSCE: the OSCE is simply quite ineffective in crisis management and is more suitable for various post-conflict arrangements, and the OSCE has lately adopted a rather critical attitude towards Russian activities in Chechnya.

Russia and Northern Europe

Northern Europe in this connection refers to the five Nordic countries—Denmark, Finland, Iceland, Norway, and Sweden. The three Baltic countries—Estonia, Latvia, and Lithuania—and their relations with Russia will be analyzed in another chapter. Also the future of the Kaliningrad enclave, located between Lithuania and Poland, does not belong to this chapter.²⁵

Finland has traditionally had a special relationship to Russia. After belonging to the Russian empire as an autonomous province for over a century, Finland gained her independence in 1917 but had, for the next three decades, a very difficult relationship with the Soviet Union, leading to two consecutive wars in 1939–40 and 1941–44. In 1944, the nature of the relationship changed, and the Soviet Union gained a larger role in Finnish decision making; Finland's national sovereignty was never jeopardized, however.²⁶ It was, in a sense, only during the last years of the Soviet Union that the relationship became normal. Today, Finland has become more important for Russia for both economic and military reasons. It should be noted that Russia is now more eager than before to increase military contacts and cooperation between the two countries. During the Soviet period that would still have been quite difficult for political reasons.

Sweden, Norway, and Denmark have never been viewed with the same concern as Finland by Russians. Norway and Denmark joined NATO over fifty years ago, and Sweden, in spite of its non-aligned status, has always belonged to another camp than that of Russia. Norway and Russia, on the other hand, have a common border in the North and some economic interests in the Barents Sea area, interests that could best be realized through cooperation. These two countries have also launched military environmental clean-up operations in the Murmansk area. It also goes without saying that the strategic importance of Murmansk for Russia has a direct impact on the whole region.

As said before, Northern Europe is not an area of primary strategic interest to Russia. It is, therefore, more than interesting that Russia's Council for Foreign and Defense Policy

published, in February 2001, a report analyzing Russia's interests in Northern Europe. Central arguments of that report are presented below.²⁷ The authors emphasize that relations with Northern Europe are historically important, especially because this region has been exceptionally stable throughout the post-Cold War period. According to the Russian interpretation, this region does not represent any military or economic threat to Russia. Some threats are perceived by the Russians, however. The enlargement of NATO to Baltic countries would complicate Russia's relations with all Northern European countries, while U.S. deployment of a national missile defense could create problems with Norway and Denmark.²⁸ Special attention is paid to the discussion on Finland's membership in NATO. According to the document, the traditional political realism of Finland's leadership limits the probability of its membership. Because of that, "maintaining Finland's policy of non-alignment with military blocs is one of the important objectives of the Russian diplomacy." Permanent and serious negotiations are therefore needed to preserve the stability of the region, especially because NATO has increased its cooperation with both Norway and Denmark.²⁹

Regional contacts and cooperation with Finland and Norway are also emphasized. In close interaction with countries in the region, Russia's integration into various European structures would become easier, especially because Russia already has a long tradition of cooperation with them. According to the report, a new kind of cooperation is especially needed in fighting new transnational threats such as organized crime, smuggling, and illegal migration. In the framework of the EU northern dimension, new instruments are also needed in environmental cooperation. It is worth remembering in this connection that before his rise to power and after leaving the security service, Russia's President, Vladimir Putin, worked for several years in the St. Petersburg city administration, taking care of its international relations, a large part of which involved the Nordic countries. In that role, he visited Finland several times.³⁰ This only emphasizes the fact that personal contacts between political leaders have traditionally played a central role in Russia's (and the Soviet Union's) relations with Northern European countries.

Future expectations

Almost ten years ago, Daniel Yergin and Thane Gustafson published a book with the title "Russia 2010." They analyzed various future scenarios for Russia. They predicted that for some time, Russia's most probable scenario was that of "muddling through."³¹ While their prediction as such seems to have been rather accurate, the length of this period has been longer than was assumed. "Muddling through" did not last a few years but has taken considerably longer, making many Russian analysts think of the *smutnoye vremya* (Time of Troubles) of the early seventeenth century. Today, some signs of improvement are visible, but no one knows for sure if they are going to last. The economy is now growing, foreign trade continues to increase, and even living standards have, on the average, started to improve.

All in all, it seems that the faster Russia develops, the more closely connected it will be to the development of the Western world. There are, of course, several possibilities for the

development of Russia's relations with the West in the near future. Here are four main alternatives for future consideration. First, Russia can be like a bear. The bear is a powerful animal, but it spends almost half of its time asleep, and even when awake, it spends much time preparing itself for sleep. But at the same time, a bear can also be unpredictable and even dangerous and destructive, especially if it feels threatened by others. Those who know the bear better know it usually as a harmless, even tame animal that avoids conflicts and is a loner rather than a member of the herd. Accordingly, Russia can be a powerful country that is not always aware of its strength. Similarly, it has only limited interest in the international system—and in this case the West—and prefers concentration on its own internal affairs.

Second, Russia can also be seen as a wolf. The wolves are animals that often move in larger packs and, in that way, can be dangerous to others. But there are also lonely wolves that howl to the moon. Other animals, as well as people, are quite scared when they hear a wolf howl, sensing it to be more dangerous than it actually is. In this scenario Russia, as an international actor, is also howling alone, creating concern in surrounding countries that remember a wolf as a pack animal that uses collective power to destroy others. But in Russia's case, the pack, that is, the Soviet era socialist world community, has disappeared, so that the wolf pack potential is no longer there. But the fears die slowly, and every time a lonely wolf is heard howling, people start to wonder if they are still in danger. In reality, however, the wolf is howling about its own misery and the past glory and power that are gone forever.

The third animal to be considered here is an eagle—and not just any eagle, but particularly a two-headed eagle—a traditional symbol in historical Russian emblems and flags. Eagles are animals that are rather aggressive and are always on guard. They are never reluctant to exploit the weaknesses of others. A two-headed eagle is, of course, a fictitious animal in the same way as a centaur or a griffin. It is, therefore, a symbol of different characteristics. Two-headed eagles are dualistic, they are at the same time looking East and West, inside and outside, and, finally, to the past and to the future. Such dualism has always been typical of Russians—they have always seen the world in terms of a conflict between opposites (in the true sense of the dialectic). All this is somewhat true with today's Russia as well. They are looking to their own past (both Russian and Soviet) and simultaneously worry, how their future will look. They also easily see an antagonistic conflict between their own interests and those of others. They are not sure whether Russia should be part of the West or its own special case with characteristics typical to Russia only, regarding Russia as its own case, *sui generis*, in the true sense of the term.³²

The fourth and last animal in this metaphor is the reindeer. It is a pure herd animal that seeks security as a member of a larger group and is easily panicked if it feels threatened. Reindeer do not worry for the future but live from hand-to-mouth and—at least in Finland's Lapland—could not survive the hard winters of the North without the help of humans. Being thus at the mercy of others, reindeer seldom know how to stand firmly on their own feet. Adapted to Russia's case, it refers to Russia's inability to get along without outside contributions, whether these are in the form of economic assistance or assimilation of external values and solutions. When trying to survive outside the herd, reindeer easily become indecisive and unable to make correct and rational decisions. Many people seem to think that, during the most chaotic years of the 1990s, Russia was precisely in this situation.

Which of these four scenarios is most probable for Russia or whether there will be a fifth and completely new scenario is, no doubt, beyond our capacity to predict. It is quite obvious that they are stereotypical, that none of them will be chosen as such, and we, instead, will find elements from all of them in Russia's development. In every scenario, there are negative elements that would benefit neither Russia nor the West. Both the European Union and NATO seem to prefer a solution in which Russia would become an equal partner. Some quite promising results have already been achieved. In Russia, likewise, decisions have been made and solutions proposed that could lead to increased cooperation. But the risks for a more negative development are still there as well, and the final decisions that will determine the future belong to the Russians themselves.

ENDNOTES

1. Germany has gone through its "Vergangenheitsbewältigungsprozess" since the Second World War. The process was forced upon them by the victors of the war, while the Russians must start the process by themselves. Even today, the Germans have now and then had difficulties with this process, as shown through the public reception several years ago of Daniel Jonah Goldhagen's book, *Hitler's Willing Executioners: Ordinary Germans and the Holocaust* (New York: Alfred A. Knopf, 1996).

2. As a general introduction to Russia's development in the 1990s, see, e.g., Lilia Shevtsova, *Yeltsin's Russia: Myths and Reality* (Washington, D.C.: Carnegie Endowment, 1999) and Dmitri K. Simes, *After the Collapse: Russia Seeks Its Place as a Great Power* (New York: Simon & Schuster, 1999).

3. An excellent analysis of this problem has been presented by Daniel Yergin and Joseph Stanislaw in their work, *The Commanding Heights: The Battle Between Government and the Marketplace That Is Remaking the Modern World* (New York: Simon & Schuster, 1998), 262–295.

4. It is, of course, true that the war in Chechnya has been a political failure for Russia, and even its military merits can be questioned. On the other hand, the war has not led to any social or political upheaval either. On the war in Chechnya, see Anatol Lieven, *Chechnya: Tombstone of Russian Power*, (New Haven: Yale University Press, 1998).

5. Raymond Tanter, ed., *Rogue Regimes: Terrorism and Proliferation*, updated, (New York: St. Martin's Griffin, 1999).

6. Gary R. Bertsch and William C. Potter, eds., *Dangerous Weapons, Desperate States: Russia, Belarus, Kazakhstan, and Ukraine* (New York: Routledge, 1999).

7. See Stefan Forss, "Rysslands kärnvapenstyrkor: Totalförsvarets Forskningsinstitut," *Strategiskt Forum*, no. 7, January 2001; and Aleksei Arbatov, "Stavka na nejadernye sily," *Nezavisimoe Voennoe Obozrenie*, no. 48 (22–28 December 2000), 4.

8. *Military Doctrine of the Russian Federation*, FNS Translation, 2000.

9. *Doctrine of the International Security of the Russian Federation*, FNS Translation, 2000. The doctrine was prepared in the Security Council, and it was signed by President Putin on September 9, 2000. The entire document is available at <<http://www.scrf.gov.ru>>.

10. This tendency is obvious, e.g., in General Leonid Ivashov's dissertation, published in 1998. (Leonid Ivashov, *Rossiia i mir na poroge novogo tysyacheletiya: Globalnye vyzovy, novye realii i starye ugroz*, (Moskva: Voennyj universitet, 1998).

11. On Russian cultural and other relations with the West, see, e.g., Martin Malia, *Russia under Western Eyes from the Bronze Horseman to the Lenin Mausoleum* (Cambridge, MA: Harvard University Press, 1999).

12. As a general introduction to national missile defense, see James H. Anderson, *America at Risk. The Citizen's Guide to Missile Defense* (Washington, D.C.: The Heritage Foundation, 1999). A good introduction to the history of missile defense is Frances Fitzgerald, *Way Out There In The Blue: Reagan, Star Wars and the End of the Cold War* (New York: Simon & Schuster, 2000). Various organizations and institutes have also published their own views of the system.

13. I have earlier analyzed the idea of territoriality in Russian state history in, "Expansion and the Russian Imperial Tradition," in *Contested Territory: Border Disputes at the Edge of the Former Soviet Republic*, ed. Tuomas Forsberg, (Aldershot: Edward Elgar, 1995), 62–85.

14. On various Soviet perceptions of the international system, see V. Kubalkova and A. A. Cruickshank, *Marxism-Leninism and Theory of International Relations* (London: Routledge & Kegan Paul, 1980).

15. Jyrki Iivonen, "Perestroika, Neutrality, and Finnish-Soviet Relations," in *The European Neutrals in the 1990: New Challenges and Opportunities*, ed. Hanspeter Neuhold, (Boulder: Westview Press, 1992), 144.

16. The term is from the title of the book by Max Jakobson, in which he described the crucial years 1965–1971 in Finland's foreign policy. Max Jakobson, *Veteen piirretty viiva* [Line Drawn in the Water] (Helsinki: Otava, 1980). See also his more recent book, *Finland in the New Europe* (Westport: Praeger, 1998), wherein more attention is paid to the situation after the end of the Cold War.

17. It was only the three newly independent Baltic nations (Estonia, Latvia and Lithuania) that absolutely refused to join the CIS, a decision that led to a series of Russian sanctions against them.

18. A good example has been the dispute over sanctions against Iraq, where France together with Russia and China has opposed the U.S. policy. See Richard Butler, *The Greatest Threat: Iraq, Weapons of Mass Destruction, and the Crisis of Global Security* (New York: PublicAffairs, 2000.), France has also been critical of U.S. policy vis-à-vis the Comprehensive Test Ban Treaty and National Missile Defense.

19. See David S. Yost, *NATO Transformed: The Alliance's New Roles in International Security* (Washington, D.C.: United States Institute of Peace, 1998).

20. Literature on the events in Kosovo has only gradually emerged. One of the first books, in which conflicts around the Pristina airport are also described, has been written by Finland's President. Martti Ahtisaari, *Tehtävä Belgradissa* (Helsinki: WSOY, 2000). See also Richard Holbrooke's memoirs of his activities in the peace negotiations in Bosnia, *To End A War* (New York: Random House, 1998). It is to be expected that other writers will follow these authors in the near future.

21. The proposal was titled "Concept of a Pan-Europe Missile Defence System and Phases in its Development."

22. These countries are Austria, Finland, Ireland, and Sweden. None of these have expressed any urgent desire to apply for NATO membership. In Finland, support for NATO membership has for several years remained at the level of 20 percent. Another quite complicated organizational problem can be created by those countries that belong to NATO—including the Czech Republic, Hungary, Iceland, Norway, Poland, and Turkey—but not to the European Union.

23. In Finland, support of neutrality or non-alignment is still rather strong, primarily because of the success of this policy throughout the Cold War.

24. As a general introduction to the CFSP, see e.g., Fraser Cameron, *The Foreign and Security Policy of the European Union. Past, Present and Future* (Sheffield: Academic Press, 2000). On the EU Russia strategy, see,

e.g., Hiski Haukkala and Sergei Medvedev, eds., *The EU Common Strategy on Russia: Learning the Grammar of the CFSP* (Helsinki: Finnish Institute of International Affairs, 2001).

25. As a general introduction to the theme, see, e.g., Dmitri Trenin's, "Security Cooperation in North-Eastern Europe: A Russian Perspective," in Dmitri Trenin and Peter van Ham, eds., *Russia and the United States in Northern European Security* (Helsinki: Finnish Institute of International Affairs, 2000), 15–54. The future of Kaliningrad is of special concern to all countries on the Baltic Sea, and not only for military and security reasons, but also for social reasons. See Andreas Selliaas, *Kaliningrad – en spesiell region I Russland*, Den Norske Atlanterhavs Komite, Det Sikkerhetspolitiske Bibliotek 1-2001.

26. On the history of the Finnish-Soviet relationship since the Second World War, see, e.g., Roy Allison, *Finland's Relations with the Soviet Union, 1944–1984* (London: Macmillan, 1985).

27. Council for Foreign and Defense Policy, *Russia's Interests in the North of Europe: What Are They?* (Moscow, 2000). The authors of the report are A.V. Federov, K.V. Voronov, Yu.S. Deryabin, S.A. Karaganov, A.L. Moshes, V.A. Nikonov, S.K. Oznobishchev, A.M. Salmin, and I.Yu. Yurgens, all nationally and even internationally well-known analysts of Russian politics.

28. In paragraph 6.9. of the document, it is stated: "The countries of the region should realize that, if the Baltic states are admitted to the alliance, this can lead to the situation where Russia will have to take measures, which both from the political and military points of view will effect the northwest of the Russian Federation bordering Northern Europe."

29. Russia is, for example, worried about the multi-functional radar in Vårdö (Vuoreija) in northern Norway, close to the Russian border, and about the intensive deployment of stations for space situation observation and information gathering from satellites, located in Spitsbergen.

30. See Nataliya Gevorkyan, Natalya Timakova, and Andrei Kolesnikov, *First Person: An Astonishingly Frank Self-Portrait by Russia's President Vladimir Putin* (New York: Public Affairs, 2000).

31. Daniel Yergin and Thane Gustafson, *Russia 2010 and What It Means for the World* (New York: Vintage Books, 1995).

32. Arto Luukkanen, *Hajoaako Venäjä? Venäjän valtiollisuuden kehitys vuosina 862-2000* (Helsinki: Edita, 2001). Similar ideas were earlier expressed by several Western authors, for example, by Richard Pipes, *Russia under the Old Regime* (London: Weidenfeld and Nicholson, 1974), and Tibor Szamuely, *The Russian Tradition* (London: Secker & Warburg, 1974).

Russia and the Baltic Sea Region: Security Aspects

Dmitri Trenin

At the beginning of the twenty-first century, the West is on the move. The dual enlargement of NATO and the European Union fundamentally changes the face of Europe. At its most positive, the enlargement will work as a catalyst for profound changes in the status and patterns of behavior of the individual states located east of the former Iron Curtain. At worst, it may revive old divisions and lead to a new divide, tensions, and even crises. In any event, the enlargement of Western European and Euro-Atlantic institutions opens a new chapter in Europe's history. Neither the countries between the Baltic and the Black Sea, nor the traditional West will be able to continue as before. The same argument can be used with respect to Russia's foreign policy, and more importantly, its place and role in Europe.

In the Baltic Sea region, Russia's neighborhood is rapidly changing. Germany became unified in 1990 (which represented NATO's first post-Cold War enlargement); Sweden and Finland entered the European Union in 1995; Poland joined NATO in 1999. The next decade is likely to witness more countries acceding to one or both these institutions. The Baltic states probably will be among them.

From the Russian point of view, the Baltic states are a particularly sensitive area. Following the Ukraine and the Caspian, they emerged in the mid-to-late 1990s as key factors in Russian-Western relations. Whatever happens in those three countries' relationships with Russia is likely to have significant implications not only for the Baltic nations themselves, but also for Russian-Western relations and for the future security of Europe as a whole. It is important to remember that the more sophisticated brains amongst the Russian critics of NATO's first wave of enlargement tried to oppose the Alliance's eastward movement on the Vistula and the Vltava precisely in an attempt to engage in a demonstration skirmish with the West, rather than become involved in a major political battle with potentially grave consequences on the banks of the Narva and the Niemen. While Poland's accession to NATO was deemed to be extremely undesirable by the vast majority of the Russian political class, Estonia's, as one instance, is still considered simply intolerable. The notion of the "red line" for NATO expansion running along the former Soviet Union's western border has been transported from the Yeltsin presidency into Putin's. Thus the future security status of the Baltic states, if mishandled, might well become a "banana skin" in Russia's relations with the United States and the West in general.

The Background for Russian-Baltic Relations

By most accounts, Russian-Baltic relations have fared pretty well over the last decade. Estonia, Latvia, and Lithuania were granted formal independence two weeks after the

Moscow putsch of August 1991, and this independence has never been questioned since. In the past decade, no Russian integrationist plan included any of the Baltic states. Albeit with considerable U.S. prodding, Russian military forces were withdrawn from Lithuania in 1993 (i.e., even before they had left Germany) and from Latvia and Estonia, a year later.

Few empires, including those in Europe, have departed so gracefully. However, this relatively benign situation may not last forever. The new Russian foreign policy concept adopted in January 2000 talks about “good prospects” for relations with the Baltic states, first of all Lithuania. The two other countries are invited to improve their treatment of the Russian minorities, still largely denied citizenship¹. However, there are new challenges on the horizon that can be seen with a naked eye. Unless those Russians and the Balts who are genuinely concerned with their bilateral relationship work constructively to respond to the coming changes in the international environment, the second decade of modern Russo-Baltic relations may be considerably less successful than the first one.

The Russian elite’s attitudes towards the Baltic states are based on a set of deeply ingrained convictions about those countries. These convictions are held both by the members of the ruling elite and by large sectors of society. Estonia, Latvia, and Lithuania are considered to be different from both the ex-Warsaw Pact countries, such as Poland, and from the former Soviet republics of the CIS, like Belarus or Georgia. Essentially, they are seen as belonging to the “post-Soviet space,” but lying outside of the area of potential Moscow-led integration. The implication of this in-between position is that, in Moscow’s view, the political orientation and the economic status of the three states is of no special concern to Russia. Their security alignment, however, can present a problem, which has a great deal to do with geopolitics and geostrategy in the region.

Geopolitically, and there has been a true revival of geopolitics in Russia since the collapse of the USSR, the Baltic states are viewed, first and foremost, as part of the Tsarist Empire, and then as part of the Soviet Union. Their independence in the inter-war period is believed to be more of a product of Russian weakness than a result of the national aspirations of the Baltic states themselves. Put more simply, Baltic independence is too recent and considered to be too fragile to have been fully internalized and accepted by the Russian people. Current problems in bilateral relations with the Baltic states are generally perceived as being rooted in the dissolution of the USSR. This distinguishes the Baltic states from both Finland and Poland, which almost no one living in Russia today can recall as part of the Empire. Also, never to be forgotten, is the fact that Finland stubbornly resisted the Soviet invasion in 1939, whereas the Baltic states meekly accepted Stalinist occupation the following year. At the same time, the CIS—which is still regarded by some as Russia’s would-be power bloc—explicitly excludes the Baltic states.

Geostrategically, the Baltic states are also different. NATO’s enlargement and its 1999 air war against Yugoslavia have brought back notions of military balance within Europe. Since then, the Russian defense establishment has considered the territory of the Baltic states as a strategic bridgehead for the West. At the very least, they think, the West could use them to apply military pressure on Russia, and, at worst, to attack Russia in what has come to be named the “Balkan-type scenario.” In this scheme of things, NATO’s use of the airfields,

ports, and other features of the former Soviet Union's infrastructure, as well as the intelligence gathering facilities in the Baltic states, might lead to an intolerable increase of the West's force-projection capability vis-à-vis Russia.

Psychologically, those Russians who call themselves democrats have a bitter aftertaste, following their short-lived romance with the Baltic states. A number of them adamantly reject any identification of the Russian Federation with Stalin's Soviet Union. Additionally the notion of the "occupation," is largely rejected out of fear of its political implications—such as demands of indemnities running to dozens of billions of dollars—and some prefer to talk of "incorporation" instead. The Latvians, Estonians and Lithuanians, from the Russian perspective, have failed to appreciate Moscow's "act of liberation" and now repay Russia with singular ingratitude. Many a Russian's feelings could be encapsulated thus: "We set them free, and they immediately proceed to mistreat our own." This sentiment was exacerbated by the moral support expressed in the Baltic states for the Chechens during both wars in the Northern Caucasus.

The situation of ethnic Russians in the Baltic states is generally seen as an insult added to injury (specifically, the breakup of the USSR). The frequently expressed concern for their "compatriots," which is being voiced more strongly under President Putin, has both a genuine and a politically driven motive. There is no doubt that Russia is applying double standards in its assessment of the state of the "Russian question" in Estonia and Latvia, on the one hand, and Central Asia, on the other. However, consciously or subconsciously, the Russians expected the Baltic states to do much, much more. Moreover, more recently, Central Asian regimes have become Moscow's allies/clients in its effort to stop the tide of "international terrorism," while the Baltic states are looking toward NATO.

What this all amounts to is a widespread lack of trust of the Baltic states within the Russian ruling elite. Former President Yeltsin's refusal in 2000 to accept Latvia's top decoration for his contribution to the country's regaining of independence from the USSR is indicative. Of course, the Baltic peoples are not perceived as dangerous in their own right, even during the current period of Russian weakness. Rather, they are considered willing, if not eager, to join forces with any ill-wisher or any adversary of Russia externally, and they are regarded as mean and vindictive vis-à-vis the local Russians. The most ardent wish of the Baltic states, from this perspective, is to see Russia still further weakened and humiliated. Unfortunately, and hardly surprisingly, the Baltic states have virtually no political friends in Moscow, or indeed, anywhere else in Russia. Moreover, there is currently very little serious study done in Russia of the social, political and economic developments in the Baltic states. There are few specializing research centers. There is little sustained dialogue between the elites.

This is matched by the persistent, if yet unfounded, suspicion in the Baltic states that Russia's true goal is to regain control of the region, if not to annex it. Any exercise of the Pskov Airborne Division raises fears in Estonia. A desire to guarantee national security by joining NATO appears only natural. This, however, only increases the likelihood of idiosyncratic Russian behavior towards these countries.

Thus, on the one hand, there is general acceptance of the Baltic states' right to be different. Moscow has never seriously suggested that it envisions the integration of the Baltic states into any post-Soviet community. The Baltic states are, however, expected to pay full attention to Russian interests and to Russia's needs. This ambivalent attitude could be summarized as an emphasis on their common past, but also as a recognition of a different future.

An Overview of the Security Relationship

From a historical perspective, Russia's post-1991 approach to the Baltic states, in the realm of security, could be analytically subdivided into two periods, or phases. A third one is about to start.

In phase one, from 1991 through to 1994, Moscow was primarily preoccupied with retreating from its Empire. Its foreign and defense policies were couched in internationalist terminology. Withdrawal of the Russian military forces from the Baltic states was accomplished rather quickly, and remarkably smoothly, by 1993–94. Many issues, such as the fate of the Skrunda radar location station in Latvia, the strategic submarine training center in Paldiski, Estonia, or military transit to Kaliningrad across Lithuania, were all resolved in a way that did not prejudice the sovereignty of the states concerned. The important facilitator in these developments was the United States, which wanted the Russian Federation to relinquish all vestiges of Soviet control of the area while Moscow's foreign policy remained friendly to the West. During this period, a top Russian security concern was the possibility that the Baltic states, Poland, and the Ukraine would join a "Baltic-Black Sea Alliance," which might cut off Russia from the rest of Europe. While very unlikely, the very specter of this alliance stirred strong emotions in Moscow.

In phase two, that is from 1994 through 1999, the Russian approach to the Baltic states has been overshadowed by the process of NATO enlargement. This process is almost universally regarded as running counter to Russian national security interests, which lie in the full participation of Russia in any post-Cold War security system within the European-Atlantic arena. Moscow's newly achieved foreign policy "consensus," while it still avoids confrontation with the United States, has come to stress Russian grievances vis-à-vis the West. More importantly, it has led to revising the goal of integration into the Western community, which was once a top priority. As far as the Baltic states are concerned, Russian national interests are now primarily couched in geopolitical or geostrategic terms, although the issue of Russian-speaking minorities will by no means be discarded as a mere propaganda ploy.

The NATO decision to invite several Central European states to join the Alliance has presented Russia with a difficult problem. Once the principle of enlargement is agreed, the process, at least in theory, cannot be stopped. The Baltic governments, in their quest for membership, are virtually repeating the arguments of Poland and the other states that

applied in 1993 and joined in 1999. What is accepted in the Polish case can hardly be denied to the Baltic states.

Russia saw how the situation was changing. Following the North Atlantic Council (NAC) decision, in December 1996, to proceed with an “invitation summit,” Moscow acted to leave no doubt as to its attitude towards potential Baltic membership.² The Baltic policy guidelines of February 1997, released by the Kremlin, start with a statement of Russia’s categorical opposition to the Baltic State’s membership in NATO.³ Such a development, Moscow warned, would undermine all prospects for cooperation and create a permanent barrier between Russia and the Baltic states.

Typically, Moscow was seeking assurances from Washington and the major West European capitals that they are not contemplating anything of the kind. Notwithstanding the accusations from Moscow of “neo-imperialist thinking,” Moscow still prefers to discuss European security with those it considers its peers. In the post-Soviet age, this notion has expanded to include Germany, France, and Britain. This arrogance does not help Russia any more than the Baltic states’ initial neglect of an “eastern policy” has helped them. There is no chance for a new Yalta, however, and in the light of the enlargement of the West, Russia will come to realize that it cannot afford to ignore its smaller neighbors for much longer.

The end of the Yeltsin era and the arrival of Vladimir Putin as Russia’s second president in 2000 could spell the beginning of a third period in Russian-Baltic relations. Putin has been on record as a staunch supporter of Russian minority rights in Latvia and Estonia and as an opponent of NATO’s expansion beyond the former Soviet border. On both counts, he is a faithful disciple of Yevgeny Primakov. However, he is evidently more pragmatic, putting the economy first and continually referring to Russia as a European country. It will be interesting to see how Moscow’s policy toward the region evolves, given these very different inputs.

Collision or Conflict Prevention?

Thus far, Russia and the Baltic states have managed to avoid really major crises in their relations. It would be wrong, however, to neglect the dangers that may lie ahead. Ironically, while there is no military threat to the Baltic states from Russia, or to Russia from the West emanating from the territory of the Baltic states, heightened tension—or even a conflict—is possible unless a concerted strategy of conflict prevention is applied to the region.

On the NATO issue, there is already noticeable agitation in the run-up to the next round of alliance enlargement, which may be decided upon as early as 2002. Among the candidates for membership, Lithuania presents a seemingly strong case. First, having secured the center of new Europe (Poland, the Czech Republic, Hungary), it would now make sense for NATO to shore up the flanks (i.e., the Baltic and the Balkans). Second, Lithuania has made substantial progress in economic transition, democratization, and the building of new armed forces. Third, it shares a border with NATO member Poland, and it does not border on mainland

Russia. Fourth, it does not have conflicts with its neighbors, and it is rather integrated internally, with minorities enjoying equal rights. Moreover, a package solution that includes Lithuania (but not necessarily Latvia and Estonia) would nevertheless send a political signal to Moscow, effectively placing the whole Baltic region under the Alliance's umbrella.⁴

At this time, Moscow appears confused. It continues to stick to the notion that NATO enlargement is a threat to Russian national security and that the bloc's expansion across the former Soviet border would constitute a grave political provocation. If anything, skepticism with regard to NATO, which emerged as a by-product of Phase I enlargement, grew into thinly veiled hostility in the wake of the Kosovo crisis. Suffice it to compare the 1997 and 2000 versions of Russia's national security policy blueprint, or the 1993 and 2000 editions of the military doctrine and the foreign policy concept.

In the past, the Russian government may have opted for making the cost of Baltic integration into NATO prohibitively high. Under conditions of confrontation with Russia, a credible security guarantee would need to include the permanent stationing of United States' forces and U.S. nuclear weapons on the territory of the three countries, to serve as a trip wire for future conflict. With the Kaliningrad region situated "behind enemy lines," as a latter-day replica of West Berlin, the risks would be all too evident. In the absence of a credible conventional military force, Moscow would have no other option than to emphasize nuclear weapons in its strategy and its pattern of deployment. This leads some to the conclusion that the Baltic states will have no chance of being admitted to NATO.⁵

Russia, however, may become its own worst enemy if it tries to apply crude pressure on the Baltic countries, perhaps in the form of economic sanctions, or it resorts to inflexible linkages between the human rights situation in Estonia and Latvia and its resolution of the border issues with these countries. While the hope may be that the West, recognizing the dangers of too close an involvement with the Baltic countries, will not risk a direct confrontation with Moscow and, thus, drop any thought of including them in NATO, this may work both ways. Dragging its feet on resolving border issue is likely to weaken Moscow's case.⁶ Even if this strategy were to be successful, in the sense of blocking formal membership, the damage would be great; for it will inevitably contribute to alienation between Russia and the West, and that is irrespective of whether the Baltic countries are 'in' or 'out'.

Initially, Russia's own preference was for the application of a Cold War, Finno-Soviet model of international relations with the Baltic countries.⁷ This offer, however, has found few takers in the Baltic countries.⁸ Estonia, Latvia, and Lithuania see little reason to accept what they consider to be constraints on their independence from a weakened and disorganized neighbor.

The Kremlin, however, has realized by now that it has no real veto power on NATO's decisions. If the alliance could go to war in Europe, even over Moscow's adamant objections, it surely can admit a new member without first clearing its candidacy with Russia. The horror list of Russian countermeasures has consistently failed to impress the West, which considers Russia's policies to be much more rational and its leaders much more cautious than their own pronouncements would lead one to believe. Most importantly, a resumption of the

confrontation would undermine President Putin's entire domestic agenda. Thus, when asked, what will you do if a Baltic state is invited to join NATO? Russian officials can only reply that they will take adequate measures. But what is "adequate"?

It would appear tempting to call the Russians' bluff again. The friends of the Baltic countries are lobbying for their early inclusion. After all, as recent history shows, Germany was reunited in NATO, the Central Europeans joined NATO, and NATO—all despite Moscow's protests—bombed Yugoslavia. Make hay, one might say, while Russia is weak. It will be too late when she recovers, and this demands to be taken into account in a big way.

This view is firmly rooted in historical experience, but it assumes that the future will be essentially like the past; only the dividing lines will be drawn differently. Per se, this assumption may be intellectually correct or not; what is important is that it helps inform the future by offering the models of the past. True, Russia's reaction against NATO enlargement did not hurt NATO very much, and it did not put a Zhirinovskiy in the Kremlin. However, it pushed the center ground of the Russian political elite very much in an anti-Western, anti-American direction. For many in Moscow, NATO now stands not only as a past adversary, but also as the prime source of threat *today*. As a result, in terms of Europe's security, one is appreciably worse off than in 1991, when the USSR collapsed and the Baltic republics became independent, raising hopes of a Europe "whole and free."

As to Moscow's preference, it would be for Lithuania and the two other Baltic countries to stay outside of NATO, or at least for the decision to take them in to be deferred indefinitely. This Russian view betrays the same logic of dividing lines and exhibits the geopolitical baggage of buffer states and zones of influence. In the recent past, Russia's harsh reaction against the membership bid of the Central Europeans did contribute to the latter's swift and smooth admission to NATO. Moscow's dark warnings and thinly veiled threats backfired, bringing back the image of the bullying Russian bear, only this time deprived of its teeth. Should Russia use the same tactic again, it is sure to lose. Its argument about the red line of the former Soviet border is not particularly convincing. From a different point of view, a failure by Lithuania to win an invitation to join NATO in the second group of new members, after so much effort (e.g., international Vilnius conferences of NATO hopefuls), could lead to frustration among at least part of Lithuania's elite.

To avoid frustration (in the event that Lithuania is not invited in 2002) and crisis (in case it is), both Vilnius and Moscow need to broaden their focus and work to discard some traditional notions. Lithuania's security presently rests on several pillars, including U.S. political commitments, NATO's proximity (via Poland), what can be termed candidate membership in the European Union, and last—but not least—its 1997 treaty with Russia. It is inconceivable, in the present-day European environment that Lithuania is once again threatened with outside military pressure, let alone aggression. Of course, the situation may change for the worse (no contingency planner is short on scenarios), but any such deterioration is not inevitable. Moreover, this risky, backward-leading road can be effectively barred. The way to achieve this is for the Baltic peoples to think as Europeans, not merely Westerners. Europe's (and in particular, Baltic) security can only be finally achieved through

integrating Russia into a security community with the rest of Europe and the United States. This is the ultimate security guarantee.

Of course, the bulk of that task will be the responsibility of the United States, its leading European allies, and, obviously in the first place, Russia itself. Still, there are important things that smaller Central European and Baltic countries can do. In fact, their contribution is not only unique but indispensable. Russia will be accepted as a European country (rather than a power in Europe) only after it has fully normalized relations with the countries that it has historically dominated or even absorbed. Such normalization is no easy thing for any former empire, but it is a prerequisite for acceptance. Additionally, a democratic polity, decent treatment of minorities, and non-aggressive behavior toward neighbors have all become the required qualifications for passing a “Europeanness” test—but fallen hegemons are watched with particular scrutiny, especially in their relations with the former satellites, provinces, and so forth.

This is where Lithuania comes in. It has built a generally good relationship with Russia, and it commands a measure of respect, which it can now put to good use. Occasionally, Vilnius may make a misstep, of course. For instance, public pressure on Moscow to pay indemnities for Soviet occupation has been counterproductive. It strengthens the hand of those in Russia who make a political career on post-imperial arrogance and xenophobia. Passivity, however, is no option. Psychologically, it may make sense to wait until the bigger partner takes a step first (and in fact it did in the case of the 1997 Russian offer of security guarantees, but this turned out to be a failure), but in practice, the smaller partner can well engage its behemoth neighbor. The Baltic peoples may be still afraid of Russia, but the Russians are no less afraid of seeing NATO in the Baltic. Both fears are equally unfounded in the present circumstances, but both are firmly rooted in history—and in the people’s psyche.

It would be of great benefit to increase mutual transparency. One avenue leads toward an ongoing dialogue on security issues among private citizens who wield sufficient influence in their respective countries. Another avenue is through exchanges at the level of security and defense officials and military officers. Bilateral contacts can be supplemented by multilateral exchanges, to include Poland, Belarus, and Scandinavian and Baltic countries. The multilateral context is especially beneficial for joint military exercises, for example, BALTOPS; and in the wake of the *Kursk* disaster, search and rescue operations have achieved new prominence. The Russians and the Baltic peoples must learn the habits of daily cooperation in security-related fields.

Military security in the traditional sense, however, has de facto ceased to be a relevant concern in the Baltic Sea area. Other aspects of security have come to the fore, and they need cross-border interaction. Russia and the Baltic three need to expand and intensify cooperation among their police forces and legal agencies to fight international crime, which thrives upon the lack of close coordination between the countries’ law-enforcement establishments.

This opening to Russia will not make the NATO enlargement issue go away. However, it could help avoid a preoccupation on the old and largely irrelevant security agenda (overland

aggression, internal destabilization, foreign occupation, and the like) and would constitute an investment in the future. Looking into that future, the Balts will appreciate that their best external security guarantee is a democratic Russia moving ever closer to Europe's economic, political, and security institutions.

Of course, there is only so much that can be achieved between the Baltic states and Russia. To seriously improve the situation in Europe as a whole, it is Russia and NATO who must overhaul their relationship, consolidate the common ground that has been there despite all the problems, sort out the issues that separate them, and start to narrow their differences, making the 1997 Founding Act work. This is not a "mission impossible" over the medium and long term: in principle, the West and Russia are ripe for beginning to gradually demilitarize their relations. In November 2000, the Putin administration designated the Caucasus and Central Asia as the two areas of military security concern, implicitly lowering the guard along the Western front. There can be no meaningful military reform in Russia if the West is still regarded as a potential adversary.

While NATO enlargement, at least for the foreseeable future, appears highly provocative, other options have been raised, which stop just short of an invitation to full membership. However, putting the Baltic states on some sort of a waiting list, giving them the status of recognized applicants who will be included at some unspecified date in the future, may bring about the worst of both worlds because, after a while, it would breed frustration among the applicants themselves. At the same time, it would stir suspicions in Russia. By the same token, a Russian success in implementing a delaying tactic would hardly make the situation in the region more stable.

European Union (EU) Enlargement

In carrying out the tremendous tasks involved in establishing a stable peace between Russia and the West, the role of the European Union and its ties, including in the security field, to Russia can hardly be underestimated.

In 1999, Latvia and Lithuania joined Estonia on the list of official candidates for membership in the European Union, which was undoubtedly a major victory for the Baltic governments. It is not clear, however, when membership for the trio will actually come, but one can safely assume that it is quite likely to happen within a decade, by stages. This has important implications for their neighbors who will not join the Union, namely for Russia and Belarus.

Moscow has, for too long, treated the European Union as the lesser evil, or even as a benign organization—in comparison to NATO. What it liked about the EU was not the things that the EU had—the Russian level of knowledge about the Union and especially the understanding of how it worked have never been too high—but rather the things that the EU *lacked*, namely, the American presence and an integrated military organization. Officially,

Russia pronounced EU enlargement “organic”—in contrast to NATO enlargement, which was branded dangerous and destabilizing.

Still, the closer the prospect came that some of the neighboring countries would actually join the EU, the more concerned Moscow became. It had to discover that, whereas NATO was geared to contingencies, the EU operated on a routine day-to-day basis. The terms of trade would undergo substantial change, as would movements of people across new EU boundaries. Speaking of the dividing lines in Europe, the true barriers were likely to be erected between those who belonged to the Union and those left outside of it. The prospect of a Schengen curtain added poignancy to that bleak view.

It is not only Russia that will lose from an abrupt tightening of economic contacts with its neighbors. The Balts will too. While their exposure to the Russian market has shrunk in the wake of the 1998 Russian financial collapse, Russia remains an important market, especially in view of the agricultural policies of the European Union. Reducing the Baltic countries’ exposure to the Russian market, while a sensible policy for the period of crisis, would be a preposterous notion if taken as a general proposition. In fact, it is cross-dependencies that cement relations between countries, and it makes not only economic but also political sense, as an example, for Russia to see that the Lithuanians value the Russian transit, and for the Lithuanians to welcome Russian private investment in their country.

With the prospect of EU enlargement in mind, it makes perfect sense for the Baltic states, the European Union, and Russia to enter into parallel consultations about the effects of EU enlargement on trade and economic contacts and ways of dealing with these effects. It would not be in anyone’s interest to arrive at a situation in which the EU-Russia boundary becomes a wide moat, hampering economic intercourse between neighbors and confining Russia to the margins of a new Europe. Thus in-depth negotiations, largely on the nitty-gritty details of commerce, are a must.

If anything, the exclave status of Kaliningrad, wedged between Lithuania and Poland, must focus the minds of Moscow officials on the need to think ahead and prepare for the eventual encirclement of the *oblast* by EU member territory. So far, the federal authorities have been concerned mainly with the region drifting away and its links with the Federation becoming loose. However, keeping Kaliningrad Russian while allowing it to become a black hole of the Baltic region is not an attractive prospect. Russia will need to develop a view of Kaliningrad as a forward position inside the future EU, and it must integrate this into a general approach toward the European Union. Faced with the new reality along its western frontier, Russia will have to face the choice of either withdrawing into hopeless isolation or of moving closer to its neighbors in a novel way—not through Russifying them, but through Europeanizing itself. It is not too easy to tell which will be her choice. There is no doubt, however, about which would be the best.

So the centerpiece of the West’s Baltic strategy should be the integration of the Baltic countries into Western structures without provoking Moscow. It is all-important to note that Moscow does not oppose Western expansion as such. It resists what it sees as America’s *military* expansion. Thus far, Russia has not suggested that it sees the enlargement of the

European Union or even the emergence of its military dimension as inimical to its own interests. Unlike the expansion of NATO, EU enlargement is viewed as “natural.” Finland’s accession to the Union in 1995, and even its observer status in the WEU, barely raised concern in Moscow.

There are several important reasons for this. Russia abhors isolation from Europe to the same degree, if not more than, it does United States’ hegemony. Even now, two-fifths of Russia’s foreign trade is with the EU, roughly twice as much as with the CIS. The emerging energy partnership (doubling Russian gas and oil exports and EU investments in the Russian energy complex, as was agreed in principle at the EU-Russia summit in Paris in October 2000) calls for a very long-term mutual engagement. Provided the future terms of trade can be worked out, as in the Finnish case, Russia will not lose much when its Baltic neighbors join the EU. It can even benefit, for various Russian business interests are already well established in Estonia, Latvia, and Lithuania. European Union membership, even if it initially applies to only one of the Baltic countries, will offer a security guarantee for all three. Of course, membership cannot be achieved quickly, but its realistic prospect, complete with negotiations and other events eventually leading to accession, within a designated time frame, has already done much to reassure the Baltic countries. Their membership in the EU would not only “protect” them from Russia but also substantially upgrade—in Russian eyes—their importance, as part of a common European market, ending the residual paternalistic approach of their larger neighbor.

Implied security derived from EU accession and the prospect of eventual economic and political integration have been supplemented by close military cooperation between the Baltic countries and NATO within the enhanced Partnership for Peace program.⁹ As far as Russia is concerned, since it has its own special relationship with the Alliance—now being revived after the Kosovo-related suspension, Russia will have little ground for complaint as long as the NATO-Baltic link means interaction rather than integration. In reply to the often-expressed fears that Moscow will be able to exercise undue leverage in the councils of the Alliance, it should be said that Russia will have to play by the rules—or quit. Enhanced Partnership for Peace, in conjunction with a special charter (or individual charters), can provide the Baltic states with de facto assurances of Western support and would not provoke Russia to test the strength of that commitment.

Integration into the Western structures could be supplemented by regional security arrangements around the Baltic Sea basin. A more active Baltic Sea States Council could provide a forum for the consideration of a comprehensive, regional security model.

As far as more practical issues are concerned, Partnership for Peace may become a useful vehicle for cooperation among four sets of participants: the NATO countries, the Scandinavian neutrals, the Baltic countries, and Russia. Since the Baltic countries are still reluctant to engage in bilateral cooperation with Russia, trilateralism may be an effective model. Emulating the German-Danish-Polish trio, Russia and the three Baltic countries could form their own triangle with Sweden, Finland, Poland, Germany, or the United States. The areas for cooperation are numerous: they include search and rescue (highly topical after the 2000 *Kursk* submarine tragedy), disaster relief, joint air traffic control and air

surveillance, ecological rehabilitation to eliminate the adverse consequences of military activity, and even peacekeeping. Besides achieving a specific practical result, such contacts would breed a culture of cooperation between the states involved.

There is also a range of things that Russia and the Baltic countries can do bilaterally to improve security along their common borders. Finalizing these borders is an obvious primary goal. Moscow's linkage between the formal signature of these border agreements with Estonia and Latvia and the revision of the citizenship and naturalization laws in these countries is unlikely to be an effective tool of foreign policy. Confidence building through enhanced transparency may put to rest Baltic fears regarding Russian troop concentrations in the Leningrad military district and in the region of Kaliningrad and alleviate Russian suspicion of military contact between the Baltic and the West. One way of facilitating this is through the Baltic countries' accession to the CFE Treaty. Confidence building in the traditional military sphere could be assisted by day-to-day practical cooperation between border guards and law-enforcement agencies to jointly combat smuggling, illicit drugs and gun trafficking, international terrorism, and other illegal trades. Such practical cooperation is very likely to achieve far more than an offer of a formal guarantee of security to the Baltic countries, which might also evoke the negative experience of the past. Both sides need to prepare new initiatives in this very different arena.

Needed: a Positive Approach to Security

What has been discussed here concerns the negative aspects of security building. Through the alleviation of mutual fears and concerns, largely rooted in history, there should be an attempt to de-emphasize the military dimension of security in Baltic-Russian relations. This remains important, especially in the short term, and particularly in the context of NATO enlargement.

The Baltic countries' relations with Russia are laden with a heavy baggage of the past, and it would be better to put that baggage to one side and examine the situation from the ethical and historical viewpoints rather than just the political point of view, as is the case today. The Molotov-Ribbentrop pact is a shameful document that deserves full and unconditional repudiation; but the constant playing of the theme of the fifty-year-long Soviet occupation can hardly win many Russian hearts and minds for the Baltic states, and thus its effect on the relationship at this time can only be negative. The past should not be allowed to obscure the problems of today and the prospects for resolving those problems in the future. Identifying existing problems and forecasting future problems—and addressing them in a constructive manner—is the best way to ensure that the relative success of Russian-Lithuanian relations can be consolidated and translated into a blossoming and mutually satisfying relationship in a future wider Europe.

For the medium-to-long-term perspectives, however, a more positive approach to security will have a better chance of creating mutual trust. Such an approach would concentrate on

the opportunity for economic cooperation, which exists not only between Russia and the Baltic countries, but along the entire Baltic littoral.

For Russia, the Baltic countries have always been a major gateway to the West, which in the past it has repeatedly tried to secure in the traditional manner of conquest and assimilation. This is no longer possible or, indeed, necessary. A strategy with an accent on geo-economics will provide Russia with what it seeks: reliable access to the West. It would be absurd indeed to call the Baltic countries' NATO membership a security problem for Russian energy shipments to the West if most of the consumers are NATO countries themselves. In terms of intra-Russian, regional politics, this will also boost economic well being in the region and increase political influence in the northwest, stretching from Karelia to Kaliningrad, with St. Petersburg as its natural center. Inside Russia, the northwestern territories might become a motor for Russia's progressively closer *rapprochement* with the West. For the Baltic countries, as Russia's close neighbors—a position that was, in the past, almost antithetical with independence and security—this could become their “comparative advantage;” functioning as an economic interface between Russia and the West may be their primary economic niche. Actually, there is every reason for the Baltic ports to try to secure a position analogous to that of Rotterdam vis-à-vis Germany. As commerce becomes the main point of interest, it could accelerate the process of the strengthening of the emerging new nations in Estonia and Latvia. Since they cannot return to pre-World War II demographics, the integration of their Russian-speaking minorities into the new Baltic national communities will become a necessity to be promoted, rather than a privilege to be granted. For all those involved, “Europeanization” will mean, above all, openness. In this way, the Baltic problem can be gradually transformed into a Baltic opportunity.

At present, the outlook for Russian-Baltic security relations is still uncertain, but it definitely is not bleak. The direction of Russia's evolution will, of course, remain the decisive factor. Will Russia succeed in adapting its policies to the totally new environment and finally replace the paradigm of its relations with its near neighbors? Or will it, instead, slide down a geopolitical blind alley and have to humor itself with neo-imperial pipe dreams? The answer will not be known for some while yet, but for the time being, if the dual-enlargement strategies of the West, Russia, and the Baltic countries manage to avoid a fateful collision there is a chance that the current security agenda in the region will be transformed by growing mutual interest in expanding and deepening their economic ties. The challenge facing Russia is very serious: a united Europe is emerging right on its borders, and the only rational option would be to seek a permanent partnership with it. To withdraw into itself is likely to mean only one thing—progressive marginalization.

ENDNOTES

1. The Foreign Policy Concept of the Russian Federation, adopted on July 10, 2000. Source: *Rossiyskaya Gazeta*, July 11, 2000.

2. It was widely believed, in the case of Poland and the other Central European countries, that Russia had committed a blunder by initially taking a neutral stance with respect to their membership applications, and later failed to oppose them strongly enough. President Yeltsin is said to have written to President Clinton to

warn him that Russia opposed even the hypothetical possibility of the Baltic States joining NATO. See *Izvestia*, July 6, 1996.

3. Soobshchenie Press—Sluzhby Prezidenta Rossiyskoy Federatsii. 1997-02-11-005.

4. See, e.g., Darius K. Merteckis, "Lithuania as a NATO Partner," *Lithuanian Foreign Policy Review*, no. 4 (1999), 37-50.

5. Sergei Karaganov, in *NATO and EU Enlargement: The Case of the Baltic States*, the international conference organized by the Konrad Adenauer Foundation and the Latvian Institute of International Affairs; Riga, December 9, 1995, p.29. It is interesting that, with time, the influential nongovernmental Council for Foreign and Defense Policy has moved to a more nuanced position on Russian-Baltic relations, stressing economic incentives over geostrategic calculus. See, e.g., the CFDP reports published in *Nezavisimaya gazeta* on September 28, 1997 and on October 26, 2000.

6. Special mention should be made of the periodic publication in Russia of analytical documents, purportedly coming from think tanks close to the Defense Ministry, which describe various scenarios of a Russian invasion of the Baltic States, in order to preclude their membership in NATO. See, e.g., a report of the INOBIS Institute in *Segodnya*, October 20, 1995. Such publications are likely to facilitate exactly the actions they are ostensibly trying to avert.

7. See, e.g., "Geopoliticheskie peremeny v Evrope, politika Zapada i alternativy dlya Rossii," *Doklady Instituta Evropy*, no.19 (Moscow: Russian Academy of Sciences, Institute of Europe, 1995), 23.

8. In its response to the Russian reference to the importance of continued non-aligned status for the Baltic States, the Latvian Foreign Ministry noted, in February 1997, that the historical experience with neutrality was both short-lived and unfortunate.

9. Karl-Heinz Kamp, *Die NATO nach der Erweiterung: Elemente einer Post-Erweiterungsstrategie*. Arbeitspapier (Sankt-Augustin: Konrad-Adenauer-Stiftung, Maerz, 1997).

Russia and the Balkans

R. Craig Nation*

Why the Balkans Matter

The Balkan region does not have a great deal of intrinsic importance according to classic geopolitical criteria. The majority of Balkan states are small and fragile polities without significant strategic resources, attractive domestic markets, or real military potential.¹ Most descriptions of the region emphasize its status as the “land bridge” linking the European heartland with Southwestern Asia and Africa, but the dynamics of global communication have considerably diluted what was once, without question, a vital role.² The overland communication route running from central Europe across Belgrade to Istanbul was closed during much of the 1990s because of armed conflict in former Yugoslavia, and the downing of bridges during the Kosovo campaign disrupted shipping on the Danube; but alternative routes were quickly developed. Some analysts argue that the eastern Mediterranean as a whole is poised to become the western terminus of a new strategic axis linking European markets with Caspian basin oil and natural gas reserves, but the security of that terminus is not really perceived to be at risk. The states of Southeastern Europe are not critical pillars of the Euro-Atlantic community, as are the Western European allies. They are not in a privileged position in regard to core Western institutions, such as the European Union (EU) and NATO, as are the new democratic states of post-communist Central Europe. They are not subject to a sense of moral obligation in the eyes of the West, as is sometimes the case with the Baltic States. Instability in the region has encouraged competition between external actors for strategic advantage, but today’s Southeastern Europe is not an apple of discord as it was in the heyday of the Eastern Question.³ The Balkans today is a peripheral European subregion, incapable of exerting significant influence upon the continental or global balance of power.

Despite these limitations, in the post–Cold War period the Balkans has become one of the most important areas of international engagement. The violent disintegration of former Yugoslavia from 1991 onward transformed the region into a font of instability that the great powers have not been able to ignore. The future of the Western Alliance and the shape of a new European and Eurasian “security architecture” have been placed at stake by the Balkan crisis, and neither Russia nor the West has wished to surrender leverage over the shape of an eventual resolution. Even if “vital” interests are not perceived to be at stake, engagement by external actors in the Balkan region has proven to be entangling and fraught with significance.

Russia’s commitment to an active role in Balkan conflict management is in some ways anomalous. Despite hostile rhetoric concerning NATO’s enlargement agenda, Moscow is

*The views expressed here do not necessarily represent the views of the U.S. Army, Defense Department, or the U.S. Government.

probably less threatened on its European flank at present than at any time in modern history. The United States has reduced its military presence in Europe significantly in the post–Cold War decade. The Atlantic Alliance is committed to a program of engagement based upon the NATO-Russia Founding Act and institutionalized in the Permanent Joint Council (PJC). No European state has aggressive intentions towards Russia—in most cases, in fact, Russia and the West share broadly coinciding interests. In the Far East, Russia’s relations with a dynamically growing China remain a source of long-term concern. The predominantly Islamic regions along the Russian Federation’s southern flank are conflict prone and highly unstable. In comparison, the security environment along Russia’s western borderlands appears to be extremely benign.

Viewed from Moscow, the Balkan conflict has assumed heightened importance, not so much because of what is intrinsically at stake, but because it represents a type of problem that has become particularly salient under the current circumstances of national decline and lowered horizons. The most substantial external threats for Russia are not the classic dilemmas of exposed borders and strategic rivalry with peer competitors, but rather chronic instability in contiguous areas with implications for Russian security that go beyond the issues at stake within the conflict itself. In cases where a strategic vacuum has arisen in areas proximate to the Russian frontier, regional rivalries have domestic implications for the Russian Federation, the Western Alliance is perceived to be playing an intrusive role in a historic sphere of Russian influence, and new patterns of security relations for the post–Cold War period are in the process of being defined, Moscow may be said to have significant security concerns at stake. The Balkans provide a prototype for this kind of situation, and it has been one of the two or three most important areas of external engagement for the new Russian Federation since its emergence from the Soviet Union at the end of 1991.

Russia’s Balkan Engagement: Frustrated Partnership

The crises that led up to the implosion of both the Yugoslav and Soviet federations ran in parallel. During the armed conflicts in Slovenia and Croatia between June 1991 and January 1992, the USSR was preoccupied by its own domestic affairs, including the abortive coup d’état of August 1991 and the subsequent disintegration of the Union. President Mikhail Gorbachev, caught up in a desperate effort to rescue the failing Soviet ship of state, repeatedly asserted the need to maintain Yugoslavia’s territorial integrity as a premise for peace making, but his ability to influence the course of events, at home or abroad, was rapidly declining.⁴

Russia’s attitude toward the Yugoslav conflict changed dramatically with the consolidation of a new national government under President Boris Yeltsin and Foreign Minister Andrei Kozyrev from January 1992 onward.⁵ In May, Kozyrev visited all of the former Yugoslav republics, and while in Ljubljana and Zagreb, signed accords establishing diplomatic relations with Slovenia and Croatia. He also publicly asserted that primary responsibility for the conflict was borne by the “national-communist” leadership in Belgrade and condemned the “kvas-besotted, Slavophile-Orthodox” spirit of their Russian supporters.⁶

These were harsh evaluations that placed the new Russian leadership firmly in the Western camp in its approach to the Yugoslav problem. In a decisive and domestically controversial gesture, the Russian Federation voted in favor of U.S. economic sanctions against Belgrade on May 30, 1992. On July 10, Moscow approved the Federal Republic of Yugoslavia's exclusion from the Conference for Security and Cooperation in Europe (CSCE), and on September 22, it supported UN Resolution 777, which declared that the former Yugoslavia had ceased to exist and requiring Belgrade to reapply for UN membership. In October and November 1992, the Russian Federation supported resolutions approving the investigation of violations of international humanitarian law and strengthening the commercial embargo against Serbia and Montenegro.

As relations between Yeltsin and his parliament began to disintegrate from the summer of 1992 onward, the government's policy toward the Yugoslav crisis became an important source of discord.⁷ In contentious debates, the parliamentary opposition took advantage of what it perceived to be the government's exposure on the issue and loudly affirmed Russia's "traditional friendship" with Serbia. "In Serbia and Montenegro," ran one typically emotional intervention, "from generation to generation, the people have absorbed love and devotion for Russia with their mothers' milk."⁸ On June 26, 1992, the Russian Parliament passed a resolution criticizing the government for its haste in approving sanctions against Serbia and called for their abrogation, making public a basic division over an important policy initiative.⁹ Small numbers of Russian mercenaries, sponsored by ephemeral national-patriotic organizations, also began to make their way to Yugoslavia to fight for the Serb cause.¹⁰

During the latter months of 1992 and into 1993, the debate over relations with Serbia became more strident. On September 23, 1992, the chair of the Russian parliament's Constitutional Commission, O. G. Rumiantsev, described policy toward Serbia as "a betrayal of Russian interests."¹¹ Kozyrev's bizarre speech before the CSCE foreign ministers at Stockholm on December 14, 1992, in which he "pretended" to support extreme nationalist positions in order to dramatize "the danger that threatens our course in post-communist Europe," added fuel to the fire.¹² One of the main shocks offered in the speech was a condemnation of sanctions against Yugoslavia and the threat that Russia would consider "unilateral measures" in the event that they were not lifted. "In its struggle," the Russian foreign minister intoned, "the present government of Serbia can count on the support of great Russia."¹³ This phrase was singled out for special condemnation by the chair of the Russian parliament's Committee on International Relations and Foreign Economic Affairs, Evgenii Ambartsumov, for whom Kozyrev's entire exercise in diplomatic irony sounded "like an ultimatum delivered to the Serbian leadership."¹⁴ For parliamentary critics, the government's initiatives were "tragic" and a "criminal" mistake that sullied "our traditional ties with the Serbs, Slavic ties and Orthodox ties."¹⁵ These were, however, the views of an opposition under siege. In Belgrade, skeptics continued to fault the Milosevic government's "myopic" reliance upon the eventual emergence of a "Slavic, Orthodox, and pro-Serbian Russia" capable of functioning as a real strategic ally.¹⁶

A turning point of sorts in Russia's domestic debate arrived with the electoral defeat of the moderate Serbian-American Milan Panic, whom Moscow had supported against Milosevic in the Serbian presidential election of December 1992, followed by Croatia's limited offensive

against UN patrolled areas inside the Republic of Srpska Krajina, which was aimed at seizing control of strategic targets, including the Maslenica bridge and Zemunik airport near Zadar. Fearing a loss of leverage in Belgrade and concerned for its domestic credibility, Moscow responded with calls for the imposition of sanctions against Croatia, and on April 17–18, 1993, abstained on the vote for UN Security Council Resolution No. 820, which tightened sanctions against Belgrade. The Russians were not ready to change camps—in the week to come, Moscow would go on to support the imposition of a No Fly Zone in Bosnia-Herzegovina, champion the Vance-Owen peace plan, and agree to cooperate militarily in its implementation. But it also worked to sabotage a July 29, 1993, Security Council Resolution calling for the lifting of the UN arms embargo in the specific case of Bosnia-Herzegovina. In 1993, Russian diplomacy in former Yugoslavia became considerably more active, and more assertive as well. Special envoy Vitalii Churkin, who had made only two visits to Yugoslavia in all of 1992, was constantly under way between the former Yugoslav republics from the first months of 1993 onward. In May 1993, Kozyrev visited Belgrade for the first time in nearly a year.¹⁷

Russian policy toward the Yugoslav conflict was clearly shifting in response to growing domestic pressures and to a reevaluation of the situation on the ground. The crisis of October 1993–January 1994 in Russia itself—beginning with the bombardment of Russian parliamentary deputies barricaded in the “White House” in the heart of Moscow at the behest of the president and concluding with the “Zhirinovskii Shock” of the subsequent election, where ultra-nationalist Vladimir Zhirinovskii’s Liberal Democratic party received the highest percentage of votes in balloting by party list—occasioned a more substantial change of priorities.¹⁸ During a visit to Serbia and Montenegro during the first week of February 1994, Zhirinovskii drenched his audiences in bombast, including the evocation, during public remarks at Brcko, of a Russian “secret weapon” capable of terrorizing the West. Many of his observations were close in spirit to the populist rhetoric that had become the stock in trade of Bosnian Serb leaders. “Russia and Serbia have only two enemies,” Zhirinovskii intoned on one occasion, “Catholicism from the West and Islam from the East.”¹⁹ The heavily publicized visit served to reinforce the perception that a meaningful redirection of Russian policy was under way.²⁰

On February 5, 1994, a mortar attack on the Markale market in Sarajevo resulted in sixty-eight deaths and over two hundred wounded. Responsibility for the attack could not be definitively determined, but the event was consistent with a long pattern of Bosnian Serb shelling. On February 11, a NATO and European Community ultimatum threatened air strikes if Serb commanders did not agree to pull back their heavy weaponry from the perimeter of Sarajevo. With an attack apparently imminent, Russia moved unilaterally to defuse the crisis. Yeltsin put his prestige on the line by directly contacting Milosevic and Bosnian Serb leader Radovan Karadzic to request the withdrawal of Serb artillery, and Russia moved four hundred soldiers from its UN Protection Force (UNPROFOR) contingent in Croatia into Sarajevo to oversee the withdrawal. The Russian units were greeted in Bosnia by cheering crowds, and the pull back of weaponry seemed to proceed smoothly. The moral, from the Russian perspective, was clear: “The Serbs had not yielded to the ultimatum, to the United States or to the West as a whole, but they were willing to listen to the opinion of their traditional partner Russia.”²¹ Serb nationalist opinion, after three years of “disorientation,

despair, pain, and dissatisfaction” with Russian policy, could rejoice in what seemed to be Moscow’s belated realization that that the cultivation of “historically tested and friendly relations” with Serbia also corresponded to “the vital requirements and long-term national and state interests of Russia.”²²

In February and March 1994, Russia mediated with the Bosnian Serbs concerning the delivery of humanitarian aide and agreed to allow Russian observers to monitor the opening of Tuzla airport. On April 10–11, however, in response to a request for close air support by UNPROFOR commander General Michael Rose, NATO aircraft launched air strikes against Serb positions in fighting around the Gorañde enclave. Moscow strongly protested the lack of prior consultations and made clear that it would not accept policies that sought to punish the Serb side unilaterally.²³

With the emergence of overt tensions between Russia and its Western partners over priorities in Yugoslav peace making, the elements of an independent Russian Balkan policy seemed to be in place. As a member (with the United States, the United Kingdom, France, Germany, and eventually Italy) of the Contact Group convened as a forum for resolving differences between external actors and for placing pressure on the belligerents, Russia continued to collaborate with the international community and contributed to the development of the May 1994 peace plan calling for a 51 percent/49 percent territorial division in Bosnia-Herzegovina between Croat and Bosniac factions on one side and the Bosnian Serbs on the other. Moscow sought to maintain positive relations with all parties to the conflict and to use its influence with the Bosnian Serbs (such as it was) to encourage acceptance of the Contact Group’s partition plan. Within the Contact Group, however, where mediation efforts encountered repeated frustrations, Russia came to function as a virtual protecting power on behalf of the Milosevic regime. The “traditional alliance” between Moscow and Belgrade, dormant for three quarters of a century, seemed to have reemerged against a background of Balkan violence and instability aggravated by chronic differences in priorities among the great powers—a context not altogether dissimilar from that of the Eastern Question of years past.²⁴

Russia’s assertiveness was widely interpreted as the revival of a traditional forward policy in the Balkan region, accomplished through a special relationship with a dependent Serbian ally in an environment where nationalism had come to replace the discredited verities of Soviet Marxism as the rationale for foreign policy choice. “The Russians,” wrote *Le Monde*, “no longer hide their sympathies for their brother Orthodox Christians the Serbs.”²⁵ Such conclusions were accurate so far as they went, but they overestimated the coherency of Russia’s divided foreign policy establishment and the means at the disposal of Kremlin leaders to shape the regional environment to their advantage. Yeltsin had opted to bend to the demands of his domestic opposition, but he was by no means prepared to surrender the priority of maintaining a positive working relationship with the West. Rhetoric aside, Russia had very little of substance to offer the feuding Balkan warlords, and therefore, very limited sources of leverage. Moreover, like all other would-be international crisis managers, Russia underestimated the extreme volatility of the situation on the ground. Russia’s temporary accretion of influence rested on three interrelated variables: a stalemated military struggle, Western division and indecision in the face of unpalatable options, and Serbia’s isolation,

which lent credibility to Moscow's attempt to play the role of interlocutor. In the years to come, all three of these variables would be altered, and Moscow's short-lived prestige would decline as rapidly as it had arisen.

By the summer of 1995, the Yugoslav conflict had become an issue in U.S. domestic politics as well. With elections on the horizon, the Republican-controlled Congress was openly defying President William Clinton's decision to maintain an arms embargo against all parties to the conflict by lifting restrictions against the Bosniacs, judged to be victims of aggression rather than perpetrators. Key European allies were simultaneously signaling their unwillingness to maintain commitments to UNPROFOR in the event that the United States, without forces on the ground in the theater, would unilaterally supply arms to one of the belligerents. The United States was committed to support an UNPROFOR withdrawal militarily—a potentially costly undertaking with all the trappings of an election year nightmare.²⁶ Fresh initiatives were clearly required, and the pretext for a change of direction was ready at hand in the consistent pattern of egregious Bosnian Serb aggression that Russian influence was supposed to be deterring. In fact, however, Moscow's real ability to shape the course of events on the ground was very limited. Its good offices in Belgrade did not extend to the Bosnian Serb redoubt of Pale (in the mountains above Sarajevo), and its supposed protégé Milosevic, under the cumulative weight of economic sanctions, was reversing his priorities in the direction of rapprochement with the West.

Russian policy would be sorely tested by a series of crises in the months to come. In the first days of May 1995, Croatian forces attacked Sector West of the Republic of Srpska Krajina (Western Slavonia) and quickly eliminated organized resistance. The Croatian offensive was criticized internationally, but it was a sign of the increasing pressure being brought to bear on the Serb camp. In late May, NATO aircraft launched several attacks against Bosnian Serb targets in an attempt to enforce a ceasefire in the Sarajevo zone. In retaliation, Pale seized UN peacekeepers and chained them to potential targets as human shields. On June 3, the defense ministers of fourteen member-states of the EU and NATO responded by agreeing to create a Rapid Reaction Force to protect UNPROFOR from further humiliation. In July, the Bosnian Serbs upped the ante by seizing the UN "safe havens" of Srebrenica and Zeta, in the former case massacring thousands of prisoners in the worst single atrocity of the entire Bosnian conflict.²⁷ Limited NATO air strikes on July 11 failed to prevent the fall of Srebrenica, and one day later, the Russian Duma passed near-unanimous resolutions calling for a unilateral Russian withdrawal from economic sanctions against Yugoslavia and condemning the air strikes as "open support for one side to the conflict."²⁸ These were defiant words, but the resolve that stood behind them was yet to be tested.

In the first weeks of August, a large-scale Croatian offensive overran the entire Republic of Srpska Krajina, seizing its capital, Knin, and rolling on deep into central Bosnia.²⁹ The military balance on the ground had been dramatically altered at a stroke, and protests from Kozyrev and other leading lights of Russian diplomacy fell on closed ears. As Croatian artillery, air force, and infantry units poured into Krajina, NATO aircraft launched simultaneous missile attacks against the Serb radar system. The decision to use NATO air power was cleared by the UN Secretary General, but not by the Security Council, and Moscow was not officially informed of the action until after the fact, provoking outrage and ineffective

protest. The Russians had failed in their efforts to use confidence and persuasion to encourage Serb compliance with the Western-sponsored peace process. It was now the turn of compellance, with Moscow's role reduced to crying foul from the sideline.

As the dust settled in a Krajina region from which the Serb population had been unceremoniously expelled, Yeltsin sought to restore Moscow's damaged credibility by convening a summit conference of Yugoslav leaders in Moscow. Croatian president Franjo Tudjman expressed interest in the project, but almost immediately withdrew under U.S. pressure.³⁰ The Western community was determined to strike when the iron was hot and impose some kind of accord on the embattled Bosnians Serbs, with or without Moscow's compliance. On August 28, another massacre of innocents occasioned by a mortar attack in downtown Sarajevo, killing thirty-seven and wounding eighty-six, provided an inevitable pretext for more massive air strikes that seriously disrupted the Bosnian Serb military infrastructure at a moment when Serb forces had been placed under pressure by their Croat and Bosniac rivals. Russian protests were ignored, and when U.S. National Security Advisor Anthony Lake prepared for a tour of European capitals to set the stage for what would become the Dayton peace process, Moscow was not even placed on the itinerary.³¹ To add insult to injury, on September 28, NATO's official *Study on Enlargement* was released to the public. Russia's reaction was harsh—a parliamentary resolution condemned the “genocide” being perpetrated against the Serbs, and Yeltsin himself remarked that NATO's actions could “ignite the flames of war in Europe.”³² “To him [Yeltsin], as to many Russians,” wrote the respected commentator Aleksei Pushkov, “the strikes were seen as signs of the resolve of the alliance to play the role of policeman of Europe and of the way NATO would behave once enlargement was accomplished—ignoring Russia and dictating to Europe on its terms.”³³

The Kremlin's response to these blows to its prestige was ineffective. The US-led initiative of August–December 1995 called the bluff of Russian hard-liners. A policy based upon rhetorical support for the Serbian national cause and condemnation of Western one-sidedness now ran headlong into a *fait accompli* that contained all the elements of what the Russians considered to be a worst-case scenario. NATO had intervened military out of area in spite of Moscow's clearly expressed admonitions. The limits of Russia's leverage over the Serbs, and its inability to protect a would-be ally, had been exposed. Illusions were shattered in Belgrade as well, where the Milosevic regime, without reliable Russian support, was left with no alternative other than to deal directly with the West.

Russia's discomfiture in Bosnia was accompanied by parliamentary elections that solidified the position of the communist-led opposition and forced Kozyrev to surrender the foreign ministry to the popular former Soviet diplomat Evgenii Primakov in January 1996. Primakov announced an intention to conduct a more balanced international policy, but with his country mired in an open-ended conflict in the breakaway province of Chechnya and in domestic disarray, he had little choice other than to cut losses by attaching Russia to the US-led Balkan initiative that would culminate in the Dayton Peace Accords. Russia was offered a modest diplomatic role in the run up to Dayton, and a special agreement attaching a Russian brigade to the NATO Implementation Force (IFOR) subordinated directly to U.S. (rather than NATO) command.³⁴ These were face-saving accommodations that did little to disguise the essence of Dayton as a US-conceived and executed exercise. The pro-government

Izvestiia sarcastically, but not altogether inaccurately, labeled the compromise over Russian military cooperation with IFOR “Operation Fig Leaf,” and Russia’s independent press subjected the Dayton Accords to incisive criticism.³⁵

Russia and the Kosovo Crisis

Russia has made the best of the limited role it was assigned in the Dayton peace process. Despite caveats, Russian forces have remained engaged in Bosnian peace making under the aegis of IFOR and its successor, Stabilization Force (SFOR). Though limited in scale, the experience has been a positive example of the potential for military collaboration between Russia and the West at the tactical level. During 1996 and 1997, considerable friction developed over the issue of NATO enlargement, but intense public debates did not affect the spirit of shared risk and responsibility in Bosnia-Herzegovina. As a member of the Contact Group, Russia has also retained privileged access to international diplomatic initiatives in the region.

Moscow’s grudging acceptance of the inevitability of NATO enlargement was encouraged by the conclusion of a special Russia-NATO relationship. The Russia-NATO Founding Act was signed on May 27, 1997, as a means to “develop consultation, cooperation and joint decision making, including an enhanced dialogue between senior military authorities.”³⁶ In the Act’s first year, coordinated by the PJC and working through regular high-level consultations and numerous expert groups, Russia and NATO made modest but real progress toward building habits of cooperation. During June 1998, a conference was convened in Moscow to celebrate its first anniversary, and Foreign Minister Primakov remarked that: “The past year has shown that we are able to cooperate on the basis of constructive engagement and confidence, and we have achieved quite a lot.”³⁷ The first sprouts of NATO-Russian collaboration had barely seen the light of day, however, before they would be soon placed at risk by the new round of Balkan instability that emerged in the course of 1998 in the Serbian province of Kosovo.

Milosevic had risen to power in post-Tito Yugoslavia by exploiting frustrated Serb nationalism, with the Kosovo dilemma as his *cause célèbre*. The province possessed great symbolic importance in Serbian national mythology, but in the Titoist constitution of 1974, it was granted considerable autonomy, and by the late 1980s its population was over 80 percent Albanian. In 1989, Milosevic suspended Kosovo’s autonomy and subjected the province to a harsh occupation accompanied by overt discrimination against the Kosovar Albanians. Against the background of the fighting in Bosnia-Herzegovina, Kosovo maintained a deceptive stability, thanks in large measure to the strategy of passive resistance promulgated by Kosovar Albanian shadow president Ibrahim Rugova. After years of waiting in vain for the international community to reward restraint with more substantial international support, however, Rugova had little to show for his efforts. It should have been apparent to all that the Kosovo pressure cooker was bound eventually to explode.

The Kosovo problem was not given a high profile in Russian diplomacy during the Kozyrev years. The Kremlin had no desire to disrupt its alignment with Belgrade in the region over an issue of particular sensitivity for the Serbs. Chechnya made Moscow particularly alert to the issue of separatism, especially in the case of predominantly Muslim regions. And there was no great international pressure to which the Kremlin felt bound to respond. Russia supported UN Security Council resolutions calling for respect for human rights in the province, but, like most of the international community, it failed to act preemptively to head off what was fated to become a major crisis.

The crisis appeared on the radar screen with the gradual emergence of the Kosovo Liberation Army (KLA) during 1997. The KLA publicly challenged Rugova's strategy of non-violence and called for armed resistance, carrying out a series of raids and assassinations directed against local Serb police and purported Kosovar Albanian collaborators.³⁸ A Serbian blitz against the KLA was launched at the beginning of March 1998, generating numerous civilian casualties and a wave of internally displaced persons. Sensitive to criticisms of its passivity in the first phase of the Bosnian conflict, the United States opted for a strong stance. On March 4, U.S. special envoy Richard Gelbard described Serbian aggression as "something that will not be tolerated by the U.S."³⁹ Speaking in London on March 7, U.S. Secretary of State Madeleine Albright demanded "immediate action against the regime in Belgrade to ensure that it pays a price for the damage it has already done."⁴⁰ Suddenly, the low intensity conflict in Kosovo had become a major focus of international attention.

Russia reacted to U.S. initiatives with an effort to keep Western responses within narrow diplomatic guidelines. On March 31, 1998, it approved UN Security Council Resolution 1160, which condemned the excessive use of force against civilians in Kosovo and imposed an arms embargo against the Federal Republic of Yugoslavia. Approval was conditioned, however, by insistence upon the elimination of any reference to a "threat to international peace and stability" (which might justify action under Article VII of the UN Charter). In June, after considerable debate, Moscow agreed to accept a four-point program for conflict resolution drawn up by the Contact Group, a program that called for an immediate ceasefire, international monitoring, access to the province for the UN High Commissioner for Refugees and NGOs, and dialogue between Belgrade and the Kosovar Albanians under the auspices of international mediators. At a June 16 summit in Moscow, Yeltsin told Milosevic "unequivocally" that Yugoslavia could not rely on Russian support if it did not follow advice.⁴¹ Under Russian pressure, the Serbs agreed to grant access to Kosovo to international observers organized under OSCE (Organization for Security and Cooperation in Europe) auspices as the Kosovo Diplomatic Observer Mission. But talk of peace enforcement remained anathema. Moscow approved UN Security Council Resolution 1199 on September 23, which demanded the withdrawal of Yugoslav forces from Kosovo, but it again conditioned acceptance with the assertion that the resolution did not condone a resort to force. In early October, the Kremlin publicly warned that it would use its veto to block any resolution authorizing a resort to force by the international community in Kosovo.⁴²

Moscow's opposition did not prevent the United States from ratcheting pressure upon Belgrade during October, including an unambiguous threat of NATO air strikes.⁴³ After Milosevic agreed to pull back heavy weapons and major military contingents, respond

“proportionately” to provocation, and allow a 2000-member Kosovo Verification Mission to enter the province under OSCE sponsorship, the threat of intervention was temporarily withdrawn. But no underlying issues had been resolved, and by January 1999, fighting, and attendant refugee flows, had resumed. Following a reputed massacre of forty-five Kosovar Albanian civilians at the hands of Serb security forces in the town of Racak on January 15, the United States was determined to make a final effort to impose a diplomatic settlement and renewed threat of air strikes.⁴⁴ Neutralizing Russian opposition was a prerequisite, and in the final week of January, Secretary of State Albright met with her counterpart, Igor Ivanov, in Moscow. Ivanov apparently expressed “understanding” for the U.S. position, though he did not formally endorse it.⁴⁵ On this basis, on January 26, a U.S.-Russian Joint Statement on Kosovo demanded the cessation of hostilities, punishment for those responsible for Racak, respect for UN Security Council resolutions, and good will negotiations leading toward expanded autonomy for Kosovo.⁴⁶

Three days later, meeting in London with Russia on board, the Contact Group called for negotiations to end the cycle of violence and requested that representatives of Yugoslavia and the Kosovar Albanians meet in Rambouillet, France, to work out the terms of a settlement.

Russia had every opportunity to influence the terms of the political solution presented to the delegations when the Rambouillet conference opened on February 6.⁴⁷ It was also granted special status in the negotiating process, conducted under the auspices of Christopher Hill for the United States, Wolfgang Petritsch for the European Union, and Boris Maiorskii for the Russian Federation. The negotiations once again demonstrated the limits of Moscow’s leverage over the Milosevic team, as the Serbs balked at accepting the terms of the proposed agreement. Moscow joined with the Europeans in pressing for an extension of discussions, but the failure of the talks to arrive at a settlement represented a major setback for Russian Balkan policy. The Kremlin was not privy to the parallel effort to prepare NATO for the eventuality of military action, and a NATO intervention in the conflict was the outcome it was most committed to oppose. When, on March 23, NATO Secretary General Javier Solana, acting without a formal UN or OSCE mandate, directed the Supreme Allied Commander Europe, General Wesley Clark, to begin air operations against the Federal Republic of Yugoslavia (*Operation Allied Force*), Moscow seemed to have run out of positive options.

The tone for Russia’s initial reactions was set by Prime Minister Evgenii Primakov, who, on March 23, requested that his flight, en route to Washington for a biannual meeting with Vice-President Al Gore, be turned around in mid air when he was informed that military action against the Serbs was imminent. The dramatic action was popular with the Russian public, but it was also a gesture of futility. Russian UN ambassador Sergei Lavrov denounced NATO’s “unacceptable aggression” at an emergency session of the Security Council, and, on March 26, Russia cosponsored (with Belarus and India) a UN draft resolution that demanded an end to air strikes and a return to diplomacy.⁴⁸ The resolution was only supported by three of the fifteen Security Council members (Russia, China, and Namibia), however, and NATO’s determination to pursue the military effort remained unshaken. At the end of March, Russia sent several intelligence gathering ships into the Mediterranean to monitor the conflict, a gesture of independence that was suspect in NATO circles but peripheral to the course of the war. Primakov also paid a visit to Milosevic in Belgrade, but his diplomatic alternative was

rejected out of hand by the Alliance. In early April, President Yeltsin publicly remarked that continued military action against the Serbs could lead to a new world war, Russia announced that it was pulling out of cooperative programs with NATO under the PJC, and editorial opinion railed against the United States as a “new Goliath” for whom “force is the only criterion of truth.”⁴⁹ But verbal excess was no substitute for the substance of policy. Russia’s outspoken opposition to the NATO war effort had left it isolated, and Moscow was not prepared to run the risk of unilateral action in support of the embattled Serbs.

A turning point in Russian policy came in mid April, when Yeltsin appointed former Prime Minister Viktor Chernomyrdin as his special envoy for the Balkans. The gesture, which knocked the legs out from under Primakov’s assertive diplomacy, was consistent with Yeltsin’s approach to the Balkan problem throughout the Yugoslav crisis. Russia was ready to align itself with Belgrade as a means to secure influence, but not to stand alone against the West. Chernomyrdin’s priority became to find the ground for a compromise that would keep Russia engaged, offer Belgrade face saving concessions to facilitate a negotiated settlement, and bring the bombing to an end.

The goal of a diplomatic bargain became increasingly attractive to the Western Alliance when initial expectations that “several days” of bombing raids would suffice to force Serb compliance proved to be woefully off base. German Foreign Minister Joschka Fischer and National Security Advisor Michael Sterner took a first step in this direction in mid-April, traveling to Moscow and returning on the same day on which Chernomyrdin assumed his post as special envoy, with a six-point program that sought to bring NATO’s conditions for peace back under the aegis of the UN and to attract the Serbs by offering a twenty-four hour bombing pause as a prelude to a ceasefire. The program was rejected by the Alliance, but it established the precedent of engaging Russia in the international mediation effort. On April 25, on the final day of NATO’s muted fiftieth anniversary summit in Washington, D.C., President Clinton responded to a phone call from Yeltsin by proposing that Chernomyrdin be brought into a joint mediation effort with U.S. counterparts. In the first week of May, Chernomyrdin arrived in Washington, where—in discussions with American officials—it was determined that he be matched with U.S. Deputy Secretary of State Strobe Talbott, representing NATO, and Finnish President Martti Ahtisaari, on behalf of the EU, as a coordinated negotiating team.⁵⁰

Between the middle of May and early June, a series of meetings between Ahtisaari, Talbott, and Chernomyrdin became the forum within which a coordinated Western peace proposal was hammered out. The third of these sessions was held in Joseph Stalin’s infamous retreat in the Moscow suburb of Kuntsevo, but despite the intimidating setting, it was the U.S. envoy who laid down the law—any negotiated agreement would have to fit within the broad outline of NATO’s conditions for peace.⁵¹ When Chernomyrdin traveled to Belgrade for talks with Milosevic on May 27, he was able to argue in good faith that a modest inflection of NATO conditions as an incentive for cooperation was the best that the Serbs could hope for. In the peace proposal finally accepted by Milosevic on June 3, these inflections were indeed modest, but not insignificant. The entire process of conflict management was brought back under the control of the UN, Rambouillet’s call for a binding referendum on independence after five years was eliminated, the deployment of the UN- and NATO-sponsored Kosovo

Peacekeeping Force (KFOR) was restricted to Kosovo (rather than being granted access to all of Yugoslavia as was asserted at Rambouillet), and the OSCE was placed in charge of the civil component of the peace process.

In its own terms, Russia's engagement in the mediation effort had been remarkably successful. Thanks in part to Chernomyrdin's effective diplomacy and ability to communicate with the Serbian leadership, NATO was spared the unpalatable option of pursuing victory through a ground campaign, Belgrade was offered modest concessions that made the bitter pill of capitulation easier to swallow, and the Alliance's core conditions for a peace settlement were respected. By working to represent Serbian interests in Western councils, Russia secured for itself the familiar role of great power sponsor, avoided the trap of isolation, earned representation inside the KFOR, and succeeded in diluting the role of NATO. But the price for these exploits—subordination to the West's agenda in an area of traditional concern—was high, and Russia received precious little advantage for its diplomatic contributions.

Disillusionment with the outcome goes far toward explaining the dangerous incident with which the military campaign in Kosovo concluded. Frustrated by its inability to obtain a separate occupation zone in Kosovo, on June 11–12, Moscow sent an expanded airborne company (approximately two hundred paratroopers) from Bosnia-Herzegovina on short notice to occupy Pristina's Slatina airport in advance of the arrival of the KFOR contingent. The operation appears to have been inspired by Chief of the General Staff General Anatoli Kvashnin, who used direct access to Yeltsin to win approval for the operation, which was launched without Foreign Minister Ivanov and Prime Minister Sergei Stepashin being informed. The intent appears to have been to reinforce the original deployment with an airlift, bringing several thousand forces to bear at a critical point and greatly expanding Russia's strategic options.⁵² The plan neglected the need for overflight permission from Bulgaria, Romania, and Hungary, which was dutifully refused, leaving the small Russian contingent at Slatina completely isolated. Some voices within the Alliance command were raised on behalf of an armed assault on the Russian positions, but no such risk was required—in view of its forces' exposure, Moscow was more than happy to beat a diplomatic retreat.⁵³ The episode made clear that Russia's engagement with the Western peace making effort was fragile at best, and that influential elements inside the security establishment remained unhappy with their country's marginalization in what was viewed as an area of vital concern.

Retrospective evaluations of Russian diplomacy during the Kosovo crisis have been overwhelmingly critical. The "fiasco" of half-hearted engagement, according to one evaluation, has left Russian influence and prestige at "the lowest point ever."⁵⁴ Russia was not able to use its influence in Belgrade to craft an agenda for preventive diplomacy that might have prevented the conflict from erupting in the first place. Attempts to align with Yugoslavia in the first days of the war were thwarted by Yeltsin's fear of isolation, but despite Chernomyrdin's best efforts, Moscow was never accepted as a full partner to the West. The Kosovo settlement that Russian diplomacy had helped shape, based upon the premise of expanded autonomy for a multinational Kosovo that would remain a part of the Yugoslav federation, was not viable in its own terms. It also provided the context for an open-ended NATO occupation, the scenario that Moscow had from the first been most anxious to preempt.

Even the most severe domestic critics acknowledge that, given its general weakness, Russia had very limited options in a situation where the leading Western powers were determined to act with or without international sanction. But primary responsibility for missteps in Kosovo is consistently assigned to the West, and the implications of the conflict for the Russian Federation are perceived to be ominous. As was the case following the imposition of the Dayton Accords, however, carping criticism has not prevented Russia from remaining engaged in the Balkan crisis management effort, as a contributor to SFOR and KFOR and as a cosponsor of numerous multilateral initiatives aimed at forwarding regional stability. Persistent engagement, despite repeated frustration and scant reward, attests to the continued importance that the Balkan problem is assigned in Russian foreign policy calculations.

Russia's Balkan Conundrum

Russian Balkan policy rests upon powerful historical-cultural foundations, including the much-vaunted "historic friendship" with the Serbs. A critical mass of the analysis devoted to the Yugoslav problem has gone to some length to refute this thesis, arguing that Russian support for the Serbian national cause has been consistently instrumental, geared to a calculation of interests rather than cultural affinity.⁵⁵ But Russian-Serb association has a long historical pedigree that contemporary political dynamics have worked to reinforce.⁵⁶

With the collapse of Titoist Yugoslavia, Serbia assumed its nineteenth century vocation as a small state haunted by frustrated nationalism pursuing a revisionist agenda in a volatile regional security environment, isolated and in dire need of external sponsorship. The new Russian Federation has likewise reverted to something like its nineteenth century status as a great world power with feet of clay, constrained by a weak economy and a troubled, though not necessarily conflictual, relationship with the West. In both polities, traditional nationalism became an important source of domestic legitimization in the vacuum left behind by the collapse of Communism.

The Serbian national cause that Milosevic rode to power contained an important strain of anti-Westernism. The culturally underdeveloped and socially marginalized rural population that constituted his political base could be mobilized around themes of ethnic resentment and anti-modernism that were easily grafted onto a traditional pan-Slav appeal. A cult of Orthodoxy, the myth of greater Serbia, and the image of Great Russia as the protector of the Southern Slavs are staples in the ideology of Serbian populism that leaders like Milosevic and Radovan Karadzic manipulated to such devastating effect.⁵⁷ They provided a logical foundation for association with Moscow informed by cultural communality and alienation from the West. In Russia, too, the breakdown of established sources of legitimacy created an ethical vacuum propitious to the reassertion of traditional national values.⁵⁸ For citizens of the Soviet superpower, the shock to self-esteem administered by the collapse of the state was particularly severe; by 1993, a perception of the Yeltsin regime as indifferent to national interest and beholden to the West was widespread. Against this background, the frustrations experienced by the European conflict management effort in the Balkans created unique

opportunities—Southeastern Europe was one of the few world regions where Russia still possessed the capacity to play a significant role, and it was a region to which it was attached by traditional national affiliations. Pressed relentlessly by an assertive nationalist opposition, the issue of relations with Serbia became one of the defining issues around which an alternative paradigm for Russian security interests took form.

More substantial interests are also at stake. Many Russians have perceived a disturbing similarity between the fate of the former Yugoslavia and their own national situation. “The central consideration for Russian analysts,” writes V. K. Volkov, “has been the parallel between the unfolding of the Yugoslav crisis and events in Russia and on the territory of the CIS [Commonwealth of Independent States].”⁵⁹ The isolation of Belgrade after 1991 was in part a consequence of its determination to support the Serb populations living outside the confines of the reduced Yugoslavia that had emerged from a process of national disintegration. During the confrontations in the Russian parliament over Yugoslav policy in 1992 and 1993, the nationalist opposition repeatedly compared discrimination against Russians in Moldova, Ukraine, or the Baltic States with the treatment meted out to the Serb minorities of Croatia and Bosnia-Herzegovina. “What are the Serbs guilty of,” asked a critical voice: “Only that, unlike us, they have come to the defense of their brothers located behind the never-existing borders of Croatia, Bosnia, and Herzegovina.”⁶⁰ Subject to such prodding, the Russian foreign ministry quickly became more sensitive to charges of neglecting the twenty-five million ethnic Russians living outside the borders of the Russian Federation, insistent about Russia’s right to a sphere of special interest in the so-called Near Abroad, determined to resist secessionist movements inside the Federation, and emphatic about refusing external interference in Russia’s internal affairs.

The “one-sided” approach of the international community to the Yugoslav crisis, with the Serb camp assigned almost exclusive blame, has been a consistent theme in Russian analysis. It is often linked to the presumption that bias against the Serbs reflects a larger disrespect for the Slavic east and for Russia itself. “In Russia,” writes N. Arbatova, “the West’s bias against Serbia was interpreted as a policy aimed at driving the Serbs into a corner, and as a generally hostile attitude toward Slavs. And the fact that the Russian leadership appeared incapable of changing this policy seemed an indicator of the West’s lack of respect for Russia.”⁶¹ The perception that Western policy has become informed by a fundamental disdain for Russia was reinforced by the endgame in Kosovo, where, it was widely believed, Chernomyrdin’s contributions as mediator were simply appropriated by the Western powers without a thought of commensurate reward. Such arguments make Russian Balkan policy a vehicle for accumulated resentments that often have little to do with the region itself, but they have been no less compelling for that reason.⁶² A commitment to reassert lost national pride and revive Russia’s fortunes as a great world power has become a powerful component of contemporary Russian national security policy, and Balkan engagement has become an important measure of that commitment.

Russia has also sought to use its peripheral influence in the Balkans as a means to sustain an active European policy. Though it is too weak to aspire to the role of global superpower once accorded to the USSR, Russia maintains a great power tradition and is committed to reasserting itself as a regional power in areas immediately contiguous to its national

territory. Chronic instability and cultural affinity have opened a window of opportunity in the southern Balkans, perhaps the only European region where Moscow can still aspire to play a significant role. As chair of the International Affairs Committee of the Russian State Duma, Vladimir Lukin suggested that, should Croatia and Slovenia eventually associate with a “new Mitteleuropa,” then the southern Balkan states, “liberated more than a century ago with the help of Russian arms, will once again become respected political and economic partners of Russia.”⁶³ This vision of an expanded sphere of influence in the former Byzantine realm is not altogether incongruous, assuming Russia’s long-term capacity to revive as a regional power, and given the deep-rooted instability to which the southern Balkans remain prone. It is in any case an alternative to the alienating vision of an enlarging European and Euro-Atlantic community from which Russia is effectively excluded. The Kosovo crisis was widely portrayed as a test case for Russia’s relations with the West, where the core issue was “what Europe itself will become in the new century, with whom and in what direction it will evolve.”⁶⁴ NATO’s intervention in the Kosovo conflict, decreed unilaterally and inspired, in the words of Viktor Kremenjuk, by an effort “to create a Europe where Russia has no place,” has been interpreted by analysts on all sides of the policy spectrum as a direct challenge to vital interests.⁶⁵

The strategic evolution of the Atlantic Alliance has been a special Russian concern throughout the post–Cold War period, and the Balkans have been by far the most important arena within which a “New NATO” has been forged. Though not opposed in principle to the use of force in the service of peacekeeping, Russia has sought to block the use of NATO as an instrument for conducting out-of-area peace operations. In cases such as Bosnia and Kosovo, where NATO interventions could not be prevented, Moscow has attempted to neutralize them by imposing constraining UN mandates. It has also moved proactively to provide alternatives. After Russia’s successful initiatives to head off NATO air strikes in the February 1994 flare up around Sarajevo, special envoy Churkin asserted that, in addition to rescuing Sarajevo, Russia had “saved the prestige of NATO” from the consequences of an escalation of hostilities that it would not have been able to contain.⁶⁶ Moscow attempted to redirect the U.S. initiatives that led to the Dayton Peace Accords and the creation of IFOR and SFOR and also protested bitterly against NATO unilateralism in Kosovo.⁶⁷ In both Bosnia-Herzegovina and Kosovo, it would eventually adopt an “if you can’t beat them, join them” approach, but disgruntlement with the Alliance’s out-of-area activism remains visceral.

In the case of Kosovo, disgruntlement is linked to hard strategic concerns. Much of Russian security discourse has represented Operation Allied Force as a trial run for NATO unilateralism. The ability of the Alliance to sustain itself politically through the rigors of a military campaign was to some extent surprising, and the effectiveness of the air campaign was intimidating. For Moscow, the operation pointed toward what could be considered a worst-case scenario—the use of NATO, operating from forward bases in central Europe obtained as a result of the enlargement process, as an instrument for military intervention in a conflict on the Russian periphery or even within the Russian Federation itself.⁶⁸ The heightened threat perception to which such considerations gave rise has been written in to Russia’s new national military doctrine and national security strategy, and reflected in the emphasis that these documents place upon nuclear deterrence as a last line of defense in a

phase of conventional weakness.⁶⁹ Russia's essential concerns are focused on the precedent that NATO's engagement in the region has established, rather than any particular outcome on the ground. The long-term presence of NATO forces in the quasi-protectorates of Bosnia-Herzegovina and Kosovo is regretted to the extent that it may serve "to block any possibility of Russia's forceful return to Europe."⁷⁰ But the Western allies are themselves divided over priorities in the Balkans, Russian participation in SFOR and KFOR gives it a voice in military planning, and both deployments are politically subordinated to the UN Security Council, where Russia retains the veto right.

There are clear limits to how far Russia's engagement in the Balkans is likely to proceed. Churkin hinted at these limits during a 1993 debate with the nationalist opposition in the Russian parliament, insisting "Russia cannot enter into a confrontation with the entire rest of the world because of an argument about where to place internal borders within Bosnia-Herzegovina."⁷¹ The same can be said for the issue of internal borders within the Federal Republic of Yugoslavia—Moscow's desire to cultivate Belgrade as a regional ally does not justify a decision to stand alone against the Western Alliance. The various factors that have defined Russia's engagement in the Balkan conflict of the past decade are significant and enduring. Evaluated objectively they do not constitute truly vital interests.

The frustrations of Russian diplomacy in the Balkan conflict can be attributed to several factors. Most basic is Russia's general weakness. President Vladimir Putin has made the goal of reestablishing a "strong state" a key to his presidency, but today's Russian Federation is in most ways still an exceptionally weak state. Moscow is unable to control or enforce drug trafficking out of Central Asia, illegal transfers of primary materials through the Baltic states, runaway capital flight, large scale immigration from China into the far eastern Maritime Provinces, domestic insurgency in Chechnya, tax collection from recalcitrant regions, and the regular payment of salaries. Its Gross Domestic Product has fallen to 40 percent of Soviet-era levels, social disaffection is high, public health standards have become catastrophic, military spending is at about 10 percent of the U.S. standard, and a vitally important military reform program is still on the drawing board. Economic imbalances and military weakness radically constrain foreign policy options. In order to rebuild the foundations of national power, Russia urgently needs a peaceful international environment, positive working relations with the major world powers, and the sustained support of international financial institutions. These are harsh but unalterable realities that do not permit the luxury of unilateral initiatives even in regions, such as the Balkans, where much is perceived to be at stake.

Russia's foreign policy establishment has also been internally divided over priorities. It has reacted to the Balkan challenge in much the same way as the West, struggling without great success to arrive at a clear and consensual definition of ends, ways, and means in a constantly evolving situation that demands attention but resists resolution. Under domestic pressure, the Kozyrev foreign ministry moved toward a more assertive policy in the course of 1993, but Yeltsin was never willing to abandon an essentially cautious approach that made a priority of working with, rather than against, the major Western powers.⁷² When Primakov seemed on the verge of abandoning these premises under the extreme provocation of NATO's armed intervention in the Kosovo conflict, he was unceremoniously pushed from office and

replaced by Chernomyrdin, whose service as an honest broker would subsequently be vital in securing a negotiated peace. For all the rhetoric of “historic friendship,” Moscow has never opted to play a Serbian card in the Balkans. It has, however, sought to distance itself from Western initiatives, sustain a special relationship with an isolated and dependent Belgrade, and assert the prerogative to exploit windows of opportunity as they present themselves.

Such opportunistic policies have not been particularly successful. When push has come to shove, the Kremlin has had no alternative but to fall in line behind the U.S. lead. The ouster of Milosevic as the consequence of a popular insurrection following disputed elections in October 2000 has eliminated any possibility of sustaining a regional policy around the Moscow-Belgrade axis—Vojislav Kostunica’s democratic Serbia will have a much stronger interest in cultivating relations with the West. Moscow’s limited influence in the region is a function of continued instability. When regional conflicts are finally laid to rest and economic reconstruction becomes the task at hand, it will have a very weak hand to play.

Conclusion

The Balkan conflict has placed the Russian Federation’s reduced and subordinate status in world affairs into sharp relief. But Moscow’s determination to remain engaged is not likely to disappear. Russia still has interests at stake in the region and in the greater Europe of which it is an integral part.

The Balkans as a whole remains extremely unstable. Six years after the Dayton Peace Accords, the international community has made only the most limited progress in moving Bosnia-Herzegovina toward something resembling a self-sustaining peace. A viable end state for occupied Kosovo has yet to be determined, and Albanian insurrections in Southern Serbia and Macedonia have the potential to escalate. Kostunica’s Serbia confronts the challenges of democratic consolidation against a background of continuing economic disintegration and of separatist pressures from Montenegro, its only point of access to the sea. In Romania and Bulgaria, poor economic performance continues to undermine political stability. Despite recent progress toward warmer relations, Greece and Turkey remain divided over Aegean issues, and the Cyprus question seems no closer to resolution than ever. The Balkan knot has not been cut, and chronic instability will continue to create space for maneuver that Russia can aspire to exploit using the instruments of power at its disposal.

It will also continue to be in the best interests of the West to keep Russia positively engaged. Both sides share a common interest in promoting regional peace and stability. There are no territorial issues at stake. Despite occasional posturing in Moscow, NATO’s presence in the region is not a threat. And substantial patterns of cooperation have already been established—in the Contact Group, with SFOR and KFOR, inside the UN administration, and in the Stability Pact. Russia has repeatedly demonstrated that it is not willing to sacrifice its entire relationship with the West for the sake of marginal gains in the Balkans. All of this creates positive ground for mutually beneficial cooperation.

Indeed, one of the most important things at stake in the ongoing Balkans conflict is the larger pattern of relations between Russia and the West. In this framework, Russia's exclusion from the region would be extremely undesirable. A Russia that opts to move from "inclusive multipolarity to exclusive neo-isolationism" and withdraws into the depths of Eurasia to lick its wounds and plot revenge would indeed represent a long-term threat.⁷³ The Balkans is one region where active cooperation can be fostered to bind Russia closer to the Western security community and counter any such trend. Given Russia's domestic dilemmas and fragile sensibilities, the path of engagement will not always be easy to follow. It is the high road, however, and a course of action that promises considerable mutual benefit.

ENDNOTES

1. Turkey might be considered a partial exception, but only Turkish Thrace is located on the Balkan Peninsula.

2. For a classic evaluation, see Ferdinand Shevill, *The History of the Balkan Peninsula: From the Earliest Times to the Present Day* (New York: Harcourt, Brace and Company, 1922), 13.

3. M. S. Anderson, *The Eastern Question 1774–1923: A Study in International Relations* (New York: Columbia University Press, 1966), provides a standard account.

4. Note Gorbachev's remarks at a dinner in honor of Spain's Felipe Gonzales on July 8, 1991, where he speaks of "destructive, backward-looking nationalism and separatism" as a barrier to the ideal of a common European home. The emphasis spoke directly to Spain's own concerns with Basque separatism. It also reflected the strong parallel that Soviet leaders (and their Russian successors) perceive between their own national situation and that of multinational Yugoslavia. Cited in, *Iugoslavskii krizis i Rossiia: Dokumenty, fakty, komentarii (1900–1993)*, ed. E. Iu Guskov, (Moscow: 1993), 59.

5. A shift in emphasis, on the level of the Russian Federation, began to be articulated immediately following the failed coup of August 1991, which the government of Slobodan Milošević in Belgrade had embraced with premature enthusiasm. See Mihailo Saranović, "Glavobolja na kvadrat," *Nin*, November 1, 1991. See also Sergej Romanenko, "Raspred Jugoslavije i političke elita Rusije," in *Ruska politika na Balkanu: Zbornik radova*, ed. Jelica Kurljak, (Belgrade: Institute for International Politics and Economy, 1999), 105–115.

6. Risto Bajalski, "Na cijoj je strani Rusija," *Nin*, June 12, 1992, and A. V. Kozyrev, "Preobrazhenie ili Kafkianskaia metamorfoza," *Nezavisimaia gazeta*, August 20, 1992, p. 4. Defending his position before the Russian parliament on June 26, 1992, Kozyrev spoke of Belgrade bearing "the lion's share of guilt" for the fighting in former Yugoslavia. "Stenogramma zasedaniia verkhovnogo soveta RF po iugoslavskomu voprosu (26 iunia 1992 g.)," *Iugoslavskii krizis i Rossiia*, p. 89.

7. Opposition to Moscow's pro-Western orientation in the Yugoslav crisis was carefully, and hopefully noted in Belgrade. See Đuro Bilbija, "Rusija 'protiv' Rusije," *Borba*, October 7, 1992.

8. E. Iu. Gus'kov, "Krizis na Balkanakh i pozitsiia Rossii," in *Iugoslavskii krizis i Rossiia*, p. 40.

9. "Postanovlenie verkhovnogo soveta Rossiiskoi Federatsii (26 iunija 1992 g.)," *Iugoslavskii krizis i Rossiia*, 111–112.

10. See the account by Aleksei Chelnokov, "Ispoved' russkogo naemika," *Izvestiia*, March 10 1994, p. 5, and Il'ja Levin, "Neopanslavism': Mutuality in the Russian-Serbian Relationship," in *The Yugoslav War, Europe and the Balkans: How to Achieve Security?*, Paul Shoup and Stefano Bianchini, eds. (Ravenna: Longo Editore, 1995), 73–82.

11. Cited in Gus'kov, "Krizis na Balkanakh i pozitsiia Rossii," p. 47.
12. The text of the speech, and Kozyrev's "explanation," are in "Vystuplenie A. V. Kozyreva na vstreche Ministrov inostrannykh del SBSE (Stokgol'm, 14 dekabria 1992 g.)," in *Iugoslavskii krizis i Rossiia*, p. 128.
13. Ibid.
14. Ibid., p. 131. During 1992 and 1993, Ambartsumov and his International Relations Committee sought to represent a compromise position between the pro-Western line of the government and the ultra-nationalist parliamentary opposition.
15. Ibid., pp. 195 & 212.
16. Aleksandar Nenadoviæ, "Srbija u ruskom metezu," *Nin*, March 26, 1993.
17. Borko Gvozdenoviæ, "Nova misija Rosije," *Politika*, May 18, 1993.
18. Nationalist commentary inside Serbia attributed the change in emphasis to a reevaluation of national interests, rather than a new appreciation for the value of Russian-Serbian friendship. Ranko Petkoviæ, "Bratstvo ili interes?," *Nin*, October 8, 1993. Upon assuming his seat in the new State Duma, Zhirinovskii made his own position crystal clear: "I am for Serbia, my party is for Serbia, and our parliamentary groups are likewise for Serbia." Cited in Borko Gvozdenoviæ, "Ruska Duma zatrazila ukidanje sankcija protiv Jugoslavije," *Politika*, January 22, 1994.
19. Cited in D. Vukoviæ, "Tajno oruzje za neprijatelje Srba," *Borba*, February 2, 1994.
20. Dragoslav Ranèiæ, "Ima li nas trista miliona?," *Nin*, February 4, 1994.
21. Dmitrii Gornostaev, "Khotia i khрупkii, no mir," *Nezavisimaia gazeta*, February 22, 1994, p. 1.
22. Savva Zhivanov, "Rossiia i iugoslavskii krizis: Vzgliad iz Belgrada," *Nezavisimaia gazeta*, July 19, 1994, p. 5.
23. Mikhail Karlov, "Moskva po-prezhnemu zhdet ot OON pol'noi informatsii," *Nezavisimaia gazeta*, April 15, 1994, p. 1.
24. See the analysis to this effect in N. Smirnova, "Balkany i politika Rossii: Istoriia i sovremennost'," *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, no. 5 (1994), 110–116.
25. "Fausse 'victoire' croate," *Le Monde*, May 4, 1995, p. 25.
26. As recounted by Richard Holbrooke, *To End a War* (New York: Random House, 1998), 4–21.
27. Jan Honig and Norbeert Both, *Srebrenica: Record of a War Crime* (New York: Penguin Books, 1997).
28. Gosudarstvennaia Duma: Stennogramma Zasedanii, no. 117, July 12, 1995), 51–52.
29. Giacomo Scotti, *Croazia, Operazione Tempesta: La "Liberazione" della Krajina ed il genocidio del popolo serbo* (Rome: Gamberetti Editrice, 1996), provides a critical evaluation of the operation.
30. "Boris El'tsin popravil svoiu Balkanskuiu initsiativu," *Izvestiia*, August 11, 1995, p. 1. A subsequent summit, organized under Russian auspices and scheduled to be held in Moscow during October, had to be cancelled after Yeltsin was incapacitated by a heart attack.
31. Scott Parish, "Twisting in the Wind: Russia and the Yugoslav Conflict," *Transition*, no. 14 (November 3, 1995), 26.

32. "Boris Eltsine evoke une aide de la Russie aux Serbes bosniaques et durcit le ton sur l'élargissement de l'OTAN," *Le Monde*, September 9, 1995, p. 4.
33. Alexei K. Pushkov, "Russia and NATO: On the Watershed," *Mediterranean Quarterly*, no. 2 (Spring 1996), 18.
34. The arrangement is detailed in *Krasnaia zvezda*, November 11, 1995, pp. 1–2.
35. *Izvestiia*, November 11, 1995, p. 1, and Semen Vasilievskii, "Bol'shie poteri i malenkie dostizheniia," *Nezavisimaia gazeta*, December 8, 1995, pp. 4–5. See also Yuri Borko, "The Old World: Consolidation with a Back-Glance at Russia," *New Times* (January 1996), 18–20.
36. Fergus Carr and Paul Flenly, "NATO and the Russian Federation in the New Europe: The Founding Act on Mutual Relations," *Journal of Communist Studies and Transition Politics*, vol. 15, no. 2 (June 1999), 99.
37. Cited in Kav'er Solana, "NATO-Rossia: Pervyi god stabil'nogo provizheniia vpered," *Novosti NATO*, vol. 2, no. 2 (April-May 1998), 1.
38. Tim Judah, *Kosovo: War and Revenge* (New Haven: Yale University Press, 2000), 115–121, provides a good account of the KLA's origins and rise to prominence.
39. Cited from R. J. Smith, "US Assails Government Crackdown in Kosovo," *Washington Post*, March 5, 1998, p. 23.
40. Cited from S. Erlanger, "Albright Tours Europe to Whip up Resolve to Punish Yugoslavia," *New York Times*, March 9, 1998.
41. Oleg Levitin, "Inside Moscow's Kosovo Muddle," *Survival*, vol. 42, no. 1 (Spring 2000), 132.
42. Celestine Bohlan, "Russia Vows to Block the U.N. from Backing Attack on Serbs," *New York Times*, October 7, 1998, p. A8.
43. R. Craig Nation, "US Policy and the Kosovo Crisis," *The International Spectator*, vol. 33, no. 4 (October 1998), 23–39.
44. Considerable controversy continues to surround the events at Raèak. Subsequent international investigations have failed to produce decisive forensic evidence to indicate that a massacre actually occurred. Some observers have suggested the possibility (as Serb commentators argued at the time of the event) that the bodies of victims at Raèak, resistance fighters and innocent bystanders killed in the course of the fighting that raged around the village for several days, were gathered together and presented as the victims of a purposeful massacre with the express purpose of swaying public opinion against the Serbs. See Tiziana Boari, "Racak, bugia di guerra," *Il Manifesto*, February 6, 2001, p. 5.
45. The decisive conversation took place in the Bolshoi Theater during the intermission to a performance of Verdi's *La Traviata*. Ivo. H. Daalder and Michael E. O'Hanlon, *Winning Ugly: NATO's War to Save Kosovo* (Washington, D.C.: Brookings Institution Press, 2000), 74.
46. Madeleine K. Albright and Igor Ivanov, *Joint Press Conference on Kosovo* (Moscow: U.S. Department of State, January 26, 1999).
47. Marc Weller, *The Crisis in Kosovo, 1989–1999* (Cambridge: Documents and Analysis Publishing, Ltd., 1999), 417.
48. Cited in Barton Gellman, "U.S., Allies Launch Air Attack on Yugoslav Military Targets," *Washington Post*, March 25, 1999, p. A1.

49. Judith Matloff, "Russia's Tough Talk Unsettles West," *Christian Science Monitor* April 12, 1991, and A. Matveyev, "Washington's Claims to World Leadership," *International Affairs*, vol. 45, no. 5 (1999), 53.
50. The proposal to engage Ahtisaari in the effort came from Madeleine Albright. See Daalder and O'Hanlon, *Winning Ugly*, 168–169.
51. Martin Walker, "Revealed: How Deal Was Done in Stalin's Hideaway," *The Guardian*, June 5, 1999.
52. Vladimir Mukhin, "Rossiiskii desant operedil natovskii kontingent," *Nezavisimoe voennoe obozrenie*, June 18, 1999.
53. Igor' Korotchenko and Andrei Korbut, "Kompromiss mezhdu NATO i Rossiei naiden," *Nezavisimoe voennoe obozrenie*, June 25, 1999.
54. Levitin, "Inside Moscow's Kosovo Muddle," 130.
55. See, for example, Hans-Joachim Hoppe, "Russia's Balkan Policy," *Aussenpolitik*, no. 1 (1998), 40–47, where emphasis is placed upon the continuity of Russian strategic interests.
56. Milan Skakun, "Rusko-Srpska saveznishtva," in *Ruska politika na Balkanu*, (Belgrade, Institute of International Politics and Economics, 1999), ed. Kurjak, pp. 38–56, provides a more balanced account that takes note of long-standing associations without denying the underlying dynamic of state interest.
57. Nebojica Popov, "Srpski populism: Od marginalne do dominantne pojave," *Vreme*, Special Supplement, May 24, 1993.
58. Powerfully stated in Aleksandr Solzhenitsyn, *Rossia v obvale*, (Moscow: Russkii put', 1998).
59. V. K. Volkov, "Tragediia Iugoslavii," *Novaia i noveishaia istoriia*, no. 5 (1994), 25. Parallels between the crises of order in Yugoslavia and the USSR are drawn from a Serbian perspective by Đuro Bilbija, "U cemu je razlika?" *Borba*, June 6, 1991.
60. Evgenii Fadeev, "Kak obmanyvaiut mir," *Pravda*, December 12, 1992, p. 3.
61. N. Arbatova, "Uroki Iugoslavii dlia Rossii i Zapada," *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, no. 2 (1995), 55.
62. Oksana Antonenko, "Russia, NATO and European Security After Kosovo," *Survival*, vol. 41, no. 4 (Winter 1999–2000), 124–144.
63. Vladimir Lukin, "Dumskii vzgliad na balkanskii krizis," *Nezavisimaia gazeta*, December 9, 1994, p. 4.
64. V. Kuvaldin, "Iugoslovenskii krizis i vneshnepoliticheskaia strategiiia Rossii," *Mirovaia politika i mezhdunarodnye otnosheniia*, no. 9 (1999), 22.
65. Kremeniuk's remark appears in "Balkanskii krizis i vneshnepoliticheskaia strategiiia Rossii," *SShA-Kanada: Ekonomika, politika, kul'tura*, no. 10 (October 1999), 42.
66. Cited from "Rossiia spasla ne tol'ko Saraevo no i prestizh NATO," *Izvestiia*, February 26, 1994, p. 3.
67. Holbrooke, *To End a War*, 117–118.
68. Viktor Gobarev, "Russia-NATO Relations After the Kosovo Crisis: Strategic Implications," *The Journal of Slavic Military Studies*, vol. 12, no. 3 (September 1999), 11.

69. See the texts in “Voennaia doktrina Rossiiskoi Federatsii: Proekt,” *Krasnaia zvezda*, October 9, 1999, pp. 3–4, and “Kontsepsiia natsional’noi bezopasnosti Rossiiskoi Federatsii,” *Nezavisimoe Voennoe Obozrenie*, January 14, 2000.

70. Victor Loupan, *Le défi russe* (Paris: Éditions des Syrtes, 2000), 69.

71. “Iz stenogrammy zasedaniia verkhovnogo soveta SF (28 apreliia 1993 g.)” in *Iugoslavenskii krizis i Rossiia*, ed. Gus’kov, p. 192.

72. Jelica Kurjak and Ljubivoje Prvuloviæ, “Strateske pozicije Rusije, Balkan i Jugoslovenska kriza,” *Međunarodni problemi*, vol. 49, no. 1 (1997), 1–16.

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Russia and Ukraine: A New Policy?

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In his last interview as Director General of the *Sluzhba Vneshnoy Razvedki* (Foreign Intelligence Service—SVR) in December 1995, Yevgeniy Primakov stated that his service had used “all possible means to strengthen centripetal processes in the former Soviet Union.”¹ This statement reminds us that not everything in Russia’s new Concept of Foreign Policy (approved 28 June 2000) is new. The Concept is far from the first official document to state that the formation of a good-neighborly belt along the perimeter of Russia’s borders is a priority national interest. Does this mean that there is no new policy?

President Vladimir Vladimirovich Putin is not seeking to reinvent Russia or its national interests. But he has changed the balance of these interests, and, with far more single-mindedness than his predecessor, he is determined to pursue them. He knows he will be unable to do so unless, as a priority measure, he creates the conditions that will enable them to be pursued.

By the time Putin became Acting President, the Russian Federation had become a state of a new type: one in which a distinction fundamental to civic order, the distinction between state and private, had lost virtually all of its meaning. In the Yeltsin era, Russia became an entity in which state bodies had become significantly privatized and driven by “subjective” agendas; at the same time, it was an entity in which all significant private enterprises, open and illicit, owed their existence to state connections and had become intertwined with state power. Although the Russian Federation was, since December 31, 1991, a state in terms of international law and diplomatic courtesy, in operational terms it had largely become an arena in which capable interests competed for wealth and power. Given these conditions, it might not be wise but it certainly is understandable that Putin had placed his main emphasis on restoring the “vertical of power.”

Paradoxically, this enterprise has thus far produced fewer successes in the Russian Federation than it has in the newly independent states of the former Soviet Union, the so-called near abroad. In Kyiv, Kishinev, Riga, Tblisi, Baku, and Tashkent, there is broad agreement that Russia’s policy has, in Putin’s own words, become “more active,” “more aggressive,” and “far tougher,” and—outside the Baltic states—there is also agreement that it has become more effective as well. But in the West, not only is there no such agreement, there is adamant skepticism that anything substantial has changed or that anything really could. This skepticism arises from two apparently contradictory, but classically Western sources: the “realist” understanding of power and international relations and the liberal

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internationalist refutation of it (“globalization”). Neither of these approaches sheds much light on power and international relations in “post Soviet space.”

The first misunderstanding is one that realists should have avoided. Power is relative. Russia might have lost the wherewithal to be a “threat” to the West (certainly a military one), but this does not necessarily mean that Russia cannot pressure its neighbors, harm them, or even compel them to comply with its wishes. The preoccupation in Russia as well as the West with Russian “weakness” should not obscure certain local realities. The book value of all of Moldova’s industry amounts to 2.5 percent of the annual operating revenue of *Gazprom*. The state budget of Georgia amounts to far less than that. It is equivalent to only half the annual budget of Bayern Football Club.

The second local reality (which liberals have readily grasped) is that military means are not always the most effective tool of policy. The first (post-Soviet) Chechen War and, arguably, the second provide graphic demonstration that the military instrument can prove very dangerous to those who use it. On the other hand, to those dependent on monopolists for energy, jobs, or exports, economic pressure can be murder. Neither neo-realist approaches—which, despite the “neo,” still emphasize military power as the apex of power (and hence the most conclusive form of it)—nor liberal internationalist approaches, which incline to view economics through the prism of “mutuality” and “interdependence,” explain these realities very well. Those who explain them far better are the analytical community and political class in Russia and other successor states. Only fairly recently, many of the latter were “new thinkers,” some of whom, like Gorbachev himself, failed to anticipate the Soviet collapse, but some of whom not only anticipated it, but fostered it—and did so in the expectation that they themselves, would profit from it. Determined on the one hand to emancipate themselves (and Russia) from the constraints of Marxist-Leninist political culture, because of their morally uncomplicated view of the relationship between means and ends—and because they understand that money is power—this vanguard is also one of that culture’s products.

The third local reality is that the collapse of the Soviet Union and its “command administrative” system left in its wake strong power centers and weak states—and not only in Russia. The core power structures of the Soviet system—armed forces, security services, state bureaucracy, and the energy and defense-industrial complexes—were integrated, All-Union entities. Today their successors (and new entities derived from them, e.g., the banking sector) remain transnational in their outlook, their connections, their clannish relationships, and their collusive way of conducting “business.” This transformation—very different from the ‘transition’ postulated in liberal Western orthodoxy—has had three deep and somewhat contradictory consequences. First, because many of these centers of power are Russian dominated (and many, e.g., the energy sector, derive their resources from Russia), the Russian state, despite its “multi-voicedness” (*mnogogolosiye*) has considerable opportunity to use economic support or pressure to influence the geopolitical orientation of neighbors. Second, and rather in contradiction to this, it means that not only weaker states, but Russia itself, find that they have only limited control over the real processes taking place within and between states. Third, even where the Russian state lacks the will or ability to exercise influence, the administrative and business culture characteristic of these entities

weakens the ability of states like Ukraine and Moldova to realize their “European choice” in practice. These realities neither accord with a “realism,” which defines the state as the “primary unit of analysis” nor with a liberal “globalism” convinced that economics is knitting the world together. Today economics is creating as many “new dividing lines” as it is removing.

Continuity and Change in Russian Policy Towards the “Near Abroad”

Therefore, it was not simple arrogance that, in 1992, led many, in the words of State Secretary Gennadiy Burbulis, to conclude that “there is a logic which will bring the former Soviet republics back again our way.” It was also not surprising so briefly after the Soviet collapse to find even Ministry of Foreign Affairs (MFA) liberals insisting that “Russia must be the leader of stability and security on the entire territory of the former USSR”²—a principle stridently proclaimed by Yeltsin in his appeal to the UN in February 1993.³ Yet these prognostications and appeals reflected three illusions of this “romantic” period: that neighbors would not be willing to pay a harsh price for their independence, that Russia’s reforms would succeed and act as a magnet to others, and that the West would treat Russia as its partner of choice and endorse, or at least acquiesce in, the leading role it had defined for itself. By 1996, the Chechen War, the momentum of Partnership for Peace, and the determination of NATO to enlarge had dispelled most of these illusions. Not surprisingly, the reformers brought back into Yeltsin’s fold in 1997 embarked upon a course of damage limitation. The “Big Treaty” between Russia and Ukraine and the Black Sea Fleet agreements concluded on 28–31 May 1997 were preemptive moves designed to extricate Ukraine from “NATO’s embrace.”⁴

Compared to these forced retreats of the last years of the Yeltsin presidency, the policies pursued by Yeltsin’s successor have a new focus. On the one hand, they reflect a further worsening of conditions and a further substitution of “pragmatism” for “romanticism.” On the other hand, these worsened conditions have provoked a paradigm shift. The shift in paradigm has one internal source and three international sources.

- | *The 1998 Financial Crisis*: rightly or wrongly, seen as a damning, definitive demonstration that Western economic models and “remedies” had not advanced the development of Russia. To Putin and his supporters, the diminution of the state is the most flawed feature of these Western models:
- | *NATO enlargement*: if not a military threat to Russia, then a means of excluding it from Europe and de-legitimizing its interests.
- | *EU enlargement*: Despite strong hopes for “strategic partnership,” there is now recognition that the EU is not first and foremost a “counterbalance to U.S. dominance,” but a mechanism of integration. The unspoken, but widespread perception is that integration with this entity is, at best, a distant prospect.

- 1 *Kosovo*: Almost across the board, the Russian political establishment viewed “Operation Allied Force” as conclusive proof that NATO never intended “partnership” to be more than a slogan or the Permanent Joint Council to be more than an empty vessel. In military terms, NATO’s intervention was seen as a rehearsal for more ambitious exercises in “coercive diplomacy” and, in political terms, a testing ground for using human rights as a flag of convenience for breaking up “problematic states.” This perception has greatly sharpened the geopolitical stakes for Russia in Central Asia (where U.S. sponsorship of the Taliban’s precursors is never forgotten) and in the Caucasus (where the “rights” of Chechens and small states might provide a useful pretext for NATO to advance its geo-economic interests). To those conscious of these interests in the “Black Sea and Caspian region,” Ukraine’s location and its oil refining and transport infrastructure are hardly of peripheral importance.

Set against these developments, the transformation of the CIS into a bloc and an internationally recognized “zone of interest” is seen by Moscow not only as a defensive measure, but as a precondition for giving Russia “equality” in the international system. In the words of Andrey Fedorov, former First Deputy Foreign Minister,

Today we are speaking more or less openly now about our zones of interests. In one way or another we are confirming that the post-Soviet territory is such a zone. In Yeltsin’s time we were trying to wrap this in a nice paper. Now we are saying it more directly: this is our territory, our sphere of interest.

The degree of change can be seen in the re-examination of attitudes about the OSCE, whose “interference...east of Vienna” was declared unacceptable by Deputy Foreign Minister Yevgeniy Gusev in November 2000.⁵

Ukraine Between the East, the West, and Itself

Since 1991, Ukraine has developed its identity as an independent state, but it has not developed the capacity to meet its main “strategic challenge”: becoming a “full member of the European family of civilized nations.”⁶ The distinction between independence and capacity is well expressed by the Ukrainian and Russian terms *nezalezhnist’/nezavisimost’* (independence) and the *samostiynist’/samostoyatel’nost’* (the “ability to stand”). If *nezalezhnist’* (q.v., President Leonid Kuchma) is a state’s “freedom to choose,” then *samostiynist’* is the ability to realize the choices made.

The government of Prime Minister Viktor Yushchenko, confirmed in office by President Kuchma on December 22, 1999, was the first Ukrainian government determined to introduce the structural changes required to realize the “European choice” in practice. On April 26, 2001, Ukraine’s parliament, the Verkhovna Rada, declared no confidence in this government and, with Kuchma’s not so covert abandonment of it, it fell from power. Had Yushchenko failed simply because he failed—because his reforms had negligible or deleterious results—then his fall would serve as a commentary on the intractability of Ukraine’s economic problems. But because his reforms had measurable and positive results—because

they eliminated pension and wage arrears *and* secured, for the first time since 1991, economic growth; and because Yushchenko secured unprecedented levels of popularity and trust compared to other office holders in Ukraine—then a different commentary is needed.⁷

The Yushchenko saga confirms four truths that are far from being mutually exclusive. First, “the principal security threat to Ukraine is Ukraine itself.”⁸ Second, behind every supposedly intractable economic problem in Ukraine stands a powerful political force. Third, transnational (but Russian-dominated) economic interests have concluded that they will lose out if Ukraine takes tangible steps towards European standards of openness, competitiveness, transparency, and contract enforcement. Fourth, but with more debatable justification, key powers in the Russian state have come to the same conclusion themselves.

In view of the historical record, the latter point should surprise no one. Russia has limited historical experience living with neighbors who are at one and the same time friendly and independent. Moreover, Ukraine is not just another neighbor or geopolitical interest—a fact well expressed by the axiom that “St. Petersburg is the brain, Moscow the heart, and Kyyiv the mother of Russia.” These predispositions, along with the more recent geopolitical perspectives already cited, produce a distinct ambivalence in thinking in Russia. On the one hand there is still a widely shared sentiment that Ukraine’s independence is unnatural—that “Ukraine will never be able to stand on its own” (*samostoyatel’noy Ukrainiy nikogda ne budet*). As a result, steps like the Black Sea Fleet accords, which are generally seen in the West as signs that Russia is accommodating to Ukraine’s independence, are often interpreted in Russia as removing obstacles to integration.⁹ On the other hand, this perception overlaps with another: Ukraine’s independence and its European course threaten Russia. “Face to Europe means back to Russia” is one variant of this perception.¹⁰ The more enlightened variant is that Ukraine should not advance towards Europe faster than Russia and that the two countries should coordinate their policies in an area which Ukrainians not only see as “strategic” but as their own business.¹¹

Not surprisingly, Ukrainians feel they still have ample grounds to believe (q.v. the Russian liberal Vernadsky) that “Russian democracy ends where the question of Ukraine begins.” To be sure, it is far from the case that Ukraine’s political elite, still less its population, present a united front of hostility to Russian geopolitical interests. This is certainly true after NATO’s intervention in the Kosovo conflict, which affected elite and mass opinion profoundly, if in rather dissimilar ways.

Yet the widespread Russian belief that differences between the countries are an elite rather than mass phenomenon is at least somewhat distorted. First, the attitudes of ordinary Ukrainians are not as welcoming to Russian interests as many suppose. Whilst 31 percent and 26 percent of the population believe that Ukraine’s top foreign policy priorities should be the CIS and Russia respectively, and only 29 percent assign top “priority” to the EU states, nevertheless 52 percent want Ukraine to join the EU within the next five years!¹² These opinions are less incoherent than they appear to be. For one thing, unlike Ukraine’s experts, the majority of Ukraine’s population does not believe that EU membership and closer ties with Russia are contradictory choices—and indeed, a minority even believes that Ukraine could even be a member of both the European Union and the Russia-Belarus Union. This

conclusion is borne out in the same opinion surveys. Asked “what do you think are the main impediments to Ukraine’s integration into the EU?” 53 percent of polled citizens cite low economic development and slow pace of reforms, 21 percent cite high levels of corruption, but only 3 percent cite “geopolitical closeness to Russia” as an impediment.¹³ Moreover, the population draws a clear distinction between the EU and NATO. In the wake of Kosovo, 46.2 percent of those polled viewed NATO as an “aggressive military bloc.” Yet even so, 23 percent believed that Ukraine should join NATO in five to ten years (versus 52 percent for the EU) and another 9 percent believed it should do so in ten to fifteen years. Therefore, anti-NATO sentiment has not developed into anti-Western sentiment, and it is even questionable just how far it has developed into anti-American sentiment. (The priority accorded to the development of Ukraine’s relations with the United States is second only to that accorded to Russia.¹⁴) Not least important, the population draws a sharp distinction between according “priority” to the CIS and Russia and joining the Tashkent Treaty. Only 31 percent of those polled believe Ukraine should join the Tashkent Treaty, even within fifteen years, and 42 percent believe it should never do so—figures fairly close to the NATO figures, even after the impact of Kosovo.¹⁵

There is yet a more significant distortion, and it would appear that President Putin now realizes it. Ukraine’s elites are less confident that Ukraine will be able to enter “Euro-Atlantic structures,” let alone be invited to do so, than they were in 1997, the year in which both the Charter on a Distinctive Partnership between Ukraine and NATO and the “Big Treaty” with Russia were concluded. The disillusionment of these elites has three sources.

First, “Operation Allied Force” in Kosovo has had a traumatic and lasting effect. In Ukraine, there is a deep fear (in re Crimea) of the precedent created when any state supports separatists and violates the sovereignty of smaller states in the name of “human rights” (and anxieties about the use of the “human rights” card *by Russia* are well supported by facts). There is equal alertness to the effects of Kosovo *on* Russia. Many believe that Kosovo forged a consensus in Russia to go for a final solution of the Chechen problem, transform the former Soviet Union into a “zone of special interest” and adopt the “far tougher” policy towards neighbors which Ukraine has since had to suffer. But the greatest cause of disillusionment is the perception that NATO has “demoted” Ukraine as a result of Kosovo and that its Balkan commitments will tie it down for years to come.

Second, the refusal of the EU to place Ukraine on its Group 2 list of potential members at the Luxembourg European Council in December 1997 has had an almost equally powerful effect. Rightly or wrongly, Ukrainians perceive that at least two countries on this list, Romania and Bulgaria, have economies which are as distorted and criminalised as their own. By any standard, Albania’s economy is even more distorted and criminalised, though whilst Albania is not a Group 2 country, it has been exempted on strategic grounds from many of the “conditionalities” to which Ukraine is subjected. This either suggests that Ukraine no longer has “strategic” and “pivotal” importance in the wake of the Balkan tragedies or that these terms never really had much meaning. The more immediate concern is the impact of EU enlargement upon Ukraine. Until recently, an estimated 1.7 million people, the majority of them Ukrainian, crossed the Ukrainian-Polish border every month under a visa free regime.

That regime has now ended, and as Poland implements the *acquis communautaire*—of which the Schengen accord on borders is now part—it will become yet more strict. Although Ukraine’s authorities now realize that Schengen will be a less rigorous system than they feared, its practical effect will be to push Ukraine further from Europe.

Third, most subtle, but most important, Ukraine’s political and economic establishment is at last beginning to understand what “drawing closer” to Europe means in practice. The European Union is not a geopolitical grouping, but an incubator of integration. Although far from indifferent to Ukraine’s strategic importance, the EU’s preoccupation is not with Ukraine’s foreign policy, but with its internal policy. Ukraine’s leaders are gradually realizing that, to the EU, the measure of this policy is not declarations, documents, and “programs,” but concrete changes in the way Ukraine’s economy, legal system, taxation regimes, and business enterprises function. If today the black economy outstrips the legal economy, the legal system is both chaotic and negotiable, the taxation regime predatory and politicized, and ‘business’ the product of connections rather than goods and services, this is not only because “people don’t know better,” but because the *vlada* (powers) great and small profit from this state of affairs. If President Kuchma—who has been notoriously dependent on these powers—were to risk confronting them, he could only do so if backed by countervailing power. By the start of the new millennium, he had begun to conclude that the West lacked both the will and ability to provide it. His conclusion (August 28, 2000) that “the West is closed for us now” summed up his recognition of Western shortsightedness, Ukraine’s limitations, and his own.¹⁶ This conclusion says as much about his response to Russian “toughness” as does Russian toughness itself.

“Pragmatism” and “Toughness”

The first sign of Russia’s more “pragmatic” policy coincided with Putin’s appointment as Acting President.¹⁷ The fifth major oil supply cutoff to Ukraine began in December 1999 (which not incidentally is the start of winter), and it did not abate until the first Putin-Kuchma summit in April 2000.¹⁸ Within the first few weeks, it had become clear to the relevant players in the government and National Security and Defense Council (NSDC) that the rules had changed: Russia would inflict pain and continue to inflict it until the necessary political conclusions were drawn. That these were meant to be political conclusions well beyond a resolution to “pay bills” was suggested first by Acting Prime Minister Kasyanov, who suggested that the best way Ukraine would solve its problems would be to join the Custom’s Union and by President Putin himself during his meeting with President Kuchma on 15–16 April. The pattern of pressure and demands through April and beyond demonstrated that in Putin’s Russia, “pragmatism” does not connote reasonableness, but the unsentimental exploitation of the means at one’s disposal to achieve political ends.¹⁹

The fact alleged by Kasyanov (and never convincingly contradicted in Kyiv) that Ukraine was illegally diverting 185 million cubic meters of gas per day from the *Druzhba* pipeline is enough to demonstrate that there are no clean hands in this affair.²⁰ But the more important fact is that the workings of the Russian-Ukraine energy market are virtually beyond scrutiny.

At one level, transparency is the ability to know what decisions are taken, where they are taken, and by whom they are taken; at another level, transparency is simply the ability to measure, to see. At either level, the energy sectors in both countries are opaque, rather than transparent. Because this is so, it is possible that no one really knows how much Ukraine owes Russia or how much Ukraine's dependency on Russian energy actually costs the country compared to the alternatives. Ukraine's debt to Russia has always been the debt agreed between politicians—agreements that naturally reflect the power of the monopolist.²¹ This is not surprising, given the following:

- | Gazprom and its partner *Itera* (the Russian-Turkmen distribution monopolist, linked to *Gazprom* but registered in Florida) allegedly inflate Ukraine's debt by \$1.6 billion in order to obtain tax exemptions from the Russian authorities.²²
- | A vast, largely undeclared barter trade in a host of commodities takes place between *Itera* and Ukrainian consumers, much of it through intermediate companies that do not appear on *Itera's* books.
- | A large proportion of the profit earned by Ukraine's gas traders is remitted to *Itera*.²³
- | A distinct proportion of "Ukrainian" energy companies (even before the agreements of November 2000 and February 2001) are partially or wholly owned subsidiaries of Russian companies.
- | Ukraine charges Russia a gas transit fee 50 percent below the rates that prevail elsewhere in Europe, yet according to President Kuchma, it is responsible for maintaining its share of the *Druzhba* pipeline out of its own resources.
- | The tariff charged to Ukraine (\$80-\$83 per 1,000 cubic meters of gas), claimed by *Gazprom* to be below world prices, was less than that charged to Germany in 1998 (\$77 per tcm), despite the fact that transit costs to Germany are estimated to be \$25–35 more than to Ukraine. Moreover, the gas price charged to Ukraine is three times greater than that paid by Belarus and five times greater than that paid by Russian consumers. Rem Vyakhirev, President of *Gazprom*, admitted to Prime Minister Pustovoytenko that the price is unfair and that it "does not correspond to reality."²⁴

That Ukraine has a vast debt to Russia is beyond doubt. Equally beyond doubt is the growing importance of commercial priorities in Russian energy policy, spurred on by the country's declining oil and gas reserves. On these grounds alone, Russia has every reason to act "toughly" in response to gas siphoning (i.e., theft) by Ukraine on a pipeline that carries 90 percent of Russia's gas exports to Europe.

Nevertheless, the balance of evidence suggests that oligarchs and companies profit in both countries, even if their countries don't. Further development of the division of labor (and linkages) between *Gazprom*, which now sells almost exclusively to customers outside the former USSR, and *Itera*, which dominates the CIS market, reveals a balance of geo-economic

and commercial motives at work. It is *Itera* which has elaborated—and profited from—the far from transparent non-market exchange schemes (including offsets and barter) by which Ukraine pays for two-thirds of its gas. *Itera's* operations demonstrate that, despite the debt, the Ukrainian market remains good business. Overall, Russian conduct suggests that this market also promotes good geo-economics and geopolitics. If it were otherwise, one would expect to find Russia trying to offload this troublesome customer onto others. Yet the opposite is the case. Russia has opposed measures that would enable Ukraine to finance and operate the Odessa-Brody pipeline (and hence generate the income to pay its bills), and Ukrainian officials who have blocked completion of the Odessa oil terminal are alleged to have received Russian bribes.²⁵ Similar influences are believed responsible for the failure of Shell's bid to purchase a 50 percent stake in UkrGaz in 1998.²⁶ According to several Western surveys, Ukraine could reduce its dependency on Russian oil by 60 percent in five to seven years—in the short term on the spot market and in the midterm through its own resources—if it created conditions favorable for Western investment.

The conclusion one is led to is that Ukraine's debt, as presently constructed, presents advantages to Russia and that the primary advantage of this debt is that it is unpayable.²⁷ As such, it is an inexhaustible commodity that can be used not only for “supporting Russian entrepreneurs” (q.v. Russia's Foreign Policy Concept) but wider strategic interests.

That they were so used in Ukraine is demonstrated by the list of thirty Ukrainian enterprises, published just prior to the April summit, that Russian entities sought to acquire. After the summit itself, there were also persistent rumors that Putin linked the final resolution of Ukraine's “energy balance” to revisions of its geopolitical course.

From “Toughness” to Support

The first signs of geopolitical revision were not long in coming. At the CIS summit of 21–22 June, Ukraine became a signatory to the agreement to establish a CIS Anti-Terrorist Center, coordinated by the Russian Federal Security Service (*Federal'naya Sluzhba Bezopasnosti*—FSB). This step, which in itself might be thought a reversal of Ukraine's long-standing policy of not participating with more than observer status in CIS security bodies, appears to be a substantial one, and there are signs that Ukraine's security organs are prepared to play a major role in the Center's activities. In late August, Ukraine for the first time participated actively in a CIS air defense exercise in Ashuluk (Astrakhan Oblast). Although Ukraine had signed the February 1995 CIS joint air defense agreement (despite much internal criticism), this was the first occasion in which its aircraft participated in CIS tactical maneuvers.²⁸

Yet the major step came with the dismissal of Ukraine's Foreign Minister, Borys Tarasyuk, on 29 September. It is an open secret that Moscow long regarded Tarasyuk as an impediment to “good neighborliness,” and it is alleged that Moscow presented Kyyiv with a list of such individuals on more than one occasion. Inside Ukraine, Tarasyuk not only had a predictable range of left-wing and Russophone enemies, he also had some pro-Western critics.

Nevertheless, inside and outside Ukraine he had immense stature and was widely regarded as a symbol of the country's Western orientation. He also had the staunch backing of the United States, and pressure from Washington certainly played a role in postponing what the rumor mill had long described as his "certain" and "imminent" departure. It is therefore significant that Kuchma chose the occasion of introducing his successor, the well respected Ambassador to France (and former Foreign Minister) Anatoliy Zlenko, to lecture the press corps about the importance of the "Russian component" of Ukraine's foreign policy. Within a month, at least two other figures rumored to be on Moscow's list had lost their posts.

Did Moscow have advance notice of Tarasyuk's dismissal? A strong indicator to this effect is the outcome of the fourth round of Ukrainian-Russian gas talks held on September 30, 2000. These were noteworthy talks, according to then Prime Minister Yushchenko, because "the Russian side has seriously changed a number of its principles or at least has softened them."²⁹ If the shift in Russia's negotiating position was unrelated to these developments, then what prompted it? If it was related, it is hard to fathom how Moscow could have heard of Tarasyuk's dismissal on 29 September and "changed a number of its principles" in time for a negotiating round the following morning. The balance of evidence suggests that Kuchma and Putin agreed to resolve the gas issue, as well as several key geopolitical questions, during their private meeting at the 18 August CIS summit. To those well acquainted with the thinking of the Presidential Administration, the affair demonstrated the "new hierarchy of strategic partners" and, along with it, the diminished utility of U.S. pressure.³⁰ Indeed, some in the Presidential Administration privately warned that more important dismissals would follow unless radical changes occurred in Western policy.

On 19 January 2001, Prime Minister Yushchenko's close ally, Deputy Prime Minister Yulia Tymoshenko, was dismissed and, on 26 January, replaced by a figure perceived as friendly to Russian energy interests, Oleh Dubyna. Despite her previous incarnation as a leading energy oligarch, Tymoshenko had amply demonstrated that she had since become unfriendly to those interests, as well as to those inside Ukraine who believe that the energy market should remain a closed shop, immune to taxation. Allegations of gas smuggling on her part whilst head of United Energy Systems of Ukraine (UES) in 1996–97 were far from new and, therefore, do not explain the timing of Kuchma's decision. More interesting is the timing of allegations by Russian military prosecutors that she had sold an 85 percent stake of UES to the Russian Ministry of Defense during the same period and then subsequently misappropriated the funds. Did it really take the Russian prosecutors four years to realize what had occurred during a time when she and her ally, former Prime Minister Pavlo Lazarenko, enjoyed close ties with Russian power structures? On 13 February, Tymoshenko was arrested. On 14 February, Gennadiy Seleznev, Speaker of the Russian State Duma, praised President Kuchma for this latest "example of how to deal with corrupted persons."³¹

Seleznev's assessment is particularly noteworthy given Russia's response to the scandal that erupted in November 2000, when a former officer of the *Sluzhba Bezpeki Ukrainiy* (SBU) published tapes allegedly implicating President Kuchma in the murder of a journalist as well as in a chain of arguably more serious abuses of power. Far from joining the chorus of protest and recriminations (including moves to expel Ukraine from the Council of Europe), Russia, in a striking reversal of roles, has portrayed Western entreaties and pressures as blatant

attempts to interfere in Ukraine's internal affairs and alter its economic and foreign policy course. The scandal—which has not only weakened Kuchma, but the legitimacy of Ukraine's political order—has presented Russia with yet a further opportunity to increase its influence. This is because the scandal has driven what appears to be an immovable wedge between the President and those most capable of advancing Ukraine's "strategic course of entering Europe." By the same token, it has made him dependent on those whose commitment to this goal is merely declaratory as well as on those who oppose it altogether. This in itself would explain Kuchma's abandonment of a Prime Minister, Viktor Yushchenko, strongly supported by the West as well as by Ukraine's electorate.

Russia's exploitation of these difficulties has been so artful and methodical that even the influential Russian newspaper *Izvestiya* has dropped hints that Putin, his special services, and their allies in Ukraine played a role in recording the tapes and distributing them.³² Whatever the truth of the matter, the scandal demonstrably accelerated the shift begun in August in the main method of Russian policy: from pressure to support. Within three months of the "new principles" that Yushchenko noted in September, the dynamics of relations substantially changed. The 24 December Minsk accords deferred Ukraine's gas debt to Russia for ten years, and under remarkably lenient terms, but at a price: conclusion of agreements (November 2000 and February 2001) transferring to Russian entities de facto ownership of most of Ukraine's energy transport infrastructure.³³ The conclusion, on 14 May, of a five-year gas supply agreement with Turkmenistan—presented by Ukraine's state television as a means of diversifying gas supply and by Kuchma as a "historic event"—is a further sign of such support, as Turkmen gas must transit the same Russian owned distribution network that blocked the conclusion of similar deals in the past.³⁴

The appointment of Russia's former Prime Minister, Viktor Chernomyrdin, as Ambassador and Special Envoy for the Development of Russian-Ukrainian Trade and Economic Ties is clearly designed to consolidate these gains. Chernomyrdin is widely expected to be as much an "arbitrating judge" as an ambassador, bridging what, in post-Soviet conditions, is often unbridgeable: the gap between agreements and their implementation. He is likely be a powerful ally in residence for those who want to see Ukraine anchored in Russia's business networks—and who, by the same token, feel threatened by European standards of openness, competitiveness, and transparency. As noted by *Ukrayina Moloda*:

He will not care about how a collective farm field is divided on the border between Luhansk Region [Ukraine] and Voronezh Region [Russia]. He will not care for opening some PC-equipped Pushkin-named village library for ethnic Russians somewhere in Dzhankoy Region [Crimea]. He will supervise Russia's participation in big privatisation and gas debt settlement. He will do everything to make Kyiv sell Russia part of its transit gas pipelines.... It is no coincidence that even now, Ukrainian patriots are bitterly ironical, saying that Chernomyrdin will be a governor of Ukraine or its new Prime Minister, rather than an ambassador.³⁵

Three days after these 'bitterly ironical' reflections were written, they were echoed by Dmitriy Rogozin, Chairman of the Committee on International Affairs of the Russian State Duma:

Of course, Chernomyrdin should not just conduct himself as an ambassador in Ukraine. He should be taking a more active part in the solution of, well, I am not afraid to say this, some Ukrainian problems, too...I think that Viktor Stepanovich will have to act as a kind of arbitrating judge in the solution of numerous conflicts, even those of an internal political nature. Here he will have to display such high statesmanship and wisdom as will make it possible for him not to involve Russia directly in the internal affairs of Ukraine.³⁶

A Balance to be Struck?

Linkages between economics and politics are not confined to Russian policy. Where Russia is concerned, such linkages well predate Putin. But whereas Putin's predecessors primarily discussed them in terms of "centripetal processes" (q.v. Primakov) and "integrative structures," Putin and his advisers appear to be rather more skeptical as to whether integration will (q.v. Igor Ivanov) advance "realism, responsibility, pragmatism and the firm promotion of national interests."³⁷ After all, integration not only implies economic and political coordination from a center, but a center that also assumes some responsibility for the political stability and economic well-being of those who are integrated. The *subordination* of neighbors—the "formation of a good neighborly belt of states along Russia's borders"—demands less of Russia than a policy of integration. Recognition of a "zone of special interests" implies that, within this zone, Russia's interests are to be granted precedence—certainly over the interests of third countries and perhaps over the interests of one's own.³⁸ Whether this leads to integration is a separate issue—to be approached pragmatically and not treated as an end in itself. As to the most conspicuous proponent of integration in the CIS, Alyaksandr Lukashenka, there are signs that Putin would like to be rid of him.³⁹

Yet these changes hardly amount to a revolution in thinking. Boris Yeltsin preached integration, but as in so many other spheres, he rarely practiced what he preached. He supported those who claimed that integration with Belarus would damage Russia's economy, and he imposed tariffs and quotas on Ukraine that reduced trade by 40 percent. Since Yeltsin's political demise, the relationship between the commercial and geopolitical dimensions of Russian policy has become tighter and more coordinated, but it has not acquired a different character.

Effective as Putin's policy towards Ukraine might be, the fact remains that things in Ukraine are never as good or as bad as they seem. In the words of the country's national anthem, "Ukraine is not dead yet." Ukraine is not Belarus. Neither Russian policy nor internal scandals alter the fact that a large portion of Ukraine's elite (and its alienated society) is European in orientation and that many are pro-Western by conviction. There are some signs that "Kuchmagate" is deepening these convictions and strengthening the instincts and institutions central to what we call "civil society." Moreover, Ukraine continues to pursue a "multi-vector" foreign policy, and its leaders, officials, and diplomats remain habituated to balancing steps in one direction with corresponding steps in another.

Not insignificantly, NATO-Ukraine cooperation, whilst politically downgraded since Kosovo, has, within the past year, acquired greater military-technical content and momentum than it ever possessed in the past. Even after recent increases, the number of official Ukraine-Russia military contacts “barely equals the Ukrainian/Polish program, is more than 1.5 times smaller than the Ukrainian/British program, 2.5 times smaller than the Ukrainian/American program” and one-tenth the size of the multilateral Ukraine-NATO program.⁴⁰ Russia has certainly not been unconscious of this fact. Only recently, Deputy Foreign Minister Valeriy Loshchinin, appointed to supervise relations with CIS countries in April 2001,⁴¹ stated that, on the one hand, the building of “allied and neighborly relations with Ukraine is a strategic priority in Russia’s foreign policy,” whilst, on the other hand, noting that the countries:

Do have disagreements, above all in estimating the consequences of NATO expansion eastwards.... Forms and methods of cooperation with NATO, including that in the military sphere, is a delicate issue.⁴²

No less delicate for Russia is the fact that President Kuchma supports the intensification of this cooperation: a fact that suggests that even today he will back cooperation with the West (and resist Russian pressure) where it produces tangible benefits for Ukraine. Whether the European Union can draw the necessary consequences during the twilight of the Kuchma era—and thereby help to shape the post-Kuchma era—remains to be seen.

ENDNOTES

1. Yevgenii Primakov, in *Komsomol'skaia Pravda*, December 26, 1995.
2. Fedor Shelov-Kovedyayev, *Strategy and Tactics of Russian Foreign Policy in the New Abroad* [*Strategiya i taktika vneshney politiki Rossii v novom zarubezh'ye*] (author’s copy—undated).
3. In a speech clearly intended for Western audiences, President Yeltsin on February 28, 1993, underscored Russia’s “vital interest” in “stopping all armed conflicts on the territory of the former USSR” and called on the UN to “grant Russia special powers as guarantor of peace and stability.”
4. For a more detailed discussion, see James Sherr, “Russia-Ukraine Rapprochement? The Black Sea Fleet Accords,” *Survival*, IISS, vol. 39, no. 3 (autumn 1997).
5. At the November 2000 ministerial session of the OSCE, Deputy Foreign Minister Yevgenii Gusarov stated: “We have been warning our Western partners that we oppose the use of the OSCE for interference in the internal affairs of the countries situated to the east of Vienna. This time we are sending a clear signal: we won’t allow this to happen.” *Financial Times*, January 23, 2001).
6. Volodymyr Horbulin, then Secretary of the National Security and Defense Council, “Ukraine’s Place in Today’s Europe,” *Politics and the Times*, [journal of the Foreign Ministry of Ukraine], (October-December, 1995), 15.
7. Opinion polls establish a 50–70 percent popularity rating for Yushchenko during his last months in power. This is an astonishingly high figure in a country characterised by public cynicism towards political figures and institutions. By way of contrast, in Moldova, Vladimir Voronin won a perfectly fair election by OSCE rules, yet only 17 percent of people claim to trust him.

8. Oleksandr Goncharenko, presentation to conference on “The National Security of Ukraine in the Context of World Community Experience,” Kyiv, October 9, 2000.

9. Hence, one of the architects of the accords, then Secretary of the Russian National Security Council, Ivan Rybkin, stated just after their conclusion that “Ukraine, Belarus and Russia will benefit from being together,” *Trud*, June 10, 1997. Another supporter of the accords who played a key role in their negotiation, then First Deputy Prime Minister Viktor Serov, stated at virtually the same time, “Anyone who wishes can become a third party in the Belarusian-Russian Union. Russia is developing relations with Ukraine now which are extremely important and of paramount significance. *Ukraine* is our main partner amongst the Slav states.”

10. Admiral V. Kumoyedov, Commander of the Black Sea Fleet, in *Nezavisimaya Gazeta*, cited in *National Security and Defense*, no. 8 (Ukrainian Centre for Economic and Political Studies: Kyiv, 2000), 18 [hereafter UCEPS]. In the Black Sea Fleet many appear to share the view of Aleksandr Solzhenitsyn, who warned, “Do you understand what NATO’s presence in Ukraine means? It means that an hour after the start of hostilities, the Northern Caucasus will be cut off.” (Cited in S. Kirilova, “The Patriarch and His Adherents,” in *Stolichnye Novosti*, May 23-29, 2000.

11. At a conference in Kyiv on June 19–20, 2000, which this writer attended, Vladimir Lukin (Vice Speaker of the State Duma and co-founder of *Yabloko*) and a delegation of high-ranking Russian advisers and officials proposed establishment of a joint state commission to coordinate the foreign policies of the two states. At about the same time, Sergey Karaganov (Chairman of the Council on Foreign Defense Policy), head of a Russian delegation to a conference in Riga June 5–6, 2000, tabled a virtually identical proposal, adding that joint policy towards the EU should proceed on the basis of deeper economic integration between Russia and Latvia.

12. UCEPS, no. 7 (2000), 3 & 9.

13. *Ibid.*, 7.

14. UCEPS no. 12 (2000), 5. Of course, this priority is more pragmatic than sentimental, yet the evidence suggests that pragmatism is also the dominant consideration in assigning top priority to Russia. According to the same poll cited in UCEPS 12 (pg. 6), 65 percent of the population believe that the top priority in both relationships should be economic.

15. UCEPS no. 8 (200), 19.

16. In Kremenchug, August 28, 2000. Reported in *Intelnews*, August 30, 2000.

17. According to specialists in Ukraine’s Institute of Ukrainian-Russian Relations (which is a component of the NSDC), the first signs of a shift in the methods of Russian policy arose shortly after Putin was appointed Secretary of the National Security Council in March 1999.

18. Despite the proverbial *mnogogolosiye* (multi-voicedness), the statements of Putin, Kasyanov and other political figures and officials leave little doubt that this was a state decision. From the start, it was stated that Russia had suspended oil deliveries (supplied by *LUKoil*) in order to resolve the problem of gas (supplied by *Gazprom*): not what one would expect to see if these entities were not connected to the state and with each other. *Gazprom* is a joint stock company, and, in December 1999, half of its directors were government representatives (a position rising to six out of eleven after June 2000). According to *LUKoil’s* website, *Gazprom* is an official partner of *LUKoil*.

19. The same pattern was even more dramatically visible in Moldova. Two days before Putin’s two-day visit to Kishinev (June 16–17) Russia cut the oil supply. On the morrow of his departure, it was announced that Moldova’s gas monopolist, *Moldovagas*, would pass to majority control of *Gazprom*, that a \$100 million block of Moldova treasury bills (equal to the purchasing price of Moldova’s entire industrial sector) would be transferred to Russia—and Moldova also announced “grateful” acceptance of Putin’s proposal to appoint a State Commission on Pridnestrovia under Yevgeniy Primakov—the same Primakov whose “common state” formula for resolving this problem had been previously rejected by Moldova.

20. By February, according to Kasyanov, this figure had dropped to 35 million cubic meters per day: a fact which suggests that Ukraine's authorities knew what was being siphoned and had the means to stop it. Nevertheless, he insisted that the oil supply would not resume until it dropped to zero. Yet Ukraine's authorities were unable to find the source of this 35 million—a fact that led some to conclude that it was being siphoned by actors outside their control and possibly on the instructions of *Gazprom* itself.

21. Thus, as late as March 25, Deputy Prime Minister Kasyanov's estimate of *Gazprom*'s debt was not too dissimilar from that of Ukraine's Prime Minister Viktor Yushchenko (\$1.9 billion compared to \$1.4 billion), as opposed to the \$3.5 billion claimed by *Gazprom*. As Putin's summit with Kuchma approached, these discrepancies were resolved in favour of a figure of \$3 billion. (*Kommersant*, March 25, 2000). In October 1996, Viktor Chernomyrdin (then *Gazprom*'s Chairman) cited Ukraine's debt as an obstacle in negotiations over the Black Sea Fleet; in April 1997, with a Black Sea Fleet agreement in sight, the debt cited by Russia, fell by \$1 billion.

22. *Ibid.*

23. According to experts currently investigating the energy supply system in Ukraine's Parliament, Ukraine's domestic traders buy gas on the border at \$35 per 1000 cu m from *Itera*. They then sell this gas at \$83 to the Ukrainian consumer, remitting a large share of the profit to Russia's *Gazprom*. Supply arrangements for Moldova would appear to be similar

24. As of spring 2000, the generally cited rates were: Ukraine—\$83 per 1000 cubic meters, Belarus—\$26 per 1000 cubic meters, Russian Federation—\$17 per 1000 cubic meters. (See, inter alia, ITAR-TASS report of March 10, 2000). Figures on oil price from Serhiy Tyhypko, then Minister of the Economy. (*Intelnews*, Kyiv, March 6, 2000). On discrepancy between the price paid by Ukraine and Germany, see *Holos Ukrainiy*, 5 August 1998. Vyakhirev cited in *Economist Intelligence Unit*, (second quarter 1999).

25. *Zerkalo Nedeli*, 8 February 1997.

26. *Zerkalo Nedeli*, 20 December 1997.

27. The example of Moldova is yet more stark. As calculated by *Gazprom*, Moldova's debt is over twice the country's annual budget. Of this sum, \$129 million is a penalty fee and \$543 million is owed by the authorities in Transnistria, who are *de facto* outside Moldova's control.

28. Ukraine's Minister of Defense, Oleksandr Kuzmuk, drew a distinction between the "training" which took place and participation in the "coalition system" of CIS air defense. He also connected the decision to safety considerations, which in the wake of the Brovary tragedy—the accidental destruction of a housing block near Kyiv by a training rocket—ruled out conducting a similar exercise in the Chauda special training ground in Crimea (*UNIAN*, August 26, 2000).

29. *UNIAN*, October 2, 2000.

30. For example, an October 2 interview with *UNIAN* given by Mykola Tomenko, Director of the Institute of Politics.

31. Russian *Ren TV*, February 14, 2001.

32. *Kuchma—Our [P]resident: Putin has to Meddle in the Internal Affairs of Ukraine*, [*Kuchma—nash (p)resident: Putinu pridetsya vmeshat'sya vo vnutrennie dela Ukrainiy*], *Izvestiya*, February 13, 2001. *Rezident* is the Russian term for the chief intelligence officer posted to a foreign country.

33. These include a minimum market interest rate and provision that payment for the procurement of subsequent gas deliveries will be made only 50 percent in cash, the rest of the payment to be deferred again for 8–9 years.

34. Ukrainian Television broadcast, May 14, 2001, cited in *BBC Summary of World Broadcasts*.

35. *Ukrayina Moloda*, May 12, 2001.

36. Interview to *Radio Rossiia*, May 15, 2001.

37. Address to National Press Club, Washington, D.C., 27 April 2000.

38. Andrey Fedorov, former First Deputy Foreign Minister: "Today we are speaking more or less openly now about our zone of interests. In one way or another we are confirming that the post-Soviet territory is such a zone....In Yel'tsin's time we were trying to wrap this in a nice paper. Now we are saying it more directly: this is our territory, our sphere of interest." (Charles Clover, 'Putin: Good Neighbour or Great-Power Politics?', *Financial Times*, 23 January 2001).

39. Hence Sergey Ivanov's summary of Putin's visit to Belarus and Ukraine: "There were no general statements...on friendship or determination to continue the policy of partnership." Instead, "we had a very clear and very specific talk on the issues." (Ukrainian TV1, 23 April 2000.)

40. Leonid Polyakov, "The Russian Factor in Ukraine's Relations with NATO: Possible Outcomes and Policy Implications for Ukraine and NATO" [Draft]. Quoted with author's permission.

41.. Ukraine regards itself as a founder, but not a member of the CIS, not having signed the 1993 CIS Charter. The Russian Federation does not accept this distinction.

42.. *Interfax*, May 14, 2001, cited in *BBC Summary of World Broadcasts: Former Soviet Union*.

Part Three: Russian Policy Toward the Caucasus and Central Asia

Introduction

Marybeth P. Ulrich

The chapters in this section address Russian national security policy in two key formerly internal regions of the former Soviet Union—the Caucasus and Central Asia. A theme that permeates each work is Moscow’s desire to exert influence across the geo-political space that once comprised the Soviet empire. The capacity to apply power effectively, rationally discern interests, and accommodate ethnic and religious groups within the framework of democratic institutions are all qualities that the Putin government lacks.

Stephen Blank leads off with a broad analysis of Russian policy in Chechnya. Blank breaks the policy down into its most basic strategic elements with his search for Russian political objectives in the conflict and a rationale for the war’s conduct. The absence of both, he concludes, is the substance of the war’s “unending tragedy”. Blank argues that the consequences for the Russian state have been and will continue to weigh profoundly on the viability of the Putin regime. With neither a concept of victory, nor the possibility of achieving one, the casualties of a failing democratization effort will continue to mount – the rule of law, free press, civilian control of the military, economic prosperity, and a rational defense strategy. Blank chronicles the decrepit state of the Russian armed forces, the tremendous economic costs, the failed effort to sustain public support, and the strategic-political consequences of continuing to proceed without a viable concept of victory.

Ariel Cohen’s chapter focuses on Russian military policy in the South Caucasus. His analysis concludes that under Putin there is a new assertiveness in the region, but history suggests that prevailing in the region will be difficult. A theme that permeates Cohen’s analysis is that the Kremlin is unabashedly applying its instruments of power in order to pursue its interests in the region, but has done little to attenuate the region’s endemic hostilities in order to facilitate a transition to peaceful economic development. He argues that “the real challenge for many leadership groups and elites in the region is to learn how to break out from the historical model of peace through outside imperial domination and to resolve crises without the use of force.” Cohen details the heavy-handed tactics currently being employed and notes a shift toward building a sphere of influence through maximizing the levers of power available.

Lena Jonson contributes an extremely timely piece that focuses in on Russia’s efforts to isolate and weaken the Taliban regime in Afghanistan within the broader context of Russian policy in South Central Asia. Jonson emphasizes that Russia has identified Afghanistan as a

major source of instability in the region since the early 1990s. Russia has long been concerned that the Afghan government has supported terrorist activities in Chechnya. Jonson carefully lays out how although Central Asian states are concerned about the impact of Islam-based terrorist activities in their own states, Russia had been largely unsuccessful in securing multi-lateral cooperation against the Taliban in the region. Suspicion over Russia's broader aspirations in the regions combined with the lack of Russian means to exert its power have made South Central Asian states reluctant to enter into permanent military Russian-led military structures. Finally, Jonson's detailing of Russian-American cooperation against the Taliban regime pre-dating the 11 September 2001 terrorist attacks by more than a year is a fascinating look at the roots of the cooperation these two powers are experiencing today.

Amy Myers Jaffe and Robert Manning explore the influence of energy issues on Russian national security policy. Jaffe and Manning argue that the fate of Russia's democratic and economic transition are inextricably linked to her vast oil and gas resources and her capacity to channel these assets into national power. The authors offer energy policy as a lens through which to examine and explain Russian national interests. Russian security perceptions, the authors contend, often hinge on the potential revenue, access to markets, and cost issues at stake within a particular scenario or region of the world. Energy issues also figure prominently in Russian regional interests. Russia lobbies for higher oil prices in the Middle East and cultivates the EU market for Russian energy with cooperative relations aimed at fostering an energy partnership with Europe. Jaffe and Manning also focus on Russian policy in the Caspian Basin where its competitive approach plays into broader strategic objectives for regional dominance. In the end, a realistic appreciation of Russian national interests as related to the embodiment of national power in energy resources is needed to fully understand Russian security perceptions. Jaffe and Manning make the case well that in Russian domestic and foreign policy energy matters. Other powers can both minimize their divergence of interests and foster the cultivation of mutual interests if they understand this simple fact.

Chechnya and Its Consequences

Stephen Blank*

Introduction

Chechnya made Vladimir Putin's career as Premier and then President of Russia, but Chechnya can also break that career. And if his career goes down with the Russian army in Chechnya, then the consequences for Russia will be profound and terrifying. In fact, one recent account states, probably correctly, that a Russian defeat would not only be a devastating blow to Putin's tenure in office, but would also call Russian security in the South Caucasus into immediate question.¹ As it is, Chechnya's consequences and the stalemate that it has become have negatively affected Russia's democratization and its security.

As is often the case in such situations, truth is the first casualty. According to Putin and Defense Minister and former Secretary of the Security Council, Sergei Ivanov, Russia is fighting in Chechnya on behalf of Western civilization. Putin, like his Tsarist predecessors, even says that Russia is the guardian of Christianity.² Therefore they profess not to understand why the West does not support this war. In fact, they are fighting exclusively for their own power and on behalf of Russia's political integrity, which they have endangered by the pursuit of this war. If they really cannot understand these facts and the ensuing lack of foreign support then Russia's leaders are even more deluded than their claims to be saving Western civilization indicate. And the longer the war goes on, the less likely Russia is to achieve Putin's main foreign policy objective of integration with the West.

The reasons for this are simple. As Quentin Peel of the *Financial Times* has observed,

But the real problem remains Chechnya and all it represents. Unless Mr. Putin can find a peaceful solution to the confrontation in that remote mountainous enclave, he cannot and should not be embraced by the rest of Europe. It represents a continuing affront to basic human rights.³

But not only is this war an affront to basic human rights it is also an affront to truth. Moreover, Peel's phrase, "and all it represents" points to the real problem. The war in Chechnya has given added strength, if not free rein, to all the phenomena of Russian history that its neighbors most fear and loathe. The brazen mendacity of the claim that somehow Russia is fighting for Western civilization and Christianity is hardly the only one of those attributes.

While Churchill's maxim that in war truth must be surrounded by a bodyguard of lies has much merit, but in this war this bodyguard is rather grandiose in its mendacity and

* The views expressed here do not necessarily represent the views of the U.S. Army, Defense Department, or the U.S. Government.

bizarreness. Admittedly, the Chechens' propaganda is no more truthful, validating the maxim that truth is the first casualty of war, especially in an age of information warfare. But Russia's actions in and due to this war are far more consequential for its security and that of Eurasia as a whole. Thus they are more fraught with potentially dangerous implications.

Writing about the first Chechen war, the former Minister of the Interior and CINC of the forces in Chechnya, General Anatoly Kulikov, notes that one of its lessons was the need to consider in depth all the factors that could affect the use of force there.⁴ But Russia's leaders disregarded this sage advice and instead made this a total war for the control of all of Chechnya. Moscow has also stated that if it does not win (and nobody can give a proper definition of what victory would mean here other than the making of a desert) the Russian Federation itself is at risk. Actually, this last justification is one of the few truthful statements about this war, for Moscow, not Grozny, is the center of gravity in this war. And no satisfactory military or political outcome seems in sight. Moreover, this fact had become apparent to Russian commanders by mid-2000.⁵ Hence Russia's integrity and stability are now at risk. The arrest, in August 2001, of alleged plotters seeking to overthrow the government in two other North Caucasus provinces, Kabardino-Balkaria and Karachayev-Cherkessk, and Tatarstan's reported desire for a status like that of Quebec in Canada indicate that this war has not quieted calls for a devolution of power away from Moscow.⁶

Since Putin's whole state policy rests on the counter-principle of recentralizing effective power in Moscow and taking it away from the provinces, these signs of unrest suggest that he has embarked on a futile, self-defeating, and probably destructive task. Indeed, this continuing taste for coups and armed *faits accomplis* allegedly represented by this abortive revolt clearly owes much to the war in Chechnya and its precedents. After all, this is the fourth internal war of the Russian army against its own citizens since August 1991, and there were numerous other examples of the conversion of the Russian armed forces into an organ of primarily internal repression before that.⁷ Because this war now stands at the bloody crossroads of federal and civil-military issues in Russian politics, failure to win will duly have quite literally explosive consequences.

Despite the official media campaign to the contrary, it is becoming clear that nobody in the Russian leadership, military or civilian, has the remotest idea of how to win this war, although they probably realize that it cannot be won anytime soon. Neither can anyone even conceive of a satisfactory or plausible definition of what victory is, a strategic-level flaw that was evident from the start of the fighting. Therefore, to understand why Russian nevertheless went to war one must grasp the reasons why the Russian army undertook the specific response to Chechen terrorism and insurgency in Dagestan that it did, i.e., recourse to total war.

Certainly in September 1999, Russia had the option, proposed by then Minister of Defense, General Igor Sergeev, of a limited invasion of Chechnya culminating at the Terek River in northern Chechnya, a natural frontier.⁸ Instead the government, led by then-President Boris Yeltsin and Putin, opted for a total invasion of Chechnya, as proposed by the Chief of Staff, General Anatoly Kvashnin. Essentially, this response of total war went

beyond defense against a real, serious, and justifiable threat to Dagestan and the Federation's integrity in order to confront three other threats to the Yeltsin regime.⁹ One clear threat was the domestic opposition that was expected to win the Duma elections in December 1999 and then launch investigations, arrests, and trials of members of the government and even Yeltsin's family (including an effort to impeach Yeltsin). Undoubtedly this would have put Yeltsin himself and his associates at risk and was thus an unacceptable risk for the party of power. The still unexplained bombings in Moscow in September 1999, (which for proponents of total war must have been fortuitous if tragic) and the initial military successes against the Chechens helped ensure a patriotic consensus would coalesce around Putin, a seemingly incorruptible and forthright patriot. Thus, the opposition lost the Duma elections and the presidential elections in June 2000.

The second of these three threats to the regime owed much to intra-military politics. Kvashnin and Sergeyev, by the end of 1999, were bitter antagonists, with each one pushing rival threat assessments and differing prescriptions for defense spending. For Sergeyev, the threat was a high-tech conventional war, as in Kosovo or a war that would require the first use of Russian nuclear weapons, since Russia's conventional forces were clearly insufficient to defend against a Western thrust. But the likelihood of such a thrust was low as long as Russia preserved and extended its nuclear deterrent. In such a relatively low-risk environment, defense investment for procurement should concentrate primarily on the nuclear arm, the Strategic Nuclear Forces, with whatever remaining funding going to the conventional forces until such time as the economy revived and could support them.

For his part, Kvashnin saw Kosovo not as a high-tech war but as a secessionist nightmare. It is clear that the General Staff had long since seen the potential for such a threat being replicated in Chechnya, where a breakaway minority, claiming oppression as it sought alleged self-determination, would ultimately win foreign support, leading to a Western operation on the scale of Kosovo to support them. This was the nightmare version for Russia that led Russian strategists to include the option of using tactical nuclear weapons (TNW) in a first strike in such a war to gain intra-war escalation dominance and force NATO to negotiate. And despite the planning for Chechnya and the funding constraints, the armed forces mounted this operation in mid-1999, as the climax of its most massive exercise since 1991. This exercise, Zapad-99, posited a NATO invasion out of Poland and the Baltic states, and the exercise culminated, due to the general-purpose forces' weaknesses, in Russian use of TNW, followed by peace talks.

Thus for the General Staff, the defense agenda primarily entailed obtaining sufficient funding to develop forces to confront the threat of conventional wars of the ethnic type, like Chechnya, in order to win them quickly and deny NATO the option it had employed in Kosovo. Rather than spend on nuclear weapons, Russia had to obtain the necessary conventional hardware and high-tech conventional weapons—and to do so now, since the threat was at the doorstep. Very likely, Kvashnin and his allies were also motivated by a strong desire to avenge their defeat by the Chechens in 1996, a defeat that the military generally laid at the politicians' doorstep.

Indeed, after this defeat in 1996, a rather dangerous stab in the back mentality appeared among the officer corps. Numerous military men have publicly said that the government betrayed the military on that occasion, stealing defeat from victory and preventing them from winning. Major military figures like retired General M.A. Gareyev, President of the Russian Academy of Military Sciences and a major military theorist, openly stated that the government is the enemy of the country. Thus Gareyev writes that, “For 150 years the political leadership of this country has placed the military into extremely unfavorable and intolerable conditions, from which it has had to extricate itself. Moreover, eventually the military winds up ‘guilty’ of everything.”¹⁰

Gareyev was hardly alone in this view. The young military historian Alexander Kirov, whose military career was terminated because he wrote the truth on Hungary in 1956, writes as if it was the party alone that was responsible for this and other military deformations. Thus, he writes,

Over the postwar years our civilian government sacrificed military leaders, the defenders of our country, more than once, suggesting that they issue criminal orders to their subordinate troops and that, if they did not carry out these orders, then the full force of the law and the contempt of the Soviet people would bear down on them, on generals and privates alike. Unfortunately very few Soviets thought this through; most of us did not even try to understand or accept it. Soldiers could never question the constitutionality and legitimacy of an order. Thus the party and the state (but not the military-SB) nomenklatura could manipulate the armed forces and social awareness to its own interests.... Today some are prepared to lay the entire blame on the army. But unfortunately they were neither wise enough, nor brave enough, to point this out at the time.¹¹

Sergeyev echoed this sentiment when he asserted that the underlying cause of the Kursk submarine disaster in August 2000 was the lack of funding of the military that had led to lack of equipment, resources, etc.¹² The MOD’s wastefulness and strategic incompetence was nowhere mentioned as being equally culpable. The vituperative nature of modern Russian politics and the military’s enmity to any civilian criticism of its activities are also evident in the fact that Deputy Defense Minister Ivashov told *Novosti News Agency* and *Argumenty i Fakty* that Yabloko Party leader Grigory Yavlinsky and former Foreign Minister and now Duma Deputy, Andrei Kozyrev were “traitors to the motherland.”¹³

Subsequent revelations demonstrate how this intra-military split and anger at the government affected the planning for the war and showed what the war in Chechnya is really all about. Plans to invade Chechnya, confirmed by former Prime Minister Sergei Stepashin, were developed in the period from March 1999, when the Chechens kidnapped MVD Major General Gennady Shpigun, to August 1999.¹⁴ By May 1999, the Ministry of Foreign Affairs was confidentially telling U.S. analysts that there would be war in Chechnya by August.¹⁵ A serious reader of the Russian press would also have gathered from articles at that time that an operation against Chechnya, to be led by the VVMVD (Ministry of Interior’s Internal Forces), was either underway or being planned.¹⁶ According to Stepashin, this operation was to stop at the Terek River in Northern Chechnya, a natural geographic barrier, i.e. Sergeyev’s option.¹⁷ Unfortunately things developed quite differently.

There is also good reason to suspect that the Chechen invasion of Dagestan in August was both a real threat to Dagestan and a provocation to give a pretext for launching (or getting Yeltsin to sign off on launching) the invasion plan.¹⁸ Although the Internal Troops of the Ministry of Interior (VVMVD) failed operationally, the regular army, under the General Staff's command, expelled the Chechens from Dagestan in September 1999, after two Chechen incursions into that republic. At this time, September 1999, Kvashnin and Putin made their deal. The General Staff got carte blanche to occupy all of Chechnya, exterminate the terrorists (which meant massive depopulation of the area due to bombing), and to do so without too many operational controls from Moscow.¹⁹ This accord would heal the breach between the military and the government and also supposedly suppress the internecine fighting within the armed forces. Meanwhile Putin, Yeltsin's handpicked heir, anxiously sought ways to defeat the opposition in the upcoming Duma elections. Thus, both he and Kvashnin needed what the other could offer.

According to British analyst Mark Galeotti,

The result was an unholy pact. Russian intelligence sources have confirmed for me that it went something like this: Kvashnin would give Putin a victorious little war. In return Kvashnin expected a higher profile for the general staff; funding that would more than cover the cost of the invasion; and a completely free hand to fight the war as he saw fit, free of political interference. A deal was struck on September 20 with a final proviso: if it could all be done without too many Russian casualties—never a vote winner—Putin would get a suitable victory just before the Duma elections. Thus war returned to the Caucasus.²⁰

Finally the third threat that Russia believed it was confronting in the North Caucasus was NATO's alleged designs to move into the Transcaucasus. The General Staff had been arguing for a tough policy in the entire Caucasus region for at least a year beforehand. The General Staff's views on the threats facing Russia and the military forces needed to counter them emerged from a pre-Kosovo threat assessment that appeared in November 1998 under the authorship of lower-ranking but knowledgeable members of the General Staff.

This article, written as the crisis in Kosovo was nearing its zenith, lambasted NATO for desiring to act unilaterally out-of-area and its efforts impose a new world order by bypassing the UN and OSCE. Coincidentally, it came out on the same day as Manilov stated that any such intervention would be regarded as an act of aggression and probably break up the NATO-Russian Permanent Joint Council. This article accused NATO—and specifically the United States—of trying to go beyond the Washington Treaty and convert the alliance into an offensive military bloc that was expanding its “zone of responsibility” by punitive, military means.²¹ The authors charged that,

At the same time, it is not unlikely that NATO could use or even organize crises similar to that in Kosovo in other areas of the world to create an excuse for military intervention since the “policy of double standards” where the bloc's interests dictate the thrust of policy. **The possibility of the use of military force in Kosovo against the Yugoslav Army and simultaneous disregard for the problem of the genocide faced by the Kurds in Turkey, the manifestation of “concern” at the use of military force in the Dniester Region, Chechnya, and Nagorno-Karabakh** is typical of the alliance's actions.²² (emphasis mine)

The authors went beyond this hint that war in Chechnya was already on the agenda and forewarned NATO openly about what Russia's likely reaction to an operation against Serbia was likely to be. Rather than accept a NATO-dictated isolation from European security agendas and the negating of organizations like the UN and OSCE, Russia would act because this crisis provided NATO with an opportunity to project military force not just against Serbia, but against Russia itself. This was because the main objective of NATO enlargement was to weaken Russia's influence in Europe and around the world. Therefore the following scenario was possible. "Once our country has coped with its difficulties, there will be a firm NATO ring around it, which will enable the West to apply effective economic, political, and possibly even military pressure on Moscow."²³ Specifically,

When analyzing the development of events in the Balkans, parallels with the development of events in the Caucasus involuntarily suggest themselves: Bosnia-Herzegovina is Nagorno-Karabakh; Kosovo is Chechnya. As soon as the West and, in particular, NATO, has rehearsed the "divide and rule" principle in the Balkans under cover of peacekeeping, they should be expected to interfere in the internal affairs of the CIS countries and Russia. It is possible to extrapolate the implementation of "peacekeeping operations" in the region involving military force without a UN Security Council mandate, which could result in the Caucasus being wrested from Russia (it bears mentioning that this applies as well to the independent states of the Transcaucasus an involuntary hint of the continuing neo-imperial mindset of the General Staff-author) and the lasting consolidation of NATO's military presence in this region, which is far removed from the alliance's zone of responsibility. **Is Russia prepared for the development of this scenario? It is obvious that, in order to ensure that the Caucasus does not become an arena for NATO Allied Armed Forces' military intervention, the Russian Government must implement a well defined tough policy in the Balkans, guided by the UN charter and at the same time defending its national interests in the region by identifying and providing the appropriate support for this policy's allies.**²⁴ (emphasis mine)

Thus, the army was let loose upon Chechnya at least as much to resolve sectoral and personal interests as it was sent to repel terrorists. Yet it soon became apparent that the concept of operations and any definition victory were deficient from the outset. Indeed, on January 31, 2000, Manilov admitted that one could not speak of victory regarding this war.²⁵

In fact, Russia refuses to admit it is fighting a war. The Chechen operation is called an antiterrorist operation or an armed conflict—a self-serving definition, but part of the larger record of official mendacity that so typifies Russia's conduct of this war. Finally, high officials now admit that the costs of the war will far exceed original projections and inflict more suffering and crisis upon Russia's already over-burdened economy and population.²⁶ Yet, at the same time nobody can make more than an informed guess as to the extent of the war's financial costs, and the government refuses to make expense figures transparent to the Duma or the population.²⁷ In fact the opacity of the military budget to the Duma and government obstruction of its ability to consider that budget have increased since the war began.²⁸ These admissions show that despite Moscow's undeniable success in neutralizing the Chechen information campaign and waging information warfare in this campaign, it cannot prevent at least some of the truth from getting out.

The Russian Information War

According to Moscow, at first, in 1999-2000, everything in the war went according to plan or was about to do so. Press reports repeatedly suggested that Moscow would soon announce the end of its so called “counterterrorism operation” in Chechnya, allegedly because the province had become stable. The security services also allegedly could now “neutralize key rebel leaders without [significant] losses.” Moscow’s satraps in Chechnya claimed that Russian forces now controlled the entire province and that no negotiated settlement, as occurred in Khasvayurt in 1996, was possible or even contemplated with the discredited Maskhadov government. Indeed, that refusal to contemplate negotiations with him or anyone else still appears to be the government’s official line.²⁹

Similarly, according to Moscow at the time, Russian forces either had steadily advanced since the beginning, or are advancing at a steady rate, or were about to do so. The enemy was allegedly retreating and being squeezed out of Chechnya’s urban centers. Panic had seized the enemy who was in full flight, etc. Consequently, the Russian army’s control over the territories it occupies was expanding. The indigenous population supported the Russian forces, and behind the lines normality was returning. At the tactical level, as well, Russia had learned all the right lessons from its 1994-96 Chechnya debacle.

While it is true that, in the initial deployment of Russian troops, commanders had devised new tactics and operational postures that enabled its forces to steadily advance, minimize casualties, and take Grozny, once rotations began and the war “mutated” into a partisan war all those claims were shown to have been very superficial. Indeed, more and more media articles, despite the censorship and information war carried out by the Russians and the Chechens, began to reflect and then state explicitly that Russian leaders had no idea how to deal with the Chechens, were increasingly resigned to fighting a long war, were regularly committing atrocities, and, in many cases, were disunited. Instead of destroying the “terrorists”, and winning the battle for the “hearts and minds” of the civilian population, exactly the opposite was true. Unit cohesion was no longer the norm, and air/land coordination, which had improved, now degenerated visibly.³⁰

Furthermore, the lack of coordination that plagued Russian military forces in 1994-96, e.g., lack of coordination between the regular army and the VVMVD, was now shown to have been only superficially overcome. At first the army deployed better-trained personnel and devised tactics that stressed force protection rather than throwing green conscripts into battle, but that situation steadily changed. Once it became necessary to rotate the troops the only ones available were either green, untrained conscripts or so called “contract soldiers” (*Kontraktniki*), a poor facsimile of what Russia thought were professional soldiers. In fact, these *Kontraktniki* were basically mercenaries. Their conduct was appalling, with much evidence suggesting that it was they, rather than the conscripts, who carried out many of the atrocities that have become a byword of Russian military activity in Chechnya.³¹

Indeed, by early 2001, in recognition of the failure to get anywhere militarily, Putin gave control of the war to the Federal Security Service (FSB), Russia’s domestic intelligence agency.³² He thereby indicated that neither the Army nor the MVD could formulate a

victorious strategy, but neither wanted to be tarred with the brush of defeat. This transfer of authority also suggested an open resort to a policy of anti-Chechen terror. Certainly, the FSB's forces are not up to the rigors of a real military campaign, particularly the partisan warfare that this war has become and which is one of the most stressful kinds of war imaginable. Therefore, the new strategy would basically be one of terror, much like the old KGB's troops' activities against various forms of opposition inside the Soviet Union. Not surprisingly, it was at about this time that some observers and participants began to draw parallels with the examples of Northern Ireland or the guerrilla wars of 1944-53 in the Baltic states and Ukraine against Soviet occupation, which involved massive use of KGB forces and mass deportations to the Gulag. Yet within months, it also became apparent that the FSB could not run the campaign, and the supposed withdrawals of regular Army troops were halted indefinitely.³³ Finally, this decision may also have reflected just how incapable Russia's multiple militaries were of collaborating jointly, a failing that has been frequently and tragically displayed in 2000-2001.

Towards the Anomic Military

To be sure, as claimed by Moscow, medical care for the wounded has improved. Unfortunately the other claims concerning soldiers' benefits were untrue. Soldiers, who supposedly stood out from their colleagues elsewhere in Russia by getting bonuses and timely salary payments, were, in fact, not receiving those funds. As is all too often the case in Russia, their officers or other officials were stealing the money.³⁴ And finally the claims concerning solid domestic support and that the regime had plans for a postwar Chechnya, have either changed or been revealed as shams. Public support was initially high, a tribute to the Russian skill in information warfare here and to the fact that the September 1999, the bombings in Moscow shocked the public and were quickly attributed to the Chechens, or "terrorists," or "Wahabbites". However, as the war has dragged on, that public support has steadily eroded to the point where perhaps half the population now supports the war and even its supporters are steadily losing even that faith in its outcome.³⁵

Indeed, almost all of Russia's early statements have been shown to be false or, at best, unduly optimistic. Moscow claimed victory at least half a dozen times before the spring of 2001, always to be rebutted by the facts on the ground. The most devastating rebuttal was the steadily rising casualty rate suffered by Russia's armed forces, as more and more untrained and unprofessional men went into battle. But there are many causes for the high level of casualties. Tragically, this widespread and shameless official mendacity concerning military affairs should not surprise anyone familiar with the Russian military or Russian political folkways.³⁶ Indeed, by midsummer 2000, 80,000 Russian troops were supposedly confronting a Chechen force that had allegedly fallen from 24-26,000 men to 2,000 men, a ratio of 40:1; yet, the Russians could not defeat this shrunken force. As *Segodnya* acidly observed, those figures alone reveal the true level of military proficiency possessed by Russian commanders and troops alike.³⁷ Furthermore, due to their poverty, the armed forces for the most part still cannot and hence do not train together for actual combat. Despite the promise of reforms, the

CINC of the Air Force, General Anatoly Kornukov, has publicly warned that the Air Force is in danger of simply disintegrating.³⁸

Countless Russian and foreign accounts, official, and unofficial, confirm this level of military incompetence. A veritable mountain of evidence also attests to the pervasive and continuing corruption, brutality, and mendacity of the Russian army and its leaders. Russian generals fully know that their troops are drunkards, criminals, etc.; and military crimes against soldiers may be on the increase in 2001.³⁹ The numerous atrocity stories, the discovery of mass graves, accounts of Russian and Chechen death squads that target civilians, widespread accounts of Russian troops looting, Russian journalistic revelations that officers regularly steal their men's salaries and bonuses, and revelations that they and officials have stolen almost all the funds earmarked for Chechnya's civil reconstruction confirm these findings regarding the quality of the leadership and the forces in Chechnya and throughout Russia.⁴⁰ From the sum total of these reports, one can only conclude that the forces in Chechnya are not much better than an armed gang or rabble. This recourse to what may be called anomic behavior is taking place in a war that gives every sign of being a particularly nasty version of the protracted ethnic wars of our times. Indeed, at least one observer suspects that more Russian soldiers were killed by acts of brutality in the Russian Army, (*Dedovshchina*—translated as hazing, but in reality a much broader and far more destructive phenomenon) in the nineties than during the war up to June 2001.⁴¹ Such behavior is not uncommon in these wars, but given Russia's importance for Eurasian security and its government's pretensions to a major security role globally, the implications of this continuing disintegration are quite frightening.

At the same time, however, this demoralization and disintegration build on a previous record that was so replete with comparable examples of this anomic behavior that the current reports and the behavior they evidence are not at all surprising. This is, after all, a force in which officers in the North Caucasus Military District, the main fighting force of the regular army in Chechnya, *routinely* sold soldiers to the Chechens as slaves or to become couriers and addicts in the drug trade, at least through August 1999.⁴² Military leaders have systematically refused to admit to the truth, that their soldiers in Chechnya are still largely poorly-trained conscripts, that their troops throughout Russia in general do not get enough to eat, are not being paid, suffer from their commanders' efforts to appropriate their labor and other from habitual abuses prevalent in Russia's army, and they are generally treated like serfs.⁴³

Nor is it surprising that under these circumstances draft evasion remains high, that both civilian and military morale is slipping along with support for the war, and that the genuinely improved tactics and operational art seen in late 1999 have now been shown to be a one-shot occurrence. In fact, in August 2001, 73 men from one unit went AWOL due to the brutality of their treatment.⁴⁴ Under these conditions it is hardly surprising that there is little or no coordination between the MVD, FSB, and regular Army forces and that Russian forces occupying Grozny admit that they cannot even control that bombed-out city they occupy.⁴⁵

Even if Russian casualty figures are taken at face value, they have consistently exceeded the casualty rate suffered in Afghanistan. Furthermore, the published casualty figures often

do not include the VVMVD—Internal Troops of the Ministry of Interior—or those who are evacuated from the battlefield and subsequently die of wounds in hospitals. Unofficial groups, such as the organizations Mothers of Soldiers, that have habitually exposed military abuses and mendacity, claim that Russian casualty figures actually are four times greater than official reports maintain.⁴⁶ In fact, since the Russian forces were generally on the offensive in 1999-2000 and offensive forces usually experience more casualties than defenders, reports that the Chechens are taking three or more times the Russians' casualties sound suspicious.

Nor do the claims by various Russian military spokesmen concerning rebel casualties and rebel troop strength inspire much confidence, since the latter change from week-to-week or even from statement to statement. These fluctuating estimates indicate that Russian intelligence probably has no reasonable idea how many forces their troops are confronting. Similarly, many stories about the death or wounding of Chechen leaders have been demonstrated to be fabrications. These facts alone cast doubt on the statements that Russian tactics are now designed to minimize casualties or that they have truly learned their lessons from 1994 and discovered an optimal operational posture. While those claims do appear to have been true during the early period of the war; by mid-2000 that was clearly no longer the case. This was in no small measure due to the fact that as new troops rotated in, they did not have the unit cohesion or earlier training that had marked the forces initially deployed. And these deficiencies were soon tragically and cruelly exposed.

And that is the key issue, not the number of casualties. Although commanders may profess a desire to minimize casualties, given human nature and the nature of the armed forces, even those with the best of intentions are unlikely to succeed in devising strategies, operations, and tactics that can minimize casualties in formations cobbled together from units from all of Russia's multiple militaries, drawn from the four corners of Russia, and all too often composed of ill-trained conscripts who are themselves substandard in education, health, and often morality. Moreover, the figures provided by Russian commanders themselves evidence a lack of training almost guarantees that actual combat will be a highly expensive affair in terms of casualties.

Because Russia's forces will experience substantial downsizing, continuing funding problems, a lack of training, and trouble meeting its requirements for qualified troops, this battle attrition cannot long continue without creating pressures for dramatic action to put an end to the bleeding. As it is, Russian forces have resorted to what Russia considers weapons of mass destruction: fuel-air or vacuum explosives and cruise missiles. And there are more than a few voices suggesting that tactical or small-yield nuclear weapons might be the wonder weapon needed to terminate the war on allegedly favorable terms.⁴⁷ Thus the limits of the armed forces' capabilities are a crucial factor, if not the crucial factor, that has determined the nature of the strategy, operations, and tactics we now see in Chechnya.

The Economic and Political Costs of the War

Similarly, two uncoordinated independent accounts of the costs of the war indicate the burden now being assumed by Russia's citizens. Pavel Felgengauer, writing in *Moscow Times*, observed that the war's total costs as it approaches the third year of combat are allegedly \$4 billion. But he notes that those figures do not reveal the true purchasing power of the ruble, which has been grossly undervalued since the sharp devaluation in 1998, or all the extra-budgetary expenses that are imposed by this operation. Therefore he computes the cost to be actually \$10 billion, an enormous and unaffordable burden.⁴⁸ Simultaneously, economist Boris Vishnevsky, writing in *Novaya Gazeta*, claimed that in 1999-2000 the regime spent \$8.8 billion on military activities in Chechnya, a figure surpassing the annual budget of Moscow and St. Petersburg. And all this expenditure was made within the constraints of a supposedly official annual state budget of \$40 Billion.⁴⁹

While it is actually impossible to properly estimate the war's true costs because the Russian war economy remains officially secret and impervious to any kind of accurate quantitative measurement, the figures cited give a rough approximation of the burden this war has become.⁵⁰ Whatever the real figures are, these analyses duly demonstrate both the cost of this war and the continuing structural militarization of Russia's economy and politics. Christopher Hill of the United Kingdom's MOD estimates that actual defense spending in 2000 was 143 billion rubles in real terms (at 2000 prices) rising significantly from 1999; Hill notes that the official defense budget amounts to little more than half of true defense spending. Based upon computations in constant 2000 prices, he and the Ministry argue that Russian defense spending fell from \$130 billion in 1992 to \$42 billion in 1998.⁵¹ During 2000, Putin on his own increased the official budget outlays by 50 percent and some aspects of R & D by 80 percent. Since 1998, due to Kosovo, Chechnya, and the start of economic recovery, defense spending has risen to \$50 billion in constant 2000 prices. Also in 2000, the trend towards increased funding for strategic forces, influenced by Sergeyev, apparently gave way under pressure from Kvashnin and others to more funding for the regular conventional forces, procurement, and R&D for new higher-tech systems. Recently, the new Defense Minister, Sergei Ivanov, announced that the government intends to reorient that balance to an even 50:50 ratio by 2011.⁵²

Notwithstanding the possibility of continued economic growth, most likely major sources of funding for those rising outlays will come from foreign sources, primarily arms sales and joint projects with other states. Indeed, in many cases foreigners, and not the Russian military, have procured new Russian systems, thereby injecting dollars into the defense industry that alone keep it going. Similarly, extra-budgetary sources of funding for 2001's military spending are admitted to be in effect, and probably not just in the sphere of social expenses, e.g., housing.⁵³

Hill also demonstrates the unreliability of official budgetary figures and the sizable extra-budgetary factor, which must be accounted for in all estimates. The official figures do not include any basic S&T research, and Hill assumes that the military accounts for one-third to one-half half of all spending on science. Indeed, official Russian statements suggest his estimate is, if anything, unduly conservative.⁵⁴ Presently, defense spending probably

accounts for at least 5% of GNP, a high rate by any standard, and, according to the International Institute for Strategic Studies in London, approaches \$57 billion a year (based, like Hill's figures on purchasing price parity).⁵⁵

Thus, Chechnya not only adds to the immensity of the defense burden upon the Russian economy, and, at least in some respects, it is now also driving the growth of that burden. This is because current and future projected trends in defense spending are based on reorienting spending to raise and equip forces that can fight off Chechen-like threats. Moreover, because no end is in sight either to the war or to the spiraling costs of civilian reconstruction and the commitment of some 80-100,000 military, MVD, and FSB personnel in and around Chechnya, the burden of all these costs will probably grow and further curtail resources for reforming the military and defense industry. To the extent that this immense burden remains veiled in official opacity surrounding the defense budget, the continuation of the war precludes any serious effort to achieve legislative accountability of the government regarding defense policy, in general, or accountability of the armed forces and Ministry of Defense, in particular. In fact, if anything, that opacity is growing, perhaps due to efforts to conceal the truth about much of the experience of this war.⁵⁶

As long as this opacity and lack of accountability continue, we cannot say that military reform or democracy, in a true sense, have developed. And until military reform and democracy take root, Russia cannot truly consider itself to be part of Europe's "normative community" which has strict limits for the use of the armed forces at home and abroad.⁵⁷ The irony here is that, according to a recent account, despite the Chechen forces' hardships, the guerrillas are probably better equipped and clothed individually than are the Russian conscripts!⁵⁸ At the same time, virtually all the funds earmarked ostensibly for civilian reconstruction have been stolen by Russian officials and the different sets of Putin appointees and their retinues. Private "armies" of Moscow-chosen officials from "loyal" Chechens have given abundant evidence of their inability to work together, let alone achieve any meaningful civilian reconstruction in Grozny. Consequently, the costs of civilian reconstruction, even if they could be properly estimated, will grow because so little has been done so far, and this theft must be thought of as an added tax on the Treasury.

Given the centrality of reforming the defense economy and reducing the burden of structural militarization in politics and economics as a spur to reform, this war's continuation strongly suggests as well that about it is highly unlikely that there will be any significant progress in democratization as long as it continues. Thus the war works out its inherent logic of being not only directed against the Chechen threat but more fundamentally against Russian democracy.

Thus, Jim Hoagland's observation, "however the second Chechen war ends, it will determine not just Russia's territorial boundaries, but also what kind of Russia it will be." has proven to be more accurate than he knew.⁵⁹ Indeed, Russian political trends since this war began raise very troubling issues concerning Russia's trajectory. Those negative trends have appeared in Russia's foreign, domestic, and defense policies and oblige us to ponder the consequences of either prolonged war or Russian victory. Thus, we must also define what victory would mean.

Strategic-Political Consequences

This war's unending tragedy is not just that Moscow still neither knows how to conclude a political settlement to the war nor has a viable concept of what it would entail. Nor is it just the fact that Moscow still refuses to negotiate with any truly authoritative figure who can end the war and command internal support in Chechnya. Rather, by its actions, Moscow may have made it impossible for any such authoritative figure to emerge, for there are many who believe that Aslan Maskhadov does not, in fact, possess sufficient control over the Chechen forces to allow him to negotiate with Moscow.⁶⁰

Moscow's efforts to put Chechen clients in power and restore a political order either depend on Russian military support or have fallen apart. Therefore, this war could escape political definition or control, the framework within which Clausewitz tells us political violence must be bounded, lest it degenerate into violence and war for its own sake. Then the entire Russian Federation and perhaps parts of the CIS would become the theater or theaters of war as internal war became endemic and without a valid political goal. The reported or alleged coups in the North Caucasus indicate that such a possibility remains very real.

But infinitely more dangerous is the real possibility of the war spreading beyond Russian borders to embrace the Transcaucasian states, particularly Georgia. It is clear that the Russian military has been looking for a pretext for intervening in Georgia since the Chechen war began. In fact Yeltsin telephoned Georgian President Edvard Shevarnadze in October 1999, when the Russian offensive began, asking for the right to cross into Georgia's Pankisi gorge in operations against the Chechens. As Shevarnadze realized, not only would this widen the war, it would destroy Georgia as well. Therefore he wisely refused to give Russia this authorization. He also has now prevented Chechen fighters from intervening in Abkhazia or traversing Georgia to attack Russia.⁶¹ Still Russian commanders from the start of the war have regularly charged that Georgia and the dissenting Russian President of Ingushetia, Ruslan Aushev, are offering sanctuary to Chechens, and the Russians regularly threaten to invade them. This suggests that they (and perhaps the Chechens, too) have not fully assimilated the lessons of past wars in which commanders threw good money after bad and widened their fronts with disastrous consequences.⁶²

While there is no viable concept of victory; we can observe that Moscow, not Grozny, is the center of gravity of this war, and that failure to achieve a victory, which seems to be the most likely outcome, will have disastrous and profound repercussions for Russia. Today, Russia clearly aims to destroy Chechnya as an autonomous political community. But that would not extinguish the profound political crises in the North Caucasus and beyond. Instead it would only intensify them further. Nevertheless the numerous reports of atrocities against civilians offer grounds for fear that the Chechen political community as such is not the only strategic target and that Chechens who claim that genocide is in the making on the basis of what they have seen and experienced are correct. Indeed, NGO studies charge that the brutality of Russian conduct in Chechnya exceeds that of Serbian actions in Kosovo.⁶³ The massive depopulation and refugee flight suggest that a Kosovo-like solution of ethnic cleansing is the ultimate goal, if not outcome, of Russian policy. In that respect, Chechnya would resemble the former Yugoslavia's wars as much as it does the wars of former empires trying to hang on

to whatever they can from their imperial heritage. Certainly a tendency toward imperial restoration dominates Russian policy. As Alexei Malashenko observes, Russia's interest in Chechnya is logical only if Russia continues to regard itself as an empire.⁶⁴ Otherwise the war is senseless.

On the other hand, this war was largely launched to elect a pro-government Duma and Vladimir Putin as president on a platform of imperial restoration and concentration of power in his hands, not to effect a lasting political objective for Chechnya or the region. Russia must now devise one, lest it fight an unwinnable and endless war for no truly definable political objective.⁶⁵ This is another way of saying that nobody in Moscow really thought very hard, if at all, about what they wanted Chechnya to look like when they achieved the supposedly quick victory they anticipated when they invaded the entire province in October 1999. The military campaign itself was its own strategic justification, something that is always a bad sign.

Clearly, little thought was given to Chechnya's economic reconstruction, and the subsequent theft of much of the funds earmarked for that purpose may not matter in any case for there was probably no effective way to rebuild the area. Indeed, Moscow's local plenipotentiary stated long ago that funding for reconstructing Chechnya has already been consumed and no more is available.⁶⁶ Furthermore, current economic plans call for bypassing Chechnya as a conduit for Caspian energy supplies. Instead the new pipeline will traverse Dagestan, effectively depriving Chechnya of meaningful revenues for reconstruction and making it wholly dependent upon Moscow. Nor will Moscow soon have any resources to spare to restore the North Caucasus in general, let alone Chechnya.⁶⁷

Hence this war betrays Clausewitz's first instruction, that war be the continuation of politics or policy and that the political objective be the controlling factor throughout the war's duration. Therefore, this war threatens Russia's stability and integrity and could eventually trigger cataclysmic political events throughout the country. Because Moscow had no clear goals for Chechnya or the North Caucasus other than to restore its centralized control (although initially it did have other domestic and foreign or national security goals in mind), it is now reaping the whirlwind of its irresponsible national security decision-making processes and risks years of continuing domestic strife.⁶⁸ Since the Russian administration's general cupidity does not inspire optimism about Chechnya's or the North Caucasus' future recovery, the entire North Caucasus could become a black hole, threatening Russia's stability and integrity however the war ends.⁶⁹

Since the Chechen threat seemingly confirmed the Russian elite's deeply felt fears of an internal breakup and of possible external support for it, this war has been the prelude to Putin's systematic assault upon Russian federalism, federal powers, and institutions. As a result, one of the casualties of the war has been not only Russian federalism but also the rule of law. Certainly many commentators have pointed out that there is no law justifying the activities of the Russian army and that the army is thus operating outside the law. Kimberly Zisk of Barnard College observes that whereas the Russian constitution openly states that where Russian law contradicts international law, the latter prevails, pointing out that the

government, when arresting people who gave medical assistance to wounded Chechen fighters, broke the Geneva Conventions and its own laws.⁷⁰

Equally unsurprising given the role of the media in undermining support for the first war and its natural inclination to be critical of the government—especially under politically engaged oligarchs like Vladimir Gusinsky and Boris Berezovsky, Putin’s government has also systematically repressed the media. Naturally the instruments of this repression—the armed forces, MVD, and the FSB—hide behind the threat of chaos and charge the media with undermining unity and working for the enemy. This war and the supposed growth in the anti-constitutional activities of extremist Islamic fundamentalists throughout Russia have duly provided excellent pretexts for enhancing the role of “the organs” against all dissent.

For example, in July 2000, a conference of the Security Council under Ivanov charged that these organizations’ activities “are taking on a more radical, politicized character and represent a real threat to state security” because of the internal political situation in parts of Russia and the penetration into Russia of foreign extremist organizations.⁷¹ Because the Chechen attack on Dagestan supposedly confirmed this threat and its linkage with international terrorism, the Security Council recommended actions enhancing the effectiveness of state organs of authority to regulate “the mutual relations of the state and religious associations, and the activities of foreign religious organizations” inside Russia.⁷² Since then, these recommendations have been put into effect and the members of the media have been subjected to much more intrusive police regulation, surveillance, and monitoring than was ever the case under Yeltsin.⁷³

Finally, given the deeply-held belief of some elites that Russia can survive internally as a great state only if it expands territorially, it is hardly surprising that—due to this war’s failure to end quickly—the General Staff has consistently charged Georgia and the leadership of the neighboring Russian province, Ingushetia, with aiding the rebels and has threatened to invade them; the General staff also is constantly fulminating against the threat posed by Islamic rebels to Central Asia and thus to Russia. Supposedly, this threat from Islamic terrorists, stretching—in Putin’s words, from the Philippines to Sarajevo, serves to justify a corresponding need to subordinate all the Central Asian and Caucasian militaries to Russia and then lead them against Afghanistan, the source of this international Muslim terrorist threat. It also has led Putin publicly to profess a belief in a domino theory, that if Russia loses Chechnya, it will lose Tatarstan, Bashkortostan, etc.⁷⁴ In 2000-2001 there were, in fact, repeated threats by the military leadership to invade Afghanistan once again, although fortunately cooler heads and some hard geostrategic realities prevailed.⁷⁵ Still, the charges against Georgia continue, as do the efforts to unify Central Asian militaries, now under the rubric of the Tashkent collective security treaty of 1992 or the new Shanghai-6 or the Shanghai Forum’s treaty of June 2001, which enlisted China as well in a military alliance against insurgency in Central Asia.⁷⁶

In this sense, the continuation of the war and the ensuing frustration of Russian goals might yet tempt the leadership into expanding their operations in a vain effort to achieve a conclusive victory. While this error is hardly unheard of in modern military history, it has never led to a satisfying outcome. Yet there are also increasing reports out of Moscow that

Putin, as well as many of his commanders, now realizes that this war will go on a long time and that meaningful change for the better in the performance of the Russian Army will be a long time in coming.⁷⁷ This has not stopped leaders like Ivanov from trying to justify the conduct of atrocities by these men, but it also is clear that the authorities are now much less eager to talk about Chechnya. It is equally clear that there is a strong connection between this war and domestic repression and centralization of power, as well as more expressions of the FSB's "enthusiasm" for discovering traitors, spies, etc., all over Russia.

Conclusion

Unless Moscow follows the example of Tacitus and makes a desert only to call it peace, it cannot win this war. And in such wars, not winning is tantamount to defeat. Defeat or stalemate risk the stability of the regime and Russia's own territorial integrity, precisely because it generates both an enormous pressure for centralized and despotic rule and an ever-growing defense burden upon an impoverished economy and society that can no longer afford to pay for it. Moreover, within the defense sector, the funds spent on Chechnya—and which are expended ineffectively or inefficiently or all too often stolen by regime officials and generals—are no longer available for upgrading Russia's defense capabilities or meeting its real threats.

As Moscow itself is now the center of gravity of this war and victory means only the creation of a permanent Ulster in the North Caucasus, it becomes clear that Kvashnin, Sergeev, Putin, Yeltsin, and their subordinates rashly launched an unwinnable war that put Russia's survival as a state at risk for mainly personal and sectoral objectives. And one need not doubt the reality of the Chechen threat to make this point. The issue here is not the significance or reality of the threat, but rather the nature, scope, and implications of Moscow's response to it. To forestall a general awareness of this fact—that the war's aims are not just anti-terrorism or defense of the realm—and to strengthen his own effective power which, as in all autocracies, is never sufficient, Putin has trampled on federalism, constitutionalism, freedom of the press, military democratization, and Russia's own hopes of future prosperity.

Arguably, much of what has happened in Russian political life since March 1999, when real war planning began, is the logical working out of the consequences of Putin's decision to not only implement those plans but to go beyond them towards total war. This war represents not just the military's and the government's efforts to achieve vindication for their own defeat at the hands of the Chechens in 1994-96, but it also, like that first war against Chechnya, is an extension of the impulse seen in 1991 and constantly revitalized afterwards to use force majeure to solve major political issues inside Russia. Therefore Peel's observation that Russia cannot be truly part of Europe until the war **and all that it represents** (emphasis mine) is perhaps truer than he knew.⁷⁸ If Russia remains in large measure different than and excluded from Europe, it will achieve neither security, nor democracy, nor prosperity.

As Chekhov observed, if a rifle is hanging on the wall in Act I, it will be used in Act II. This war represents at least Act III or IV in Russia's endless drama, and that rifle is still being used

with relative impunity and in blithe unawareness—or callous lack of concern for the costs in lives, democratization, true security, and material advances it all entails. But as this drama continues, who can say how, or when, or where, or by whom that rifle will eventually be laid to rest and what Russia, not just Chechnya will then look like?

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Russian Military Policy and the South Caucasus

Ariel Cohen

Since the ascendancy of President Vladimir Putin, Russia has been demonstrating a newly found assertiveness in the South Caucasus. However, in the long term, the Russian predicament will not be easy. The Southern Caucasus is a complex geopolitical environment—a multitude of ethnic and religious groups cramped into numerous ethno-territorial units. Nine state and sub-state entities and dozens of nationalities are vying for scarce resources and even scarcer investment in an area traditionally dominated by outside powers: the Russian, Ottoman, and Persian empires.

As Sergey Arutiunov of the Institute of Ethnic Studies of the Russian Academy of Sciences has suggested, continuous fighting between endogenous groups has gone on during the three thousand years of recorded history. Fighting ceased, at least temporarily, whenever an imperial presence, be it Persian, Ottoman, or Russian, was established. Therefore, it comes as no surprise that the fighting continues when no power dominates the region.

The real challenge for many leadership groups and elites in the region is to learn how to break out from the historical model of peace through outside imperial domination and to resolve crises without the use of force. One hopes that the peoples of the region will learn to prevent fighting and to resolve disputes by means other than the force of arms.

The geopolitical and geo-economic environment of the region is complex: three states have different orientations. Azerbaijan and Georgia are positioning themselves to benefit from being part of the East-West energy and transportation corridor (oil pipelines and TRASECA—the Europe-Caucasus-Asia Transport Corridor), while Armenia has aligned itself with a North-South axis—Russia and Iran. However, this latter axis is historically more established and has existed through the nineteenth and twentieth centuries, whereas a Western-oriented East-West axis is new. Whether both axes will work in the new century, or whether the regional and international rivalries will break on at least one of the axes, remains to be seen.

The countries of the South Caucasus and the region's territorial sub-state actors have so far demonstrated that they cannot work together, but there is no one outside entity, whether regional (Russia, Iran, Turkey), or Western, that can impose a framework of cooperation and peace. Even when the United States, Russia, and France gathered in the Minsk group, a satisfactory solution to the Nagorno-Karabakh conflict could not be found. Nor could the United Nations or friends of Georgia manage to find an acceptable resolution to the problem of Abkhazian separatism supported by Russia.

Russian Policy in the Southern Caucasus

Russia was slow to formulate its policy towards the Southern Caucasus. The military seemed to be interested in fanning the flames of conflict and instability in the early 1990s. Since that time, Moscow has done little to permanently resolve hostilities and to assist the region to transition to peaceful economic development.

After the collapse of the Soviet Union, elements of the Russian military and of the nationalist-communist portion of the political spectrum attempted to weaken Georgia; to meddle in Azerbaijani politics, including assisting with the removal of the pro-Turkish and independence-minded President Abulfaz Elchibei; to support Armenian gains in the Karabakh war, and to sell arms to all belligerents.

According to an anonymous high-level Georgian government source interviewed in Tbilisi in March 2000, at least some Russian interests were behind several attempts to physically eliminate President Shevardnadze and install a pro-Russian figure, but they failed. It is also possible that the assassination attempts were “messages” to Shevardnadze to reorient his policies towards Moscow.

Moscow is attentively watching developments in Georgia and Azerbaijan as the two “fathers of independence” serve out their second terms in office. Russia may still emerge as a major player in the transition periods in the post-Shevardnadze and post-Aliev periods. In Azerbaijan, Moscow may cut a deal if Ilham Aliev is already entrenched, but it also can cut a deal with a Soviet-era figure such as Rasul Guliev. It may decide that it prefers Aliev, the son, to a nationalist politician such as Isa Gambar.

In Georgia, there is no clear successor figure to Shevardnadze. Aslan Abashidze is seen as more pro-Russian than Shevardnadze, but as an Ajarian, he is unlikely to be accepted by the Tbilisi elite. Thus Moscow may reach out to other Georgians who are seen as more reliable, although even hard-liners in the Duma should understand that a notorious collaborator with KGB credentials, such as Igor Giorgadze, will not receive any support from the Georgian public. What is certain is that Moscow will seek “manageable” politicians without a pronounced Western orientation to succeed both Aliev and Shevardnadze.

To Stay or Not to Stay?

Some observers argue that Russia is making steps to disengage from the Caucasus, such as the introduction of the visa regime with Georgia and the further withdrawal of its troops from that country. Both Georgia and Azerbaijan have large diasporas in Russia, which are a source of revenue for hundreds of thousands of families back home. High-level Russian officials openly told the Georgian government that the visa regime, which hurts Georgia, might be cancelled if Tbilisi “cooperates” with Moscow in fighting Chechen terrorism. In the past, Moscow has demanded the right to position Russian troops inside Georgia, along the border with Chechnya, to prevent the Chechens from seeking safe haven in Georgia. So far,

Georgia has refused these Russian efforts. Many observers have suggested that these measures are designed to put pressure on Tbilisi and to make its foreign policy more manageable.

Moscow may be willing to accept increased separation of the region from Russia in order to concentrate on its relations with Europe, the United States, China, and other partners. It also may deliver a message that the countries of the South Caucasus need to maintain a strong relationship with their big northern neighbor and that they have much to lose if these relations sour. And energy ties, be they natural gas supplies and electricity lines from Russia or transit pipelines that facilitate exports of oil and gas through Russia, play an important role in the energy balance of the region. The Kremlin unabashedly seeks to exploit its power in order to impose a foreign policy *diktat* on its weaker neighbors, from the demarcation of national sectors on the Caspian Sea to its opposition to the Baku-Tbilisi-Ceyhan pipeline. President Putin's recent comment that Russia cannot impose a peace settlement between Armenia and Azerbaijan may be an example of post-imperial disengagement. However, the nature of Putin's professional training is such that he may say one thing and mean the opposite.

It is naïve, to say the least, to expect that Russia will abandon its ambitions in the Southern Caucasus and the Caspian Littoral. The nominations of the hard-nosed, if not hard-line, Victor Kalyuzhny, the former Energy Minister, as a special envoy for the Caspian, and of General Vladimir Trubnikov, the former head of the Russian foreign intelligence service, the SVR, as First Deputy Foreign Minister (with responsibility for CIS) both indicate that the Kremlin assigns great importance to the power and energy politics of the region, hardly a liberal approach.

Furthermore, the recent visit of President Putin to Azerbaijan, accompanied by the live-fire maneuvers of the Russian Caspian Sea flotilla and its visit to Baku, sent a chill down the spine of many politicians in the region. Russia has not resorted to gunboat diplomacy in the region since Soviet troops under Lenin and Stalin occupied the three republics in 1920–21 and put an end to their brief independence.

The conventional wisdom in the Clinton Administration was that if Russian energy players become partners with the Western transnational corporations, Moscow will be satisfied. The Russian oil companies, particularly powerful under the Yeltsin regime, were supposed to “smoothen” things back home. The question is, however, Will the Kremlin see the Great Game around the Caspian as a win-win or a zero-sum game? The participation of Russian oil companies in the Caspian deals may no longer be clearly equated with being in consonance with or reinforcing Russia's national interests.

During this author's trip to Moscow in November 2000, it was abundantly clear that private interests and those of the State are not the same, as often was the case under the Yeltsin Administration. The access of foreigners to the Russian government foreign and security policy makers has been made more difficult, as often was the case in the periods of more hard-line Russian policy. Analysts and policy makers will be required to discern who really speaks for the Russian state, who formulates its positions, and what Russian state

interests may actually be. This is not going to be easy, as the government in Moscow is quickly becoming much more opaque than it was under Yeltsin.

Russian Interests in the Caucasus: Regional Context

In December 2000, Russian Defense Minister Marshal Igor Sergeev visited Tehran, where he signed arms deals amounting to billions of U.S. dollars, including the transfer of ballistic missile technology and the training of Iranian technical experts in Russian universities. In Spring 2001, President Khatami will visit Moscow, and will sign still more multi-billion dollar arms contracts. This rapprochement and arms sales to Iran will prompt further foreign policy coordination between Moscow and Tehran, including issues in the Southern Caucasus—and issues in the Persian Gulf.

Both Russia and Iran view Turkey and its Western allies with suspicion, and they would like to eventually replace Western-oriented regimes in Tbilisi and Baku. However, at the same time, Turkey is emerging as an important energy customer and economic partner of Russia, with mutual business turnover close to \$10 billion a year. A strong Turkish lobby of politicians and businessmen now supports a closer relationship between Moscow and Ankara.

Iran and Russia may also compete as energy export routes from the Caspian basin. Thus conflicting trends of economic interdependence and geopolitical rivalry with Turkey and political rapprochement and economic competition with Iran may slow down—but not prevent—further development of a Russian-Iranian axis in the Caucasus.

Russian Military Agenda

The Russian military wants to prevent the flow of arms and combatants to Chechnya and to prohibit Chechen use of training camps or bases in the territory of the Southern Caucasus states. Turkish security services representatives claimed in 1999 that they had succeeded in training the Chechens in the territory of one of these states, but with the renewal of hostilities, the government involved shut down the training camp.

The Russian military stance vis-à-vis Georgia was particularly heavy-handed. The Russian military sent “messages” to the Georgians by bombing villages on Georgian territory; they also demanded the introduction of Russian border guards on the Georgian side of the border. President Shevardnadze called Marshal Sergeev in the fall of 1999 and refused to allow Russian troops to patrol Georgian territory, but he did offer to introduce OSCE observers and some Russians. The U.S. then-Deputy Secretary of State, Strobe Talbott, visited Tbilisi and assured the Georgians of U.S. support. He then visited Moscow and demanded that Russia reduce the pressure on Tbilisi. According to Steven Sestanovich, the former Special Advisor to the Secretary of State for the Newly-Independent States, speaking

at the Carnegie Endowment briefing in February 2001, Russian policy towards Georgia goes beyond a hard-edged defense of national interests. It is neo-imperialist.

Two Russian military bases will be closed in Georgia according to understandings reached at the Istanbul OSCE Summit in September 1999. However, the Russian military wants to keep Vaziani and Akhalkalaki bases, and it continues to control the three bases in Armenia and an early warning station in Azerbaijan. The latter is particularly necessary, as the nuclear tensions between Russia and the United States are mounting in view of American plans to develop and deploy a ballistic missile defense—a step Russia strongly opposes.

As long as Russia is engaged in Chechnya, it cannot concentrate its resources to recapture the Southern Caucasus. Russia managed to mobilize a rag-tag assembly of forces in the Second Chechen war: two motorized divisions from each of three armies (58th Army, and 8th and 67th Army Cops). The 67th Army Corps is a reserve structure with no active duty troops. The weakness of these units forced Russia to renegotiate the Conventional Forces in Europe (CFE) Treaty in order to reinforce the Southern flank.

Most of the forces in Chechnya Two were moved from elsewhere in Russia. The Pskov paratroop division was prominently featured and took numerous casualties. The 31st Airborne Brigade (“The Scorpion”) and other units were moved or flown from Moscow (Taman and Kantemirov divisions); other units included the Ulyanovsk Airborne and some elite units from as far away as Kaliningrad (on the Baltic Sea), the Pacific coast, and Siberia.

This means that a massive operation to recapture the Southern Caucasus, while theoretically feasible, will require a massive military effort and the concentration of an overwhelming force. With the deep cuts in the military announced in the fall of 2000 by President Putin, an outright war scenario to recapture the Southern Caucasus, Red Army style, is highly unlikely.

And while Russia may be able to reoccupy territory, holding territory is a totally different matter. The level of casualties in Chechnya and the inherent difficulty of mountain warfare indicate that Russian political leaders will think twice before attempting an outright military capture of the entire region.

Conclusion

Putin’s style of conducting Russia’s policy in the “near abroad” is almost the exact opposite of his predecessor’s. The reasons for this dramatic change are complex; they include a clearer focus and a desire to build a sphere of influence; a lack of “democratic” constraints; and differences in psychology and life experiences. Yeltsin had considered many CIS leaders as friends and colleagues. When this author visited Kiev in November 2000, Ukrainian officials disclosed that they had lost the opportunity to resolve issues between the two countries through a phone call between Presidents Kuchma and Yeltsin. “The personal friendship element is no more; it is all about interests; and it is all about hardball,” they said. This also

applies to Presidents Aliev and Shevardnadze, who shared the Soviet-era Politburo experience with Yeltsin. However, President Putin, who is young enough to be their son, shares none of that corporate solidarity. He will be “all business.”

Russia also is less likely to pay attention to what the United States is saying regarding the region. Moscow is frustrated that its voice was ignored on NATO enlargement, on building a missile defense system, on Serbia/Kosovo, and on Iraq. It is likely to ignore Washington's entreaties, should they come, to respect integrity and sovereignty of the NIS.

The use of economic levers of policy is becoming more pronounced—and quickly. Russia has successfully used its energy supplies to Georgia to shift that country's orientation from NATO to one of neutrality and to put pressure on its natural gas distribution and electric grids. Such an influential economic presence by Russian companies, which will literally have their finger on Georgia's power switch, may affect Georgian sovereignty much more than a dilapidated military base here and there.

Putin has demonstrated that he can play hardball—even if all he has is a small bat. However, in the case of the Southern Caucasus, Russia is still, relatively speaking, holding a strong hand: everything is relative, even in the Caucasus. With Putin in power and Sergey Ivanov running the Security Council, intelligence operations—including covert action and active measures—are becoming a preferred tool of Russian foreign policy. In addition, Russia is quickly mastering geo-economics, and it is maximizing its levers of power, be it energy supplies, access to pipelines, or visa regimes. It is only fair to expect that economic pressure and the intelligence components of Russian policies in the Caucasus will become even more pronounced in the future.

Russia and Central Asia under Putin: the Afghan Factor

Lena Jonson

Introduction

Since Vladimir Putin came to power, Russian policy has become much more focused on the determination to regain influence over former Soviet territory, especially in the countries of Central Asia. This paper sets out to analyze the response of Russian policy under Putin to major security challenges in South Central Asia, to identify dilemmas for Russian policy, and to discuss how these may influence Russia's policy and its prospects for influencing the region in the future. The term South Central Asia is used here to refer to the geographical area of Uzbekistan, Tajikistan, Kyrgyzstan, and northern Afghanistan. The major challenges in this area spring from what are referred to here as the Afghan, Tajik, and Uzbek factors in Central Asia. In this analysis, Russian policy in the context of the Afghan factor and its consequences in the region are examined. The challenges to Russia include both the threat of violent conflict and the reorientation of Central Asian states away from Russia in favor of other regional powers.

Regional security faces the challenges of potential political, economic, ethnic, religious, and territorial disputes and contradictions. In Tajikistan, a peace process followed the peace agreement of 1997, which ended five years of civil war. However, in this extremely fragile political process, the government lacks control over Tajik territory and has no capacity to prevent extremist or criminal groups from using Tajik territory as a base for their activities. In Uzbekistan, tensions between the regime and its Islamist opponents have led to extremist movements trying to summon resources to infiltrate Uzbekistan from neighboring countries (Tajikistan and Kyrgyzstan).

The situation in Afghanistan is considered a major factor behind developments in Central Asia. After the Soviet troop withdrawal from Afghanistan in 1989, turmoil, war, and religious extremism exploded during the 1990s and made the country a "black hole" into which it threatens to draw neighboring Central Asian societies. To Russia, the Taliban takeover in September 1996 was to become a watershed, and the increase of radical Islam and terrorist groupings in Uzbekistan, Kyrgyzstan, and Tajikistan is seen to be directly connected to the Taliban rule in Afghanistan.

At first glance, Moscow may appear to have been successful in strengthening military and security cooperation with Central Asian states and reorienting the most independently minded of them, Uzbekistan, back into the Russian orbit. However, it remains an open question whether Russia will be able to respond to the challenges to regional security in cooperation with the Central Asian states in the future.¹

The role of Russia in Central Asia changed radically during the 1990s. Even though it maintained close relations with several Central Asian states and although no other power was able to replace Russia in the region, there was a drastic decrease in Russian influence in the economic, political, defense and security sectors. After the break-up of the Soviet Union, Russia searched for a policy with which to respond to the new situation. More and more aware of its own weaknesses, it was forced into a process of adapting to the new circumstances and finding alternatives to old policies that proved inadequate or even counter-productive. Putin's policy marks a radical change in this regard—so far it has been a conscious effort to reverse the trend and increase Russia's influence. This increases the demands on Russian policy to handle what is considered to be the main source of instability, turmoil, and conflict in the area—namely, Afghanistan.

There is an assumption that Russian policy in response to the challenge emanating from Afghanistan faces a growing fundamental dilemma. The situation in Afghanistan increases both unanimity and tensions, not only within the Russian leadership, but also in Russia's relations to the Central Asian governments. An interesting aspect of this issue is how and to what extent a Russian "learning process" is taking place in the region, in the sense of Russia being forced by circumstances to adapt to new realities. To what extent is Russia searching for new and alternative ways, forms, and means of solving the dilemma and extending its international influence?

To understand whether such a learning process is taking place, it is relevant to analyze perceptions as well as policy. Certainly, Russian perceptions of the changes on the Central Asian scene change as the scene changes. Yet, the basic structures of the perceptions, the so-called beliefs, reflect a surprisingly large degree of continuity and change very slowly.² The analysis may therefore shed some light on the question of whether or not a "forced" policy response may contribute to a process of adaptation and revision of such basic beliefs. In short, do the circumstances contribute to a fundamental revision of belief systems, perceptions, and policy and—if that is the case—what are they replaced with? Or is there rather a sustained and persistent effort to live up to what is expected from these belief systems? This discussion is addressed at the end of this paper.

The first section of this paper describes the background of the Central Asian setting and the role of Russia. The next section presents an analysis of the Afghan factor in Russian images of threats to security. The third section analyzes Russian efforts to build a security arrangement in response, and the fourth section concentrates on Russian policy towards Afghanistan. The fifth section discusses the dilemmas faced in Russian policy making.

The Background: The Central Asian Setting and the Role of Russia

Russia's policy towards Central Asia since the break-up of the Soviet Union has been characterized by trial and error. After an initial period of more or less ignoring the Central Asian states, there followed a period, between 1993 and 1995, of larger interest but also considerable ambivalence. While Russian great power rhetoric urged integration with the

Central Asian states, Russian policy served to alienate them. In 1996, Foreign Minister Evgenii Primakov introduced a more realistic approach towards CIS integration and the Central Asian states than the great power rhetoric of President Yeltsin and his Foreign Minister Andrei Kozyrev. Primakov replaced the declaratory policy of integrating the Central Asian states into a multilateral CIS framework with a more diversified policy, which gave emphasis to bilateral relations, adapted to individual states. However, as Russia had limited resources and means with which to attract states into cooperation, the states of Central Asia reoriented themselves in other directions politically, economically, and also with regard to security. Russia had neither the policy nor the means to counter this trend.

Since Putin became Prime Minister, the Russian Government has put considerable emphasis on relations with Central Asia. Putin's first trips—as Prime Minister and then as newly inaugurated President—were to Central Asia. His policy has demonstrated a conscious effort to win back key states and has concentrated on the strategic issues of security and energy. He found common ground for developing security cooperation with the Central Asian states in the struggle against “international terrorism” and introduced a new focus on security relations with Uzbekistan in the struggle against this common enemy. The focus on Uzbekistan marked a change in Russian policy, as Kazakhstan was formerly Russia's most important ally in Central Asia.

Putin put considerable emphasis on energy issues as a means of reorienting Central Asian energy-producing states towards Russia. As a consequence, Russia finally launched in earnest the construction of the pipeline from the Tengiz oilfield in Kazakhstan to Novorossiisk on the Russian Black Sea coast in November 2000. In autumn 1999, in spite of the war in Chechnya, Russia also started the construction of a bypass route through Dagestan, in order to be able to ensure the Baku–Novorossiisk connection. Russia renewed its effort to persuade Turkmenistan to sign long-term contracts for increased deliveries of gas to Russia. Putin encouraged Russian companies to join in the race for investments and in the transfer and import of gas and oil from the Caspian region. In May 2000, Putin declared a policy of strengthening Russia's influence and countering foreign influence with regard to energy issues in the Caspian region, and he appointed a representative of the President with responsibility for matters relating to the Caspian region.³

Yet it is within the security field that Putin has been most active and also most successful. Coming to power in August 1999, first as Prime Minister, Putin introduced the “struggle against international terrorism and extremism” as a new catchphrase for military and security cooperation with Central Asian states. The incursion by Uzbek Islamists into southern Kyrgyzstan on their way to Uzbekistan from Tajikistan in August 1999, which closely followed the Chechen rebel incursion into Dagestan the same month, created the opportunity for such a policy.

Putin's policy innovations in the security field are characterized by a determined effort to concentrate on states considered by Russia to be strategically important. This resulted in the u-turn in relations with Uzbekistan during the autumn and winter of 1999. Until then, Uzbekistan had been described in the Russian media mainly as a leader of an anti-Russian coalition of states and a country that was rapidly reorienting away from Russia. Since Putin's

visit to Uzbekistan in December 1999 and the signing of the cooperation agreements, Uzbekistan's relations with Russia have been described in terms of a "strategic partnership," and Uzbekistan has been mentioned as a key security partner for Russia.

Putin has tried to strengthen bilateral military and security relations with countries in the region while advancing plans for selected multilateral security cooperation. Since the CIS summit meeting in January 2000, there has been a clear effort to replace the multilateral CIS by an expanding web of bilateral relations with Central Asian states. The effort to develop multilateral security cooperation was reflected in May 2000 by the general agreement of member states of the 1992 Treaty on Collective Security to build subregional multilateral structures.⁴ The Treaty summit on 11 October 2000 followed up with its decision to set up subregional security systems and subregional collective rapid forces.⁵

During his first one and a half years in power (first as Premier and since the March 2000 election as President), Putin thus demonstrated a more determined effort both to respond to security challenges and to regain influence for Russia on former Soviet territory. By making the issue of "international terrorism" a first priority on his political agenda and by connecting this issue closely to Taliban rule in Afghanistan, he raised the demands to deal with the challenge from Afghanistan.

The growing foreign engagement in Central Asia has been an issue of great concern to Putin. He has sought decisively to reverse the trend of Central Asian states looking to foreign assistance to beef up their own security. Deliveries of U.S., Chinese, and Turkish arms and equipment and assistance to meet the terrorist challenge in Central Asia have been viewed with great concern. Russia also fears that foreign involvement follows from the vulnerability of these states, as they are incapable of preventing other states from meddling. Russia has regarded the turmoil and war in Afghanistan over the centuries largely as a consequence of foreign interests, whether those of Great Britain, the Soviet Union, the United States, Pakistan, or any other country.

Putin formulates his policy within the framework of a belief system he inherited and to which he adds and deducts components. In 1996, Evgenii Primakov made the concept of "polarity" a cornerstone of official Russian foreign policy thinking, and it has been maintained by Putin in Russian military, security, and foreign policy doctrines signed in 2000. As Foreign Minister in 1996–98 and Prime Minister in 1998–99, Primakov strengthened the notion of Russia as a great power, in spite of the fact that Russia was weak and had lost its superpower status. In the foreign policy debate, Primakov recalled the achievements of Foreign Minister Prince Gorchakov, whose foreign and diplomatic policy in the late nineteenth century had restored a weak and tormented Russia to a strong international position. Primakov also introduced a more realistic understanding of Russia's present limitations into policy making and introduced a pragmatic, differentiated, and rather low-profile stance in relation to states on former Soviet territory.

The concept of "multipolarity" is in line with the Russian zero-sum tradition of understanding the world. It indicates a normal international situation, in which several "poles" compete and balance each other in the world. Since the early 1990s, however, this

natural state has been considered to be distorted. With the United States as sole superpower, the situation is now one of “unipolarity.” Russia, at present weak, is defined as a natural pole in need of supportive allies. In this context, close relations with Central Asian states become strategically very important. Russia’s weaker position in Central Asia and the increased cooperation of individual Central Asian states with other states are believed to be paving the way for foreign influence—to the detriment of Russia.

Vladimir Putin inherited these ideas, and it seems that he shares them to a large extent. He reintroduced the traditional definition of security as mainly involving military security, with force and military instruments playing a central role. In Putin’s world view, the main threat to security in Russia and Central Asia comes from “international terrorism,” and his response is consequently mainly military—to be carried out by the military, the police, and the security services. The focus on “international terrorism” has thus become the “prism” through which most phenomena and events are analyzed and policies formulated with regard to Central Asia.

The concept of multipolarity thus has consequences for the way Russia views its own international role. Putin’s emphasis on restoring a great power role to Russia and on traditional security assigns to Russia the mission of guaranteeing the security of Central Asia as well as of the Caucasus. Some Russian scholars and politicians heavily criticize the concept of multipolarity, as it ascribes to Russia an international role that it can hardly live up to at present. Thus the active role that Putin is now seeking for Russia in Central Asia is questioned in the Russian debate. The following view, published in a debate in the military supplement of the newspaper *Nezavisimaya gazeta*, is not the prevalent one in the media, but it clearly articulates worry and concern over Russia assuming a greater burden in Central Asia:

It is time to understand that Russia is at present too weak, too destroyed and lags much too far behind the rest of the world to load itself down with heavy sacks of Central Asian problems and once again play the role of the older brother all the more in a defense organization with unclear purposes. The only possible alternative for our country is the following: to keep away as much as possible from all possible conflicts, from all possible military alliances, and not to engage in any adventures in Europe of the Kosovo kind and especially not in Asia. It is time to release it from the utterly dangerous and absolutely unnecessary illusion that not a single issue in world politics can be solved without Russia.⁶

Central Asia and Russian Images of Threats to Security

In spite of the fact that Russia kept a low profile in Afghanistan in the early 1990s, the domestic developments in that country were watched with concern. Rival Islamic factions continued their fight for power, and the country became fragmented into a cluster of self-ruled and self-sustaining regions.⁷ In April 1992, the establishment of the Islamic State of Afghanistan was proclaimed. Since Burhanuddin Rabbani took over as a President in June 1992, he has been backed by Russia.

The turmoil in Afghanistan strongly influenced the situation in Tajikistan, which erupted into civil war in May 1992. The Afghan factor has remained a destabilizing factor for Tajik

society ever since—in spite of the June 1997 Tajik peace agreement, which started a fragile peace process. When civil war began in Tajikistan in 1992, the Islamic State of Afghanistan declared its neutrality. However, as civil war was also raging in Afghanistan, the Tajik opposition was supported by Afghan factions. Tajik opposition leaders found a refuge and were allowed camps on Afghan territory. Rival political factions in Afghanistan played the “Tajik card” in their own favor.⁸ The 13 July 1993 attack on a Russian border post on the border with Afghanistan, in which 25 Russian border guards were killed, became a watershed in Russian involvement in the Tajik civil war.⁹ The threat posed by turmoil, war, and Islamic extremism in Afghanistan was referred to when Russia and three Central Asian states decided to deploy CIS peacekeeping troops in Tajikistan in September 1993 and to invigorate the May 1992 Treaty on Collective Security. Russia deployed a larger number of soldiers and border guards in Tajikistan than in any subsequent conflict outside Russian borders on former Soviet territory.

The Tajik civil war strongly influenced Russian perceptions of threats to security on former Soviet territory. The May 1992 draft of the Russian military doctrine had mentioned this kind of conflict in the vicinity of Russia as a major threat to security—armed conflicts and war (including civil war) fanned by “political, economic, territorial, religious, ethnic, and other contradictions.” The Russian Military Doctrine of April 2000, on which Putin made his imprint, followed this up by mentioning “the existence of seats of armed conflict, primarily close to the Russian Federation’s state border and the border of its allies” as a major threat to security.

Since the early 1990s, the situation in Afghanistan has been presented as the major source of instability for Central Asia. Descriptions of the situation fit well into the threat images of such official Russian documents as the military doctrines of 1993 and 2000 and the national security concepts of 1997 and 2000. Russia fears the impact of the situation in Afghanistan on Central Asian security and—further down the line—Russian security. The Central Asian region has a large potential for exactly the kind of “political, economic, territorial, religious, ethnic and other contradictions” about which the draft of the Russian Military Doctrine had warned in 1992. Among the factors that the Russian Military Doctrine mentions as having a destabilizing impact on the military–political situation are the following: “the activities of extremist nationalist, religious, separatist, and terrorist movements, organizations and structures, the expansion of the scale of organized crime, terrorism, and weapons and drug trafficking, and the multinational nature of these activities.”¹⁰ The Russian National Security Concept of January 2000 gave special emphasis to terrorism as a “serious threat to the national security of the Russian Federation.”

Afghanistan is presented as the center of terrorist activities, and the Taliban regime is accused of financing and supporting terrorist groups in Chechnya as well as in Central Asia. In October 2000, Putin coined the expression “From the Philippines to Kosovo.” He explained, “We know for certain that the same extremist organizations and individuals are taking an active part in organizing and conducting terrorist operations across the world from the Philippines, Kashmir and Afghanistan to Kosovo and the North Caucasus.”¹¹ Russian authorities share with their colleagues in the United States the conviction that Osama bin Laden is financing the Taliban regime as well as its support for foreign terrorist groups. The

Taliban regime is accused of having made the country a refuge for international terrorism, with activities in Central Asia, Chechnya, and Xinjiang, and of hosting training camps for terrorists on Afghan territory.¹²

References in Russian official declarations to “religious extremism” imply, first of all, Islamism. Islamism is usually defined along the lines of the following words by the Russian Islam specialist Aleksander Ignatenko as the “efforts to create political conditions in order to apply Islamic (Sharia) norms in all spheres of human life.”¹³ Ignatenko reflects the common Russian understanding of Islamism as something emanating from outside Russia, without any domestic roots. He characterizes Islamism as something that penetrated Russian territory and today constitutes a parasite on Russian Islam.¹⁴

The Fergana Valley is usually pointed to as the major hotbed of fundamentalism and Islamism within Central Asia. The Taliban interpretation of Islam, however, is generally not accepted by the populations in Central Asia. Yet Russia fears that Taliban influence is encouraging the spread of radical Islam and strengthening Islamist groupings in Central Asia.

Russia shares the fear of separatism with the Central Asian, Chinese, and Iranian governments. The complicated ethnic composition of Tajikistan, Uzbekistan, and Afghanistan, with their large diasporas, encourages ideas of joining together the different ethnic kin in greater states. Such ideas constitute a threat to existing state borders. A 1994 report by the Russian Foreign Intelligence Service under its then director, Evgenii Primakov, mentioned the threat of political forces that want to separate northern Afghanistan and merge it into a new state entity with Tajikistan.¹⁵ With twice as many Tajiks living in Afghanistan as in Tajikistan, and significant minorities in Uzbekistan, such a “greater Tajikistan” would create a continuous Persian-speaking belt from the borders of China to the Persian Gulf, “a belt that would rival the Turkish belt to the north.”¹⁶ In Uzbekistan, unofficial pan-Turkic ideas in favor of a “greater Uzbekistan” or “Turkestan,” give rise to worry and concern among neighboring states. In the Russian political debate, it has been argued that Russia has to balance between these two political-cultural spheres—the Persian-speaking and the Turkic-speaking belts.¹⁷ The offensives by radical Islamists in Kyrgyzstan and Uzbekistan revived the fear of the prospect that an Islamic state of the Fergana Valley would be created. In the Russian media, the Islamic Movement of Uzbekistan, under Djuma Namangani and Yuldash, has been accused of putting forward such plans to create a khalifat in Central Asia, with the Fergana Valley as the core area, and a territory covering major parts of the Central Asian states plus Xinjiang in China.¹⁸

There are different views among Russian observers on the role of Islam in the terrorist activities in South Central Asia. Many observers draw the conclusion that these groups are better characterized as mainly criminal, sometimes with a political agenda, and as using religion only as a cover for illegal activities. They are accused of being involved in drug trafficking, which has developed into a major problem and turned Afghanistan into the largest drug producer in the world.¹⁹ Russian experts point at four main roads for drug trafficking across Central Asia: (a) Kandahar-Heart-Turkmenistan-CIS-Europe; (b) Kandahar-Balkh-Dzhauzdzhau-Uzbekistan-CIS-Europe; (c) Kunduz-Khatlon in

Tajikistan-Russia-Europe; and (d) Peshavar Chitral in Pakistan-Badakshan in Afghanistan-Gorno-Badakshan in Tajikistan-Kyrgyzstan-CIS-Europe.²⁰ Drug trafficking, organized crime, and arms smuggling provide the basis for corruption in Central Asian countries, which has developed into a major liability for Central Asian political systems.

Tajikistan and Kyrgyzstan are especially vulnerable, as their governments do not fully control their territories. This is especially true of Tajikistan. Tajikistan has repeatedly been accused of harboring Uzbek Islamist fighters in the central-eastern parts of the country; Djuma Namangani, the leader of the Islamic Movement of Uzbekistan, is believed to live in Tavildara.

As the Taliban forces advanced north, closer to the Central Asian borders, the number of refugees waiting on the Afghan side to cross the borders increased. In October 2000, there were estimated to be between seventy thousand and one hundred and twenty thousand refugees close to Afghanistan's northern border. There is a general fear that an inflow of refugees will not only bring weapons, drugs, and fighters into Tajikistan, but will also influence the fragile domestic situation.²¹

Russia and Security Cooperation in the Area

Russian security arrangements in South Central Asia include both multilateral arrangements within the CIS—such as the May 1992 Treaty on Collective Security—and bilateral agreements. Russia has not been successful in developing multilateral CIS cooperation because Central Asian member states have been reluctant to develop such forms of cooperation. Thus Turkmenistan never joined the Treaty and has avoided all CIS military cooperation. Uzbekistan never extended its Treaty membership when it expired in April 1999, and it steers clear of CIS multilateral military agreements.

The incursion, in August 1999, of Uzbek Islamists from Tajikistan into south Kyrgyzstan led Russia to put forward new initiatives for a joint struggle against international terrorism, extremism, and separatism in Central Asia. As in their response to the Chechen rebel incursion into Dagestan at that time, the Russian authorities considered a military response to be the most appropriate.

However, when Uzbek Islamists moved from Tajikistan into Kyrgyzstan and Uzbekistan in September 1999, Russian Defense Minister Igor Sergeev made it clear that Russia would only send military-technical assistance to Kyrgyzstan and no soldiers. No troops from the Russian 201st Motorized-Rifle Division in Tajikistan were transferred to Kyrgyzstan. Within the Russian establishment, however, there was support in autumn 2000 for the use of Russian troops. In September 2000, the Russian media announced that Uzbekistan had asked for Russian military assistance, including Russian troops. The Uzbek Government immediately denied this, claiming that it had no plans to invite Russian troops and accusing the Russian Government of disinformation.

The Russian Government has seemed torn between its wish to strengthen its influence by contributing troops to combat “international terrorism,” on the one hand, and its limitations due to its limited resources, on the other hand. Therefore, from time to time, there have been voices and signs in favor of a stronger Russian presence in the region, but no reinforcements have so far been sent. In August 2000, Defense Minister Sergeyev seemed to come out in favor of a stronger Russian military presence. He suggested that Russia’s positions in Central Asia be strengthened and that Russia take a more active stance with regard to Islamic extremists in Uzbekistan and Kyrgyzstan. On 1 September 2000, the Military News Agency reported that Sergeyev sent the President a report on the “Combat Commonwealth 2000” joint tactical exercise and the consultations of the CIS members, which just had taken place. Sergeyev’s conclusions were interpreted as an open call for military intervention in Central Asia. The Russian Ministry of Foreign Affairs was reported to have been amazed by this initiative.²² Chief of the Russian General Staff General Kvashnin—Sergeyev’s main rival in the struggle for military reform—was already in favor of such an idea. Yet, Sergey Ivanov, Secretary of the Russian Security Council, seemed not to be in complete agreement with the suggestion when, in December 2000, he declared that, in spite of planned cuts in the Russian armed forces, it was still “necessary to adequately react to the complicated military-political situation... together with our allies in Central Asia.” To clarify his statement, he said that this was not so much a question of increasing the number of men as of increasing the level of combat readiness.²³ Instead of sending troops, Russia proposed the setting up of a subregional security system and the creation of a collective rapid deployment force in Central Asia as a way to share the responsibilities and the costs for missions in Central Asia.

At an emergency session of the CIS Council of Defense Ministers in Moscow on 15 September, Vladimir Putin announced the establishment of an “anti-criminal coalition” in order to handle extremists “everywhere from the Caucasus to the Pamir.”²⁴ The CIS summit meeting of 25 January 2000 decided that an interstate program of joint measures to combat extremism, terrorism, and organized crime was to be drawn up.²⁵ The CIS summit in June 2000 adopted an anti-terrorist program and decided to set up an Anti-Terrorist Center.

On 24 May 2000, the summit of the Treaty on Collective Security agreed on a new focus on international terrorism in the document “Memorandum on Increasing the Effectiveness of the Treaty and its Adaptation to the Present Geopolitical Situation” and decided to create regional security systems.²⁶ The Treaty summit in Bishkek, on 11 October 2000, followed up with the general decision to set up collective forces. According to the summit document, troops can be sent to the territory of a member state to avert external aggression and to carry out joint counter-terrorist operations—if such a request for help comes from the state concerned. Participation has to follow national legislation, which means that Putin needs the support of the members of the Russian Federal Council.²⁷ However, the agreement dealt only with the general principles for such measures, and the general staffs were given the task of working out the specifics concerning the composition of troops, their mobilization preparedness, and financing.²⁸ It seems, however, that the Central Asian states remain reluctant to enter permanent military structures and take on obligations, as they demonstrated earlier with regard to proposals to create a permanent CIS peacekeeping mission.

Under the label of the anti-terrorist struggle in 2000, bilateral agreements were signed between Russia and individual Central Asian states on cooperation between the military establishments, border troop services, security services, and ministries of the interior. Agreements were signed on training of Central Asian military forces at Russian military schools. Large military exercises were carried out in Central Asia, starting in October 1999 with “Southern Shield 1999.”

Thus Russia’s military and security relations have increased with all Central Asian states except Turkmenistan. The most remarkable of these are the agreements with Uzbekistan. Agreements on security and military cooperation were signed after Putin’s visits to Tashkent in December 1999 and May 2000. Today, Uzbekistan is participating on an operational level in military cooperation within the CIS, in other words, in meetings of the CIS Council of Defense Ministers and in joint command-staff exercises with regard to air defense and ground forces.

However, it is important to point out that the definition of who constitutes the enemy—who is the “terrorist”—varies from country to country. There are, therefore, built-in tensions between the Central Asian states on the issue of fighting “international terrorism.” They all define the enemy mainly from their own national perspective. Uzbek forces concentrate on the threat from the Islamic Movement of Uzbekistan.²⁹ Fear of Islamist extremists made the Uzbek authorities intervene in the neighboring countries in the spring and summer of 1999. Uzbek security services were ordered onto the territories of Kyrgyzstan and Kazakhstan to pursue ethnic Uzbek Wahhabites there.³⁰ These activities by the Uzbek authorities were viewed with concern by the Tajik and Kyrgyz governments. Large diasporas of Uzbeks in neighboring countries constitute an additional source of conflict as tensions grow within Uzbek society between the regime and its critics, first and foremost radical Islamists.

Furthermore, Central Asian leaders do not fully agree with Russia on how to respond to the threat of “international terrorism.” They, President Islam Karimov of Uzbekistan in particular, have turned to international organizations—the United Nations and the OSCE—requesting them to take measures to deal with the problem of international terrorism as well as to bring peace and stability to Afghanistan. At meetings with Russia and the Central Asian states, Uzbekistan has repeatedly requested that the United Nations and the OSCE engage more actively in the issues of international terrorism and of how to bring peace and stability to Afghanistan. In a joint political statement in October 2000, President Islam Karimov and Turkish President Ahmet Necdet Sezer agreed on the “need to settle regional security issues in coordination with the UN, the Organization for Security and Cooperation in Europe and NATO.” They also called for the establishment of a Central Asian anti-terrorism center under UN auspices. The proposal was understood by observers as designed to counterbalance the Russian-led anti-terrorism center, which Uzbekistan has declined to join.³¹

As Uzbekistan cannot be expected to remain a stable ally of Russia for long, the emphasis on Uzbekistan seems to be a major weakness in Putin’s new security arrangement, which builds to a large extent on the Russia–Uzbekistan axis. This could explain why different opinions have emerged within the Russian leadership on whether or not Russia would be

better off strengthening its military presence in Central Asia. Potential seeds of serious disagreement between Russia and Central Asia lie in the issues of terrorism and Afghanistan.

It should be mentioned that Russian-Central Asian security cooperation in a joint anti-terrorist struggle paves the way for a modernization of Central Asian militaries and the delivery of Russian arms and military hardware to Central Asian states. In June 2000, the member states of the Treaty on Collective Security signed an agreement on military-technical cooperation. The agreement made it possible for the member states to buy equipment at a reduced price, that is, at the same price as the army of the producing country. This makes the price very attractive and speeds up the process of modernization among the armies of the member states.³² At the CIS summit meeting in Bishkek in October 2000, it was decided that Russia would deliver armaments, including aircraft (Su-25s, attack helicopters) and armored vehicles suitable for mountain warfare.³³ Russia has entered bilateral agreements, for example with Kyrgyzstan, on Russian technical equipment in order to strengthen the southern border of Kyrgyzstan and to modernize and repair communications equipment along the Kyrgyz-Chinese border.³⁴

Russia and Policy towards Afghanistan

As mentioned above, Russia has maintained a low profile with regard to Afghan internal affairs. The Taliban takeover of Kabul in September 1996 changed the scene. Russia reacted strongly and tried to rally the Central Asian states against the threat of the Taliban crossing the border into Central Asia, and it used the situation to promote Russian military integration with Central Asian states.³⁵ The Central Asian reaction, however, was not as expected. Turkmenistan refrained from any joint measures; referring to its status as a neutral country, it also called the issue an internal Afghan one and sought instead to find a role as a possible arbitrator among the warring Afghan factions. Kazakhstan displayed concern, but since its frontiers are far from Afghanistan, its concern was less urgent than that of Uzbekistan, Kyrgyzstan, or Tajikistan. The Taliban takeover in 1996 increased Russia's efforts to rally the Central Asian states against the Taliban and to establish military and security cooperation in defence against the Taliban threat.

Since the Taliban appeared on the political scene in Afghanistan, Russia has supported the anti-Taliban Northern Alliance, led by its two commanders—ethnic Uzbek Abdurashid Dostum and ethnic Tajik Akhmed Shah Masoud. Their strongholds are in northern Afghanistan, where ethnic Uzbek and Tajik minorities live. When the Taliban advanced north in the summer and autumn of 1996, Uzbekistan initiated active measures to fortify its southern frontier. At that time, Russia's General Staff, in cooperation with Uzbekistan's Defense Ministry, began to elaborate plans to resist possible aggression by the Taliban. Over the next few years, Russia assisted Uzbekistan in equipping the military forces of Dostum. However, when areas controlled by Dostum in northern Afghanistan were taken over by the Taliban in 1998 and Dostum was ousted, Uzbekistan stopped referring to a "Taliban threat." In August 1998, Uzbekistan joined Turkmenistan in claiming that the war in Afghanistan

was of a domestic character and that the only real reason for concern was the possible influx of fugitives to the CIS countries. Uzbekistan became a firm supporter of a negotiated solution to the war.³⁶ Russia, which previously had common interests with both Uzbekistan and Iran in ousting the Taliban from power in Kabul, thus lost the chance of influencing the situation in Kabul with the help of Tashkent.

As the Taliban advanced to the Uzbek border in 1998, Russia continued its political and material support of Masoud. From 1998, Masoud was left with control of a shrinking strip of land in northeast Afghanistan, close to the Tajik border. At the end of 1999, the Taliban authorities claimed control of 80 percent of Afghan territory. Given the Taliban success when they intensified their offensive against Masoud in the spring of 2000, Russia became frustrated at its inability to find an effective response to the situation. In July 2000, Russian observers feared that the Taliban were waging the final offensive against the opposition of the Northern Alliance.

Russian media repeatedly reflect the fear that the Taliban will cross the border into Central Asia. Immediately after the Taliban takeover of Kabul in September 1996, Alexander Lebed expressed fear that Taliban expansion would continue all the way into cities in the heart of Russia. The fear is understandable, as Russia hosts a large Muslim population that is undergoing an Islamic renaissance. In contrast to this view, statements by Russian commanders of the Federal Border Guard service along the Tajik-Afghan border reflect neither fear nor expectation of any Taliban territorial expansion across the borders to Central Asia. During the years of Taliban rule, the commander of the Russian border troops has claimed that there is no increased threat along the Tajik-Afghan border and that it is not plausible that Taliban forces will cross the border into Tajikistan, Uzbekistan, or Turkmenistan.³⁷

The threat from Afghanistan and the increasing activities of “international terrorists” in 1999 and 2000 in southern Kyrgyzstan and Uzbekistan not only increased the fears of the Russian leadership about the possible consequences for Central Asia, it also added to contradictions and interdepartmental struggles within the Russian leadership as to how to respond to the threat.

The issue of whether Russia would increase its support for Masoud was again raised by the incursion of terrorists in Kyrgyzstan in 1999. The debate was reflected in the media, where individual articles argued in favor of increased assistance to Masoud and his troops. When, in spring 2000, Masoud was forced to further retreat by the Taliban offensive, Putin’s spokesman Yastrezhemi raised on, 23 May 2000, the possibility of a preventive air attack against Afghanistan and what was said to be training camps for terrorists. This was confirmed by Russian officials, including individuals as high up as the highly influential Secretary of the Russian Security Council Sergey Ivanov, Defence Minister Igor Sergeev, and Deputy Prime Minister Ilya Klebanov.³⁸ Sergey Ivanov declared that Russia might consider bombing Afghanistan to prevent it from supporting and encouraging terrorist activities in Central Asia, saying that Russia would not rule out any methods or means.

Even if all member states of the Treaty on Collective Security shared the view that Afghanistan constitutes a key source of instability in Central Asia, they did not agree to air strikes. President Karimov of Uzbekistan (since April 1999, no longer a Treaty member) made it clear that he thought the very idea ridiculous. In the Russian media, experts questioned whether Russia would have the military capacity to strike.³⁹ Other experts, such as Konstantin Zatulin, regarded the warnings as a kind of test balloon. It came as no surprise when Ivanov had to back down from his statement.

When the October 2000 CIS summit meeting in Bishkek decided to create a CIS collective rapid reaction force, Sergey Ivanov stressed that by this decision the CIS member states indicated no intention of attacking Afghanistan. Preventive measures with regard to Afghanistan would be only of a political-diplomatic character, he said.⁴⁰ At the Bishkek summit, the member states asked the United Nations and the OSCE to launch a process of regulating the situation in Afghanistan.

It became increasingly difficult for Moscow to deal with the issue of Afghanistan as Central Asian states in general, and Uzbekistan in particular, so clearly distanced themselves from Ivanov's warnings and, instead, seemed to adapt to the fact that the Taliban were in power in Afghanistan. Uzbekistan, which had already become less militant in its stance against the Taliban in 1998, became more conciliatory towards the Taliban as its forces advanced further to the north in the summer of 2000. On 22 September 2000 at the Millennium Summit, President Karimov declared that it was necessary to study the influence and possibilities of the Taliban and to reach agreements with them.⁴¹ In October 2000, talks were initiated between the Uzbek and Afghan Ambassadors in Pakistan on the possibilities for trade and for opening up a "port" at the Uzbek-Afghan border.⁴² Turkmenistan has continued its policy of maintaining normal relations with the Taliban and has not joined any of the CIS joint declarations and activities against the Taliban since 1996. Instead, Turkmenistan opened a consulate in Afghanistan, started delivering electricity, and began increasing trade across the two countries' border. Kazakhstan, from its distance, had never been very concerned about the "Taliban threat," but in the autumn of 2000, it spoke in favor of talks and contacts with the Taliban. On 6–7 November, Kazakh leaders stated publicly that they had been in contact with the Taliban for more than a year, described the Taliban as a major, legitimate political force, and called for an end to the fighting and outside interference in the conflict. Prime Minister Kasymzhomart Tokaev declared that "in no way should the Taliban be made into an object of ostracism."⁴³ Like Turkmenistan and Uzbekistan, the Kazakh Government also called for pacification in northern Afghanistan, accommodation with the Taliban authorities, and internationally sponsored economic reconstruction in Afghanistan as a whole.⁴⁴ In October 2000, the Tajik Government, which has not been interested in either recognizing the Taliban or initiating a dialogue, declared that it does not consider the Taliban to be a direct threat to Tajik national security. Most Tajik political scientists held the opinion that the Taliban would not cross the border from Afghanistan.⁴⁵

In the autumn of 2000, there were reports that Russian civilian and military officials were establishing contacts with the Taliban on the Tajik-Afghan border.⁴⁶ Yastrezhenski's trip in September 2000 to Central Asia and to Pakistan also raised speculation in the Russian media that he had also discussed the issue of initiating talks with the Taliban. The Russian side, of

course, denied this.⁴⁷ During the autumn of 2000, individual voices within Russia, among them Russian politicians, made statements in favor of recognizing the regime in Kabul.⁴⁸ The fact that the Taliban regime had recognized Chechnya's independence, however, made it unrealistic to believe that Russia would recognize the Taliban regime.

Instead of air attacks, Moscow found other ways of increasing pressure on the Taliban regime. At the CIS summit meeting in mid-October, Sergey Ivanov, denying that there were any plans to reinforce Russian troops in Tajikistan and rejecting all plans to carry out strikes in Afghanistan, declared that Russia intended to exert only diplomatic pressure on the Taliban as a preventive measure.⁴⁹ In the United Nations, Russia lobbied in favor of a UN Security Council resolution on strengthening sanctions against Afghanistan.⁵⁰

At the same time, Moscow stepped up its direct military pressure on the Taliban regime. On 26 October 2000, Defense Minister Ivanov met the leader of the Northern Alliance, Akhmad Shah Masoud, in Dushanbe to discuss the situation in northern Afghanistan and measures against the Taliban threat.⁵¹ Russia increased its support for Masoud in the form of deliveries of military equipment and hardware, and according to Russian military analyst Pavel Felgenhauer, Russia's support for the Northern Alliance in Afghanistan assumed more intrusive and overt forms.⁵² The deliveries by the Russian Ministry of Emergency Situations of two planeloads of what it described as humanitarian supplies to the Masoud-controlled corner of Afghanistan, via Tajikistan, were made public by the Russian media when two publicized flights seem designed to inaugurate and legitimize supply lines to Masoud from Moscow and Tehran.⁵³

Turkmenistan and Uzbekistan declared their views on both military support for Masoud and international sanctions against Afghanistan. The Turkmen representative at the United Nations announced at the fifty-fifth session of the UN General Assembly that "a dialogue and cooperation with the Taliban in Afghanistan will be much more productive than international isolation." She argued that anti-Afghan sanctions would be counter-productive because they would hurt the ordinary Afghans. Instead, inter-Afghani negotiations under the aegis of the United Nations were recommended. Uzbek President Karimov echoed these ideas during a trip to Ashkhabad: "We want the Afghani people itself to solve the existing problem. It will happen as soon as external meddling stops."⁵⁴

As the Central Asian states differed from Russia in their approach to how to deal with the Taliban regime, the Russian tone towards them sharpened. On 9 November 2000, Secretary of the Russian Security Council Sergey Ivanov issued a warning that states that assisted the Taliban financially and militarily or entered into talks with them risked "severe sanctions" from Russia. The warning was understood by observers as directed partly at Central Asian states, all of which were—to varying extents—moving towards talks with the Taliban regime in the hope of establishing economic relations with them.⁵⁵

On 21 December 2000, the UN Security Council adopted a resolution (SCR 1333) that was initiated by Russia and the United States and introduced limited sanctions against Afghanistan if the Taliban regime did not extradite the international terrorist Osama bin Laden. The sanctions included a ban on air traffic to and from Afghanistan and an arms

embargo. The resolution demonstrated that Russia and the United States had come to an understanding on the issue of Afghanistan and international terrorism, which had already resulted in cooperation at the high-level diplomatic talks of August 2000.

Even if Russia seemed to have found common interests and a common approach with the United States on the issue of the Taliban, the Afghan factor has posed a dilemma for Russian policy making with regard to the Central Asian states. The voice of the Central Asian states may be weak, but the issue reflects the diverging interests and policies of Russia and these states.

Prospects for the Future

Russian policy in Central Asia has become more active since Vladimir Putin came to power, and there seems to be a resurgence of Russian influence in the region. However, it remains an open question whether Russia will be able to respond to the challenges in the volatile area of South Central Asia. There are signs that Russian policy making is facing fundamental policy dilemmas in responding to the challenge of international terrorism and the Afghan factor in Central Asian security.

Russia under Putin has given strong emphasis to the efforts to build a security regime, together with Central Asian states, for the struggle against international terrorism. Uzbekistan has been given a central role in these Russian efforts, in spite of the fact that Uzbekistan is not a member of the Treaty on Collective Security. Uzbekistan has rejoined close cooperation with Russia on military and security issues, yet President Karimov remains careful and reluctant to enter permanent cooperative structures with Russia or the CIS. Karimov does not seem prepared to abandon Uzbekistan's independent foreign policy. Uzbekistan may turn out not a loyal ally in the long run, in spite of Russia's present investments in Uzbekistan's security.

Uzbekistan has entered into security cooperation with Russia because this fits not only its domestic agenda of struggling against the Islamists, but also its political opposition in general. The repressive character of the Uzbek political system may have a backlash effect on Russia when the political transformation of the Uzbek domestic scene is triggered, if not before, at least when Karimov leaves the scene. The Uzbek attitude towards its kinsmen in neighboring countries also creates tension in inter-state relations. Uzbekistan may thus turn out to be a troublesome ally for Russia. Russia's fear of "losing" Uzbekistan to foreign interests in some kind of zero-sum game makes it fully support the Uzbek regime, irrespective of whether it is to the benefit of Russia's long-term interests in the region. For the price of stability and influence in the short term, Russia may have to pay with instability and a loss of influence as the transformation process starts in Uzbekistan. Had Russia not viewed Uzbekistan in the context of a strategic zero-sum rivalry with the West, Russia and the West might have been more able to cooperate and assist in responding to many of the internal challenges that often flow from the social and economic problems facing Uzbekistan.

Afghanistan is regarded as the main source of instability and threats to the security of Central Asia, and the Taliban regime is responsible for encouraging and supporting separatist and terrorist movements in the wider region. A harder Russian policy towards the Taliban regime is focused on material support for the Northern Alliance, the threat of air strikes, and international sanctions. However, there is a danger that such a policy will only aggravate civil war and the humanitarian situation in Afghanistan and breed instability in the region. It will increase the number of refugees and breed drug trafficking, extremism, and corruption, with consequences for the vulnerable societies of Tajikistan, Kyrgyzstan, and Uzbekistan. The Central Asian governments, therefore, seem to prefer normalization with the Taliban regime in order to try to regulate border control and relations with Afghanistan. Central Asian leaders consider that further material support for the anti-Taliban leader, Ahmad Shah Masoud, will prolong the state of turmoil in the region. The more Russia's approach towards the Taliban hardens, the more its approach to the Taliban problem diverges from that of Central Asia as a whole.

Russia and the United States have initiated cooperation with regard to Afghanistan. They are searching for a solution to the Afghan conflict and for common ground to fight the Taliban regime. They participate in the "six plus two" talks on Afghanistan. In August 2000, they also entered bilateral talks on Afghanistan and decided to set up a working group to combat the terrorist threat from Afghanistan's territory.⁵⁶ They are in agreement concerning the role of Osama bin Laden, and together they lobbied in favor of UN Security Council Resolution 1333 of 21 December 2000 on the introduction of sanctions against Afghanistan. Russia may believe it will find support from the United States for a tougher policy toward Afghanistan.

Yet Russian policy toward Afghanistan can be seen in the tradition of a zero-sum game. Military cooperation with the Central Asian states is regarded by Putin as a crucial means to keep them together and close to Russia and to prevent outsiders from entering the scene. The issue of the Taliban threat is central in this regard. Yet the most effective response to the threats emanating from turmoil, war, and the Taliban regime may be of a very different kind. At the end of the day, Russian policy makers may face only two options: either to adopt tough measures against Afghanistan or to attempt to change the Taliban by normalizing relations with them. Both options have their costs.

Vladimir Putin is determined to regain great power status for Russia, and he has initiated a more active and determined approach in trying to counter Russia's waning influence in Central Asia. Russia is once more trying to assume the heavy burden of security guarantor for Central Asia, although the dilemmas Russia faces in formulating policy in the area may force them to revise their policies. The extent to which Russia is capable of taking on this role and bringing stability to the region remains to be seen.

ENDNOTES

1. This issue has also been dealt with in Lena Jonson, "Russia and Central Asia," in *Central Asian Security Dynamics: The New International Context*, eds. Lena Jonson and Roy Allison. (Washington DC: Brookings Institution/The Royal Institute of International Affairs, 2001); Lena Jonson, "The Security Dimension of

Russia's South Central Asian Policy," *Russia Between East and West*, ed. Gabriel Gorodetski. (London: Frank Cass, forthcoming); Lena Jonson, *Russia and Central Asia: a New Web of Relations*, (London: The Royal Institute of International Affairs, 1998).

2. Information is processed through pre-existing "knowledge structures" (systems of schematized and abstracted knowledge that scientists tend to label 'belief systems.' Hewes and Planalp, quoted by Christer Jönsson, "Cognitive Theory," *International Negotiation. Analysis, Approaches, Issues*, ed. Victor Kremenyuk, (San Francisco and Oxford: Jossey Bass, 1991), 232.

3. Viktor Kalyuzhin was appointed. He has a Lukoil connection. Vyacheslav Trubnikov, Director of the SVR and a South Asia expert, was appointed First Deputy Foreign Minister with responsibility for CIS affairs.

4. An example from the field of economics is the new focus on smaller cooperative structures to replace the CIS; another is the reorganization of the CIS Customs Union into the new Eurasian Economic Community on October 10, 2000.

5. Liudmila Romanova, "Sozdaetsya tsentralnoaziatskaya sistema bezopasnosti. Tamozhennyi soyuz stal Evraziiskim ekonomicheskim soobshchestvom," *Nezavisimaya gazeta*, October 11, 2000, p. 1.

6. Andrei Mikhailov, "Gepolititicheskaya lovushka dlya Moskvy," *Nezavisimoe voennoe obozrenie*, 2000, no. 24 (July 7–13, 2000), 1–2.

7. Vyacheslav Belokrenitsky, "Russian-Afghan relations," *Russia and Asia: The Emerging Security Agenda*, ed. Gennady Chufirin (Oxford: SIPRI & Oxford University Press, 1999), 199.

8. *Afganistan: problemy voiny i mira*, ed. A. D. Davydov. (Moscow: Institut Vostokovedeniya RAN, 1996), 144.

9. Lena Jonson, *The Tajik War: A Challenge to Russian Policy* (London: The Royal Institute of International Affairs, 1998).

10. The translation in Alexei Arbatov, *The Transformation of Russian Military Doctrine: Lessons Learned from Kosovo and Chechnya*, in *The Marshall Center Papers*, no. 2, (Garmisch: The Marshall Center Papers, 2000).

11. Putin to the Indian Parliament. RIA News Agency, Moscow, October 4 2000, *BBC Monitoring Service* SU/3963 B/3.

12. See, for example, the declarations from the CIS meeting of the commanders of border troops on February 19, 2001, *Interfax*, February 20, 2001.

13. See also Aleksei Malashenko, who makes a clear distinction between fundamentalism and Islamism, defining the latter as the political practice of efforts to create an Islamic state. Aleksei Malashenko in *Political Islam and Conflicts in Russia and Central Asia*, ed. Lena Jonson and Murad Esenov (Stockholm: The Swedish Institute of International Affairs, 1999).

14. Aleksander Ignatenko, "Ot Filippin do Kosovo. Islamizm kak globalnyi destabiliziruyushchii factor," *Nezavisimaya gazeta*, October 12, 2000, p. 8. Ignatenko recommends the following measures: To de-politicize Islam and de-Islamize politics to exclude intervention by Islamic organizations in the socio-political sphere, to limit or prohibit activities of foreign Islamic religious organizations (specifically the spread of Islamism as Wahhabism or Khomeinism) in Russia, to implement the principle of the secular character of the state, and foreign policy priorities in favor of cooperation with countries which do not use Islamism in their policy towards Russia or at least do not use it against Russia.

15. "Nuzhdaetsya li v Korrektirovke Pozitsiya Zapada?" *Rossiyskaya Gazeta*, February 22, 1994, p. 6.

16. Anthony Hyman, "Afghanistan and Central Asia," in *Security Politics in the Commonwealth of Independent States: The Southern Belt*, Mehdi Mozaffari, ed. (London: Macmillan, 1997), 125.
17. See analyses by Alexander Umnov
18. See, for example, the article by Yurii Egorov, "Trebuetsya zelenyi tsvet," *Sodruzhestvo NG*, no. 7 (26 July 2000) 10.
19. Valerii Popov (Russian Federal Border Guard Service), "Afganistan sazhaet Evropu 'na iglu,'" *Nezavisimoe voennoe obozrenie*, 2000, no. 19, p. 7.
20. Ibid.
21. Dmitrii Nikolaev and Ilya Kedrov, "Talibam poka khvataet del v Afganistane," *Nezavisimoe voennoe obozrenie*, , no. 36 (29 September–5 October 2000) 1.
22. Chief of the Defense Ministry's Main Department for International Military Cooperation, Leonid Ivashov, said that the Defense Ministry is not considering additional aid to Kyrgyzstan and Uzbekistan. (Ilya Bulavinov, "Sergeyev sends Putin to the Front Line," *Kommersant-daily*, September 2, 2000, p. 1.
23. "Strategiya bezopasnosti Rossii," *Nezavisimoe voennoe obozrenie*, , no. 45 (1–7 December 2000) pp. 1 & 4.
24. Yuri Golotyuk, "Russia is Not in a Hurry to Open a 'Second Front'," *Izvestiya*, September 22, 1999, p. 3.
25. Ostankino Radio Mayak, Moscow, January 26, 2000, *BBC Monitoring. International Reports*, January 26, 2000.
26. Valerii Nikolaenko, "U dogovora khoroshee budushee," *Nezavisimoe voennoe obozrenie*, 2000, no. 22 (23–29 June 2000), pp. 1 & 3.
27. Thus the agreement "On Creating Forces and Installations of the Collective Security System" provides a basis for introducing and stationing "collective troops" on the territories of the signatory countries. Under the agreement, each of the six member countries is to earmark national military units for use as part of CST forces. The units thus allocated are to participate in exercises and, if necessary, in military operations on the territories of signatory countries under "joint" command. The signatory countries will in the future make collective decisions regarding the deployment, size, composition, and mission of joint forces and the duration of their stay in a particular country. Any operation will require a decision by the heads of state—in their collective capacity as the CIS Collective Security Council—and the consent of the "host" country. *Jamestown Monitor*, no. 192, October 16, 2000.
28. Vladimir Mukhin, "Dogovor o kollektivnoi bezopasnosti obretaet konkretne ochertaniya," *Nezavisimaya gazeta*, October 19, 2000, p. 5.
29. Vladimir Mukhin, "Talibanskii katalizator," *Nezavisimoe voennoe obozrenie*, 2000, no. 24 (7–13 July 2000).
30. In an interview, Kyrgyz President Askar Akayev commented on this behavior by Uzbekistan more or less in terms of a small country having to accept this kind of act by a larger neighbor. Igor Rotar, "Neprostoie sosedstvo" [A non-simple neighbor], *Nezavisimaya gazeta*, July 2, 1999, p. 5. Similar problems along the Uzbek–Kazakh border led the authorities of a border region of Kazakhstan, the Makhtaralskii region, to request that a military unit be deployed there. Igor Rotar, "Mezhdu otvergnutym proshlym i tumannym budushchim" [Between a repudiated past and an unclear future], *Sodruzhestvo NG*, no. 7 (July 1999). See also Vladimir Georgiev, "Moskva obrela novogo soyuznika" [Moscow finds a new ally], *Nezavisimaya gazeta*, April 17, 1999, pp. 1 & 5.
31. *Jamestown Monitor*, Issue 197, October 23, 2000.

32. Vladimir Mukhin, "Dogovor o kolektivnoi bezopasnosti obretaet konkretnye ochertaniya," *Nezavisimaya gazeta*, October 19, 2000, p. 5.
33. Lyudmila Romanova, "Sozdayutsya sily bystrogo reagirovaniya," *Nezavisimaya gazeta*, October 12, 2000, p. 1.
34. Ekaterina Tesemnikova and Armen Khanbabyan, "Shesterka' protiv 'pyaterki,'" *Nezavisimaya gazeta*, October 14, 2000, p. 5.
35. "Taliban raises anxiety in the CIS," *Strategic Analysis*, vol. 19, no. 12 (1997).
36. On the eve of the summit meeting of foreign and defense ministers of the Central Asian Economic Community (CAEC) on August 22, 1998 in Tashkent. Vladimir Mukhin (Professor of the Russian Academy of Military Sciences), "Extension of the Zone of Taliban's Influence may Significantly Infringe upon Russia's Interests in Central Asia," in *Former Soviet Union Fifteen Nations: Policy and Security*, (August 1998), & 18–23.
37. That is the general view of the Russian military in Tajikistan. See Dmitrii Nikolaev and Ilya Kedrov, "Talibam poka khvataet del v Afganistane," *Nezavisimoe voennoe obozrenie*, no. 36 (29 September–5 October 2000), p. 1. On 20 February 2001, Konstantin Totsky, Director of the Russian Federal Border Guard Service, repeated that "the Taliban will not go into Tajikistan. They have many internal problems, and the war with the Northern Alliance [the anti-Taliban coalition] is continuing." *Interfax*, February 20, 2001. Nevertheless, in October 2000, units from the tactical groups of the 201st MRD augmented the Russian border troops in order to support them with artillery fire and tanks (bronetekhnika), and if necessary in direct combat. The border troops, as well as these units along the border, are in an increased state of preparedness.
38. Note how the Russian press expected Uzbek support for these threats. Aleksei Mironov, "Plany Moskvyy nikogo ne udivili v Tashkente," *Nezavisimaya gazeta*, May 25, 2000, p. 5.
39. Sergei Sokut, Valerii Aleksin, and Andrei Mikhailov, "Realizovat ugrozu budet neprosto," *Nezavisimoe voennoe obozrenie*, 2000, no. 19 (2–8 June), 2.
40. Lyudmila Romanova, "Sozdayutsya sily bystrogo reagirovaniya," *Nezavisimaya gazeta*, October 12, 2000, p. 1.
41. Quoted by Konstantin Zatulin, Ekaterina Tesemnikova, "Rossiya v sodruzhestve i vne ego," *Nezavisimaya gazeta*, October 27, 2000, p. 5.
42. Afghan Islamic Press News Agency. Peshawar, October 2000, *BBC SWM SU/3973 G/1*.
43. *Jamestown Monitor*, iss. 211 (November 10, 2000).
44. Stated when Pakistan's Head of Executive Power General Pervez Musharraf conferred with President Nursultan Nazarbaev and other top Kazakh officials in Astana. *Jamestown Monitor*, iss. 210 (November 9, 2000).
45. Viktoria Panfilova, "Osnovnoi tsentr terrorizma peremestilsya k yuzhnym rubezham SNG," *Nezavisimaya gazeta*, October 26, 2000, p. 5.
46. Russian Ambassador to Tajikistan Maksim Peshkov explained, "We have never refused to have contacts with the Taliban. They have taken place in our country periodically, so to speak, and we have never said that we would categorically never have any contacts with them. One must talk to any side because it is our fundamental principle that the Afghan problem can only be resolved by political methods." NTV International, October 18, 2000, *BBC SWB SU/3976 B/2*.
47. "Pakistan refuses to have 'direct' discussions of Taliban with Russians," RIA news agency, Moscow, September 26, 2000; BBC Worldwide Monitoring/Reuters, September 26, 2000.

48. Viktoria Panfilova, "Osnovnoi tsentr terrorizma peremestilsya k yuzhnym rubezham SNG," *Nezavisimaya gazeta*, October 26, 2000, p. 5. See also the article by independent researcher Semen Bagdasarov, who suggested negotiations with the Taliban about the end to fighting along the Tajik–Afghan border and a normalization of Russian–Afghan bilateral relations. "Mify o taliakh," *Nezavisimaya gazeta*, November 18, 2000, p. 6.
49. Kyrgyz-Press International News Agency, October 11, 2000, *BBC SWM SU 3970 A/2*; *ITAR/TASS*, October 16, 2000, *BBC SWB SU/3973 B/2*.
50. "SB OON o situatsii v Afganistane," *Diplomaticheskii vestnik*, 2000, no. 8 August, pp. 68–68.
51. Vadim Solovev, "Preodolenie afganskogo sindroma," *Nezavisimaya gazeta*, October 27, 2000, p. 1.
52. Masoud's force has been using multiple rocket launchers of recent vintage, freshly supplied from Russian Army stocks, which probably require the presence of Russian instructors on the ground with Masoud's forces. Russian military helicopters, almost certainly flown by Russian crews, were recently shown in action with Masoud's troops on Russian Public Television (ORT). Pavel Felgengauer, "Afghan conflict revisited," *The Moscow Times*, November 2, *Jamestown Monitor*, iss. 210 (9 November 9, 2000).
53. *Jamestown Monitor*, iss. 203 (October 31, 2000).
54. Sergei Fedotov (CIS Headquarter for Coordination of Military Cooperation), "War in Afghanistan makes situation in Central Asia explosive," *Former Soviet Union Fifteen Nations: Policy and Security*, (September 2000) 3–4.
55. *Jamestown Monitor*, iss. 211 (November 10, 2000). Ivanov's statement represents the first publicly uttered threat of Russian sanctions against CIS member countries whose foreign policy diverges from Russia's (*ITAR-TASS*, *Komsomolskaya pravda*, November 9, 2000).
56. *Interfax News Agency*, October 17, 2000, *BBC SWB SU/3974 B/1*.

Energy and Russian Foreign Policy: Implications for Global Security and U.S. Policy

Amy Myers Jaffe and Robert A. Manning

In Russia's public foreign policy doctrine, "The Foreign Policy Concept of the Russian Federation," published in June 2000, there is not a single reference to oil and gas.¹ Yet examining President Vladimir Putin's strategy for global diplomacy, whether it is with Iran and Iraq, former Soviet republics, or the EU, energy (along with arms sales) is a key factor animating Russian international behavior. Indeed, the fate of the Russian economy, the dynamics of the new Russian elite, and the outcome of its still uncertain protracted post-communist transition are related in no small measure to Russia's vast oil and gas resources. Energy also looms prominently (often as subtext) in U.S.-Russian relations, both as a source of cooperation and, in some respects, of tension.²

This article explores the influence of energy issues on Russia's security perceptions and foreign policy. It is our contention that energy is evolving to a more prominent status in Russian policy making under Putin, with important implications for U.S. interests. Energy issues add layers of complexity to Russian foreign policy and decision making, which might otherwise not be apparent in an assessment focused on grand strategy, military capabilities, and strategic intentions. Given the importance of energy exports and earnings to Russia's well-being, U.S. actions that intersect with—or impact—the energy arena are likely to influence Russia perceptions, and however unintended, could be interpreted by Moscow as threatening.

Yet the energy factor appears, at best, underestimated, if not discounted, to the detriment of enlightened U.S. policy formation and the overall tenor of the Russian relationship with the West.³ Unless they take into account Moscow's concerns about energy revenues and export routes, the United States and NATO risk sending the message that they aspire to slow Russia's economic transformation and recovery from the misfortune of being the first de-modernized society of the twentieth century. And the West would do well to appreciate the increasingly important integrative effect that Russian natural gas exports to Europe are having on Russian relations with and views of the EU.

A detailed understanding of these energy issues is critical to crafting effective policies for engagement of Russia by Europe and the United States. We do not, as Zbigniew Brzezinski so aptly put it, want to engage Russia in a "one-sided courtship" where emphasis is placed on Western efforts but "not on Russia engaging the West."⁴ However, the West must also ask how its actions, unintended or otherwise, may foster a siege mentality in Moscow, particularly where its vital energy interests are concerned. Certainly, Russia must actively seek to integrate itself into the global economy and existing political/security institutions if its transformation into a pluralistic, market-oriented modern state is to be complete. But at the same time, this process must be an interactive one of mutual accommodation. Like all

nations, Russia has its own set of concrete interests, some of which will overlap with those of the United States and NATO, and others that may conflict. We set forth an analysis of where energy interests can play a bridging role and where they may create tension or even conflict.

This effort to explore Russia's energy concerns and the related security implications falls principally into four areas: energy exports to Europe; competition in the Caspian Basin/former Soviet Republics; Russian policy toward the Persian Gulf; and emerging and prospective energy exports to East Asia. In this way, we hope to demonstrate not only the richly complex influence energy has in Russia's disposition towards its neighbors and the West, but also the conflicting signals energy concerns create for Russia's foreign policy elite. We believe careful interpretation of these conflicting aims provides a better paradigm for understanding why Russia seems to have continued old divide-and-rule policies, say in Central Asia and the Caucasus, while playing a surprisingly cooperative role towards Europe's desires in the Balkans. Finally, we will discuss the implications of Russia's external energy policies on the U.S.-Russian relationship.

There can be no question that energy figures high on the list of policy concerns for Russia's elite, much of whose fortunes flow directly from the ill-fated "privatization" of Russia's economy. Energy exports represent more than 20 percent of the country's GDP and roughly 50 percent (60 percent by some estimates) of its total hard currency earnings. Inside Russia, the oil sector alone provides 25 percent of the country's tax base.⁵ In 1998, when international oil prices plummeted, Russia's oil export earnings fell a whopping 30 percent, contributing to the collapse of its economy.⁶ By contrast, Russia's oil export earnings rose 130 percent in the first half of 2000, compared to a year earlier; as oil prices have soared, so have Russian domestic oil company earnings.⁷ Rising oil prices brought Russian oil ventures an extra \$2 to \$3 billion in 1999. The Moscow brokerage United Financial Group projects gross sales for Russia's top oil companies last year represented an almost 70 percent increase to \$59.2 billion, providing \$8.1 billion in tax revenues for Moscow.⁸

With so much revenue at stake—money needed to rebuild the Russian economy, its internal stability, relations with the "near abroad" and other nations on its periphery, and ultimately to rebuild its force projection capability—energy policy has a large role to play in influencing Russia's security perceptions. Russia must secure access to cash-bearing energy markets, just as the United States protects its access to important Persian Gulf oil supplies. Given the political reality of constrained domestic earnings for major Russian energy firms such as Gazprom, as a result of subsidies and a barter-based economy, the Russian energy industry must focus increasingly on expanding export volumes and, more recently, on foreign oil and gas investments as the keys to future success. Moreover, just as the United States, as the world's largest consumer of energy, must guard against a dramatic rise in oil prices, Russia must aspire to guard against any precipitous decline in energy prices.

From the perspective of a strategic planner in Moscow, the vulnerabilities of Russia's energy-export corridors are a formidable concern. Whereas all of its export routes used to go through Soviet or Warsaw Pact territory, most exports must now cross NATO or prospective NATO countries. Russia exported an average of 2.2 million barrels a day (b/d) of crude oil in 2000, of which only about 850,000 b/d, or roughly 40 percent, sailed directly from Russian

ports, mainly on the Black Sea, though small volumes exit the Barents Sea in the north. All of the Black Sea oil must clear the narrow Bosphorus Strait, which, although considered an international passageway, is ultimately policed by NATO member Turkey. The remainder exits Russia via the Druzhba pipeline system that crosses Ukraine before entering Slovakia and Hungary with connections to Poland, Germany, and the Czech Republic, or through the Baltics at the port of Ventspils, Latvia. Russia is working on refurbishing and reversing an existing pipeline that connects to Croatia from Ukraine, Hungary, and Slovakia to allow Russia to export oil via the Adriatic Sea.

Russian Crude Oil Exports by Port

(Thousand barrels/day)

Port		2000	1999	1998
Druzhba	(Germany)	388	383	371
	(Poland)	357	290	272
	(Czech Republic)	74	97	106
	(Slovakia)	108	112	106
	(Hungary)	122	122	132
Druzhba (Total)		1049	1003	986
Baltic Sea		334	273	292
Odessa		51	111	165
Tuapse		114	103	123
Novorossiysk		699	603	600
Grand Total		2,247	2,093	2,166

Note: Baltic exports include Ventsils and Butinge. Source: Petroleum Intelligence Weekly

In addition, some 80 percent or more of Gazprom's natural gas exports to Europe must cross the Ukraine.

The fact that Russia views the diminished control of its own export fate as a source of insecurity or potential vulnerability is clearly evident in President Vladimir Putin's early public statements concerning economic nationalism. Mr. Putin has dubbed a planned 450-kilometer pipeline from the oil producing Komi Republic in Northern Russia to the

planned port of Primorsk on the Baltic Sea as a “matter of national transportation security.”⁹ Russia is hoping the project, dubbed the Baltic Oil Pipeline System (BOPS), will help the country circumvent dependence on other Baltic states such as Latvia and Estonia. Although Russia has imposed oil export tariffs to finance the new \$500 million pipeline and the costly \$3.7 billion port, doubts remain about its practicality.¹⁰ The tariff will only raise \$100 million this year, a drop in the bucket to the overall project cost. Moreover, the waters surrounding Primorsk are iced over for more than five months of the year, and, therefore, ice breakers would be required, inflating the costs of exporting oil from there.

In a further attempt to diversify energy export points within its direct control, Russia is also trying to develop oil fields in its Northern territories, and U.S. firm Conoco may be able to export oil from its YK field directly from the Baltic coast. Conoco’s Polar Light field that was originally slated to utilize the BOPS system is currently selling its Timon Pechora oil production to Russian refineries in exchange for Urals crude for export at the Black Sea.¹¹

Clearly, U.S. attempts to use its alliances or wider influence to bring down international oil prices is viewed by Moscow as a place where the strategic interests of the West and those of Russia may conflict. U.S. actions that might complicate Russia’s influence (direct or indirect) over the development and/or transport of Russian oil and gas might be viewed by Moscow gravely. This adds another dimension to Russian discomfort with further NATO expansion in the Baltics. Still, it is important to note that Putin has of late drawn a distinction between EU and NATO expansion, adopting a positive view of the former. While a host of issues, from the status of Kaliningrad to visas and technical standards, must be worked out, Moscow appears to see virtue in expanding prosperity to its borders.¹²

Russia has a decisive interest in ensuring its energy exports can get to market, thereby protecting this important revenue stream and defending the overall health of the Russian economy. By analogy, the United States considers control of the sea lanes out from the Persian Gulf to the West and to East Asia as a vital interest, important to assuring the free flow of energy to fuel the Western economies and keeping them healthy. Few would dispute that a Russian move to control the points of egress from the Persian Gulf would be contrary to U.S./NATO interests even if Russia’s aims were not hostile. By the same token, then, it is not entirely unreasonable for Moscow to have a sense of insecurity—or at least feel some discomfort—about having the means of egress of their energy exports under a Western security umbrella.

This is not to say that the United States or NATO are likely to choke off Russia’s oil and gas lifelines, or that the West must abandon—or even necessarily slow or discourage—institutional integration of those transition countries that identify with and have transformed themselves to be “part of Europe.” However, if in pursuing this transition the West does not clearly offer, as Brzezinski has argued, “the progressive inclusion of Russia in the expanding transatlantic community”—or ignores Russia’s strategic imperatives in regards to transit countries—it should not be surprised if Russia perceives Western policies as contrary to its interests and acts accordingly.

Despite the problem of Russia perceptions, the benefits of EU and perhaps NATO expansion are, nonetheless, compatible with and even serve Russia's long-term interests. By stabilizing the economies of these transit countries, adding to economic transparency, and thereby reducing corruption, EU and NATO membership might ultimately result in these countries being more reliable outlets for Russian energy exports. Rule of law principles and arbitration mechanisms would assist Russia in resolving disputes over transport fees or energy sales in a manner that is sustainable and will ensure practices that can, over the long run, preserve access to Western markets. The problem is, of course, is that, in the real-world, both Russian and the West's behavior does not lend itself to black and white interpretation. At present, much of Russia's elite are smarting from perceptions—justified or not—that the United States has in recent years tried to force Moscow to accept American decisions and conditions without any regard to legitimate Russian interests.¹³

Russia's Energy Linkages to Europe

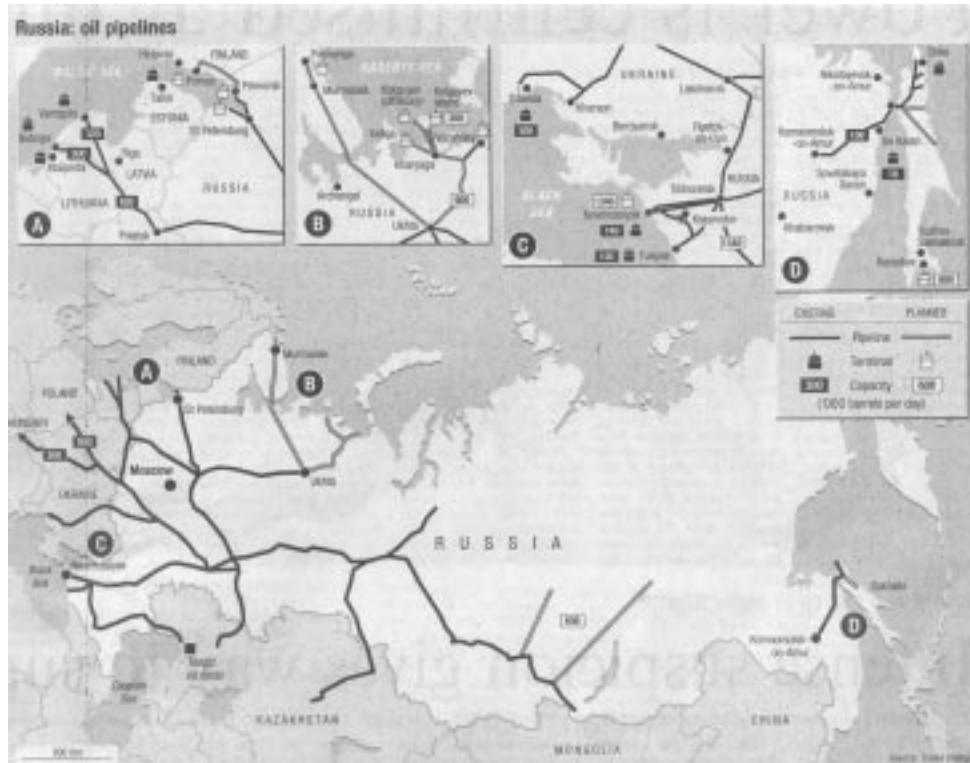
Energy serves as one extremely important Russian linkage to Europe, one that would appear to be developing a larger stake in Moscow's ties to Europe. Russia currently exports between 2.0 to 2.5 million b/d of oil and 136 billion cubic meters (m³) of natural gas to Europe. This Russian supply represents about 20 percent of Europe's gas needs and 16 percent of its oil supplies. Germany, Poland, and Italy are the largest customers of Russian energy.¹⁴

Russian Gas Exports (in bcm)

(in bcm)	2000	1999	% Change	Dec. 2000	Dec. 1999	% Change
Austria	5.1	5.4	(5.6)	0.5	0.5	0.0
Bosnia	0.3	0.2	50.0	0.1	0.0	0.0
Bulgaria	3.2	3.2	-	0.3	0.4	(25.0)
Croatia	1.2	1.2	-	0.2	0.4	(50.0)
Czech Rep.	7.5	7.8	(3.8)	0.6	0.7	(14.3)
Finland	4.3	4.3	-	0.5	0.6	(16.7)
France	12.9	13.4	(3.7)	1.2	1.2	0.0
Germany	34.1	34.9	(2.3)	2.7	3.2	(15.6)
Greece	1.6	1.5	6.7	0.2	0.1	100.0
Hungary	7.8	7.4	5.4	0.7	0.6	16.7
Italy	21.8	19.8	10.1	2.0	2.0	0.0
Macedonia	0.1	0.04	150.0	0.1	0.01	400.0
Poland	6.9	6.1	13.1	0.7	0.5	40.0
Romania	3.2	3.2	-	0.4	0.5	(20.0)
Slovakia	7.9	7.5	5.3	0.8	0.9	(11.1)
Slovenia	0.7	0.6	16.7	0.1	0.0	0.0
Switzerland	0.4	0.4	-	0.1	0.0	0.0
Turkey	10.3	8.8	17.0	1.1	0.8	37.5
Yugoslavia	1.2	1.1	9.1	0.1	0.0	0.0
Total	130.3	126.8	2.8	12.1	12.5	(3.2)

Source: PIRA Energy Group

In October 2000, Russian President Vladimir Putin traveled to Paris to sign a new strategic energy partnership with the European Union that will allow natural gas exports to Europe to rise to 200 billion m³ by 2008.¹⁵ As part of the arrangement, Russia's gas monopoly, Gazprom, will form a consortium with leading gas companies from Germany, France, and Italy to build a \$2 billion gas pipeline that will carry an additional 60 billion cubic meters of gas to the EU each year via Belarus, Poland, and Slovakia.¹⁶ The deal is significant because it will allow Gazprom to bypass Ukraine, which owes Russia over \$2 billion for gas imports and is accused of illegally siphoning off gas destined for European customers.¹⁷



Map 1. Russian Oil Pipelines. Source: PIRA

Some analysts have raised questions about whether Russia will be able to meet rising demand for its natural gas exports, given the poor condition of its gas fields and the shakiness of its gas industry. Russia's reserve base is huge, but operating fields will require huge investment just to prevent a slide in output rates. New fields, such as the Astrakan field, can be developed, but capital may be a constraint.

To keep Russia's gas industry going, European firms will have to step up to the plate with financing. So far, Europe's gas firms and the European Reconstruction and Development Bank have shown a willingness to provide capital to ensure supply, such as Germany's Ruhrgas's investment in Gazprom, which was used to repair gas export infrastructure such as pipelines. And Russia may be able to supplement its own gas supplies with shipments from the Caspian region. Russia now imports roughly 40 billion m³ annually from Turkmenistan,

which in its heyday produced twice as much, while Kazakhstan is already feeding gas to Orenburg in Russia.

The importance of Europe as the end user for Russian energy sales opens a crack in the door for Moscow to cultivate existing anti-American sentiments in Western Europe to dilute collaborative unity within NATO and to exacerbate simmering cleavages within the Euro-Atlantic relationship. But U.S. policy should reflect a judgment of whether long-term strategic goals are advanced. In light of such current and emerging realities, the complications that this Russia-EU energy integration could pose to the Euro-Atlantic alliance might be superseded by the benefits to world energy supply from expanding Russian energy exports. Indeed, the entry of Russia into a redrafted and improved energy charter agreement that enhances the outlook for Russian energy investment and trade may be reconsidered as a useful aspect of Russian integration into the global economy.

However pecuniary the impetus to the new EU-Russia natural gas pact might be for both sides, it still has clear strategic implications. The deal raised eyebrows in the United States since it was accompanied by a much-watered-down statement by the European powers regarding Russia's military activities in Chechnya.¹⁸ Last year, European nations strongly condemned Russia's intervention in Chechnya, but the EU gas pact ushered in milder terms this year. Still, the deal was hailed in Europe as a constructive way to eliminate Russia's burdensome debt while enticing Moscow to moderate its positions on European security. EU spokesman Jonathan Faull noted that the EU wanted to "change the commercial relationship into a long-term strategic partnership that will help stabilize Russia, which is in the interests of all parties."¹⁹ From a Russian perspective, it pulls Moscow toward Europe, and it creates larger stakes for both in mutual energy security.

Cultivating key long-term markets in Europe—and staving off competition—indeed seems to imply that Moscow will increasingly have to take EU and NATO attitudes into account in setting its foreign policy. And Russian behavior on issues of most concern to Europe—NATO's operations in Kosovo, the removal of Milosevic, NATO expansion and trade—has been relatively conciliatory, lending credence to the view that a Russia that needs Europe as an energy customer is a Russia that might have a larger incentive to transition into a state with values more closely in tune with Western norms. At a November meeting of the Organization for Security and Economic Cooperation (OSCE) in Berlin, Russian Foreign Minister Igor Ivanov mentioned the new energy partnership and cited the possibility for future Russian military participation with Europe in tackling international crises. "The OSCE has by no means exhausted all its possibilities. It is the only organization which includes all the states of the continent and discussed all aspects of security," he told the group. But in a reminder that energy is just one of the country's strategic concerns, Ivanov also noted that Russia was concerned by the eastern expansion of NATO.²⁰

The situation is different for nearby countries whose transit role is vital to Russia's energy industry and for whom Russian energy exports are as much a source of tension as a political bridge or lever. Now that these countries are free from the grip of the Soviet Union or the Warsaw Pact, Russia needs to establish a more sophisticated, nuanced, two-way diplomatic relationship with these countries now that they are neither subsumed by the Soviet Union

nor by the dictates of an East bloc alliance. But so far, Moscow appears to have difficulty with this transition and has been—not unfairly—accused of bullying, blackmailing, and otherwise interfering in the sovereignty of its neighbors, activities that hurt any efforts to establish better relations with the West.

Yet one major factor behind Russian actions has been money: Ukraine owes Russia nearly \$2 billion; Moldova owes \$861 million for gas and Georgia owes \$179 million.²¹ These are enormous sums in relation to their respective state budgets, and thus they are bad debtors. Russia's difficult relations with Ukraine—while perhaps political and historical in nature—look set to be resolved in more practical ways: Russia will bypass the Ukraine in the future with new pipelines and routes that leave Ukraine out of the picture. This is aimed less at harming the Ukraine than in finding more efficient export routes yielding higher net profits. Russia also sporadically pressures a third party to supply the plucky Ukraine with gas, most recently the Turkmen, so that someone else will be stuck with the bill that Kiev doesn't pay. In the meantime, Russian companies also try to gain assets by allowing Belarus and Ukraine to settle debts by transferring ownership in industrial assets such as oil refineries and the like. Belarus has been more forthcoming in offering political and industrial accommodation in exchange for cancelled debt.²² Ukraine has tried to stake out a more independent course, bringing in oil from other sources, but its lack of economic resources make this a questionable strategy until its economy can back up its aspirations.

Earlier this year (2000), Russian companies cut off natural gas supplies to the Ukraine and Georgia to force payment of debts. In the aftermath, in a move some observers believe was linked to the pressures of the gas cut-off, Ukraine signed a defense cooperation agreement with Moscow that drastically increases the integration of the Ukrainian military with Russia's. In Georgia, the government agreed to share its electricity grid with Russian electric utility UES, a move that meant the U.S. firm AES will lose its access to facilities on the border of Georgia and Turkey. The Shevarnadze government also agreed not to pursue NATO membership. Regional press also speculates widely about Russian intelligence involvement in local political scandals, giving an impression—misguided or not—that Moscow hasn't changed its stripes despite its ten-year-old experiment with evolving democratic practices at home.

Russia's Heavy Hand in the Caspian

Whereas Russian interests in the European energy market seem likely, on balance, to be a factor for moderation, its energy links to the Caspian Basin are more unsettling. Inside Russia, there are those who worry that the Caspian countries' (such as Kazakhstan, Turkmenistan, and Azerbaijan) importance as oil and gas exporters could surpass its own if Western oil companies' investments in the Caspian region are successful.²³ Some Russian analysts even worry that Russia's oil industry might decline so much that oil and gas resources from the Caspian might be needed some day to fuel Russia's domestic economy.²⁴

There are also geopolitical concerns. The presence of Western oil companies on Russia's borders raises fears that the U.S. military will eventually be positioned there under the guise of protecting U.S. economic assets. Such fears have been exacerbated by the forging of U.S. military ties with most of the former Soviet republics in the Caspian Basin and southern Caucasus and their inclusion in NATO's Partnership for Peace (PfP) program.

There are, to be sure, instances of Russo-Western cooperation, such as the Russian company Lukoil's participation in Western oil consortia in the Caspian (an arrangement that has caused some tensions between Lukoil and the Russian Foreign Ministry). In one sense, investment by Russian companies in the Caspian could turn those companies into natural lobbying groups for cooperation between Moscow and the Western consortia. But the advent of the Caspian countries as large-scale energy exporters under Western tutelage is more generally seen as a threat, especially to Russia's growing sales to Europe.

In April 2001, Putin met with Russian oil industry leaders, urging them to take a more active role in the Caspian. A Russian Foreign Ministry statement captured prevalent attitudes. "The Security Council of the Russian Federation proceeds from the premise that the scale of Russia's interests on the Caspian direction determines the necessity of its comprehensive presence in the region and of the pursuit of a more vigorous political line there.... We intend to firmly uphold and promote our lawful interests in the Caspian that no one has the right to impinge upon."²⁵

Putin's directive could be interpreted in narrow economic terms as simply a call for Russian business to compete with Western firms, such as the Blue Stream gas pipeline project, which will compete for sales to Turkey with U.S.-led projects for Turkmenistan gas.²⁶ Yet, at the same time, Russia has used its geographic location controlling existing major port and pipeline outlets and the weakness of the former Soviet Republics to pursue policies both for political ends and to make Western energy projects opposed by Moscow more difficult. Moscow's past support for Armenia against Azerbaijan in the conflict over the territory of Nagorno-Karabakh and for secessionists in Georgia can be seen in this light. But Russia's recent warming of relations with Azerbaijan has led to a collaborative posture, underscored by the January 2001 Putin visit to Baku. This new approach of using its geographic advantages to offer its export routes for Azerbaijan's energy suggests an effort to counter U.S. Caspian diplomacy by economic/political engagement rather than denial.

In the early 1990s, Russia attempted to retain influence over Caspian oil developments in a number of different ways. It played a "spoiling game," slowing down or even dead-ending negotiations for export lines from Kazakhstan and elsewhere, and used its political influence and advantageous geographical position to ensure a partnership role for Russian companies.²⁷ Second, until the Russian company Lukoil found a major discovery in its own Caspian offshore sector last year, Russia's Foreign Affairs Ministry raised legal challenges about the status of resources in the Caspian Sea, in effect warning potential investors in the Caspian that Russia's blessing would be vital to the success of future projects. More recently, Russia's position on the inseparable joint sovereignty status of the sea surface and its calls for assertion by Caspian stakeholders in environmental protection leaves open to question

whether legal objections could be levied against a U.S.-inspired trans-Caspian pipeline on environmental grounds.²⁸

The influence of Russian oil companies on Russian policy in the Caspian is already apparent, despite hard-liners who would like to thwart energy exports from Kazakhstan and Turkmenistan to assert Russian control of these resources and to keep foreign companies out of Russia's backyard.²⁹

In recent months, Russia has increased Kazakhstan's quota for shipments into the Russian pipeline system for export via Russia to Europe utilizing Russian ports to fourteen million metric tons for 2000, up from a previously specified volume of ten million tons. The Russian company Transneft is also inviting Caspian neighbours to use a new line to Makhachkala on the Caspian's western shore in Azerbaijan. Exporting through Russia is the most viable option for Kazakhstan because it obviates the need to cross the Caspian Sea or to follow a wide span of its coastline before connecting to existing or proposed pipeline export facilities in third countries. It is hoped by Kazakh oil producers, which include several Western oil companies, that Russia will be able to provide security for the new pipeline from Kazakhstan that will extend from the large Western-run Tengiz oil field through Russia to Novorossiysk. This pipeline, run by the Caspian Pipeline Consortium (CPC), which involves U.S., Kazakh, and Russian oil-companies, will initially carry twenty-eight million tons of oil per year from Kazakhstan and Russia to the West via the Black Sea. It is expected to be in operation by late 2001.³⁰

Russia's Gazprom is working to thwart any competition from Caspian natural gas producers in its key Western markets like Turkey and Europe by refusing access to its pipeline network. Instead, the Russian gas giant is simply buying Caspian gas on the cheap for use in Russia, freeing up more Russian gas for export. Turkmen President Saparmurat Niyazov reached agreement last year with Gazprom to sell it as much as thirty billion m³ of natural gas a year.³¹

Gazprom will reportedly deliver some of the gas to domestic energy giant United Energy Systems, thereby freeing up Russian gas that would have gone to UES to move to the more lucrative export market.³² The agreement, together with the ground-breaking of the Russian-Italian-Turkish Blue Stream pipeline, could be the death knell for a U.S.-backed program to bring Turkmen and Azeri gas under the Caspian Sea via pipeline to Turkey.

The Blue Stream consortium, which comprises Russia's state gas monopoly Gazprom and Italy's ENI conglomerate, has announced that it has arranged \$1.7 billion credits from Banca Commerciale Italiana, Mediocredito Centrale, and West LB, with an additional \$660 million expected from the Japan Bank for International Cooperation and Japan's Ministry of International Trade and Industry (MITI). Construction of the pipeline has already begun, giving Russia a further advantage in enlarging its already-sizable share of the Turkish gas market. The success of this project is a major blow to U.S.-organized projects in Central Asia in that it takes up a good chunk of the potential market for gas sales to Turkey from Turkmenistan and Azerbaijan via the Caspian Sea and Georgia.³³ Russia sells about six

billion m³ per year to Turkey at present, but this could rise to as much as thirty billion if expansion projects such as the Blue Stream pipeline stay on track.

Competition for the Turkish gas market marries two conflicting trends in Russia's Caspian policies. In strict commercial terms, it allows Gazprom to cash in on new profitable markets such as Turkey, relying on cheaper imported Caspian gas to fill any supply gaps that might be created in less lucrative domestic markets. On the other hand, Blue Stream satisfies Russian neo-imperialists, who would like to woo Turkey into blocking U.S. companies from gaining a foothold in the Caspian. A Turkish market saturated with Russian supplies will have far less room to commit to gas purchases from American-led export projects from Turkmenistan, Azerbaijan, or Kazakhstan. As a possible bonus, Turkey's commitment to buy more Russian gas via Blue Stream has raised questions in Washington about Ankara's faithfulness to the Eurasian Energy Corridor concept, centered on a Baku-Ceyhan pipeline linking the Caspian to the Mediterranean. The Baku-Ceyhan link is aimed at isolating Iran, curbing Russia's hold on regional energy supplies, creating stronger links between Turkey and the countries of Central Asia and the Caucasus and freeing them from undue Russian influence. If Turkey has enough confidence in Moscow that it will link its economy so substantially to Russian energy, then much of the underlying logic of the U.S. policy promoting the Eurasian energy corridor (that is, excluding Iran and minimizing Russian routes to Turkey's benefit) is eroded.

Russia's Energy Initiatives to Asia

One potentially important area where oil and gas resources may facilitate Russia's economic development and serve as a vehicle to advance eastward foreign policy goals is the possibility of exporting Russia's vast oil and gas resources in Siberia and the Russian Far East to East Asia. This potential "energy bridge" has helped Russia reestablish itself with both China and Japan and offers a possible cash-bearing market for its energy supplies to diversify from heavy reliance on Europe. Bilateral energy trade relations with East Asia also offer the promise of Japanese and South Korean investment capital and technology, desperately needed by Russia's ailing oil and gas sector.

The end of the Cold War and new thinking about the rise of China has opened up the possibility for collaborative ventures between Russia and Japan. The result has been a shift in Japan's Russia policy to lower the profile on the territorial dispute over a group of four islands in the Northern territories, claimed by Japan but seized by Russia in the aftermath of World War II. This new approach has a complex logic in which energy plays a central role in geopolitical calculations.

Japan seeks better ties to Russia in order to balance China and as an alternative energy source to reduce its dependence on Middle East oil gas. Russia seeks a lucrative cash-bearing end-user market and a possible source of investment capital. At the same time, development of energy resources in the Russian Far East benefits not only Japanese energy security but also potentially China, which has a growing need for energy. China seeks a Russian energy

supply as a means to diversify from seaborne imports that it feels—perhaps unrealistically—could be interrupted by the U.S. Navy and to tighten its relations with Moscow in a show of strength against U.S. hegemony in Asia. Japan favors Russia aiding China's need for energy for fear that shortages would lead to a more aggressive Chinese behavior. Japanese companies have invested in two of the four major oil and gas projects in Sakhalin Island in the Russian Far East and continue to discuss participation in a long-term project to build pipelines from Irkutsk and Yakutia in Russia to China, Japan, and the Koreas.

Oil from the Sakhalin 2 projects is already flowing. And as Japan's hopes of expanding its nuclear power industry recede, Sakhalin, only six hundred kilometers from Japan's northern island of Hokkaido, will be an increasingly attractive alternative source of clean energy—natural gas. The EBRD is considering a \$2 billion loan for the development of Sakhalin projects. Beyond Sakhalin, it is still unclear how large commercial quantities of gas in Irkutsk, around Lake Baikal in Western Siberia, may be, and the economics of long pipelines to development are no less uncertain. The payoffs from such more ambitious projects are ten to fifteen years away, if then. Construction of a large-scale pipeline for gas from Irkutsk or Siberia to China and Japan will be costly, technically challenging, and politically complex to negotiate. It is an initiative for the future, not a cornerstone upon which immediate economic policy can be built.

Moreover, the exploitation of Russian gas will almost certainly require financing from Japan and Korea as well as China. All three Northeast Asian nations are significant and growing consumers of natural gas, and all would relish the prospect of alternative supplies to those of the Middle East. But beyond financing, the levels of political confidence to depend on multinational pipelines for vital energy supplies is also lacking. For example, Yukos, one of Russia's largest (publicly owned) oil companies, has been negotiating with the Chinese government to build a pipeline connecting eastern Siberian oil fields to China, but the roughly \$4 billion project has foundered over financing and Russian demands for long-term oil purchase commitments needed to obtain it.³⁴ Nonetheless, over the long term, say a 2015–20 timeframe, Russian Far East gas is likely to be an important factor integrating Russia into the East Asian political economy.

Russia Policy toward the Persian Gulf

The March 2001 visit of Iranian President Khatami to Moscow and expanded military and nuclear cooperation (as well as common Caspian positions against the United States) underscores Russia's controversial posture in the Gulf. It has been said that Russia's policies towards the Persian Gulf have become disjointed and lack strategic focus or clearly articulated interests.³⁵ But contrary to these views, tangible evidence exists that Russia has concrete and well-articulated interests with regards to the Middle East. Indeed, analysis of the situation reveals that Russia has two serious economic considerations where the Middle East is concerned. First, a domestic constituency earns substantial income from this arms market. In particular, Russia has stepped up its sales of armaments to Iran in recent years.

With sales exceeding \$4 billion between 1992 and 2000, Iran is now the third largest customer of Russia's weapons' industry.³⁶

Second, Russia benefits from tensions in the Middle East, if such tensions produce rising oil prices. As an energy exporter, Russia's security interests in the Middle East are rather different from those of the oil-importing United States. The petrol queues in Europe, in the autumn of 2000, aggravated by Iraqi saber-rattling, sent the EU into the arms of Gazprom. Russian oil companies are profiting from discounted Iraqi oil-sales contracts, and Moscow, as a competing oil exporter, benefits from the constraints placed on potential Iraqi oil exports by United Nations sanctions. Indeed, Moscow is in a perfect position, as members of Putin's inner circle have noted privately.³⁷ It can take Baghdad's side in arguing for an easing of sanctions without worrying about the economic consequences for itself if sanctions were actually lifted, since it can rely on (and at the same time scold) the United States for blocking such a move.

Russian sales of advanced weapons systems to Iran are a more ambiguous issue. Russia has historical and geographical reasons to pursue a good neighbor policy with Tehran, and it benefits greatly from sales of arms and other manufactured products to Iran. The two countries also have a confluence of interests in blocking U.S. economic and military presence in Eurasia. Likewise, to the extent that Russian arms sales to Iran complicate the possibility of a U.S.–Iranian rapprochement, they help maintain the American incentive for blocking the development of Iran's oil and gas assets. That means thwarting a potential competitor to Russian sales in Europe and potential Asian markets.

But Russia will have to think carefully about where to draw the line on such sales for two reasons. Transfers of nuclear or ballistic missile technology are likely to draw the ire of the United States and its allies unless reform in Iran is so extensive that such sales are not viewed as a threat. Russian technology transfers to Iran could damage the extent of cooperation with the West on other, more important, European issues, calling into question the wisdom of the trade-offs. Moreover, Russian officials, such as DUMA Defense Committee Deputy Chairman Alexei Arbatov, have noted that technology transfers to Iran could backfire by directly or indirectly arming Islamic elements that might eventually turn their attentions on Russia.³⁸

In any event, Russian strategies aside, Persian Gulf instability is unlikely to hold energy prices up in the long term. Renewed competition among Middle East key producers, as they reopen their oil fields to foreign investment, combined with technology breakthroughs in the automotive industry, do not bode well for sustained oil prices over twenty dollars per barrel over the very long term.³⁹

Russian Energy and Western Policies

The EU countries appear to view the energy connection with Moscow as both a good deal commercially and a strategic investment in Russia's politico/economic transformation.

Russia needs the EU market more than the EU needs Russian oil and gas, given the range of alternative suppliers in Europe, Africa, and the Middle East. This would seem to mitigate EU dependency on Russia. A long-term steady and growing energy partnership with Europe will give Russia something of a stake in the EU's future, help provide the means to transform Russia's economy, and perhaps begin to foster a sense of connection with a steadily expanding definition of Europe, if not one of association with the EU as a security community. In any case, such an evolving interdependence takes some of the sting out of the ongoing NATO expansion.

Nevertheless, Russia's relationships with energy-transit countries such as Ukraine and Belarus pose a more complex challenge for U.S. policy, which tends to favor former Soviet republics seeking independence from Moscow's sphere of influence. Access to energy corridors is a vital Russian interest, the loss of control over which, Moscow understandably finds discomfiting. And in fact, the free flow of oil and gas from Russia to Europe is also in the U.S. interest. But the United States is unlikely to abandon completely any country that aspires to escape or dilute Russia's economic or strategic dominance, especially insofar as Moscow exerts its influence in a heavy-handed manner. One problem for U.S./NATO policy makers is that the line between pressure to obtain payments for energy and use of energy dominance as leverage for political objectives has tended to be blurred.

These overlapping Russian motives tend to make U.S. support of ex-Soviet republics against their former master a tricky business. The United States has a special relationship with Ukraine that was established in 1993–94 when Kiev agreed to turn over its nuclear arsenal in exchange for explicit U.S. security guarantees. But the United States found itself at a loss when, after two years of financing the repayment of Ukraine energy bills to Russia, new debt appeared to be mounting as rapidly as it had been retired.

Similarly, recent developments suggest that we may be entering a new period in the geopolitics of the Caspian Basin, altering the views held in the late 1990s of most of the major players. Where the initial fears in the aftermath of the Soviet Union's demise were of outside actors—Russia, Turkey, Iran, China—vying for influence among the newly independent states, a decade later, resource development is still embryonic, and the new Central Asian states have proven adept at playing off outside actors against each other.

Russia's current efforts to court Turkey by financing a major gas pipeline illustrate shifting dynamics and raise important questions about U.S. policy toward the Caspian basin. The policy's centerpiece, the Baku-Ceyhan pipeline, is in some measure designed to support Turkey's effort to reduce Russia's stranglehold on the Central Asian countries and Azerbaijan by offering an alternate transport route (yet one that avoids the crowded Bosphorus), though it is still more focused on isolating Iran and boosting Turkey.

But Ankara's willingness to buy even more gas from Russia calls into question whether it is a serious alternative to Russia both as a market and conduit for Turkmen, Azeri, and Kazakh gas. On the other hand, Russia's desire to exclude the United States from its Caspian backyard in economic or political terms is probably unrealizable and is recognized as such. Development of Caspian oil and gas is already dominated by Western consortia (albeit with

some Russian participation). But Russia can still assert itself by impeding those consortia from moving forward in any rapid manner by blocking access to its transit facilities or offering more attractive possibilities through its existing energy transit infrastructure.

Moscow may already be starting to realize that hindering the development of the former Soviet republics in Central Asia may not serve its best interests. The instability, poverty, disease, drug and arms smuggling, and, not least, rising Islamic fundamentalism in the former Soviet republics of the Caspian region have begun to create a sense of commonality between Moscow and many of the governments of Central Asia. This is evident in Moscow's new approach to Azerbaijan, the development of the "Shanghai Five," (Kazakhstan, Kyrgyzstan, Tajikistan, Russia, and China) security arrangements, and more broadly, growing anti-terrorist cooperation between Russia and its former republics in Central Asia.

Russia, Turkey, and the United States have a significant amount of common interests in the area: regional stability; countering radical Islam; opposition to the Taliban; commerce and economic development; fighting drug-smuggling from Afghanistan and Central Asia; and a reduction of human suffering and ethnic warfare. The Afghan drug trade is corrupting the Russian army and police to the point where it is beginning to pose a threat to Russian stability. Events in Chechnya and Tajikistan have demonstrated the costs to Russia of discontent and instability on its borders.

The United States, whose oil firms already dominate oil consortia in the Caspian region, may be less focused on trying, in effect, to displace Russia in its own neighborhood. The strategic price of giving high priority to the former Soviet republics in the Caspian region's independence will likely be questioned if it involves major intervention in the tangled patchwork of ethnic conflicts. The continued authoritarian character of the governments in the region has also diminished American fervor for political involvement in the Caspian. Even in the event of higher than expected flows from Kazakhstan's Kashagan field, the region's output—overwhelmingly dominated by Western-led consortia—is still likely no more than 4 percent of world oil demand by 2010–15. This does not rise to the level of a vital U.S. interest. Moreover, if the Kashagan field proves as large as many believe and can produce 1.5 million b/d or more, then the pipeline politics may be resolved with fewer losers. In any case, for both the United States and Russia, the lessons of the former Yugoslavia underscore the dangers of allowing rampant ethnic separatism in the Caucasus and Central Asia to stimulate political devolution in neighboring states such as Russia and China or on the Indian subcontinent.

Neither Russia nor the United States is likely to succeed in excluding the other from the region. The Caspian Basin region's security problems of arms and drug trafficking and of Islamic militancy trafficking are pressing ones for Turkey and Russia, and they pose serious concerns for the West as well. But the emerging dynamics of the region may hold new prospects for multilateral cooperation, no matter how much local competition over energy resources persists. Russia's experience in Chechnya suggests that it lacks the capability to police the region alone. As for the United States, the logistics of projecting force effectively in Central Asia are problematic, as is the prospect of adequate public support for military intervention there.

Therefore, a more realistic, cooperative stance would likely benefit both. Despite some tensions, joint peacekeeping operations in Bosnia and Kosovo have created additional positive precedents. Cooperation in limiting the reach of Taliban operational cells is of paramount importance to many in the region, including the great powers of Russia, Turkey, and the United States. Moscow's more amicable ties to Baku and diminished backing for Armenia open new possibilities for cooperation on conflict resolution. That U.S.-sponsored negotiations to resolve the Nagorno-Karakh dispute between Azerbaijan was one of the first diplomatic initiatives launched by an otherwise cautious Bush administration is emblematic of the new circumstances.

Indeed, the current state of affairs in Central Asia may offer new opportunities for multilateral diplomacy. One idea that has been suggested is to create a Central Asian variant of ASEAN that would emphasize economic cooperation and limited security goals.

Finally, the United States has its own compelling interests in seeing Russia's energy sector rehabilitated and modernized and its exports to Europe increase. Russia and the newly independent states of the former Soviet Union are ranked second in undiscovered oil potential after the Persian Gulf, holding an estimated 27 percent of the world's undiscovered reserves. The region (Russia and former Soviet Central Asian republics) ranks first globally in undiscovered natural gas potential and will be an important supplier to Europe and possibly Asia.⁴⁰ Russia accounts for 13 percent of the world's energy production, third after Saudi Arabia and the United States. Regardless of the attitudes of U.S. conservatives, Russian oil and gas supplies, even without Caspian Basin considerations, will be critical to the expanding world economy, whose oil requirements continue to grow at 1–3 percent per year and could reach 94 million b/d by 2010, up from 77 million b/d currently.

The United States could significantly enhance its energy security by assisting Russia to revive its energy industries, even to include providing direct aid for the expansion of its oil and gas fields as an incentive for Moscow to adopt more transparent market-oriented policies in the energy sector. It can be argued that, without further enhancement of the Russian energy sector, the United States will have great difficulty in attaining the diverse oil and gas supplies that will be needed to maintain reasonable energy costs and reduce vulnerability to the volatile Middle East.

U.S. strategic policy currently lacks a clear view of the place Russia's energy resources should hold in the American national interest. Energy is currently relegated to a relatively low, "technical" status in the bilateral agenda, rarely pursued at the political level (e.g., summitry). Yet energy is an area of substantial potential overlapping national interests. There would be some obvious advantages to the United States in an improved Russian oil and natural gas industry. The consequent addition to world supply would lower energy costs for the United States, as well as creating opportunities for U.S.-Russian trade and contributing hard currency (outside of arms sales) to Russian reconstruction efforts.

The deterioration of the Russian oil industry in recent years has been remarkable and a critical factor in the tightening of supply to the world oil markets. Russia holds the world's eighth-largest proven oil reserves. But Russia's political and economic problems have

discouraged both domestic and international investment, though this is beginning to change. Russian oil production fell to less than 5.9 million b/d in 1999, down from 12 million b/d in the late 1980s. In 2000, it rebounded by 4.7 percent, following a 25 percent increase in reinvestment by Russian oil companies in 1999 and a doubling of total investment in 2000. Investments have included repairs and improvements to existing wells and only limited new development drilling, but there have been few new major fields discovered in the last two years. Washington-based consultants Planecon say it will take some \$140 billion in new investment between 2000 and 2020 to keep oil output increasing. To put this in perspective, total foreign direct investment in exploration activity totalled only \$3.6 billion during the last decade, providing about twenty million tons, or 6 percent of Russian oil production in 1999.⁴¹

Facilitating the integration of a defeated adversary into the post–Cold War international system is undoubtedly a wise strategic objective. To date, however, the United States has had a more ambiguous approach, in theory following the post–World War II model, but in practice muddling it, as competing objectives (e.g., NATO expansion, the bombing of Yugoslavia, and Caspian policy) send messages perceived differently in Moscow. As Michael Mandelbaum has pointed out, such above-mentioned examples suggest that, "Russia has been and is being ignored where its own definition of its interests is concerned, and being ignored contrary to what Russia believes were Western assurances."⁴²

Having said all this, it is impossible to prove that a less ambiguous posture by the United States would curb Moscow's temptation to play a 'spoiler' role in the near term and perhaps in the longer term. And, it is certainly arguable that some Russian behavior, particularly in areas of energy production, the spoiler role is one of Moscow's few means of asserting it is still a power that matters. But a younger generation of Russian diplomats yearns for a more "normal" foreign demeanor that allows for the integration of Russia into Europe and the liberal international economic system. This bodes well for engagement policies and the development of a more constructive US–Russia relationship.

Yet Moscow's interests cannot be expected to always converge or overlap with those of the United States. As Russia restores its economic vitality and defines itself politically over the coming decades, it will, in time, take a place in world affairs befitting its massive size and wealth of resources. (This is not to say that the development of a democratic Russia will remove the possibility of conflicting American and Russian interests in some areas.) The best long-term hope for a more preponderantly cooperative U.S.-Russian relationship is a continued evolution towards rule of law and democratic governance in Russia.

The counter argument is that, if Russia is, in fact, going to become a major geopolitical rival of the United States, U.S. policy makers cannot be sanguine about the prospects of a revival in the Russian energy sector, however advantageous it might be from the point of view of world hydrocarbon supply. A Russia flush with oil and gas revenues, for instance, is clearly more capable of rearming and presumably of challenging U.S. interests. Indeed, there are leaders in Russia who plainly wish to see a restoration of the country's international status in part through modernization of its military forces. Russia's generals are pushing for a reorientation of the military toward high technology.⁴³ A hostile Russia puts current U.S.

energy security policy, at least potentially, into direct conflict with the United States' broader geostrategic interests.

The long-term threat of a revived, neo-imperial Russian hegemon that would dominate neighboring states either formally or informally can not be dismissed out of hand. However, a U.S. policy based on such an assumption in anticipation of such a reawakening carries the danger of becoming a self-fulfilling prophecy. Finally, the material needs of the Russia people are so huge, and the deterioration of the Russian military so deep, that the potential of improved oil revenues to bring Russia back to a position where it could dominate its neighbors, much less threaten the United States, at least for now is remote.

Moreover, it is also true that adopting the reforms in its business and legal culture necessary to achieve such a revival would tend to militate against a transformed Russia being more an adversary than a partner. Western assistance, particularly in technical and legal areas, the “software” of economic reform, can be important, and U.S. policies should be designed to encourage the Russian government to improve the climate for foreign direct investment and the rule of law (such as the protection of private property and securities laws). A focus on more attractive Production Sharing Arrangements (PSAs), a more normal commercial legal framework, and transparent arbitration mechanisms is the minimum prerequisite for attracting the levels of foreign investment necessary to revive the Russian oil industry. But to date, Russia's energy sector, like the rest of its economy, has made only ambiguous progress in this regard. Some Western firms are beginning to reconsider Russian energy investments, but the practice of the Duma approving joint foreign ventures and generally offering marginal fields to foreign investors suggest that Moscow has yet to take steps designed to attract substantial foreign investment.

Conclusion

The energy sector can catalyze Russia's recovery and economic modernization—or reinforce its current, corrupt morass. In either case, energy matters hugely. It can be a source of conflict, but it also offers much scope for cooperative activity between Russia and the West. In particular, U.S. foreign policy needs to take better account of the importance of energy issues in Russia's foreign relations. Since the mid-1990s, with the dying of post-Cold War optimism, U.S.–Russian relations have been plagued by mistrust and miscommunication. Since coming to power on New Year's Day 2000, the Putin government has promoted a more assertive, nationalist definition of Russian interests. How much this is a response to Western policies and how much a natural Russian inclination is a matter for debate.

Nonetheless, there are important strands of hopeful change in evidence: the burgeoning EU-Russian energy collaboration; cooperation with Japan and other countries in development of Russian Far East energy; and Moscow's recent shift vis-à-vis Azerbaijan that is allowing conflict resolution on Nagorno-Karabakh to move forward.

Energy can be an important ingredient in defining a “new realism” in U.S. policy toward Russia. Understanding the energy issues involved in Russia’s security perceptions will be key to minimizing differences between the United States and Russia. It will also be central to understanding Russian-European common interests. By analyzing the energy element, Western policy makers can understand how to give Russia a role in defining its own interests in a manner that enhances, not harms, Western security requirements. The West goes awry in trying to define these interests too narrowly. Understanding the role of energy in Russian security calculus would be a useful starting point in opening a discussion of trade-offs that will have to be investigated if the current indignation and humiliation felt in Moscow today is to be reversed in favor of a more inclusive posture that would promote Russian commitment to and stake holding in the current system of international norms.

ENDNOTES

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Part 4: Russia and Asia

Stephen J. Blank

Introduction

It is often remarked that the two-headed eagle, the symbol of Imperial Russia, looks both east and west. Today, more than ever, Russian foreign and defense policies, in all their dimensions, must face Asia even as they face Europe. Russian analysts and foreign observers also recognize that Russia runs the risk of marginalization in Asia if it cannot rebuild its economy and state on a competitive basis. The essays presented in this section focus on Russian relations with the major Asian states, China, India, Japan, and the two Koreas.

These essays make clear that we cannot draw easy distinctions between economics and national security. Economic motives turn up everywhere one looks in Russia's Asian relationships and exist "cheek by jowl" with more traditional political and military motives. This applies as much to China as it does to other key Asian states. Only through good ties with China, which then became Russia's "spokesman," so to speak, in Asia, could Russia enter major Asiatic fora like the Asia-Pacific Economic Cooperation (APEC). Similarly, Vladimir Putin has reinvigorated efforts to impart to Russo-Chinese economic relationships the same dynamism that is visible in their political and military relations.

Economic ties include not just arms sales or the sale of technologies having military significance, but also major oil and gas deals with China, Japan, and South Korea, since all three states are major users of energy whose demand for energy will continue to rise through 2010. Russia sees large-scale energy deals, both based on and contributing to improved bilateral relations with all these states, as critical elements in reviving the Russian Far Eastern economy.

None of these considerations means, however, that traditional security calculations do not figure in Russia's Asian relationships. Russo-Japanese ties remain much less than they could be precisely because of traditional issues of territories (the Kurile Islands), behind which stand traditional issues of sovereignty and defense as well as powerful nationalist emotions and domestic lobbies that impede progress. Until and unless Russia reforms its economy to increase opportunities for foreign investors and moves at least some distance towards Tokyo regarding those islands, major Japanese commercial interaction with Russia is quite improbable. Here, too, economics and security are inextricably linked together.

As India rises economically, its horizons go beyond those of maintaining the traditional close ties to Moscow. This does not mean an end to weapons sales or to partnership regarding Islamic insurgency in Central Asia and Kashmir, but it does mean India can now look to

broader horizons as it seeks to upgrade its profile in Asia. India is extending its influence to Southeast Asia, in some respects acting as a rival to China in Asia, and even forging a new amity with Washington. New Delhi's options are now greater than at any time in its modern history. Policymakers there know it and are acting accordingly. As long as Russia cannot compete on an equal economic basis with other major players, its standing in New Delhi cannot attain the level it once had, even if the relationships between the two states is most cordial.

Security issues are linked with economics in South Korea as Russia tries to reduce its unpayable debt to Seoul by offering to sell weapons for debt. Russia's main geopolitical objective vis-à-vis the two Koreas is acceptance as a legitimate actor who must be consulted in any moves towards peace in the Korean peninsula. This fear of exclusion from the process reflects Russian weakness and anxiety about being marginalized in Asia. But it also reflects its fears of an American led-bloc or Sino-American collusion there against it or, alternatively, of a new arms race in Asia based on missile defenses. Yet the only material inducements it can offer either Seoul or Pyongyang are weapons sales, the unification of the Trans-Siberian railroad with the unification of an inter-Korean railway, and energy. Relative to all other players on the Korean peninsula, this is not much. Hence Russian economic reconstruction means as much to these relationships as it does to ties with Japan and China.

Without such domestic reconstruction, not only is the Far East a constant source of Russian weakness, Russia also cannot offer China an alternative to its dependence on the American and global economies. Friendship with China is vital to any Russian government as a glance at the map shows instantly. But in an era when China is "taking off," Russia stagnating or in decline, and both states face multiple ideological, military, and political challenges—or, at least, both perceive that they do—from the United States. In these circumstances, entente with China becomes perhaps the only way Moscow can try to force Washington to take its interests seriously. The existence of common threats from Islamic insurgency in Central Asia is growing in importance as a factor that brings Beijing and Moscow together, as the recent Shanghai Treaty of collective security demonstrates.

Russia's interests in Asia and the importance of Asian powers and issues in Russian security clearly are very important and are becoming more so with every passing day. China may already be the second most important country in the world to Russia—after the United States. And if that is not yet the case, it may well become the case relatively soon. Thus the double-headed eagle will continue to look both east and west for many years to come, and perhaps with growing anxiety if Russia's situation in Asia does not improve.

Russia in Northeast Asia: From Confrontation to Partnership (Perceptions, Views and Observations)

Vladimir I. Ivanov

This essay attempts to inform a broad audience interested in Russia's policy in Northeast Asia about the attitudes and perceptions of some prominent Russian writers, analysts, and leaders with regard to their own Eastern lands and Russia's Asia-Pacific neighbors, including perceived dangers and opportunities. Obviously, this is only a broad attempt to address these issues, and the attached selected bibliography represents only a small fraction of the published materials relevant to the subject. Also, this brief overview primarily addresses views expressed before 1999–2000.

The bottom line and starting point of this overview is that, even in the eyes of the most determined critics of the Yeltsin regime, Russia in the 1990s remained an integrated country (Solzhenitsin 1998, 5) with no signs of separatism detected thus far by impartial analysts (Trenin 2000, 139). Exceptions to this mainstream view were rare and limited mostly to academic circles (Larin 1998, 57). This is extremely important to understanding the current position of Russia in Northeast Asia, its potential, and its posture in the region.

Geographically, almost three-quarters of Russia, including Western Siberia, Eastern Siberia, and the Far Eastern region, is located east of the Ural Mountains. This vast territory accounts for 21 percent of Russia's total population (Table 1), 74 percent of the national territory, and 30 percent of the gross domestic product (GDP) of Russia.

	<u>1939</u>	<u>1997</u>
Western Siberia	8,927	15,098
Eastern Siberia	4,771	9,114
Far East	<u>2,976</u>	<u>7,421</u>
Total	16,674	31,633

**Table 1. Eastern Russia: Population, 1939-1997
(Thousands)**

This vast and unique geostrategic region, which boasts the longest coastline of all the Pacific Rim countries, provides Russia access to extremely rich natural resources. Eastern Russia's proven reserves of natural gas are estimated at 80 percent of the nation's total, those of crude oil account for about 75 percent of the total, while the reserves of coal account for 90

percent of Russia's total reserves. At present, Eastern Russia (primarily Western Siberia) accounts for 93 percent of the country's natural gas production and 75 percent of crude oil output. The share of the eastern provinces in coal production and electricity generation is 80 percent and 33 percent, respectively.

However, this very same factor, that is, geography, also forced those who migrated (or were resettled) to these lands to adapt to the extremely harsh climate and enormous territorial expanses. Moreover, the development of the Far East was always strongly influenced by security-military factors. As the political and economic presence of Russia in the Far East increased, tensions with neighbors intensified, leading to a number of border conflicts and wars, including the war with Japan in 1904–05, which ended in a Russian defeat and triggered the first Russian revolution.

The increased Russian presence in the Far East was underscored by the successful construction of the Trans-Siberian Railway—the mega-project of the century, implemented with pioneering technologies and innovative engineering solutions. However, construction of 8,144 kilometers of the railway in little more than 23 years beginning in 1892, particularly the China East Railway completed in 1903, was one of the main causes of the conflict with Japan. On the other hand, the railway actually solidified Russia's presence on the Pacific shores, forming one of the key foundations of its international status and economic capacity for the entire 20th Century.

Far Eastern Russia in the 1990s

The Trans-Siberian Railway was designed not solely as a commercial project, but as a strategic infrastructure that served Russia's increased interests in Asia (Table 2). After the Soviet Union disintegrated in 1991, the pressure of economic liberalization made this route much more expensive to use for enterprises and individuals alike. In terms of physical volume, cargo transportation declined faster than regional industrial production (Mikheeva 1998, 168), reflecting a declining flow of transit goods through the Far Eastern ports, falling supplies of fish to the domestic market, and rapidly dwindling economic activities in the northern regions of the Far East.

Higher railway tariffs led to the rapidly increasing cost of energy resources, leading to the decline of industries and leading to ruptures in the Far East's economic links with other Russian regions and the newly independent states. Northern regions of the Russian Far East were losing population much faster than other provinces, and the entire Far East region, as a whole, suffered more than other economic regions in terms of population contraction (Moiseev 1999, 73–78).

On the other hand, trade and economic links with the neighboring economies improved. Exports to markets (Table 3) in Northeast Asia and beyond became as important as domestic sales (Ishaev 1998 (b), 19). Also, the significance of the ocean ports on the Pacific coast for Russian industries increased. As a result, the Far Eastern ports became almost exclusively

export-oriented. The Trans-Siberian railway and its role in servicing trade flows between East Asia and Europe also moved higher on the agenda of the Federal Government (Fadeev 2000), albeit without much success so far in raising its role in the international transit cargo flows between Asia and Europe (Sergeev 1998, 64).

CITY	1939	1999	Growth (%)
Krasnoyarsk	190	874	4.5
Irkutsk	250	591	2.4
Ulan-Ude	126	371	3
Chita	121	314	2.5
Yakutsk	53	196	4
Blagovestchensk	58	221	4
Khabarovsk	207	614	3
Komsomolsk	71	295	4
Birobidjan	--	80	--
Vladivostok	206	613	3
Nakhodka	--	160	--
Ussuriysk	72	158	2
Yuzhno-Sakhalinsk		180	--
Magadan	27	122	4.5
Petropavlovsk-Kamch.	35	197	5.5

Table 2. Eastern Russia: Population of the Largest Cities, 1939-1997.

As far as the domestic front was concerned, it must be noted that, prior to 2000, the federal government routinely failed to pay its own employees in the regions and the federal agencies, including the armed forces. In turn, these agencies failed to pay for local services, adversely affecting the budgets of many border provinces, Primorskiy Krai in particular. The irony was that, although after 1992 the Far Eastern region's importance for Russia increased, the region effectively lost its privileged position as a "special economic zone" that had traditionally enjoyed federal investment, offered higher salaries and wages, and promised greater opportunities for career promotion (Baklanov et al. 1996, 3-4).

The differences among the provinces expanded, with Yakutia, Kamchatskaya Oblast, and Magadanskiy Krai in the top ten entities in the Russian Federation in terms of nominal monetary income, while Buriatia, Chitinskaya, and Evreiyskaya oblasts fell to 52d position and lower in the national income ranking (Table 3). Industrial enclaves in Primorskiy and Khabarovskiy *krais* lost state orders, especially defense contracts. Naturally, these developments led to resentment in the neighboring provinces, particularly among their leaders. Yakutia's privileged economic status, for example, caused some dissatisfaction (Ishaev 1998, 14).

Overall, the Far Eastern region was sliding back to its "original" economic orientation based on natural resource development (*Economy of the Far East* 1998, 108-109). However, the Development Program adopted for the region in 1996 by the Federal Government

remained mostly on paper; with no money in the federal budget to fund the projects identified by the program, its stated goal of attracting foreign capital was not fulfilled either (*Federal Program* 1996, 33–34). Also, the Development Program was an institutional failure, revealing the limited capacity of regional administrations to formulate and pursue their priorities vis-à-vis federal bureaucracies in a coordinated fashion.

Region	Population, (1,000s)	Income Ranking	Exports (2000) US \$ Million
Krasnoyarskiy	3,095	20	2,931
Irkutskaya	2,786	14	2,241
Buriatia	1,038	52	109
Chitinskaya	1,266	73	80
Yakutia (Sakha)	1,001	5	140
Amurskaya	1,008	28	56
Khabarovskiy	1,524	17	1,287
Evreiskaya	201	54	12
Primorskiy	2,195	26	996
Sakhalinskaya	608	18	967
Magadanskaya	246	8	16
Kamchatskaya	396	6	317

Table 3. Eastern Russia: Population, Income Ranking, and Exports.

Furthermore, the declining population of Russia added to skepticism regarding the future of the Far East region. A proposed solution was to revert to the Soviet style system of perks and incentives, provided that the rest of the country would cover the costs of these “special measures” (Moiseev 1996, 51). In this context, Russian experts were looking at the policies of advanced Western economies to help support their peripheral and depressed territories (Korsunskiy and Leonov 1999, 40–45).

Indeed, from 1990 to 1999, the combined physical volume of industrial output of the Far Eastern provinces declined by 60 percent, investment shrank by 75 percent, the population declined by more than 800,000, and unemployment exceeded 500,000. The overall responsibility for the economic decline and many other problems of the Far East region was attributed to the federal authorities (Ishaev 1998; Minakir 1999, 71), but local initiative also remained restrained by regional administrations. On the other hand, no matter how rosy the federal statistics might be, the printed sources and anecdotal evidence characterized the situation in Eastern Russia: the decade of the 1990s exposed these regions to the world, especially Northeast Asia.

Russia’s Far East provinces maintain trade relations with 95 economies, including 75 percent of the total trade concentrated in the Asia-Pacific region. These provinces’ share of

Russia's trade was 4.4 percent of exports and 6.9 percent of imports (Gohberg 2000, 52–53). The combined volume of foreign trade increased from \$2.7 billion in 1992 to almost \$5 billion in 1999. However, in monetary terms, increased exports compensated for only 12 percent of the total decline in domestic demand on the part of industries from 1991 through 1998 (Minakir 2000, 71). Foreign trade, nonetheless, served as a survival tool for the Far Easterners, particularly from 1992 to 1996 (Admidin and Devaeva 1998, 86).

Travel to other countries became easy, and literally hundreds of thousands of people from Eastern Russia began to visit China, Japan, the Republic of Korea, the United States, Australia, Thailand, Malaysia, the Philippines, and the European countries. New border-crossings were opened with China and Mongolia. In general, the economy of Eastern Russia has become increasingly dependent upon foreign trade (Bradshaw 1999, 26). Last, but not least, the first impression a visitor to the Far East gets is the striking number of Japanese-made cars on the roads (Galichanin 1998, 249).

Moreover, closer integration with the Asia-Pacific economies became a policy priority (Ishaev and Minakir 1998 (b), 116), although academic ideas about how to achieve that goal frequently were out of touch with both reality and official economic policies (Kovrigin 1998, 39–56). Despite all these obstacles, selected foreign investors established their presence in key industries of the region, including gold mining, timber processing, fisheries, transportation, telecommunications, construction, catering, hotels, and energy resource development. Also, local authorities began employing foreign laborers in agriculture and construction projects.

Business and technical support centers were opened in major cities by the governments of Japan and the United States. New foreign consulate offices began operations in Khabarovsk, Vladivostok, and Yuzhno-Sakhalinsk. High-level contacts and professional exchanges between regional administrations were developed. There were new plans announced to develop natural gas resources for export to China and Korea, not only in Far Eastern Russia and Eastern Siberia, but also in Western Siberia, including the first of all giant fields under the control of Gazprom (Viakhirev 1998, 287).

Finally, both academic and political attention gradually moved towards an understanding that the first, second, and third most crucial elements that determine the future of Eastern Russia, including the Far Eastern region, are the people (Stroev 2000), their jobs, and their living conditions.

Security Perceptions

Over the past decade, Russia's improved relationships with its neighbors have allowed the regional situation to be described as stable, and Russia's defense posture in the Far Eastern region has been substantially reduced (*Trilateral Forum* 1998, 16). However, the prevailing view was that "external" factors, including developments in other regions, could affect strategic security thinking with regard to the Northern Pacific/Northeast Asian region. Some

academics speculated that a military buildup in the region would still be possible (Zagorskiy 1997, 43).

On the other hand, the problem was that the United States and its NATO allies have failed to escape completely from its Cold War legacy (Hopmann 1999, 3), contributing to the deteriorating security perceptions on the part of Russians (Zimonin 1997, 61, 65). Public attitudes towards the West have turned particularly sour as a result of NATO expansion, the air bombardment of Serbia, and relentless criticism of Moscow's policy in Chechnya.

Both Russian and Western observers admit that the real problem was that the West failed firmly to retain Russia as a partner in strengthening the "forces that favor development over expansionism" (Pipes 1997). Russia's membership in the G8 and the relationship with the United States, in particular, became clear examples of the duality of its current international posture. Overall, unduly simplified guesses about Moscow's future orientation (pro-Western or anti-Western) lingered, along with traditional anti-Russian emotions in Europe and beyond (Bazhanov 2000, 6). On February 14, 2000, the Russian Duma ratified the START II treaty, but Vladimir Putin warned that, if the 1972 ABM Treaty becomes defunct, START II and other nuclear weapons agreements might be scrapped.

The military doctrine adopted in 1993 declared that Russia "does not regard any state to be its adversary." However, a comparison of the two national security concepts, adopted in December 1997 and in January 2000, reveals a declining belief on the part of Russia in the idea of a benign security environment. The latest version of the national security concept emphasized increased and newly emerging sources of security threats, including international terrorism and "out-of-area" operations conducted by NATO. The new military doctrine adopted in 2000, mirroring its 1993 version, emphasized the new role of nuclear weapons beyond their political value, resembling the policies adopted by the nuclear powers within NATO during the Cold War era.

According to numerous sources, Russia was losing its competitive military-technological edge, not only vis-à-vis the advanced powers within NATO, but also vis-à-vis other countries, including possibly Japan, the Republic of Korea, and China. The proportion of new generation weaponry was estimated at only about 20–30 percent of Russia's inventory, reportedly making its conventional forces inferior and unfit for a sizable non-nuclear conflict. This new situation, particularly on the European front, led to a number of statements that emphasized the equalizing or deterrent role of the nuclear forces as a shield in both large-scale and regional conflicts.

"Weakness" became the key word describing not only Russia's economic position, but also its international posture and defense needs in Northeast Asia (Boliatko 2000, 15). Moreover, Moscow's shrinking foreign policy outreach was often explained by the policies of the Western powers, particularly U.S. attempts to deconstruct key international institutions and bilateral agreements (Tsedilina 2000, 54). Not surprisingly, in the newly adopted national security documents, "cooperation" basically replaced "partnership"—a widely used term in the Yeltsin decade.

This change, however, has not affected Russia's foreign policy in Northeast Asia thus far. Concerns with regard to the future of China are multiple, and NATO was seen, at least by some groups, as a potential counterweight and a containment tool with regard to the emergence of this superpower in Northeast Asia. Moreover, Russia's comprehensive cooperation and integration with Europe was identified by some observers as a long-term strategic priority (Bazhanov 2000, 8, 15).

The good news was that Russians emphasized domestic sources of instability and unconventional threats, including organized crime and international terrorism. In this context, the North Caucasus region and Central Asia remained high on the priority list of Russian military and defense planners. On the other hand, "defense cooperation as a part of general military cooperation" was still viewed as the essence of military relations between Russia and other states and their armed forces (*Russian Defense Policy* 1998, 5). However, this official view was in stark contrast with the notion that the U.S.-led alliances in Northeast Asia and its own military posture in the region "represent a military threat to Russia" (Boliatko 2000, 17, 19).

Unconventional Concerns

The policies of the industrially developed economies were perceived as related—directly and indirectly—to Russia's current economic troubles, including those policies that prevented closer economic links between Russia and other newly independent states and discrimination against Russian exporters. In this context, some authors referred to the politically motivated management of the credit lines of international financial institutions, encouragement of capital flight, violations of the civil rights of ethnic Russians living abroad, and attempts to export environmentally unsafe products and waste to Russia. Huge unpaid debts resulting from the countries of the Commonwealth of Independent States imports of Russian energy resources were also cited (Bazhanov 2000, 7–8).

The list of new sources of physical threats to Russia's national security has expanded, including the proliferation of weapons of mass destruction, terrorism, illegal drug trafficking, smuggling of conventional weapons and military technologies, the proliferation of organized crime, and environmental problems (*Russian Defense Policy* 1998, 9).

It was not surprising that sometimes the tone of the academic deliberations—and that of the mass media in particular—turned hysterical. The array of threats included economic weakness, the growing gap in economic dynamics with eastern neighbors, and possible demographic and economic pressures. Moreover, there were warnings by foreign experts that Russia cannot continue developing its eastern provinces by relying only on its own resources (Bazhanov 1999, 137).

Some local experts also became skeptical, fearing that if the federal government failed to develop the Far East and Siberia Moscow would eventually lose control over those lands (Osipchuk (a), 15). President Putin himself contributed to this chorus of over-dramatization

during his stopover in Blagoveshchensk before visiting Japan in September 2000. He said “if we do not take practical steps to advance the Far East soon, in several decades the local population, originally Russian, will be speaking mainly Japanese, Chinese, and Korean” (Putin 2000, 2). Indeed, illegal immigration to Eastern Russia continued to be among the more troubling issues. Reportedly, the number of Chinese in the Far Eastern region increased from less than 2,000 in 1989 to 15,000 in 1990 and to at least 100,000 in 1993 (Zakharova, et. al. 1994, 15). About half of the Chinese settled in Primorskiy Krai, and the rest were in Khabarovskiy Krai and Amurskaya Oblast. Reportedly, some of these migrants are active in collecting and smuggling animal parts and rare plants and roots from the taiga into China. Also, Primorskiy Krai was described as a route used for the “transit” of Chinese migrants to Europe (Lentz 2000). Yet another potential source of contention with China is the increasing environmental pollution originating on Chinese territory and the deteriorating water quality of the Amur and other rivers caused by industrial development in northeastern provinces of China (Makhinov 1999, 51).

China

Bilateral political relations with China, however, have developed steadily. In 1992, the Joint Declaration on the principles of bilateral relations was signed. In 1994, the Joint Statement on strategic weapons mutual non-targeting and no-first-use was issued. In 1996, the Shanghai Agreement was concluded, involving also Kazakhstan, Kyrgyzstan, and Tajikistan. In 1997, the Moscow Agreement on mutual reduction of armed forces in the area of the common border was signed. In part as a result of this agreement, Russia reduced its manpower and equipment organic to the military formations stationed along the border and reorganized the military districts in the Far East. Beginning in 1992, more than fifty Su-27SK aircraft, worth about \$2 billion, were exported to China, followed by a license to produce up to two hundred jet fighters of this model for China’s Air Force, but not for export.

In July 2000, when President Putin visited China, the Beijing Declaration was signed. Additional talks took place on November 3–4, 2000, when the Russian Prime Minister, Mikhail Kasyanov, visited Beijing. Moscow has confirmed its support for the ‘One China’ policy and has signed an agreement on a feasibility study for a cross-border pipeline project from the natural gas field in Irkutskaya Oblast. A gas pipeline project from Western Siberia to Western China was proposed. Also, prospects for sales of military equipment were addressed during the talks, including A-50 (AWACS-type) aircraft and *Sovremenniy*-class destroyers. A new questionable element in Russia’s posture in Asia, however, has emerged as Yevgeniy Primakov proposed to explore prospects for trilateral China-India-Russia policy coordination (Sergeev 2000, 9; Grebenshikov 2000, 68).

In general, China’s foreign policy was described as “constructive” (*Trilateral Forum* 1998, 16). The 4,200 kilometer-long border demarcation with China— presented as one of Russia’s main diplomatic achievements of the 1990s—allowed for the first time in the history of bilateral relations the clear establishment of a border recognized by both sides. However, three islands under the administrative control of Russia were left out of the border

demarcation process. These are Bolshoi Island on the Argun River in Chitinskaya Oblast and the Bolshoi Ussuriskiy and Tarabarov islands on the Amur River near Khabarovsk.

Mutual understanding and a conciliatory approach is the agreed formula to deal with these issues through consultations. However, the concern of the Russian side, including the Khabarovskiy regional administration, is that, near Khabarovsk, the Chinese were taking steps that affected the water flow through the Kazakevicheva Stream (the border line), threatening to cause the disappearance of this water flow entirely, and creating a source of contention with China (Filonov 1999, 56).

The real issue that looms large, however, is how to balance a policy towards China with the wider economic, security, and long-term strategic interests of Russia. The concept of “multi-polarity” in international relations was favored, first of all by the Chinese, as the cornerstone of their foreign policy strategy (Miller 2000, 7; Rozman 2000, 12). In this context, whether Russia will choose to team up primarily with China, Japan or the United States appears to be an ill-conceived question. Good neighborly relationships are a must, considering that China is the most populous country with the longest border with Russia. Moreover, China offers a huge market for Russian goods, including raw materials and energy. Nonetheless, some experts emphasized the limits for deeper relationships (Gelbras 2000, 61). On the local level, however, it appeared difficult to rely on the potential complementarity of economic needs as Khabarovskiy Krai attempted to promote its manufacturing products in neighboring Heilongjiang. Moreover, despite unlimited optimism with regard to China’s interest in Russian energy resources, it remains to be seen how, when, and under what conditions the proposed projects will be implemented.

On July 16, 2001, Russia and China signed a new friendship treaty. Russian-Chinese bilateral trade expanded by 40 percent, reaching \$8 billion, and it is expected to grow to \$10 billion. In 2000, Russia’s exports to China totaled \$5.77 billion and imports from China totaled \$2.23 billion. Russia exports some \$2 billion worth of military hardware to China annually. Military sales and the nuclear power plant project in progress complemented Russia’s traditional exports of raw materials—including timber, fish and scrap metal, promising deeper trade and technology links.

The Koreans

It seems that Gorbachev had very little understanding of the strategic significance of balanced relationships with both Koreas (Bazhanov 2000, 17). The 1990 intergovernmental trade agreement with North Korea introduced new rules of accounting in hard currency and was the beginning of the decline of bilateral trade and investment cooperation with Pyongyang. Yeltsin followed suit and, under pressure from Seoul, reduced both the political dialogue and military cooperation to a minimum.

Russia’s share in North Korea’s external trade dropped from about one-third to only 4–5 percent. Currently, Russia’s Far East provinces account for about half of this very thin trade

exchange. In 1999, Russia's exports were only \$75 million, or about 7 percent, of the 1988 level. The majority of the seventy North Korean industrial enterprises built with Soviet technical and financial assistance became idle. The total debt accumulated by North Korea, including debt converted trade imbalances, reached \$3.8 billion, and there is little hope that this will ever be recovered (Toloraya 2000, 3).

Vladimir Putin's August 2000 visit to Pyongyang was motivated perhaps mostly by the Okinawa summit politics rather than by clearly formulated economic interests. Nonetheless, the bilateral relationship with North Korea was repaired somewhat, adding a finishing touch to the new peace and cooperation treaty (Alexeev and Kosyrev 2000, 3).

Russia's relations with South Korea turned sour rather swiftly after diplomatic relations were established in 1990. According to the former ambassador to Seoul, several factors precipitated this diplomatic cooling down, including efforts by South Korea to convince Russia to curb its contacts with North Korea, disagreement with Seoul and Washington over the UN sanctions in 1993, Russia's effective isolation during the establishment of the Korean Peninsula Economic Development Organization (KEDO), and the Four Party talks initiative (Kunadze 1999, 39–40). In summary, by degrading its limited contacts with Pyongyang, Moscow was losing its status and influence in Northeast Asia—a colossal blunder in terms of the relationships with both Koreas and relations with the United States, Japan, and China.

The improved security climate and developing inter-Korean political and economic dialogues could dramatically change the investment climate in Northeast Asia, bringing significant potential benefits to Russia and its Far East region. It could also significantly expand the field for Moscow–Tokyo and Moscow–Beijing cooperation. According to some observers, Japan is becoming increasingly interested in participating in some future cross-border projects, and not only at the level of prefectural administrations (Komachi 2000, 8). This alone could contribute to both Russia's closer economic ties with the Northeast Asian economies and its own economic revival, but Russian foreign policy experts and diplomats alike seem to be slow learners (Kunadze 1999, 36–41).

Japan

The two informal summits held in Krasnoyarsk in 1997 and Kawana in 1998, followed by the official visits of Prime Minister Obuchi to Moscow in November 1998, and President Putin to Tokyo in September 2000, symbolized a considerable change in bilateral relations. The two countries agreed to develop relations based on a “creative partnership” consistent with their strategic and geopolitical interests. The Russian Government began to fully support the argument that Japan should be given a permanent seat in the UN Security Council. Cooperation with Japan on a regional level also became important (Metelkin 1999, 77). For example, a fisheries agreement was concluded in early 1998, enabling Japanese fishermen to fish in the waters of the disputed islands and eliminating, for the time being, one of the most serious sources of friction in bilateral relations (Watanabe 1999, 69).

The border dispute, on the other hand, retained the potential to cause a bitter rift between Moscow and Tokyo. Far Eastern writers condemned Moscow-based Japanologists and diplomats—an alleged source of “Trojan Horse” recommendations to Gorbachev and later Yeltsin to recognize the existence of the territorial problem (Yelizariiev 1999, 9; Efimenko 2000, 31). Views were expressed that to be resolved, or at least somehow contained by both sides in political terms, this problem must be thoroughly studied from a historical perspective and perhaps publicly discussed in both Russia and in Japan to achieve a better understanding of the sufferings of both peoples as a result of the conflicting territorial claims and conflicts (Efimenko 2000, 31–32).

Although no real progress in concluding a peace treaty was achieved in the 1990s, Japan and Russia demonstrated that they could start a new relationship despite disagreements about old problems (Kovrigin 1998, 28). The two countries were drawing closer through cooperation within G7 and, from 1997, G8 frameworks, increasing the number of people-to-people contacts, making adjustments in security perceptions, cooperating in nuclear weapon dismantling efforts and nonproliferation policies, and sharing an interest in regional stability and economic development. On the other hand, it would be fair to say that not all watchers of Japanese–Russian relations support the notion of improved relations (Zagorskiy 2000).

In the “triangle” of enhanced China–Russia relations and somewhat complicated US–China dialogue, what role Japan decides to play is likely to affect the changing regional setting greatly. Today, neither Japan’s trade with Russia nor its investment links except in the Sakhalin projects, appear satisfactory. Indeed, for the last 10 years, bilateral trade has been stagnant at a level of \$4–5 billion a year. There have been adverse trends in both the level and the composition of Russian imports: Russian industries practically discontinued procurement of equipment and materials from Japanese manufacturers. As a result, Japan’s exports to Russia declined to only \$571 million in 2000, or 0.12% of Japan’s total exports.

Japan’s commercial presence in the Russian Far East also declined, both in absolute and, especially, in relative terms. Compared with 1999, the foreign trade volume of the Far East provinces increased by 40 percent in 2000, reaching nearly \$5 billion, including \$4 billion in exports. Japan’s bilateral trade with Russian Far East enterprises, estimated in 1995 at nearly \$1.6 billion, declined to \$866 million in 2000. Registered exports to Japan from the Russian Far East totaled \$726 million—only half of the 1995 volume—and imports from Japan to the area were \$132 million, two-thirds of the 1995 volume.

Small and medium trading companies from the area tend to import consumer goods and other items from Europe and the United States rather than Japan. The bright spot perhaps, as Russia recovered from the 1998 financial crisis, is the resumed imports of used passenger automobiles from dealerships in Niigata, Toyama, Hokkaido and some other prefectures.

Only a few influential Japanese envision Russia’s role as falling within the context of Japan’s vital national interests, emphasizing that Russia should become the energy supply center for Asia to help to maintain the rapidly shifting demand-supply balances. Japanese investment in the Sakhalin oil and gas projects serves this purpose, but again, it is not

Japanese but European and American multinationals that are taking the lead in these projects. Japan has opted to discontinue its observer status in the Kovykta project, while Russia-Japan intergovernmental dialogue on energy projects in Eastern Russia is yet to produce visible investment outcomes.

The role of the United States in Tokyo's dialogue with Moscow remains essential. In the Japan-US Joint Declaration on Security, "Alliance for the 21st Century," the two governments stated, with regard to Russia, that the ongoing process of reform contributes to regional and global stability and merits cooperation and encouragement. In November 1994, using the model of the Gore-Chernomyrdin commission, Ryutaro Hashimoto, then head of the Ministry of International Trade and Industry (MITI), launched his own program, called the "Japanese Plan for the Promotion of Foreign Trade and Industry of Russia." According to the Japanese government, its economic policy toward Russia is now based on three major principles: creation of a market economy, democratization and demilitarization, and the early conclusion of a peace treaty.

It seems that by the time of the summit in Krasnoyarsk in November 1997, it was basically understood (and tacitly accepted by diplomats on both sides) that movement toward a peace treaty will not occur as a single dramatic event but will take the form of a process based on mutual trust and respect of the differences in positions. The concept of "joint development," proposed by Moscow in November 1996, enabled the two sides to replace the traditional concept of demand-refuse bargaining as a mode of dispute resolution with the concept of mutual benefit.

This new approach was based on the assumption that the implementation stage would be viewed as an important goal in itself, one that would lead to increased confidence and trust as well as consensus building both between Japan and Russia and within each country. It seems that Prime Minister Hashimoto offered a similar view in his speech delivered on July 24, 1997, at the Association of Corporate Executives. Therefore, at least from the standpoint of Russian diplomats, a new, rather than traditional, vision of the territorial problem was advanced, and a "partnership-in-dispute-settlement" approach began to take shape.

Notwithstanding this view, the question looms large whether the positive movement in relations will remain uninterrupted in the coming years, mostly because of the inability of politicians to handle the territorial issue under the changing circumstances. In any event, the official position of Moscow was to preserve opportunities for the development of bilateral relations, protect Russia's sovereign interests, and, if possible, to seek a possible compromise in the future (Losuykov 2000, 12). Some Russian experts intimately engaged in the dialogue on border demarcation with their academic counterparts in Japan have proposed the 1956 Joint Declaration (Eremin et. al. 2000, 14). However, their opponents, including those from Sakhalinskaya Oblast, adamantly rejected the idea of any compromise.

What really matters is that, in some quarters in Moscow, the opinion was held that even giving away Shikotan and the Habomais, as was agreed in 1956, must be confirmed by a popular vote and may require amendment of the Constitution (Losuykov 2000, 19). In Japan, the government views the return of all four disputed territories (i.e., a transfer of title, even if

the transfer of the islands is postponed) as a precondition for a peace treaty. Therefore, the idea of speeding up the peace treaty process created significant potential for disillusionment, particularly on the part of the Japanese.

Although each party faces its own dilemmas, their respective motives for continuing the cooperative political dialogue are now better defined, which improves conditions for trade and investment in the future. Both sides also have agreed to further promote exchanges and a high-level dialogue on security and defense issues and to carry out a joint search and rescue exercise.

For Russia, Japan is one of those “priority partners” that could influence Russia’s economic future and position in Northeast Asia, including the stability of its relationships with the United States and other neighbors (Arbatov 2000). The problem is that there is not sufficient determination on the Russian side to emphasize relationships with Japan not only in political terms, but also in practical and technical terms. There is little coordination of various policies and insufficient understanding of the decision-making mechanisms both within the government and in the private sector.

It seems that, for Japan, Russia is also important as a country that could play a “balancing role” in East Asia, provided that Moscow accepts the need for Japan to maintain the security treaty with the United States (Watanabe 1999, 79) and that NATO politics does not spoil the fragile progress achieved in the Northeast Asian sub-region. On the other hand, a major impediment in bilateral economic relations is the limited constituency in Japan that is able to influence both the perceptions of and the policies toward Russia.

The United States

From the Russian perspective, after 1992, the major goals in relations with the United States and Japan were to secure external support for economic reform and domestic political restructuring, to preserve Russia’s status in the international community, and to find ways to reconcile Russia’s position with the US–Japan security treaty. There was another relatively peripheral yet significant task for Russia—to be recognized as a participant in the Asia-Pacific regional process. Both Japan and the United States have made an effort in this regard by inviting Russia to the G7 summit, thereby creating the Group of Eight. Also, both the U.S. and Japanese leaders facilitated Russia’s full membership in the Asia-Pacific Economic Cooperation (APEC) organization, beginning in November 1998.

The United States played the key role in promoting the US–Japan–Russia trilateral dialogue on North Pacific Security, an effort that involved the Center for Strategic and International Studies (United States), the Institute of World Economics and International Relations (Russia), the Japan Institute of International Affairs, the National Defense University (United States), the School of Advanced International Studies of Johns Hopkins University, and the U.S. Institute of Peace. Apparently, some of the forum’s

recommendations on high-level visits by military officials, mutual friendly port calls, and search and rescue exercise materialized (*Trilateral Forum* 1998, 2).

On the economic front, although there was cause for some concern, there were also and developments favorable to Russia, in terms of progress on the Sakhalin oil and gas projects. Some authors, for example, blamed the leadership of the former Soviet Union for turning over to the United States an area of 40,000 square kilometers in the central Bering Sea, an area known for its abundant fishery resources (Osipchuk 1999 (d), 22) and for not declaring the Sea of Okhotsk an “internal sea,” which would have closed this area to foreign fishing vessels (Gohberg 2000, 61–62).

The saga of cooperation and tension with the United States in the North Pacific and Northeast Asian region has made Russian observers rather more suspicious than forthcoming, particularly in the context of Russia’s economic weakness and industrial decline (Efimenko 2000, 19). It seems that Russian experts were not alone in harboring concerns and subtle negative feelings towards Washington, its policies, and its intentions. In the United States, as well, those who watch Russia in Northeast Asia expressed reservations with regard to the Chinese and Russians, who were learning “how to work closely together to build a region outside the orbit of the West” (Rozman 2000, 13).

Part of this “learning process” was weapons trade. China’s imports of Russian-made arms are not yet an issue in the official Washington–Moscow dialogue. However, the dominant perception on the part of Russian observers was that past disagreements with regard to Russian defense contracts with India and Iran were based on Washington’s “cynical desire to undermine the position of its most potent competitor in the highly lucrative global arms market” (Chufrin 1994, 223). The fact, however, remained that, in addition to China, Malaysia, and South Korea also imported Russian weaponry in the 1990s.

In general, however, Russian-US relations in Northeast Asia improved—when compared to the early 1990s, when the very presence of Russia in Northeast Asia was ignored by the Department of State. President Clinton, for example, speaking at the APEC forum meeting in Seattle, spared Russia from being mentioned altogether. On the other hand, Northeast Asia was obviously only a part of a larger, global landscape in which the Yeltsin/Kozyrev team was preaching with an obsession for a partnership with the United States (Ivanov 1994, 155, 161). What was more surprising was that the institutions close to the U.S. Foreign Service fundamentally continued the practice of ignoring Russia as a part of East Asia (*Asia Foundation Project*, 2000).

On the other hand, the Gore-Chernomyrdin commission’s attention to the U.S. West Coast’s relations with Far Eastern Russia, cooperation in nuclear submarine disassembly, and other ventures, such as Sakhalin oil and gas development projects, created an environment that proved to be less uncertain and more down-to-earth. The “cooperative engagement” advocated in the early 1990s by Admiral Charles Larson has helped to develop military-to-military relations across the Pacific and has facilitated port calls and senior exchange visits (Ivanov 1997, 152). However, some analysts described joint military training,

such as “Cooperation From the Sea” and particularly that conducted in 1998 in the vicinity of Vladivostok, as related to the U.S. policy towards North Korea (Osipchuk 1999 (c), 122).

On the other hand, some experts have noted that Russian leaders no longer “characterize U.S. alliances in East Asia as a factor for stability” and that “NATO is once again seen as Moscow’s main security problem” (Trenin 2000, 139, 141). However, they did not openly denounce these treaties as sources of instability.

New Energy Markets?

In theory, Russia could contend for significant shares of energy markets in Japan, South Korea and China. It aspires to become these economies’ partner in meeting their energy needs through diversification and the promotion of competition. The possibility of natural gas exports to neighboring markets is based on a number of assumptions. The first is increasing energy demand and imports on the part of Northeast Asian economies. The second premise is that energy importers will give preference to natural gas as a cleaner fuel. The third is that natural gas delivered to markets through pipelines will be cheaper and, therefore, more attractive than liquefied natural gas (LNG).

Some of these assumptions do not necessarily correctly reflect the existing picture. Japan’s policy in further promoting natural gas is crucial because its natural gas market is the largest in Northeast Asia, and the opening of this market to pipeline gas will constitute a major change. It must be noted, however, that Japan is exclusively locked into the LNG option, and there is a possibility that a pipeline from Sakhalin will never be built.

China, on the other hand, appears to be the largest potential market for pipeline gas from Siberian and Sakhalin, as well as from Central Asian sources. Some estimates indicate that, by 2020, Beijing may need to import as much natural gas as the European Union does today, in addition to about 6–8 million barrels of oil per day. For Russian negotiators these projections appear extremely attractive, and the top political leaders seem to support optimism regarding north-to-south cross-border gas pipelines.

In reality, however, Japan is unlikely to be a customer for natural gas delivered through a pipeline before 2010 because of its predominant reliance on liquefied natural gas (LNG) and domestic constraints on building a distribution infrastructure. Moreover, China’s first priority, until at least 2010, is to develop its domestic resources of natural gas and to build a national long-distance West-East gas pipeline that could eventually rely on alternative natural gas sources in Kazakhstan and/or Turkmenistan. Moreover, there is no guarantee that, if and when natural gas attracts attention in the developed coastal areas of China, Chinese authorities and investors will opt for smaller-scale and easier-to-put-together LNG projects integrated with the combined-cycle power plants (Ivanov 2001, 163).

At present Russia has no long-term or comprehensive strategy to promote its natural gas in Asia, and, therefore, there is no coordination between the Sakhalin projects and Kovykta,

or Yakutia projects. It seems that the Russian government, in its projections for natural gas exports to Asia, overlooks the fact that only Russia's own market could absorb natural gas until 2010. In 1999, the Russian federal authorities and the administrations of Sakhalin Oblast, Khabarovskiy Krai, and Primorskiy Krai agreed on a gas pipeline project linking the island and the two most populous and industrialized provinces in the Russian Far East. This program, however, is vulnerable because it lacks funding.

Canada could serve as a model for designing and developing a natural gas industry and the accompanying delivery systems in Eastern Russia. Although there is considerable consumption of natural gas in Canada's producing provinces, its gas industry is characterized by a "production in the west, consumption in the east" pattern. This is clearly reflected in the gas delivery infrastructure with all production fields, gathering pipelines and processing plants located in western Canada. The single West-East transmission pipeline system moves gas across the country and along the border with the United States. The export points for gas delivered to the United States are spread out along this border, and there are currently sixteen non-reversible pipeline interconnections with a total annual maximum capacity of 86 billion cubic meters (bcm).

In eastern Russia, a transcontinental trunk pipeline constructed along the Trans-Siberian Railway will enable the commercialization of natural gas reserves in Krasnoyarskiy Krai, Irkutskaya Oblast, and Yakutia (Ivanov 2000, 26–27). These integrated reserves will be sufficient to supply gas to domestic users. In addition, the proposed infrastructure will allow significant cross-border gas exports to China, the Koreas, Mongolia and even supplies of LNG to Japanese, South Korean and Taiwanese LNG users, provided that an expanded LNG export capacity will be available and sufficient to seriously compete for a larger LNG market share in Japan and other economies.

It seems likely that Japan would be able to support this concept because its own demand for natural gas is likely to grow. Recently, the Advisory Committee for Natural Resources and Energy under the Ministry of Economy, Trade and Industry of Japan proposed raising the share of natural gas in the primary energy supply from the current 13 percent to 20 percent by 2020. Therefore, a "west-to-east" trunk pipeline infrastructure constructed in eastern Russia will allow flexible marketing and expanded reserves of natural gas traded via pipelines and as LNG. It is particularly important that Japan has the capacity and institutional instruments to influence investment decisions in continental Northeast Asia. On the other hand, both Japan and Russia could become natural partners in changing LNG markets for their mutual benefit.

Conclusions

In the 1990s, the ghosts of the communist past and the legacy of superpower status still distracted some Russians of the older generation from an adequate analysis of problems and opportunities associated with closer relations with Asia. This misalignment with economic reality is gradually giving way to pragmatism, but, sadly, without much input on the part of

the Federal Government. The Ministry of Foreign Affairs remained on the distant periphery of the economic decision making process, failing to provide a comprehensive diplomacy framework relevant to Russia's economic needs and opportunities.

For example, Russia's participation in APEC still appears disappointing: at the recent APEC Energy Ministers meeting in San Diego there was neither a proper representative from Moscow nor a delegation from the Russian Far East, despite a nation-wide consensus that energy cooperation with China, the Koreas, and Japan is the long-term strategic priority. Similarly, frequent high-level conferences on China's energy policies and requirements that took place in 1999–2000 in Beijing, Shanghai, Hong Kong, and Singapore, were routinely ignored by the government and the private sector.

At the same time, Russia on the Pacific at the turn of the century was vastly different from what it was both a decade and a century ago. Its economic capacity, the quality of its workforce, its understanding of market forces, and its ability to secure its territorial integrity have improved. What Russia needs is a smaller and more efficient government to organize the country on the basis of new institutional foundations, values, interests, and realistic plans.

The list of problems with regard to Asia includes a lack of clearly formulated and prioritized interests (Vasiliev 1999, 64, 66), poor coordination of policies within Russia, and a lack of realism and excessive emotionalism in analyzing the situation. It is difficult to make progress in resolving problems of substance, such as the "enclave" economic position of the Far Eastern region (Minakir 1998, 22), without making corrections and adjustments in conceptual areas, such as improvements in the culture of decision-making and implementation capacity.

Also, it seems that at least some analysts outside of Russia understand better than many among their Russian colleagues that "if Russia wants to join the post-communist world, it must strike the right balance between 'Atlanticism' and 'Eurasianism'" (Komachi 1994, 33). It seems, however, that, since this conclusion was drawn, there have been sufficient missteps in the policies of the West to make it more difficult for Russians to achieve such a balance. It also seems that the lesson many Russians have been learning over the last decade—plain, but clearly forgotten—is the fact that Russia, particularly when it was dynamic and strong, was never really welcomed by the Europeans. Apparently, although the Soviet Union is gone, these traditional feelings towards Russians and perceptions of their vast homeland remain firmly in place.

A promising alternative could be linked with the weakening Western tolerance of OPEC oil dependency; with such a development, Russia would have a very real opportunity to become the major supplier of "secure energy" to East Asian economies, while solidifying its key role as the major exporter of natural gas and oil to Western and Central Europe.

Indeed, a new generation of Russian decision makers, military commanders, statesmen, and bureaucrats have already replaced the "old guard" throughout the entire country and at all levels of seniority. This phenomenon deserves careful consideration and analysis.

Hopefully, this new generation of decision makers will not fail to take advantage of the historic opportunities that are before them.

On the other hand, a survey indicates that there is only a limited consistency in Russia's regional political role in Asia. Some authors suggest that Russia must stand back and scale down its efforts in promoting a multilateral approach to regional security issues (Bazhanov 2000, 19). Others suggest that the "Shanghai Five" should take the lead in creating a trans-Asian cooperative security framework (Vorkunova 2000, 56). From our observations, Vladimir Putin's administration is likely put on hold the "Gorbachevian" pursuit of idealistic grand designs on a regional or global scale, choosing instead to focus on the most critical issues that could make Russia's presence in Northeast Asia more secure and economically rewarding.

For the United States and its allies, the question looms large with regard to the "value" of a sound relationship with Russia in this part of the world and beyond. It seems that the Clinton administration, despite its more or less friendly stance towards Boris Yeltsin and his regime, failed to answer this question in a comprehensive manner commensurate with the new role that the United States is expected to perform in the post-Cold War era. When Vladimir Putin was nominated as chairman of the Government in 1999, the anti-terrorist campaign waged by the Russian military and security forces in the Northern Caucasus (and particularly in Chechnya) became the stickiest point in Moscow's relations with Washington and its European allies. It took months for the Bush administration to review and reassess the "Russian legacy" bequeathed to it by the Democrats. However, the "value question" is yet to be addressed in a longer-term perspective, considering the unknown world unfolding before us in the aftermath of the terrorist attacks of September 11, 2001.

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Beijing Warms to Moscow: A Sino-Russian Entente for the 21st Century?

Andrew Scobell*

Introduction

There is considerable interest in the budding relationship between China and Russia. Alarmists argue it constitutes a military alliance, while others nonchalantly contend that it is merely a dalliance.¹ Whatever one labels the bilateral relationship, officially described by the People's Republic of China (PRC) and the Russian Federation as a "strategic cooperative partnership," its nature and substance hold significant strategic implications for the United States.² This paper briefly discusses China's logic in pursuing a relationship with Russia and seeks to define the nature of the relationship. It then assesses the ideological, diplomatic, military, and economic dimensions of Moscow-Beijing ties, focusing on the Chinese perspective. Lastly, the future prospects of Russia-China ties and the implications for the United States are considered.³

The Chinese logic for a closer security relationship with Russia

It is Russia that has sought out China, not the other way around. This confirms who is the stronger partner here, that is, China. Russia needs China's support more than China needs Russia's support, as Li Jingjie stated.⁴ Still, it takes two to tango, and China has a major interest in improved ties with Russia. Beijing's most immediate concern was reducing the threat and lowering tensions along its extensive land border with Russia. In a world where Chinese leaders see threats all around them, warming ties with the Russians became a high priority. And Beijing has given even greater attention in recent years to developing better relations with Moscow particularly because of a growing perception of worsening ties with Washington.

It is important to note that both Moscow and Beijing would each prefer positive relations with Washington. The economic and political costs to both countries of poor relations with the United States are quite high. This is certainly the view in Beijing. "Both Russia and China want good relations with the U.S.," Cui Tiankai, head of the People's Republic of China (PRC) Ministry of Foreign Affairs Department of Policy Planning, told a British journalist in July 2000.⁵ Thus the most important force pushing China and Russia closer together is worsening ties of one or both countries with the United States. Jin Zeqing of the China Institute for Contemporary International Relations stated in an article for foreign consumption that

*The views expressed here do not necessarily represent the views of the U.S. Army, the Department of Defense, or the U.S. Government.

“Russia shares more pragmatic strategic interests with China when facing the common tasks to cope with the U.S. strategic pressures....”⁶ In other words, as one Chinese analyst said in early 2000: “As long as US-Russia relations are bad, Russia-China relations will be good.”⁷

The strategic triangle concept, formulated by Donald Zagoria, remains operative.⁸ While a shadow of its former self, the triangle is still there, albeit lopsided. This means that any change in relations between China and the United States or Russia and the United States affects the relations of China and Russia with each other. Thus, for example, if US-China relations and/or US-Russia relations deteriorate, then China-Russian relations will tend to improve. But a warming or cooling in relations between China and Russia tends to have far less impact on U.S. relations with either country except in the extreme case of a full-blown Beijing-Moscow military alliance. As one veteran U.S. scholar has observed, the United States (and Japan) should be careful of “mismanaging relations” with China and Russia that “could drive the countries closer....” Phrased more positively: “The United States and its two military alliances in Europe and Northeast Asia will be a powerful force in shaping the Sino-Russian partnership.”⁹

A China-Russia Entente?

Chinese and Russian leaders like to call the bilateral relationship a “strategic cooperative partnership.” Of course, this is vague and can mean just about anything. It is clear, however, that ties between the two Eurasian continental powers are much better than they have been in more than forty years. No longer do the two neighbors face each other as adversaries as they did during the 1960s, 1970s, and for most of the 1980s.

From Beijing’s perspective, things could not be much better because the relationship is more balanced than ever before. During the Soviet era, the relationship was very one-sided, as Moscow played the role of elder brother and Beijing the role of younger brother. Today, with Russian national power significantly diminished both in military and economic terms, the two countries stand before each other as virtual equals. If any side dominates, it is China, not Russia. Thus, as Chinese Premier Zhu Rongji noted in November 2000: Sino-Russian relations are “better than [at] any time in history.”¹⁰

By the first decade of the 21st Century the term alliance seems to have fallen out of vogue and almost become a dirty word. Almost a century ago, American pundit Ambrose Bierce cynically defined an alliance as: “the union of two thieves who have their hands so deeply inserted in each other’s pocket that they cannot separately plunder a third.”¹¹ Indeed, even if the relationship between Russia and China was a formal military alliance, neither side would call it that. Such a declaration would unduly alarm their neighbors and prove counterproductive as both states seek to expand political and economic relationships with countries across the globe. Moreover, for Beijing this step would run counter to repeated insistence that China does not seek military alliances with other countries and pursues an independent and nonaligned foreign policy. A point articulated in Beijing’s most recent defense white paper (October 2000) is that China “...does not seek alliance with any country

or bloc of countries; nor does it participate in any military bloc.”¹² Hence PRC President Jiang Zemin stated, just after his July 2000 summit with President Vladimir Putin: “The relations of strategic partnership between China and Russia are normal interstate relations, whose principles are ‘rejecting the creation of an alliance and of confrontation and not being aimed against third countries.’”¹³

Nevertheless, both Beijing and Moscow seem keen to enhance the relationship. President Jiang and President Putin signed a “Treaty of Good Neighborly Friendship and Cooperation” during their summit held in Moscow in mid-July 2001. The relationship between Moscow and Beijing appears to be more than a “marriage of convenience” but less than a full-blown military alliance. I suggest it is most appropriately labeled an ‘entente.’ That is, “an understanding [between governments] which falls short of a binding treaty or alliance between states.”¹⁴ The treaty does not contain specific defense commitments by either side or “binding” security clauses. Of course, even in the event that a *de facto* military alliance [was] had been formalized in July 2001 for the reasons stated above, this would almost certainly be kept secret and not be part of the publicly released document.¹⁵ The bilateral treaty comes on the heels of the enlargement of the so-called “Shanghai Five” bloc cemented a month earlier. The newly dubbed “Shanghai Cooperation Organization” now has six countries as Uzbekistan has joined the five original members: China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan.

One Foundation and Three Links.

The foundation of the China-Russia entente is ideological—a shared common worldview.¹⁶ The links are threefold: diplomatic, military, and economic. It is the shared outlook of Beijing and Moscow that forms the basis of the relationship: the geostrategic intention to counter U.S. hegemony in all its forms.

Ideological Foundation: Similar Worldviews

In many respects China and Russia share a common ideological perspective. By this I do not mean that both are Marxist-Leninists. Rather, the shared ideology refers to similar worldviews concerning international relations. The shared or common elements of both states’ approach to international relations and today’s international agenda sharply differentiate them from the liberal views expressed by the United States and its allies. Thus two genuinely contrasting approaches to the great questions of contemporary international security are contending with each other. Although Communism as a viable ideology and system is dead, there are, nevertheless, still lingering remnants of the Marxist-Leninist *Weltanschauung* among leaders in both countries. This tends to manifest itself as an “informal ideology.”¹⁷ Leaders in Moscow and Beijing tend to see eye to eye on conceptions of national security, sovereignty, the role of the United Nations (UN)—particularly in “humanitarian interventions” abroad, countering U.S. hegemony, American-sponsored missile defense initiatives, weapons proliferation, and, perhaps increasingly, on Asian security.¹⁸ And not

surprisingly, those are the pivotal issues in the ideological debate with the United States and contemporary liberalism in world politics.

National Security

Chinese and Russian leaders are both extremely paranoid about national security matters in their respective states.¹⁹ To a considerable degree, this paranoia stems from and in turn generates the sense of interrelated and simultaneous internal and external threats. Both governments fear external and internal threats that could lead to regime overthrow and/or state fragmentation, and they link both sets of threats together. Precisely because they feel their sovereignty and territorial integrity to be constantly at risk, they are determined to protect themselves by all necessary means. And second, because of the deeply rooted sense of being under constant threat, they do not take the claims of liberalism in world affairs very seriously because it contradicts their experience of American hegemony and power. Indeed, Chinese and some Russian officials and/or analysts essentially believe that liberalism, the emphasis on human rights, the right to self-determination, democratization, and open economies represents a form of American-led political warfare in international politics intended to shred their states' integrity, sovereignty, and overall power position. These views are reinforced by U.S. actions in the past decade: the Gulf War, efforts to expand the North Atlantic Treaty Organization (NATO) eastward, the enhancement of the American defense relationship with Japan, the U.S. military presence in Bosnia, the U.S. offensive against Yugoslavia (Serbia) and the accidental bombing of the Chinese embassy in Belgrade (both in 1999), and the Hainan Island incident of April 2001.

Both states' realism stems from a calculation that not only grasps that they currently are weak but that weakness invites simultaneous crises of domestic fragmentation and foreign exploitation. Both states are also heirs to the Realpolitik vision of the world that was intrinsic to Leninism. Moreover, because both states believe that weakness only invites further American encroachments and because both states think of this weakness as being only temporary, they are revisionist states that deliberately cultivate and try to impress upon others a sense of their grandeur and importance that is greatly disproportionate to the stark realities of power.

China seeks to persuade others (and its own people) that it is the great power it claims to be; otherwise, it fears that its true weakness will stand exposed to everyone and duly invite the traditional negative repercussions of internal instability and foreign encroachment. Thus a recent Rand Corporation study of China's "grand strategy" argues that China possesses a two-sided policy or strategy towards the United States that focuses on co-optation and prevention.²⁰

In general, Beijing leaders, whatever they might think privately, have been very tactful and delicate in approaching the Russian side. This contrasts with the increasing anger and pervasive Russian suspicion of American behavior and policy. To Moscow, U.S. policy and behavior seems not just to be inclined towards unilateralism, but is also widely assumed to

have an ulterior motive of pushing Russia out of areas that have traditionally been its exclusive sphere of influence or territory and permanently reducing Russia to the status of a semi-colonial, marginal player whose voice and role count for little or nothing in world politics.

Lacking the means or allies with which to compel Washington to back down by force, both China and Russia are thrown back on an economic-political-military strategy to compel Washington to take their interests more seriously by playing the “Russia card” or the “China card.” And both states have outlined a strategy that seeks refuge in the UN as an institution, albeit in a rather idiosyncratic understanding of its role, in a doctrine emphasizing their concepts of sovereignty and multipolarity against American hegemonism, and also in what might be called both states’ “omnidirectional” foreign policy that aims to create tactical, if not strategic, alliances against the common threats they perceive.²¹ As a result, we can see a clear “war of ideas” as well as complex international maneuvering by both these states and by the United States as the pole whose power and policy they seek to influence. The ideas around which the controversy now takes place are national sovereignty, multipolarity, missile defense, and proliferation.

National Sovereignty.

Russian and Chinese leaders also agree on the traditional blanket conception of state sovereignty as absolute and inviolable. This is at odds with more limited conceptions of sovereignty that exist in the era of global interdependence and that are increasingly taken for granted in American official and academic literature.²² In Moscow and Beijing, this interpretation of sovereignty gives carte blanche to Western countries, and the United States in particular, to intervene at will in the domestic affairs of other sovereign states.²³ Some Chinese analysts have called this “neo-interventionism” or “excessive and undue interventions in other countries’ affairs.”²⁴ Russia and China are particularly concerned about the precedent set by the 1999 NATO air campaign against Yugoslavia and subsequent intervention in Kosovo. It is not merely coincidence that the two governments express strong support in communiqués for the principle of full national sovereignty and the right of each other to settle matters as one sees fit in problem regions such as Chechnya and Taiwan. Foreign Minister Tang Jiaxuan told the UN in September 2000, “To interfere in other countries’ internal affairs in the name of protecting human rights in order to advance one’s own political agenda is simply a blasphemy and a betrayal of the human-rights cause.”²⁵

Multipolarity

Moscow and Beijing regularly assert the desirability of a multipolar world and rail against hegemonism. This is another way of saying that they oppose U.S. domination or leadership of the world. In recent years, the two governments have advocated the establishment of a new global system to counter the U.S.-led one. Significantly, much Chinese writing expresses the belief that Washington’s future prospects include long-term decline and fissions developing

between the United States and its allies.²⁶ The 1996 bilateral communiqué openly talked of a developing multipolar trend but warned against hegemonism, power politics, and great power pressure on other governments. Both states called upon all governments to

Cooperate closely and work together to establish a just and equitable international political and economic order and promote regional and global peace, stability, development and prosperity on the basis of the principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence as well as of the accepted norms governing international relations.²⁷

For the first time, both parties mentioned the UN and urged its strengthening, since it is a major international mechanism for peace, development, and security. To increase its capacity for fulfilling its mission, not only should the UN and its component agencies be reformed, the entire approach to peacekeeping operations should also be transformed. Finally, both states called for a new international economic order and warned against the practice of economic sanctions.²⁸ In 1996, both sides greatly expanded their vision for the Asia-Pacific to support bilateral and multilateral security dialogues to strengthen security in view of the region's diversity and pursuant to the Chinese principle of seeking consensus through consultations and gradualism.²⁹

One year later, their discussion of multipolarity was bolder and much more expansive, asserting that many states and nations had come to embrace the principles of mutual respect, equality and mutual benefit, sovereignty, noninterference in internal affairs, peaceful coexistence, and, newly, "universally recognized principles of international law," while rejecting hegemonism. They asserted each country's right to choose its own path of development based on its own national conditions without external interference. "Differences in social system, ideology, and values must not become obstacles to the development of normal state-to-state relations."³⁰ They stated that it was imperative to recognize the equality of all states and to eliminate discriminatory practices and policies in economics. Both China and Russia called for a new, universally applicable security concept and dialogues at all levels and claimed that their recent Shanghai-five agreement on borders and confidence building measures should serve as a model, for the whole world. They expressed concern over the enlargement of blocs (NATO and the US-Japan treaty) that could threaten countries' security. Finally, they both urged the strengthening of the UN "as the most representative and authoritative organization of sovereign states." Only the Security Council (where they each had a veto) and the country concerned could approve peace operations and sanctions had to compensate third countries that might lose indirectly due to them.³¹ The two governments now pledged themselves to work for the further multipolarization of the world and a new international order.³²

Missile Defense and Proliferation.

Both Russian and China vehemently oppose missile defense initiatives proposed by the United States. Russia is particularly concerned with National Missile Defense, arguing that it is destabilizing and threatening. Russian and Chinese officials contend that National

Missile Defense violates the terms of the Anti-Ballistic Missile Treaty signed between the United States and the Soviet Union in 1972.³³ Of special concern to Beijing is the possibility of Theater Missile Defense for Taiwan.³⁴ This opposition has only increased in response to the expressed intent of the Bush administration to proceed expeditiously with plans to deploy missile defense. Meanwhile, on both nuclear and conventional arms proliferation, Russia and China hold similar views. Each government is on record favoring nonproliferation of nuclear weapons and nuclear weapons technology in principle. But in practice, each takes a more benign view of the extent of the problem and a relaxed approach toward appropriate strategies to pursue.³⁵

The Diplomatic Link

Diplomatic ties between China and Russia have warmed considerably over the course of the past decade. The resolution of territorial disputes along their common border during the 1990s and subsequent demilitarization have provided the mutual reassurance that the enmity and distrust of the previous three decades is largely behind them. Agreements signed in 1991, 1994, and 1997 essentially resolved the border disputes except for a handful of islands.³⁶ Once their common borders were judged secure, Beijing and Moscow sought to cooperate in preserving peace and stability in Central Asia. China and Russia, in conjunction with Kazakhstan, Kyrgyzstan, and Tajikistan, formed the so-called “Shanghai Five” in April 1996. The fifth annual heads of state conference was held in July 2000 in Dushanbe, Tajikistan. Russia has also sought, thus far unsuccessfully, to bring together China and India into some kind of cooperative arrangement.

Russia and China, as multi-ethnic states under considerable stress in their ethnic peripheries, are naturally particularly alarmed about ethnic tensions in border regions and neighboring states. And for China this also includes Taiwan, which it adamantly regards as a renegade province whose final disposition is simply a matter for it alone to decide.³⁷ Moscow, of course, has already endured the dissolution of the Soviet Union along the fault lines of the ethnic-arranged Republics in 1991. Thus it has been a crucial point for each state to win the other’s *unconditional* assent to support for the integrity of their territory and for support against the possibility of insurgency emanating in Central Asia, which now is a bridge between China and Russia. Both China and Russia are vulnerable today to the fires of Muslim insurgency originating in this pivotal region.³⁸ Therefore the appearance of lasting, multi-pronged American and Western interest in the region, manifested through the struggle over energy and the inclusion of Central Asian states in the Partnership for Peace (PfP) stimulates some very tense or frightened politicians and military men into extreme or extravagant threat perceptions that then become used for policy purposes. Similarly, Moscow’s unvarying support for China’s position on Taiwan goes beyond non-recognition or non-acceptance of the idea of two Chinas, or of one China and one Taiwan, and non-support for Taiwan’s independent membership in major international organizations to include no sale of weapons to Taiwan. And China has, for its part, unreservedly supported Russia’s position on Chechnya. Each side greatly appreciates this support because the fact that each state

either sees itself as incompletely united or under threat of amputation makes them very tense indeed regarding the liberal agenda in international relations.

They are tense because in Russia, since 1998, there has been real fear of the country falling apart due to its multiple internal weaknesses, and in China, the American pressure on Tibet, Taiwan, and human rights is seen in many quarters as an outright strategic threat against the integrity and stability of China's government and the Communist form of rule.³⁹ Ethno-nationalist movements in places like Chechnya and Dagestan are treated very seriously by the Kremlin. Although China has not experienced territorial fragmentation in more than fifty years and remains ruled by a communist party, the example of the demise of the Soviet Union is foremost in the minds of Beijing. Moreover, the hard-line stance on Taiwan is prompted by a deep fear that being soft on the island will encourage Taipei to declare independence and have a domino effect on other parts of China, particularly the autonomous regions on China's periphery that are arranged on ethnic lines. Indeed, as it is increasingly evident that China cannot stop the unrest in Xinjiang, it has become perhaps the most dangerous internal threat to China's stability.⁴⁰

Those fears, especially after Kosovo, have given rise to some elite perceptions that U.S. pressures for democratization and PFP in Central Asia represent the two prongs of an Asian NATO, ranging from Japan and South Korea to Central Asia. Indeed, for Beijing, democratization and the perceived dismemberment of the Chinese state are virtually synonymous, and this fear of loss of territory and control profoundly shapes Beijing's hostility to notions of democratization.⁴¹ Thus there are deep and lasting convergences and parallels in Sino-Russian threat statements and perceptions that bring them ever closer on a host of issues relating to bilateral security in Central Asia, economic security against threats to their economic development, and military-political threats to their common interests in Central, South, and East Asia.

In many or most cases, the enemy is either the United States or its alliance system, notably Japan. These convergent threat perceptions strengthen certain common economic interests and political interest in shelving border disputes on the Sino-Russian border that no longer loom large in either state's calculation. Instead, they both need tranquility there to focus on other, more urgent, pressures at home or abroad. Those external pressures that are either orchestrated by the United States, globalization, or an international terrorist conspiracy, or are generated by any combination of those three forces, not only threaten the sovereignty and integrity of both states, they also threaten their survival or their supposedly inevitable rise or return to the status of being a great power; that is, the reunification of China and maintenance of its integrity and the reintegration of the Commonwealth of Independent States around Russia.

A primary goal of Chinese/Russian diplomatic cooperation is to counter U.S. policy initiatives. A significant element of this is coordination on diplomatic initiatives at the UN. China and Russia seek to safeguard the UN's leading role, and especially that of the Security Council, in order to push forward the multipolarization process.⁴² The two states here are merely reaffirming principles that they have already stated in other fora and repeat often.⁴³ Notably both governments, at the UN Millennium meetings in September 2000, took a tough

line on the sovereignty of the nation-state, coming out simultaneously for the primacy of the UN and the reconstruction of its ability to act in “humanitarian intervention” situations. While arguing for the importance of the institution, they bluntly stated their opposition to any concept of sovereignty that infringed on their right to govern as they saw fit, for example, Xinjiang, Tibet, or Chechnya. China refused to allow any possible claim that Taiwan was in any measure fit for independent membership in a UN agency, and both sides openly stated that interventions must not be carried out except with the support of the host nation and the authorization of the Security Council.⁴⁴ On the other hand, the two governments’ consistent position on Iraq and their joint action to undermine the UN ‘s sanctions regime there demonstrates just how self-interested their stance on these issues really is.

Most recently, Beijing and Moscow have also begun to coordinate their approaches to the Korean peninsula. In the year 2000, China brokered Putin’s visit to North Korea after his summit in China. And only with this Chinese support, which had not been forthcoming since 1994, did Moscow back Beijing’s position about the need for U.S. troops to withdraw from Korea after unification.⁴⁵

China’s ability to exert strong influence on Russian policy, and through that to attempt to bring others along, is already visible in several instances. For example, only after much struggle and U.S.-Japanese opposition did Russia gain entry into APEC (the Asia-Pacific Economic Cooperation), largely due to Chinese support. Only then did Tokyo and Washington support Russian entry into APEC, lest Moscow incline still further to Beijing.⁴⁶ When it became apparent that Japan was considering joining the United States’ programs on theater and national missile defense, Moscow began to ask pointed questions of Japan why it was doing so and announced reservations similar to China’s about the treaty guidelines.⁴⁷

Likewise, both sides concurred that Afghanistan was the source of threats to Central Asia and Xinjiang due to its support for insurgents, “terrorists,” and narco-trafficking. Whereas Russian civilian leaders and military officials openly bruted about the option of bombing Afghanistan, China always supported searching for a negotiated solution with the Taliban rulers there, and, in late September, 2000, Moscow came around to that policy and opened discussions with the Taliban.⁴⁸

Military Link

This is the most hyped dimension, and, indeed, it is the most tangible and concrete link. It is significant that the Defense White paper issued by Beijing in October 2000 only mentioned one bilateral military-military relationship by name in a positive light: the Russia-China one. Perhaps the first element of the bilateral military-to-military relationship is high-level visits and functional exchanges. According to the White Paper, “active high-level military relations between China and Russia have developed smoothly.”⁴⁹ Regular visits by senior Chinese military officials include trips to Russia by the Vice Chairman of the Central Military Commission and “almost annual exchange visits” by the ministers of defense of the two countries. There is also an active program of functional exchanges between regional and

district military commanders, and delegations from professional military educational institutions from both sides. A qualitative improvement in mil-mil ties between China and Russia appears to date from the visit of the PLA Chief of General Staff Zhang Wannian to Russia in late 1999.⁵⁰

A second element of the military relationship is the significant sales of Russian armaments and the transfer of Russian technology to China. Since 1993 China has taken delivery of more than U.S. \$5 billion in weapons from Russia and signed other contracts worth approximately double this amount. Recent sales have included forty Sukhoi fighters sold in 1999—a deal valued at U.S. \$2 billion but yet to be delivered. Then two Sovremenny class destroyers equipped with Sunburn anti-ship cruise missiles, contracted in 1996, were delivered to China in 2000.⁵¹ Russia has also agreed to allow China to co-produce arms, and Chinese factories are now manufacturing the Su-27 under contract and will do the same with Su-30 in the future.⁵² Moreover, an undetermined number of Russian scientists and technicians are now employed in the Chinese military industrial complex.⁵³

A third dimension of the military relationship is border cooperation. Expanding from the confidence building measures in border areas from the 1996 Shanghai Five agreement, the following year the five countries signed an “Agreement on Arms Reductions in Border Areas.” This accord set the stage for the demilitarization of their common borders. The five neighbors committed to reducing military forces within one hundred kilometers on either side of their borders, not using force against each other, and exchanging information on the forces maintained in these border areas. On a more mundane level, military commanders from Russia and China responsible for the border duties have met and reached agreements on handling smuggling, illegal immigration, drug trafficking, and poaching.⁵⁴

Military Cooperation in a Taiwan Contingency

Reports that Russia and China have signed some kind of pact whereby the Russian Far East Fleet will block U.S. access in the event of a Taiwan scenario needs to be put in context. First, there is no indication this is true, although the reports were never denied by either the Kremlin or Zhongnanhai.⁵⁵ But even if it were, the fleet is in no shape to offer a credible challenge to the U.S. Seventh Fleet. However, involvement by the Russians would certainly complicate matters. Thus the intent of this report appears to be to keep the United States guessing and to make Washington hesitate before intervening militarily in the Taiwan Strait. The real concern should be that this might embolden China in an operation against Taiwan—that is, lead Beijing to believe that the prospect of Russian involvement would make the United States hesitate before committing forces to Taiwan’s defense.⁵⁶

Economic Link

Economics is the weakest of the three links. This is reflected in sluggish bilateral trading volume since 1994. The level of trade between China and Russia has fluctuated over the past

decade between 5 and 7.68 billion U.S. dollars (see table 1). The volume has not come close to matching the 1993 figure for the rest of the decade and seems unlikely to expand very rapidly anytime soon. Chinese exports to Russia consist of such items as textiles and foodstuffs. Russian exports comprise fertilizer, steel, raw materials, and weaponry. Due to the substantial proportion of low value products exported by China, compared to what it imports from Russia, there is a persistent imbalance in Russia's favor.

The two governments have reportedly made expansion of bilateral trade a priority and the stagnation of the past six years has reportedly been a topic "of concern in every summit conference and regular meeting between the premiers of the two countries."⁵⁷ The absence of any trade deal from the Putin-Jiang summit of July 2000 was significant.⁵⁸

Year	China's Exports (FOB)	China's Imports (CIF)	Total Trade	Balance
1992	2,337	3,512	5,849	-1,175
1993	2,692	4,986	7,678	-2,294
1994	1,578	3,466	5,044	-1,888
1995	1,674	3,799	5,473	-2,125
1996	1,693	5,156	6,849	3,463
1997	2,035	4,084	6,119	-2,049
1998	1,833	3,627	5,460	-1,794

**Table 1. China-Russia Bilateral Trade Statistics: 1992-1998,
U.S. \$ Millions.**

Note: Does not include Taiwan, Hong Kong, Macao trade figures.

Sources: *Direction of Trade Statistics Yearbook 1998*, Washington, DC: International Monetary Fund, 1998, p. 924; *Direction of Trade Statistics Quarterly*, Washington, DC: International Monetary Fund, March 2000, p. 75.

The weak state of the Russian economy severely limits the potential for rapid expansion of trade and investment. Russia has little in the way of funds to purchase Chinese products and limited interest in investing in China. China's immediate economic interests in Russia are in the acquisition of weaponry and military technology. Beijing's more medium and long-term economic interest is in tapping Russian energy resources.

“Will an Energy Alliance Take Place Between the Bear and the Dragon?”⁵⁹

However, there is also considerable interest in tapping Russian energy resources, particularly petroleum and gas.⁶⁰ Although China has a significant output of oil, especially from its large oilfields of Daqing and Shengli, since 1992 it has been a net importer of oil. China’s growing appetite for petroleum, fueled by its rapid economic growth over the past two decades, has necessitated looking abroad to satisfy demand for oil. While China has stepped up its oil exploration both on-shore and off-shore, so far the results have been modest—both in terms of reserves found and number of barrels extracted. Moreover, in China, just as in the former Soviet Union, the bureaucratic incentives in the oil industry are skewed towards development drilling rather than exploratory drilling. In other words, the tendency is to continue to extract petroleum from existing oilfields with declining outputs instead of searching for new fields.⁶¹

China has been a net importer of oil since 1993 and has relied heavily on oil transported via tankers from the Middle East.⁶² China has made some progress toward tapping the energy resources of the Central Asian republics but, talk of building pipelines to central Asia and tapping Russia’s energy resources has so far remained just that.⁶³ At the recent Putin-Jiang summit in July 2000, no firm agreement was reached on an oil pipeline to bring Russian oil to China, although negotiations are continuing towards this end. A key unresolved issue seems to be the route of the pipeline: Russia reportedly favors a route through Mongolia, while China insists on a longer line that skirts Mongolia altogether.⁶⁴ In April 2000, a Russian delegation headed by the Federal Minister of Petroleum and Energy Resources held three days of talks in Beijing with their Chinese counterparts. A bilateral sub-commission on cooperation in energy has existed since 1998, and there is a strong desire on both sides to develop this dimension.⁶⁵ While oil production in Russia is expected to increase over the long term, there is likely to be a significant rise in domestic demand that will tend to reduce the oil available for export.⁶⁶ Perhaps Russia’s most pressing need in this area is for foreign capital to upgrade and improve its petroleum production capability.

China’s energy needs are only expected to grow year by year. While approximately 75 percent of energy needs are met by coal and China has had made a modest effort to expand use of nuclear power, demand for petroleum is forecast to increase substantially, between 3.2 and 7.9 percent annually over the next two decades. Domestic production is not expected to increase significantly, partly as a result of the high cost of tapping new oilfields as some of the existing ones dry up.⁶⁷

But Russia’s latent energy resource potential has yet to be realized because of a myriad of difficulties. Russia’s petroleum resources, located in remote regions with harsh climatic conditions, tend to be difficult and expensive to tap. Furthermore, Russia has a rudimentary and decaying transportation infrastructure. Investment by the federal government has been squandered. Moreover, Russian petroleum production has been declining since 1987, when output peaked.⁶⁸

In fact, the potential is good for a rapid takeoff at some point in economic relations because, in many ways, the two economies arguably complement each other. China requires energy resources, raw materials, and foodstuffs—all items that Russia has in abundance. China could also tap the well-educated and low-paid Russian workforce to fuel further expansion in China's foreign trade. Russia, particularly the Russian Far East, meanwhile, needs hard currency, investment, and the stimulus and commercial acumen that Chinese entrepreneurs bring. Indeed, the Chinese could serve as middlemen in tapping South Korean and Japanese trade and investment in the region.

Implications for the United States

What are the implications of the foregoing analysis for the United States? First, the Russian-China entente will not go away. Inevitably there will be rocky periods in the relationship, but bilateral ties will be more durable than many observers assume because of a shared geostrategic philosophy. Second, the relationship will cause headaches for the United States. The two countries are seeking to balance against the hegemonic influence of Washington, again, in large part, because their shared worldview is fundamentally different from that of the United States. The current chill in US-China relations in the aftermath of the Hainan Island Incident of April 2001 and the enthusiasm of the administration of George W. Bush to pursue NMD and TMD is likely to keep bilateral ties cool for months, if not years, to come. Third, undoubtedly the weakest part of the entente is economic. There is, however, significant potential for growth, particularly in the energy sector. Expansion in this area would be a positive development, as it would likely encourage peace and prosperity. Fourth, the most worrisome dimensions of the relationship are, of course, the military and diplomatic ones. While the arms sales that Russia provides to China and the defense cooperation between the respective militaries is of greatest concern to the United States and its allies, diplomatic coordination should not be ignored.

In conclusion, the emergence of a Sino-Russian entente in the 1990s is a significant geostrategic shift and one that merits closer watching. The evolving relationship, however, will prove challenging for policy makers and analysts to assess accurately. This is because, on the one hand, some observers—and indeed Chinese and Russian officials themselves—tend to hype the closeness of the relationship while, and on the other hand, officials of both countries tend to downplay the strategic implications of the relations.. Alexander V. Nemets and John L. Scherer claim it is a military alliance. See their *Sino-Russian Military Relations: The Fate of Taiwan and the New Geopolitics*, unpublished book manuscript (2000). Cary Huang calls it a “budding quasi-military alliance.” See “China, Russia ‘Eye Arms Pact’,” *Hong Kong iMail* (internet version) May 29, 2000, in *Foreign Broadcast Information Service-China* (hereafter FBIS-CHI) May 29, 2000. Others, such as the former American ambassador to Beijing, Admiral Joseph Prueher, and the late China scholar, Dr. Michel Oksenberg, view the relationship as far more fleeting. See, respectively, *Reuters*, February 28, 2000 and Craig P. Smith, “Russia and China Unite in Criticism of the U.S. Anti-Missile Plan,” *New York Times*, July 19, 2000.

ENDNOTES

1. Alexander V. Nemets and John L. Scherer claim it is a military alliance. See their *Sino-Russian Military Relations: The Fate of Taiwan and the New Geopolitics*, unpublished book manuscript (2000). Cary Huang calls it a “budding quasi-military alliance.” See “China, Russia ‘Eye Arms Pact’,” *Hong Kong iMail* (internet version) May 29, 2000, in *Foreign Broadcast Information Service-China* (hereafter FBIS-CHI) May 29, 2000. Others, such as the former American ambassador to Beijing, Admiral Joseph Prueher, and the late China scholar, Dr. Michel Oksenberg, view the relationship as far more fleeting. See, respectively, *Reuters*, February 28, 2000 and Craig P. Smith, “Russia and China Unite in Criticism of the U.S. Anti-Missile Plan,” *New York Times*, July 19, 2000.
2. For an interesting discussion of the concept of strategic partnership, see Sean Kay, “What is A Strategic Partnership?” *Problems of Post-Communism*, vol. 67, no. 3 (May-June 2000), 15–24.
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7. Interviews with Chinese civilian and military researchers, Beijing and Shanghai, February–March, 2000.
8. See, for example, the analysis of Paula J. Dobriansky, “Be Wary When the Bear Sides with a Dragon,” *Los Angeles Times*, September 18, 2000.
9. Gilbert Rozman, *Sino-Russian Relations, Report #2: Mutual Assessments and Predictions*, Princeton, NJ: National Council for Eurasian and East European Research, August 1997),. 1 & 19.
10. *Xinhua*, (Beijing—in English) November 3, 2000, in FBIS CHI November 3, 2000.
10. *The Oxford Dictionary of Quotations*, 4th edition, ed. Angela Partington, (New York: Oxford University Press, 1992), 109.
11. *2000 Nian Zongguo de Guofang* [Year 2000 China’s National Defense] (Beijing: Zhonghua Renmin Gongheguo Guowuyuan Xinwen Bangongshi, October 2000), 11.
12. Interview with Jiang Zemin in *Rossiyskaya Gazeta* (Moscow) July 18, 2000, in FBIS SOV July 18, 2000.
13. The most famous historical example is undoubtedly the Entente Cordiale between London and Paris in the mid-19th Century. For definitions, see Roger Scruton, *A Dictionary of Political Thought*, (New York: Harper and Row, 1982), 149.
- 14 For the text of the treaty, see “Treaty of Good Neighborly Friendship and Cooperation between the People’s Republic of China and the Russian Federation.” *Xinhua Domestic Service* in Chinese, July 16, 2001 translated in FBIS CHI July 16, 2001.
15. Gilbert Rozman, “Sino-Russian Relations: Mutual Assessments and Predictions,” in *Rapprochement or Rivalry? Russia-China Relations in a Changing Asia*, ed. Sherman Garnett, (Washington, DC: Carnegie Endowment for International Peace, 2000), 151.

16. Informal ideology “is the complex of cultural values, preferences, prejudices, predispositions, habits, and unstated but widely shared propositions about reality that condition the way in which political actors behave.” See Steve I. Levine, “Perception and Ideology in Chinese Foreign Policy,” in *Chinese Foreign Policy: Theory and Practice*, Thomas W. Robinson and David Shambaugh, eds. (Oxford, UK: Clarendon Press, 1994), 34.
17. See, for example, Zhou Qingchang, “Sino-Russian Strategic Partnership,” *Beijing Review*, December 13, 1999, p. 13; Li, “Sino-Russian Relations,” pp. 59–62. A similar point is made by other scholars. See Gilbert Rozman, *Sino-Russian Relations, Report #1: Will the Strategic Partnership Endure?* (Washington, DC: National Council for Eurasian and East European Research, August 12, 1997), 2–3; Sherman W. Garnett, “Limited Partnership,” in *Rapprochement or Rivalry?* Ed. Garnett, 11–12.
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HAS JAPAN'S NEW EURASIAN DIPLOMACY BEEN A FAILURE?

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Introduction.

In July 1997, Japan's Prime Minister Hashimoto Ryutaro proclaimed a new Eurasian diplomacy billed as a radically new policy toward Russia. In November of that year, Hashimoto and Russia's President Boris Yeltsin met and pledged to do their utmost to conclude a peace treaty by the year 2000. However, Moscow and Tokyo failed to sign a peace treaty by the year 2000 deadline, although negotiations are continuing, most recently at the late March 2001 Irkutsk summit between Russian President Vladimir Putin and Japanese Prime Minister Mori Yoshiro. Does the failure of Tokyo and Moscow to meet the Krasnoyarsk deadline reflect the failure of Japan's new Eurasian diplomacy? This paper explores the incentives for this policy and evaluates what it has accomplished.

Japan's pre-1997 Policy Toward Russia.

In order to understand the incentives that led Tokyo to adopt a new Eurasian diplomacy, it is necessary first to explore the problems with Japan's pre-1997 policy toward Russia. Despite high hopes in the early Yeltsin period for a breakthrough in Russo-Japanese relations, Moscow and Tokyo were unable to resolve their territorial dispute over three islands and a small archipelago that Stalin's USSR had seized from Japan during the closing days of the Second World War. The territorial stalemate led to a postponement of Russian President Boris Yeltsin's planned September 1992 visit to Japan.

Some progress was made when Yeltsin visited Japan in October 1993. The Tokyo Declaration signed by Yeltsin and Japanese Prime Minister Hosokawa Morihiro named all the disputed islands, using their Japanese names. In this declaration, the leaders of Russia and Japan promised to base resolution of the territorial dispute on the principles of "law and justice."

Although Japanese policy makers were pleased with these concessions, they had hoped for more. They had wanted Yeltsin to reaffirm the 1956 Joint Declaration in which the USSR had promised to return the Habomai archipelago and Shikotan, the smaller of the disputed islands, after the conclusion of a peace treaty. Yeltsin refused to reaffirm this commitment in writing, although he did nod his head in the affirmative when asked by a Japanese reporter whether Russia still adhered to this agreement.

The territorial stalemate had a negative impact on Russo-Japanese relations. From the Russian perspective, there was strong resentment of Japan for pressing for a territorial settlement on Japanese terms at a time of Russian weakness. From the Japanese perspective, there was disappointment with Yeltsin's failure to rectify what they consider to be a historical injustice. The Japanese see themselves as victims of Stalin's historical misdeeds. Japanese resent Russia's last-minute entrance into the Second World War in violation of the April 1941 Neutrality Treaty, its seizure of territory that Japan considers to be its own, and its brutal treatment of the inhabitants of these territories and of more than 600,000 Japanese prisoners of war, many of whom were worked or starved to death. Japanese believe that Soviet seizure of these islands was a Stalinist misdeed comparable to the unjust seizure of land from Poland and Czechoslovakia.²

The territorial stalemate caused problems in other areas. Japanese fishermen operating in waters near the disputed islands were periodically fired upon and arrested by the Russian coast guard. Tokyo adopted a hard line toward Russia on other issues, refusing to support Russian membership in APEC (the Asia Pacific Economic Cooperation forum).

Incentives for Japan's New Eurasian Diplomacy.

In late July 1997, Japanese Prime Minister Hashimoto Ryutaro made a speech in which he heralded Japan's adoption of a new policy toward Russia. This new policy was an attempt to break the stalemate in Russo-Japanese relations, which was increasingly seen as damaging to Japan. To understand the incentives for this policy change, it is important to analyze Japanese policy toward Russia within the context of Japan's evolving post cold war security environment.

The security environment in Northeast Asia is determined by relations among four great powers: the United States, China, Japan, and Russia. On the surface, it appeared as if two opposing blocs were forming in Northeast Asia. On the one side, there was the US-Japan security alliance, which was reaffirmed during U.S. President Bill Clinton's April 1996 summit with Hashimoto and strengthened by the September 1997 adoption of Revised US-Japan Defense Guidelines. On the other side, there was a new strategic partnership between China and Russia.

Under the surface, the security situation was more complicated. In the case of US-Japan ties, the Joint Declaration signed by Clinton and Hashimoto went a long way to reassure the Japanese about the U.S. commitment to their security. This was important because Japanese faith in that commitment had been shaken by official statements during the early Clinton administration. However, Japanese fear of abandonment by the United States did not entirely go away. There continued to be concern about the permanence of Washington's commitment to forward deployment in East Asia and to Japan.

During this same period, there was growing uneasiness in Japan about China's rising power. The Japanese continued to see China primarily as an unconventional security threat,

a source of environmental pollution, refugees, and potentially economic and political instability. At the same time, there was increasing Japanese wariness about China as a potential, long-term conventional threat. There was a strong negative public reaction in Japan to China's 1995 nuclear tests. China's behavior during the 1995–96 Taiwan Strait crisis was interpreted as evidence of Beijing's willingness to use force for the purpose of intimidation.³

Although Russia and China had proclaimed a strategic partnership, Japanese policy makers were aware of its limits. The Japanese were concerned that the outflow of Russian arms and military technology to China could strengthen the Chinese military and upset the balance of power in East Asia. But they were convinced that the Sino-Russian strategic partnership was not likely to grow into a full-blown alliance. From their perspective, a weak Russia, with its sparsely populated and declining Far Eastern region, would never be comfortable in a tight security relationship with a strong and growing China. Russian arms sales were a violation of Russia's long-term strategic interests, not a reflection of them.⁴

Japanese policy makers became convinced that poor relations with Russia reduced Japan's diplomatic maneuverability within this complex and evolving quadrangle, limiting its options. Japan's "geopolitical interests" would be better served by improving relations with Russia. It was in Japan's interests to support political stability and economic development in Russia and to encourage greater Russian participation in Asian regional affairs.

Another inducement was Clinton's March 1997 pledge to turn the G-7 into the G-8 by including Russia. This pledge, announced at the Helsinki Clinton-Yeltsin summit, was made in exchange for Yeltsin's acquiescence in the expansion of NATO. Hashimoto was given only one day's notice of this policy change, which he had no choice but to accept. Officials within Japan's Ministry of Foreign Affairs were concerned that poor relations with Russia would put Japan at a disadvantage within the G-8 structure.

Growing Japanese interest in becoming a permanent member of the United Nations Security Council was another motive. Tokyo needed Moscow's support to realize this ambition.

Still another motivation for Japan's new Eurasian diplomacy was the perception that the Yeltsin presidency created a better opportunity to resolve the territorial dispute than most likely would be true under his successor. In early 1997, it appeared that Yeltsin had recovered from the serious health problems that plagued him after his victory in the June 1996 presidential election. Yeltsin appointed a new pro-reform cabinet and delivered a twenty-four minute state of the nation speech in March in which he did not hesitate or stumble. Japanese policy makers believed that the Russian president retained significant influence over foreign policy and perceived Yeltsin as someone concerned about assuring his place in history. They noted that Yeltsin had promised to resolve the territorial dispute on the basis of "law and justice," a commitment that might not be upheld by his successor. They believed that in order to take advantage of the opportunity offered by Yeltsin's presidency, it

was important for the Japanese prime minister to establish good, strong personal ties with him.⁵

The decision to expand NATO encouraged Moscow to look east. Japanese policy makers thought that Russia would want to balance its strategic partnership with China by establishing better relations with Japan. Yeltsin's friendly overtures to Hashimoto at the April 1996 nuclear summit in Moscow convinced them that they were correct.⁶ The following spring, Russian specialists in Japan's Foreign Ministry decided that leadership from the top was needed to break the logjam in Russo-Japanese relations. They proposed that the leaders of Russia and Japan hold an informal "no neckties" summit.

When Hashimoto made this proposal at the June 1997 G-8 summit in Denver, Yeltsin accepted. Yeltsin also signaled his interest in better ties with Japan by declaring Russia's support for Japan's permanent membership in the UN Security Council and Russia's intention to stop targeting nuclear weapons on Japan. Hashimoto decided that in order to create a good atmosphere for the upcoming summit, he would write a speech signaling his intention to make a radical change in Japanese policy toward Russia.⁷

Hashimoto's speech signaling this change in policy toward Russia was delivered in late July 1997 to the Japan Association of Corporate Executives. In his speech, which was later dubbed the Hashimoto Doctrine, Japan's Prime Minister pledged to base future relations with Russia on three principles: mutual trust, mutual benefit, and a long-term perspective. Hashimoto stated that the territorial dispute should be discussed "calmly, based on a long-term perspective" and called for Russia and Japan "to create a solid foundation for the 21st century".

Another objective was a desire to promote stability in Eurasia, the area encompassed by Russia, China, and Central Asia. In his July 1997 speech, Hashimoto announced a new Eurasian policy in which he called for increased economic ties with Russia, China, Central Asia, and the Caucasus to develop new sources of energy. Hashimoto made clear his belief that growing economic interdependence with the nations of the former Soviet Union would contribute to peace. He stated that "the links in the energy supply-and-demand relationship shall be clearly connected to fostering relations of trust and peace throughout East Asia."⁸ Cooperative energy development in this region was seen as contributing to stability, reducing one potential source of conflict with China, and lessening Japan's over-dependence on Middle East energy.

Hashimoto's speech contributed to the good atmosphere at the November 1997 informal summit in Krasnoyarsk. In the declaration issued at the end of the summit, Hashimoto and Yeltsin pledged to do their utmost to resolve the territorial issue by the year 2000. The two leaders reaffirmed the 1993 Tokyo Declaration, which proclaimed that the territorial agreement would be based on the principles of "law and justice." They issued a Yeltsin-Hashimoto plan to increase Japanese investment in Russian energy, nuclear energy, and transport and to cooperate in personnel training.

The outcome of the Krasnoyarsk summit produced a negative reaction in Russia. Even before the summit ended, there were clear signs of Russian opposition to any territorial concessions.⁹ Some knowledgeable Russians believe that the Japanese had taken advantage of Yeltsin by inviting him to an informal summit and then tricking him into issuing an important policy document. One prominent Russian former high-level diplomat observed in an interview with me that when he looked at television coverage of the press conference held at Krasnoyarsk he noticed that Yeltsin was standing virtually alone with only his interpreter beside him, whereas Hashimoto was surrounded by a large number of senior policy advisers.¹⁰

Japanese diplomats deny that they had any intention to trick or pressure Yeltsin at Krasnoyarsk. They have told me that the outcome of the Krasnoyarsk summit was a surprise to both sides. One Japanese diplomat explained to me that Yeltsin was so favorably impressed by Hashimoto's July speech and by the promises made in his speech at Krasnoyarsk that he responded by suggesting the year 2000 deadline.¹¹

Despite the clear signs of continued Russian opposition to a territorial concession, Japanese hopes for a breakthrough in Russo-Japanese relations were buoyed by the Krasnoyarsk summit and by the February 1998 fisheries agreement. In February 1998 Russia and Japan signed an agreement on safe operations for Japanese fishermen in waters around the disputed islands. In a concession to Tokyo, Russia agreed to allow Japanese, rather than Russian, authorities to monitor and punish Japanese poaching in the area.

At the April 1998 summit in Kawana, Japan, Hashimoto presented to Yeltsin a Japanese proposal for resolving the territorial dispute. The contents of this proposal were supposed to be kept a secret, but they soon were leaked to the media. The Kawana proposal envisaged drawing a demarcation line north of the disputed islands that would, in effect, recognize residual Japanese sovereignty over all of them while leaving them under Russian administrative control for the time being.

In this period, Japanese officials were hoping to capitalize on the warm personal relationship between Hashimoto and Yeltsin. But in July 1998 Hashimoto resigned from office after his party's defeat in elections to the Upper House of Japan's parliament.¹² When Hashimoto's successor, Obuchi Keizo, visited Russia in November 1998 for the first visit by a Japanese Prime Minister in twenty-five years, Yeltsin was very ill. Yeltsin handed Obuchi a written proposal, but he was too sick to discuss it. The Russian proposal was deeply disappointing to the Japanese. It did not respond directly to the proposal made by Hashimoto at Kawana. Instead, Moscow suggested that the two countries conclude a treaty of peace, friendship, and cooperation that would bypass the territorial dispute. A peace treaty resolving the territorial dispute would be considered later. The two leaders issued a Moscow Declaration proclaiming the establishment of a "creative partnership." Moscow and Tokyo agreed to establish a sub-commission on border boundary determination and a sub-commission to discuss joint economic activities on the disputed islands.¹³

The November 1998 summit made clear that a wide gap still separated the Russian and Japanese positions on the territorial dispute. It might be tempting to blame the lack of

progress on Hashimoto's resignation, the August 1998 financial crisis in Russia, Yeltsin's ill health, and political instability in Russia where there was a dizzying succession of prime ministers, but the problem goes deeper than that. If Japan's Kawana proposal was intended to be a compromise that Yeltsin could accept and not just an opening negotiating gambit, then it reflected a serious Japanese misunderstanding of Russian thinking. Tokyo's suggestion that Russia renounce sovereignty in return for administrative control implied that the disputed islands were important to Russia primarily for their material and strategic value, not for symbolic reasons. This assumption is not correct.

Certainly, many Russians prize the disputed islands because of their material and/or strategic value. The islands are surrounded by rich fishing grounds, which often are mentioned by opponents of territorial concessions. In a comment made at the time of Putin's September 2000 visit to Japan, Yuri Sinelnik, Chairman of Russia's Fishing Committee, asserted that Russia would lose "at least \$1 billion worth of fish and seafood annually" if it transferred the disputed islands to Japan.¹⁴ Russian preliminary surveys suggest that the disputed islands are surrounded by potentially valuable undersea natural gas deposits.¹⁵ The Russian military has opposed territorial concessions for strategic reasons.¹⁶

Strong opposition to territorial concessions also has come from Sakhalin's Governor, Igor Farkhutdinov, the Sakhalin Duma, and some other local officials in the Russian Far East.¹⁷ Somewhat paradoxically, Japan's generous aid program to Russia may be one factor behind their position. Since 1991, Tokyo has provided more than U.S. \$6.3 billion in aid to Russia. In recent years, fifty per cent of Japan's aid has been targeted on the Russian Far East. Tokyo has supplied medical equipment and medicines, diesel power plants, generators and fuel, food, and other humanitarian assistance to the Russian Far East and to the disputed islands.

From Tokyo's perspective, this aid has had a positive impact on public opinion in Kunashiri and Shikotan, where a significant proportion of the inhabitants now support their reversion to Japan.¹⁸ However, its impact on the attitude of some local officials may be counterproductive. Farkhutdinov and other local officials may be afraid that resolution of the territorial dispute would radically reduce Japan's incentive to provide aid. For the same reason, Sakhalin officials have strongly resisted proposals to remove the disputed islands from Sakhalin's jurisdiction as part of an interim settlement with Japan.

While the disputed territories are important to Russians for these economic and strategic reasons, they also are important for symbolic reasons. As Stalin observed in 1945, Russia's victory over Japan in the Second World War and its acquisition of Japanese territory has reversed the "dark stain of history" caused by Russia's defeat in the 1904–05 Russo-Japanese war. The disputed islands are considered by Russians to be a legitimate spoil of war. This perspective was voiced recently by Russian Deputy Foreign Minister Aleksandr Losyukov, who observed that if Japan had won the war it would not have hesitated to take Russian territory.¹⁹ It was perhaps not accidental, as the Russians sometimes say, that Russia's current president, Vladimir Putin, stopped in Sakhalin in September 2000 on his way to a summit in Japan and laid a wreath at a monument to Sakhalin victims of the Second World War.²⁰ Putin's intention may have been to reassure Russians that he understood these sentiments.

The Kawana proposal suggests that the symbolic value of the northern territories to Russia may not have been clearly understood by the Japanese. As one prominent Russian former diplomat told me, “What the Japanese do not understand is that it would have been easier for us to accept the opposite—Russian residual sovereignty and Japanese administrative control—than to accept the offer they made to us at Kawana.”²¹

Another point perhaps not well understood by the Japanese is what Russian leaders intend when they agree to settle the issue according to the principles of “law and justice”. The Japanese official position is that not only the Habomais and Shikotan, which Russia promised to return after the conclusion of a peace treaty, but also the two larger islands, Kunashiri and Etorofu, belong to Japan. The Japanese base their claim to all four disputed islands on the contention that none of these islands ever was under the jurisdiction of a foreign power and none of them is part of the Kurile chain, sovereignty over which Tokyo renounced in the 1951 San Francisco Peace Treaty.

Both Russian and Japanese scholars have questioned the historical validity of Japan’s claims. It has been noted that during the 1955–56 negotiations, the Japanese initially were prepared to settle for the return of the Habomais and Shikotan. They hardened their position and demanded the return of Kunashiri and Etorofu as well only after U.S. Secretary of State John Foster Dulles threatened that if Japan abandoned its claims to Kunashiri and Etorofu, the United States would not honor its pledge to return Okinawa.

Japanese officials have an enormous bureaucratic stake in this four-island claim. Japanese diplomats have told me more than once that if they were to settle for the return of two islands now, they would be recognizing that this dispute could have been resolved in 1956. In effect, they would be acknowledging that it was unnecessary to spar over this issue for more than four decades.

The Russian position is that a resolution of the territorial dispute based on the “principles of law and justice” would persuade Japanese officials that their claims to Kunashiri and Etorofu cannot be supported on legal grounds. Former Deputy Foreign Minister Georgy Kunadze has observed that at Japan’s insistence the 1905 Portsmouth Peace Treaty ending the Russo-Japanese war contains an article annulling the 1855 Treaty of Commerce and Navigation. Tokyo cites this 1855 treaty as support for its claim to Kunashiri and Etorofu. Kunadze has noted that in 1972 the Japanese Foreign Minister acknowledged that Tokyo was in no position to comment on Taiwan’s legal status because it had renounced all claims to Taiwan. According to Kunadze, an argument could be made that the same logic should apply to the Kuriles since Tokyo renounced sovereignty over them in the San Francisco Peace Treaty.²² In an interview, Kunadze told me that he stressed these points in order to persuade the Japanese that the territorial issue has to be resolved on political, not legal, grounds because Japan’s legal claims are weak.²³

Japan’s Kawana proposal also may have reflected a misunderstanding of Yeltsin. Japanese diplomats hoped that Yeltsin would be prepared to make a territorial concession to assure his place in history. When I mentioned this idea to an eminent Russian Japanologist,

he replied that he could not understand why the Japanese would think that Yeltsin would assure his place in history by giving away four islands.²⁴

Some Japanese may have hoped that Yeltsin would feel free to make a territorial concession because he was in his final term as president and, therefore, would not have to face the electorate again. An influential Japanese, Suetsugu Ichiro, suggested to me that even if Yeltsin signed a treaty that could not be ratified right away, it would be better than no treaty at all. He observed that it could always be ratified later and pointed to the delay in ratification of the Start II agreement.²⁵ However, the prominent Russian Japanologist observed to me that, even when Yeltsin was a lame duck, he still had to be concerned about public opinion. It was important for him to control the choice of his successor to guarantee good treatment of his family. According to this specialist, Yeltsin's main support base was comprised of nationalists, communists, and conservatives, not pro-reform democrats.²⁶

After the November 1998 summit, Japanese and Russian diplomats worked hard at damage control. They made preparations for the next summit that would lessen the negative backlash if there was no territorial settlement. Diplomats from both countries explained to me that their foreign ministries considered themselves to be a joint team working together to make sure that the next summit was a success. They were aiming to draft not a final resolution of the territorial dispute but some acceptable agreement that would identify the problem and a means of resolving it.²⁷ In addition, Russian and Japanese diplomats were preparing a large number of other documents to be signed during the upcoming summit, the date of which was repeatedly postponed.

To discourage unrealistic expectations, Japanese and Russian diplomats stressed in public statements and in private interviews that Yeltsin and Hashimoto did not promise to resolve the territorial dispute by the year 2000. They promised only to "make their utmost effort" to resolve it.

Relations with Putin.

Yeltsin's December 1999 New Year's Eve resignation came as a surprise to Tokyo. Up until a week before his resignation, Russian officials still were confirming that Yeltsin intended to visit Japan early in the next year. Yeltsin's successor, Vladimir Putin, was an unknown as far as Tokyo was concerned. His appointment as Acting President made it clear that Japanese officials would have to start from scratch to build relations and establish trust with a new Russian leader.

A decision was made to send Suzuki Muneo, Deputy Secretary General of Japan's Cabinet, to Russia as Prime Minister Obuchi's representative. Suzuki was scheduled to meet Putin in early April 2000, shortly after his election as Russia's president, and to set a date for Putin's visit to Japan. When Obuchi was incapacitated by a serious stroke in early April 2000, the Liberal Democratic Party made a decision to go ahead with Suzuki's visit despite Obuchi's illness.²⁸

Suzuki is from Hokkaido and has a strong interest in relations with Russia. He also is informally in charge of the Japanese Cabinet's relations with Russia. Suzuki has close ties with Nonaka Hiromu, who is highly influential within the Liberal Democratic Party. Suzuki has quite pragmatic views regarding the northern territories. He is willing to consider any solution that does not compromise Japan's basic position. He now constitutes an important back channel to Russia. This back channel and Suzuki's connection to Nonaka have become particularly important given the current political instability in Japan and the weak position of Obuchi's successor, Japanese Prime Minister Mori Yoshiro.

When Suzuki met Putin in early April, he adopted a low-key approach designed to win favor with the new Russian president. According to Sergei Prikhodko, deputy chief of the Kremlin staff in charge of foreign policy, Suzuki and Putin did not discuss the Krasnoyarsk agreement but, instead, considered bilateral political dialogue from a broad perspective.²⁹ Suzuki declared that Japan seeks to resolve the territorial dispute taking into account Russian interests and "in no case will try to exert pressure on Moscow."³⁰

When Prime Minister Mori met with Putin in St. Petersburg in late April 2000, it was a get acquainted visit, not a working summit. This visit was part of a whirlwind tour made by Mori to meet world leaders before he hosted the July 2000 G-8 summit in Okinawa.³¹

The September 2000 summit between Mori and Putin in Japan was the first formal opportunity to restart the territorial process. Putin's visit was carefully prepared to make sure that it produced results despite the continued territorial stalemate. On his arrival in Tokyo, Putin proclaimed that Russo-Japanese relations were "at their highest level since the end of World War II" and that the two countries planned to develop them further.³² Mori came to the airport to greet Putin, who was later received by the Japanese Emperor. Putin and Mori signed a large number of agreements on energy cooperation, improvement of infrastructure in Siberia and the Russian Far East, trade and economic relations, Japanese aid in dismantling the Russian nuclear arsenal, border guard cooperation, environmental protection, cultural exchanges, science and technology cooperation and maritime safety cooperation and a document on international problems.

On the territorial dispute, Putin orally reaffirmed the 1956 Joint Declaration in which the former USSR promised to return the Habomais and Shikotan to Japan after the conclusion of a peace treaty. This was an important concession, but not enough to satisfy Tokyo. Mori reiterated the Kawana proposal, which, in effect, demanded Russian recognition of Japan's residual sovereignty over all four disputed islands. Russia and Japan signed an agreement on joint economic activities on the disputed islands. The agreement contained a provision stating that the joint economic activities should not be interpreted as damaging the juridical position of either country.³³

At a press conference at the end of his visit, Putin confirmed that Moscow and Tokyo would continue to seek a resolution of the territorial dispute. But he warned that Russia would not be pressured into securing an agreement by the end of 2000. Putin stated that, in his view, what was important was "not a deadline but for both sides to have the good will to resolve this difficult problem."³⁴

After Putin's visit, Russian Deputy Foreign Minister Losyukov published an article reaffirming Russia's commitment to the 1956 Joint Declaration. Losyukov criticized the 1960 Soviet decision to renounce this treaty. He made it clear that Russia would be obliged to return the Habomais and Shikotan after the conclusion of a peace treaty. To allay Japanese suspicions, Losyukov stressed that Russia could agree to leave the word "peace" out of any interim accord.³⁵

There was concern that Losyukov was trying to play on differences of opinion in Japan. It was reported that Tokyo might be willing to conclude an interim accord bypassing a territorial resolution or an agreement providing for the return of two islands first, with an assurance that the remaining two would be returned later.³⁶ These reports provoked a sharp, negative backlash in Japan.³⁷

In early November 2000, Japan's Foreign Minister, Kono Yohei, held a meeting in Moscow with Russian Foreign Minister Igor Ivanov. The two foreign ministers agreed on activities to explain the importance of a peace treaty to the Russian and Japanese publics. Their plans included the joint publication of a new collection of documents on the territorial dispute that would include documents issued after 1993, a series of television programs on Russo-Japanese relations, and several joint research seminars.³⁸

Putin and Mori met again in Brunei in mid-November 2000 on the sidelines of the APEC summit. At the time of their meeting, Putin asserted that, in the previous few months, a positive shift had taken place in their relations. It was reported that the atmosphere at the summit was friendly, with Putin and Mori using the familiar "ty" (you) instead of the more formal "vy" when addressing each other. Putin invited Mori to visit Russia at a time of his convenience later in 2000 or early the next year. Mori accepted the invitation.

Losyukov reported that differences about U.S. plans for a National Missile Defense (NMD) was the main issue separating Russia and Japan in international affairs. Creation of NMD would involve violation of the Anti-Ballistic Missile (ABM) treaty. Losyukov noted that Tokyo also is considering deployment in cooperation with the United States of a regional variation of NMD.³⁹

In early December 2000, Mori reshuffled his Cabinet. As part of this change, former Prime Minister Hashimoto Ryutaro was appointed as special minister in charge of Okinawa and the Northern Territories. Putin's government welcomed the appointment of Hashimoto, who had been serving as a back channel to Moscow, and the retention of Foreign Minister Kono, whom they praised for his constructive role in Russo-Japanese relations.⁴⁰

Despite these warm words, Moscow delayed the date of Mori's visit to Russia for the next summit. When Kono visited Moscow in January 2001, to make preparations for the summit and to set a date, Putin did not receive him. During Kono's visit, it was decided that the next Mori-Putin summit would be held February 25–26, 2001, in Irkutsk. However, just hours after Kono's departure, Moscow requested that the talks be postponed for another month. This announcement was perceived as a diplomatic slight, but Tokyo decided to accept Moscow's proposal to maintain forward momentum in the negotiations.⁴¹

Despite these problems, there were good atmospherics surrounding the late March 2001 Mori-Putin summit in Irkutsk. This city was chosen as the summit site because it was close to the town of Shelekhov where part of Mori's father's ashes were buried. Before his death, Mori's father was mayor of a Japanese town that had established a sister city relationship with Shelekhov. Putin accompanied Mori when he went to pay his respect at his father's grave. However, these atmospherics could not overcome some underlying problems. Even before Mori's arrival in Irkutsk, it was clear that his popularity was at an all time low and that his days in office were numbered. Mori's position as a lame duck prime minister limited his bargaining room.

Even if Mori had been in a stronger position, it is hard to imagine that he would have been willing and able to push through concessions adequate to bridge the still wide gap between the Russian and Japanese positions on the territorial dispute. At the summit, Putin and Mori signed the Irkutsk statement confirming the validity of the 1956 Soviet-Japan Joint Declaration, which called for the return of Shikotan and the Habomais to Japan after the conclusion of a peace treaty. Putin's willingness to confirm the validity of the 1956 Joint Declaration in writing was considered a step forward beyond his previous oral confirmation of its validity. However, it was acknowledged that Russian and Japanese interpretations of the 1956 Joint Declaration are different and that work needs to be done by experts to bridge this gap. Russia's intention is to resolve the territorial dispute by returning the Habomais and Shikotan, whereas Japan believes that the 1956 Declaration provides for the return of these islands plus negotiations over Kunashiri and Etorofu, the two larger islands. The Irkutsk statement failed to set a deadline for resolution of the territorial dispute. Tokyo wanted a deadline to maintain pressure to make progress on this issue, but Moscow successfully resisted imposition of a deadline.⁴²

The gap between the Russian and Japanese positions on Kunashiri and Etorofu still seems unbridgeable. So far, there has been no sign that Russia is willing to go farther than reaffirming the validity of the 1956 Joint Declaration, and there was strong opposition in Russia to Putin's decision to go even that far.

Energy cooperation.

If one primary aim of Japan's new Eurasian diplomacy has been to resolve the territorial dispute, then one would have to say that so far this policy has been a failure. How successful has Tokyo been in realizing another major objective, encouraging multilateral cooperation in the development of East Asian energy resources?

Some progress has been made toward implementing two projects to develop oil and natural gas resources on the Sakhalin continental shelf. In 1999, commercial production and export of oil began at the Sakhalin II offshore energy development project. A Japanese firm, Mitsui Corporation, is part of the international consortium developing this project. Another international project with Japanese participation, Sakhalin I, is expected to begin production of oil soon. Russia and Japan now are considering the feasibility of constructing a

1300-kilometer natural gas pipeline that will run from Sakhalin to Hokkaido, along Hokkaido's Sea of Japan coast to Honshu, and then either along Honshu's Sea of Japan or Pacific coast.⁴³ There are growing incentives for Japan to reduce its reliance on oil and nuclear power and to increase its reliance on natural gas. Natural gas from Sakhalin has a potential price advantage over other sources of supply.⁴⁴ Recent political instability in Indonesia has reduced its attractiveness as an alternative source of natural gas.⁴⁵

Massive investment in infrastructure will be needed for Sakhalin to become a major supplier of natural gas to Japan. One energy specialist, Al Troner, estimates that construction of a natural gas pipeline from Sakhalin to Hokkaido and Honshu would cost in the range of U.S. \$950 million to U.S. \$1.4 billion. An additional U.S. \$7–10 billion will be needed for the construction of a domestic natural gas transmission grid in Japan. Additional investment will be required if a decision is made to build LNG (liquefied natural gas) facilities in addition to the pipeline.⁴⁶

Japanese firms will not commit themselves to this massive investment unless they believe that there is sufficient political stability in Russia to guarantee a long lasting, attractive, and predictable investment climate. Large-scale energy projects have a long lead time. They require clarity about the legal, regulatory, and tax environments, and there still are strong Japanese reservations about the investment climate in Russia. Japanese corporations have had bad experiences in Russia, especially in the Russian Far East. Their share in successful joint ventures has been illegally taken over by their Russian partners. When disputes are brought to court, their rulings often are not objective. In cases when they were impartial and favored the Japanese complainant, local authorities have blocked implementation.

Recently, there has been some hope for change. Oil and natural gas prices have risen. Putin has brought greater political stability to Russia. There is an expectation that Putin will be in office for at least another four to five years, if not longer. One of Putin's top priorities is domestic economic renovation. He has promised to create a more attractive climate for domestic and foreign investors. When Mori complained to him about Russia's poor investment climate, Putin promised to take steps to improve it.⁴⁷ The Russian president has taken a personal interest in creating better conditions for foreign investors, even addressing a Sakhalin seminar on ways to improve production-sharing arrangements.

It is too soon to tell if Putin will succeed in creating a dependable legal, tax, and regulatory environment in Russia. For this to happen, Putin will need to control not only the passage of laws in the Duma, where he has gained significant influence, but also their consistent implementation by regional courts and regional authorities. Putin has been taking measures to increase his control over regional and local authorities, for example, by appointing presidential representatives in Russia's regions. In December 2000, Konstantin Pulikovsky, Putin's representative in the Russian Far East, visited Japan. He urged Japanese business people to come to him when they are having problems dealing with Russian legislation, customs, or regional leaders.⁴⁸ But it is not yet clear whether Pulikovsky and other presidential plenipotentiaries will be able to overcome the barriers to foreign direct investment. Or whether they simply will add another frustrating layer to Russia's bureaucracy.

A more attractive investment climate would make Russia a major supplier of natural gas to Japan and would improve the prospects for other large-scale joint projects. Other Russo-Japanese projects just beginning or under consideration are the construction of thermal power and nuclear power plants in the Russian Far East, Japanese participation in a project to build a communications satellite, and a project to improve the facilities at Zarubino port. Russia and Japan now are conducting a feasibility study for an undersea electricity cable between Sakhalin and Hokkaido. If this project goes ahead, it would entail the construction of a 4500-megawatt fuel power plant on Sakhalin, at an estimated cost of U.S. \$9.5 billion. This plant would supply U.S. \$1.6-\$1.7 billion worth of electricity per year to Japan.⁴⁹

Japanese firms have been involved in discussion of a project to improve the Trans-Siberian railroad. Grandiose plans are being discussed to complete a tunnel between Sakhalin and the Russian mainland, partially constructed in the early 1950s under Stalin, and to build a tunnel between Sakhalin and Hokkaido, linking Japan to the Trans-Siberian rail line.⁵⁰ At the moment, these plans seem unrealistic. Japanese interest in shipping goods via the Trans-Siberian railroad has declined because of high prices, theft, and the failure to guarantee on-time delivery.⁵¹

A project to develop the natural gas reserves at Kovyktinskoe in Irkutsk province also is under consideration. In September 2000, a trilateral Sino-Russian-South Korean agreement was signed for a feasibility study of this project. If there are sufficient reserves and this project goes ahead, natural gas will be provided to Russia, China and South Korea.⁵² At the moment, it seems doubtful that there will be enough reserves to supply the Japanese market as well, although Tokyo has expressed interest in this project.

Evaluation of Japan's New Eurasian Diplomacy

So has Japan's new Eurasian diplomacy been a failure? If one assesses it by comparing its results to its original aims, then it appears to be more a failure than a success. The territorial dispute has not yet been resolved. Putin has reaffirmed the validity of the 1956 Joint Declaration in which Moscow promised to return the Habomais and Shikotan after the conclusion of a peace treaty, but so far there has been no hint of Russian willingness to make concessions regarding Kunashiri and Etorofu, the two larger disputed islands. Progress has been made toward large-scale, multilateral energy cooperation in Northeast Asia, but there still are significant barriers to overcome.

Although the aims of Japan's new Eurasian diplomacy have not been attained, Russo-Japanese relations are undergoing a significant transformation. Japan, especially Hokkaido, has been expanding local ties with the Russian Far East and with the inhabitants of the disputed northern islands. These ties have been encouraged by the opening up of the Russian Far East to trade, investment, tourism, and other contacts with the outside world, by the steady expansion of visa free exchanges between Japanese and inhabitants of the disputed islands, and by the promotion of joint Russo-Japanese economic activities there.

Moscow and Tokyo have made a commitment to holding annual summits as well as regular meetings at the ministerial and lower levels. There are frequent contacts between Russian and Japanese civilian and military officials and exchanges of naval port calls.⁵³ Border guards from Russia and Japan meet regularly to discuss measures to deal with poaching, crime, drugs and other unconventional threats. The September 2000 Putin-Mori summit envisaged an expansion of cultural, scientific and other nongovernmental ties between Russia and Japan.

Russo-Japanese economic ties, now disappointingly meager,⁵⁴ will increase significantly if Putin succeeds in creating an attractive investment climate in Russia. Without an improvement in Russia's investment climate, private Japanese foreign direct investment (FDI) will be difficult to attract. With an improvement, private Japanese FDI will flow to Russia even without an interim or final territorial resolution. A more attractive investment climate will facilitate the expansion of the Sakhalin natural gas project and the realization of other large-scale bilateral and multilateral economic projects now under consideration. These projects will help Russia develop its Far Eastern region, making it less vulnerable to Chinese penetration. They will reduce Japan's dependence on Middle East oil and nuclear energy. They will significantly increase Russo-Japanese economic interaction, giving Russia and Japan an even greater stake in fostering good overall relations. The impact on Russo-Japanese relations will be at least as great as resolution of the territorial dispute.

Although Japan has had only limited success in attaining the goals of its new Eurasian diplomacy, the incentives that led to its adoption are just as strong or even stronger today than they were four years ago. Japanese concerns about a potential, conventional threat from China have been growing. Japanese wariness about North Korea is even stronger today than it was then. Pyongyang's August 1998 missile test flight that flew over Japan greatly alarmed the Japanese. The June 2000 summit between the presidents of North and South Korea has not allayed Japanese fears. Tokyo still is concerned about North Korea's missiles and nuclear weapons. Efforts to improve Japanese relations with Pyongyang so far have made little or no progress. The recent downturn in Washington's relations with China, North Korea, and, to a lesser extent, Russia, is impeding what appeared to be a promising trend toward reconciliation between the two Koreas and the reduction of tensions in Northeast Asia.

In this uncertain security environment, it makes sense for Japan to keep all of its options open and to cooperate, whenever possible, with Russia. Japanese analysts for the most part seem to believe that deep-seated Russian concerns about China will prevent the emergence of a Sino-Russian alliance countering the US-Japan security relationship. It is in Japan's interests to foster good relations with Russia to make sure that this does not occur. This is especially true at a time of growing mistrust between the United States and Russia.

Tokyo has been promoting multilateral security dialogue and cooperation in Northeast Asia as a useful supplement to, not replacement for, its security relationship with the United States. Good Japanese relations with Russia are important for this process to succeed.

The failure to reach agreement with Russia on the territorial dispute and a peace treaty has produced a strong negative reaction by some Japanese. However, there is growing support in Japan for the idea that good relations with Russia are too important to allow them to remain hostage to the territorial dispute.

ENDNOTES

1. Research for this publication was supported by a grant from the International Research & Exchanges Board, with funds provided by the U.S. Department of State (Title VIII program) and the National Endowment for the Humanities. None of these organizations is responsible for the views expressed.
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10. Interview with Georgy Kunadze, former Russian Deputy Foreign Minister, June 1999, Moscow.
11. Interview with Japanese diplomat, Vancouver, November 2000.
12. After his resignation, Hashimoto continued to serve as a back channel to Yeltsin.
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15. Alexei Zagorsky, "Russian-Japanese Relations: Back to the Deadlock" in *Russia and Asia: The Emerging Security Agenda*, ed. Gennady Chufirin, (Oxford: Oxford University Press, 1999), 349.
16. *Interfax*, February 18, 1999, in *FBIS: DR*, February 18, 1999; *Interfax*, July 27, 2000, in *FBIS: DR*, July 2000.

17. Ibid.
18. The Habomai archipelago has no civilian population, only a small border guard unit. Attitudes toward territorial reversion on Etorofu are more negative.
19. *ITAR-TASS*, September 12, 2000, in *FBIS: DR*, September 12, 2000.
20. *ITAR-TASS*, September 3, 2000, in *FBIS: DR*, September 3, 2000.
21. Interview with Georgy Kunadze, former Russian Deputy Foreign Minister, Moscow, June 1999.
22. Georgy F. Kunadze, "Border Problems Between Russia and Its Neighbors," in *Russia and East Asia: The 21st Century Security Environment* (Armonk, N.Y.: M.E. Sharpe, 1999), 144. Neither the People's Republic of China nor the USSR signed the San Francisco Peace Treaty. The PRC was not even invited to the conference.
23. Interview with Georgy Kunadze, Moscow, June 1999.
24. Interview with Konstantin Sarkisov, Tokyo, November 1998.
25. Interview with Suetsugu Ichiro, Tokyo, November 1998. Suetsugu is Director of the Council on National Security Problems. Long involved in the northern territories movement, he serves as an important private channel between Russia and Japan.
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33. *ITAR-TASS*, September 3, 2000, in *FBIS: DR*, September 3, 2000.
34. *Reuters* in *RFE/RL*, 4:171:I, September 5, 2000.
35. *ITAR-TASS*, September 11, 2000, in *FBIS: DR*, September 11, 2000.
36. *Japan Times*, October 2, 2000.
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38. *ITAR-TASS*, November 3, 2000, in *FBIS: DR*, November 3, 2000; *Interfax*, in *FBIS: DR*, November 3, 2000.
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45. Fred R. von der Mehden "Japan's Relations with Primary Energy Suppliers," The Center for International Political Economy and the James A. Baker III Institute for Public Policy Rice University May, 2000, <<http://www.rice.edu/projects/baker/Pubs/...b/publications/jescgem/jrpesl/jrpes.html>>.
46. Troner, "Japan and the Russian Far East."
47. *RFE/RL*, 4:171:I, September 5, 2000.
48. *ITAR-TASS*, Dec 4, 2000, in *FBIS: DR*, December 4, 2000.
49. *Interfax*, September 4 and 5, 2000, in *FBIS: DR*, September 4 and 5, 2000. Russian Vice Premier Viktor Khristenko has indicated that the cost of the nuclear power plants would be about U.S. \$9.5 billion, the same as the Sakhalin energy bridge. Feasibility studies will determine which project is more viable.
50. "Intelligence," *Far Eastern Economic Review*, September 7, 2000, <www.feer.com/_0009_07/p10.html>.
51. Interview with Japanese diplomat, Vancouver, November 2000.
52. *The Korea Herald*, October 9, 2000, in *FBIS: DR*, October 9, 2000.
53. It is interesting that the November 2000 visit to Japan by Russian Defense Minister Sergeyev visit was delayed a short while, but not canceled, after a spy scandal erupted involving the sale of military intelligence by a Japanese researcher to a Russian defense attaché. Evidently, neither Tokyo nor Moscow wanted to use this spy scandal as a pretext for a negative downturn in their relations.
54. Japan's cumulative investment in Russia is approximately U.S. \$360 million, a small percentage of the total U.S. \$9.6 billion cumulative foreign investment in Russia. Japan is in tenth place as an investor in Russia, behind Germany, the United States, the United Kingdom, Cyprus, France, the Netherlands, Italy, Switzerland, and Sweden (*Vremya MN*, December 22, 2000, in *FBIS: DR*, December 22, 2000).

SOUTH ASIA IN THE RUSSIAN STRATEGIC CALCULUS: EMERGING CHALLENGES AND PROSPECTS

Anupam Srivastava

The security impasse in South Asia has been one of the more persistent problems of the latter half of the twentieth century, and it betrays no hopeful signs of an expeditious resolution at the dawn of the new millennium. At the same time, it is often said that a more useful approach to an entrenched and seemingly intractable problem is either by enlarging the boundary conditions of the problem or by disaggregating it into its component units.

This paper attempts to do both in examining the security impasse in South Asia. On the one hand, it enlarges the analytical framework beyond India and Pakistan to include China as an important factor in this dynamic. And on the other, it disaggregates and examines the two asymmetric dyads in South Asia—China-India, and India-Pakistan—to elaborate the opportunities and options available to the Russian Federation.

The strategic template of Asia has altered significantly since the end of the Cold War. Russia, unable to resist the eastward expansion of NATO and to reassert its preeminence within the “post-Soviet space,” has sought to consolidate its relations with China and India. China, building upon two decades of robust economic growth, seeks to become the decisive factor in Asian affairs and beyond. India, whose economic reforms coincided with the end of the Cold War, demonstrates greater pragmatism in enunciating its foreign policy that extends well beyond the narrow confines of South Asia. And Pakistan, whose problems of domestic stability have grown in tandem with its support for the Taliban regime in Afghanistan and the insurrectionary movement in Kashmir, is becoming a source of concern for maintaining the fragile nature of peace in South Asia, Central Asia, and the Caucasus.

It is within this context that this paper examines Russia’s policy and approach toward South Asia. It proceeds in three steps. The first section examines the two asymmetric dyads and the continued security impasse in South Asia. Section two discusses Russian strategic interests and policies vis-à-vis China, India, and Pakistan. The final section elaborates Russian priorities for the future and offers some concluding remarks.

Asymmetric Dyads and the Continued Security Impasse in South Asia

China-India.

The lessons of the humiliating defeat at the hands of China in the border war of 1962 left an indelible imprint on the minds of the Indian strategic thinkers and policy planners. The foremost was the psychological blow to Nehru's naïve call of "Hindi-Chini bhai bhai"—a call for fraternal relations between the two Asian giants that would have built the platform for their concerted action to champion the cause of the impoverished "South" versus the prosperous and dominant "North." This effectively ended the prospects for a Nehru, Zhou Enlai, Tito, and Nasser combine to lead the Non-Aligned Movement, although India's ardent support for NAM continued for decades afterwards. Nehru died a disillusioned man, months before the first Chinese nuclear detonation in October 1964.

But the more pragmatic derivative of the 1962 debacle was the realization that India lacked military preparedness to deal with armed aggression. This came on the heels of the first war with Pakistan in 1947–48, and it was soon followed by their second war, in 1965, that ended in a stalemate, with a peace accord brokered by the Soviet Union in Tashkent. The threat that China might open a second front of attack during this war with Pakistan raised the specter of a "two-front war" for the first time in the Indian security calculus. Further, in 1963, Pakistan had granted over control to China over parts of the territory through which the Karakoram Highway passes, an area that it wrested from India in the earlier conflict.¹

The strategic implications of the above developments were grave and have factored heavily in the Indian decisional calculus ever since. By the mid-1970s, in addition to regular troops, India had deployed specialized mountain divisions along the Sino-Indian Line of Actual Control (LAC) to maintain an *essential equivalence* on the conventional weapons axis, a situation that has roughly endured over time.

On the other hand, China's overt pursuit of nuclear weapons clearly impinged upon the Indian decision to pursue its own nuclear weapons capability. At the time, India's nuclear research program was well advanced, its first research reactor going "critical" in 1956—ahead of China's. Declassified U.S. documents now reveal that, in 1961, the State Department considered assisting India's nuclear weapons program to ensure that it conducted its own nuclear tests ahead of China. The reasoning was that India's tests, ahead of China's, would dilute the psychological impact of the technological accomplishment of a second Communist state (after the Soviet Union) acquiring such advanced capabilities. However, this proposal was never acted upon.²

For its part, India remained ambivalent regarding overt weaponization, and it delayed conducting its first weapons test, euphemistically called the "Peaceful Nuclear Explosion" (PNE), until May 1974. This left the country outside of the NPT/P-5 framework and has severely exacerbated its security dilemma vis-à-vis China (and beyond).

During the 1990s, Sino-Indian relations underwent a qualitative shift. On the positive side, the Peace and Tranquility Agreement (PTA) of 1993 undergirds the framework of their bilateral engagement. Since 1993, nine rounds of talks have taken place, and issues addressed include clearer demarcation of the LAC, no new troop deployments along the LAC, and a host of military-technical and wider confidence building measures (CBMs) detailed at the command levels. The latest round of talks was in March 2001, and for the first time, they involved an exchange of maps, with interest enunciated at settling the dispute in the “middle sector” of the LAC.³

This is in addition to securing agreement with India regarding China’s entry into the WTO, increased economic cooperation,⁴ invitations to Indian Information Technology (IT) professionals to develop the Xin Jiang province,⁵ port calls by ships at each other’s ports, and more. Further, the Peoples Liberation Army’s pursuit of force modernization has led to discussions exploring technical collaboration on a range of subjects.⁶ This was part of the meetings in April 2001 during the visit of a high-ranking Indian delegation led by Lt. General Kalkut, Commander in Chief, Eastern Command.⁷

On the negative side is Chinese upgrade of its surveillance facilities in the Coco Islands, only twenty-five miles off the Indian Andaman Islands. In Tibet, China is storing tactical range ballistic missiles and building new airstrips that would bring large parts of Indian territory within easy range of its strategic bombers. Further, the force modernization of Peoples Liberation Army Navy envisions a blue water capability and nuclear submarines that could enhance its strike options, including faster and more accurate tactical range missiles, to carry out attacks on varied Indian targets from the surface of the sea or from submerged positions.⁸ Apart from the above is the suspected Chinese support to insurgency movements within the vulnerable Indian northeast.⁹

India’s second round of nuclear tests, in May 1998, were conducted, in part, to provide it an additional degree of deterrence against possible threats from China in the future. In Indian strategic circles, there is some disagreement about the exact interpretation of the Chinese nuclear doctrine. For the record, China’s doctrine states “no first use” (NFU) and “non-use against non-nuclear weapons states.” Since the Pokhran-II test, India has declared itself to be a nuclear state. Furthermore, according to some Indian estimates, China’s “no first use” does not preclude nuclear weapons use on its own territory or, in the Sino-Indian context, on the nearly ninety thousand square kilometers of disputed territory.

India’s response to possible threats from China is best understood as pursuing qualitative sufficiency, not attaining parity. Its naval modernization is designed to give it additional sea-denial capability, and the Indian Navy (IN) decided in 2000 to upgrade its facilities on the Greater Andaman Island to a full command post. Further, India’s own NFU pledge and the decision to establish a “credible minimum nuclear deterrent” (CMD) places additional technical and financial burden on fielding a small but highly survivable force that would be able to meet threats from both China and Pakistan. Given the relatively small size of the arsenal (median estimate is 132 weapons)¹⁰, and the intent to establish a triad of delivery options, India is at least a decade away from fielding such a force. When one adds the technical, financial, and (possible) policy costs of creating a robust C3I, targeting information

from ground and space based sensors, militarization of warhead designs, mating with the delivery vehicles, and training of special units in nuclear warfare, the challenge becomes even greater.

In essence, given the strategic priorities and developmental imperatives of China and India, direct military confrontation would figure very low in their respective calculus. Yet, improved nuclear weapons capability could provide an additional layer of deterrence, or tension, for each side. It should also be remembered that Russian assistance is an important element for each side in their pursuit of such offensive capability.

India-Pakistan.

India's conventional forces' superiority over Pakistan is often over-stated, but is roughly of the order of 1.75:1. Besides the lack of firepower, the major impediment for Pakistan is the lack of strategic depth. Its east-west width is only about 1,000 kilometers, necessitating that the combat be carried out on the adversary's territory. Pakistan's military doctrines, and the experience of the past three wars, testify to this strategy which, in essence, involves heavy reliance on strike by tanks and armored divisions in pincer formation, supported by bombers and other combat aircraft.¹¹

However, as the earlier wars have revealed, an outright Pakistani victory is not possible. For example, as the Kargil conflict of May-July 2000 demonstrated, even with the element of surprise in a carefully prepared and calibrated operation, a military victory remained elusive.¹² Ergo, a "military solution" to Kashmir is not a feasible option.

An important lesson of the Kargil war is that, in the Indo-Pakistani context, the acquisition of nuclear weapons capability is no insurance against conventional conflict. Glen Snyder's "Stability-Instability Paradox" postulates that acquisition of nuclear weapons creates stability at the top while permitting each side to engage in limited, and calibrated, conventional conflict at the bottom of this escalatory ladder.¹³

This appears true in the Indo-Pakistani context, and it also reveals a potentially dangerous escalatory situation. Pakistan's support to the insurrectionary movement in Kashmir is ultimately *a function of its own calculation* of the scale of Indian response. Any miscalculation on the part of Pakistan of India's resolve or scale of response could precipitate an escalatory chain of events, with disastrous consequences for each side. Clearly then, a non-military and diplomatic solution to the simmering dispute over Kashmir remains the answer.

It should be noted that Pakistan's pursuit of nuclear weapons, apart from political reasons, was to compensate for its inferiority on the conventional weapons axis. As such, nuclear weapons became the "Great Equalizer" and the ultimate deterrent to India. Given that, Pakistan is understandably opposed to providing a NFU pledge to India. But precisely because of this, the proximity of the two sides, and short warning time, etc., a range of military-technical CBMs also become necessary and desirable to maintain stability.

Russian Strategic Interests in Southern Asia

Russian Interests in and Policy Toward Pakistan.

Pakistan acquired a heightened, and adversarial, profile in the Russian strategic calculus when it became a “front line State” in the decade-long war in Afghanistan. During the late 1990s, Russia’s concerns stemmed from Pakistan’s growing support to religious fundamentalism and drug trafficking in Central Asia and the Caucasus. Notwithstanding the extent of Pakistani government’s involvement or support, the fact remains that such activities exacerbate the existing linguistic, ethnic, and religious cleavages and threaten the fragile nature of peace in a region of great importance to Russia.

Exploration of the substantial oil and natural gas assets in this region, and their transportation through pipelines, would require policy coordination, basic agreements for profit sharing, and possible collaboration amongst the states of the region and the external partner(s). In all such permutations, peace and regional cooperation remain important constants. This is precisely why Russia, and even China and India, are increasingly concerned about Pakistan’s role in fanning the flames of Islamic radicalism.

During the war in Chechnya, Islamabad was suspected of training and arming the Chechen rebels, causing much heartburn to Moscow. In recent years, Pakistan’s active support to the Taliban regime in Afghanistan has heightened the threat perception of Iran and complicated Russia’s hopes of bringing Iran into the mainstream of discussions relating to regional cooperative arrangements. Pakistan’s Inter-Services Intelligence (ISI) is suspected to have armed and trained the Uzbek rebels, and is believed to be involved in the multi-million dollar drug trafficking in the region. Islamabad’s suspected complicity in the matter has become a grave cause of concern for Russia and for all states with a stake in the stability of the region.

Regardless of the extent of Pakistan’s involvement, a dangerous trend emerging in the drug trafficking business in the region is the apparent attempt to connect the “Golden Crescent” (comprising Iran, Afghanistan, and Pakistan) to the “Golden Triangle” (comprising Thailand, Cambodia, and Vietnam). Efforts are being made to achieve this via Bangladesh, the disputed territory of Kashmir, Nepal, and Myanmar, in order to link the two drug markets collectively estimated at over U.S. \$6 billion.¹⁴ Ethnic discord, growing militancy, and the proliferation of light arms create a fertile ground for such activities, which could serve important politico-strategic as well as economic goals of the parties involved.

In recent years, another problem that has begun to acquire serious dimensions relates to the domestic stability of Pakistan. These include the Shia versus Sunni religious divide, the ethnic and regional discord between the dominant Punjabis versus the Sindhis and Baluchis, and the politically sensitive minority of *Muhajirs* (Muslims who came from India during or right after the partition of 1947). General Zia ul Haq had courted and made sagacious political use of the *Muhajir* community, but their political future remains uncertain, even though General Pervaiz Musharraf himself is a *Muhajir*.¹⁵

The ascendance of orthodox Islamic views in national discourse, and the close ties of the *ulema* (religious leadership) with senior echelons of the military, is polarizing the national debate on the role of Islam in politics and steering the nation toward a more puritanical Islamic theocracy.¹⁶ The resultant exclusivist tendencies, and the gradual “Talibanization” of the polity and society, impart a religious zeal to distinguish Islam from other faiths (*kafirs* or non-believers).

This acquires particularly acerbic connotations in the Indo-Pakistan context, where Jinnah’s “Two Nation Theory” already posited that Muslims and Hindus cannot peacefully cohabit the same geographic space, and, therefore, Pakistan (“land of the pure”) was created to offer a safe refuge for Muslims in South Asia. This theory gets diluted by the fact that more Muslims live in India, Bangladesh, and Indonesia than in Pakistan. But the unfortunate consequences of this formulation are the gradual erosion of democratic institutions in Pakistan, international isolation, a sputtering economy, and the specter of a “failed state.” With a population of over 145 million and borders with India, China, Tajikistan, Afghanistan, and Iran, the consequences for regional stability could be horrendous.

Russia, understandably, is deeply concerned about these negative developments. In 2000, its Joint Working Groups (JWGs) with India and with the United States focused on exploring strategies to curb terrorism and drug trafficking in the larger region. This builds upon the goals and efforts of the “Shanghai Five” (comprising China, Russia, Uzbekistan, Kazakhstan, and Kyrgyzstan) relating to counter-terrorism.

In April 2001, Russia announced plans to sponsor a UN resolution to hold Pakistan responsible for its role in arming the Taliban and for the negative security consequences of that action. France is reported to side with the Russian position on this, following the visit to Paris by Ahmed Shah Masood, leader of the “legitimate” government in Afghanistan, although the Taliban control nearly 95 percent of all Afghani territory, including the capital, Kabul.

In sum, Russia’s policy toward Pakistan is guided by the desire to limit the negative consequences of Islamic radicalism and drug trafficking in South and Central Asia and the Caucasus through bilateral engagement or coercive multilateral diplomacy. It needs to be stated, however, that, during 1997–99, Moscow had urged New Delhi to play a more active role in stabilizing Central Asia. India’s lukewarm response led to some discussions in the Russian foreign policy circles about the wisdom of forever keeping Islamabad at an arm’s length.¹⁷

In the same time frame, Russian industry provided manufactured components to the first batch of T-80 tanks that Ukraine supplied to Pakistan, and Russian experts shared blueprints and technologies with their Ukrainian counterparts at the Malyshev tank-building factory in Kharkiv. But acknowledging India as a past, current and future customer (and friend), Moscow declined to continue its assistance to Kiev in its subsequent supply of T-80s to Islamabad.¹⁸ Further, at about the same time, *Rosvooruzhenie* conducted a study that concluded that Islamabad’s total anticipated arms purchases were not likely to exceed fifteen percent of total procurement by New Delhi.

Evolution of the Russo-Indian Entente

The Russia-India relationship traverses a wide gamut of interests and is one of the most important relationships for each side, although not for identical reasons for each. The arc of their engagement spans from strategic and military to pure economic issues. And although it is certainly not an alliance, and probably falls short of a strategic partnership, the total “value” of this relationship surely exceeds the sum of its individual parts.¹⁹ Equally true, the scope and character of this bilateral engagement is likely to be buffeted and tested by the shifting winds of multipolarity and flux in the Asian dynamic and beyond. Nevertheless, it is safe to say that this will remain a crucial relationship for each side. This was indeed reiterated by the visiting Indian Foreign and Defense Minister, Jaswant Singh, during his April 2001 trip to the United States, including his meetings at the Pentagon relating to the resumption of dialogue on Indo-US defense cooperation.

On the strategic side, Putin’s Russia is trying to perform a delicate “equilibrant” act, carefully balancing its relations with the major powers, including China, and with India. The “litmus test” of success of this policy would be if Russia’s economic revival is pursued without markedly shrinking its diplomatic status or security ties in Asia and beyond.

Thus, on the one hand, dialogue with the United States comprises weapons dismantlement and defense conversion, safety and security of weapons stockpiles, well-being of skilled manpower, treaty/memoranda-based link between NMD and TMD versus ABM and START, strategic forces modernization, etc. But on the other hand, the discussion is on the size and scope of CTR-type assistance, G-8 related economic agenda,²⁰ Russian arms sales and military cooperation with Iran and India, and the joint working group on counter-terrorism and on energy exploration in Central Asia and the Caucasus. This “mix” of economics, diplomacy, and strategic interests is markedly present in Russia’s dialogue with the United States, Western Europe/EU, Japan, China, and India.²¹

This heightened pragmatism in Putin’s approach, in contradistinction to Yeltsin’s tenure, is visible in his relations with India as well. Soon after taking over as President in 2000, he called himself “a great friend of India” and made a highly successful trip in October. By all accounts, the military-technical cooperation (MTC) already underway was given a new fillip, while discussion also centered on the need for the two sides to work toward creating a more equitable and multipolar world order.²² According to one source, Russia might formalize a strategic partnership with China in July-August 2001 and another with India later in the year,²³ but there is deliberately no mention of the irksome “triangle” concept made famous by former Prime Minister Evgenii Primakov.

The most straightforward explanation is that this particular triangular formation is not a viable concept. Russia has important, and growing, domains of interest with both China and India, and the Russia-China and Russia-India dyads could grow stronger over time. But the same cannot be said about the China-India relations. And more importantly, while each of the three states seeks a domain of greater engagement, each is also calibrating that with courting a closer bilateral relationship with the United States, the most important extra-regional player in Asia. But within the constraints of the above dynamic, and the

strategic interests and policies of the United States toward Asia, each side is jockeying for maximal strategic autonomy to pursue its national interests and priorities.

On the military-technical side, Russia has entered into bilateral MTC with both China and India. India purchases over thirty percent of all Russian arms exports, and together with China, their combined share exceeds sixty-five percent of all Russian arms exports. But there is a qualitative difference in Russia's relations with India versus China. While the dramatic Sino-Russian rapprochement of the 1990s has improved bilateral ties and perceptions, India is still considered to be the most "benign" of all Russian partners, and the two have a close, diverse, and long-standing relationship.²⁴

Pursuant to the above, the terms of the bilateral Long-Term Integrated Military Technical Cooperation agreement of 1994, which was to expire in 2000, were enlarged and extended in 1998 to last until 2010. An idea of the dependence of Indian procurement from Russian sources comes from the fact that about sixty percent of the Indian army's military hardware is Russian made, while seventy percent of naval and eighty percent of air force hardware are of Soviet/Russian origin, a dependence unlikely to shrink considerably over the next decade.²⁵ In part, this stems from the limited success of the Defense Research and Development Organization (DRDO), the chief technology generator for the Indian defense establishment in augmenting its indigenous production base and capacity. But another part is that India and Russia are seeking to enhance the scope and scale of cooperation by entering into newer areas of technology collaboration and co-production of weapons systems and components.²⁶ This is notwithstanding recent Indian moves to diversify its weapons procurement from France, the UK, Israel, and South Africa.²⁷

A brief mention of some of the recent major purchases from Russia, many of which include licensed production or assembly in India, would illustrate the above. The purchase, and phased upgrading of forty Sukhoi-30 to the MKI model multirole aircraft is a good example. Licensed production of 140 more Su-30s in India was finalized in December 2000 in a deal worth over U.S. \$3 billion, including the transfer of the advanced "AL-31fp" thrust-vectoring engines.²⁸ Russia has not agreed to a similar licensed production of the older Su-27s in China, despite selling one hundred of them in a deal finalized in 1999. Indian aerospace scientists are closely collaborating in the development of the avionics of the Su-30s.²⁹ And it is believed that, when the May 1998 nuclear tests suspended Indo-US collaboration on the Light Combat Aircraft, MiG-MAPO agreed to assist India in the improvement of the avionics, including the on-board "mission computers," for this fly-by-wire aircraft whose technology-demonstrator (LCA-TD1) conducted its first successful flight in March 2001.³⁰ Other examples of Indo-Russian collaboration include the retrofitting and modernization of 125 MiG-21s (including integrating state-of-the-art on-board radar) and the area-wide defense systems S-300 PMU1 for the army and S-300V for the air force. The S-300s are to be integrated with the Indian multi-target, command-guided, medium range *Akash* SAM and *Rajendra* multifunctional phased-array radar. Purchase of at least six AN-50s or a variation of the IL-78s, with responsibilities divided up between AWACS and mid-air refueling, is also on tap.³¹

Similarly, technology specification by the Indian side and limited collaboration is underway involving T-90 tanks, 152mm *MSTA-S* self-propelled artillery system, “Smersch” multiple launch rocket systems, etc. The final decision on the purchase of the *Admiral Gorshkov* aircraft carrier is expected soon, and the U.S. \$1.8 billion deal will include a batch of MiG-29Ks. Russia is also believed to be helping India to build its own nuclear submarine, currently designated as an Advanced Technology Vessel (ATV).³² It is also believed to be assisting India’s efforts to acquire a brown/blue water capability, including designing the containment vessel to house the on-board nuclear reactor, and in improving the underwater launch of a tactical-range ballistic missile from aboard this submarine (*Sagarika*).

While detailing the extent of Indo-Russian military cooperation is not the thrust of this paper, the above instances provide a clear illustration of the scope and scale of their engagement. The story on the economic front is not as encouraging, however, with annual bilateral trade down from a high of U.S. \$5.5 billion during the Soviet era to only about U.S. \$1.5 billion in recent years. Part of the problem is that Russia has agreed to buy out India’s accumulated debt of the Soviet era (U.S. \$10 billion) by purchasing Indian goods and paying for them in Indian currency. This provides India little incentive to diversify its export basket vis-à-vis Russia, whose economic difficulties have made matters worse because it is only purchasing about half of its agreed quota of U.S. \$1 billion annually.

In the energy sector, Russia’s *Gazprom* and India’s *ONGC-Videsh*, the external arm of the Indian Oil and Natural Gas Commission, are collaborating for exploration of oil fields in Tatarstan, the Sakhalin shelf, and the Astrakhan region. Russia has already contracted to build two 1000mw VVER type nuclear power reactors in Kudankulam in India, but its plans to build more such plants has run into nonproliferation-related controversy. The original deal for the two reactors was agreed upon in 1988, prior to Russia’s entry into the Nuclear Suppliers’ Group (NSG). But the tightening of the NSG guidelines via a new protocol signed on April 3, 1992, casts doubts on Russian ability to construct the new plants. The firing of Evgenii Adamov, Russian Minister for Atomic Energy (MINATOM), in April 2001, and his replacement by Alexander Rumyantsev is designed to bring MINATOM’s activities strictly into line with Russia’s obligations on nonproliferation and export controls.³³ As of this writing, the fate of additional nuclear reactors to be built by Russia in India is not clear.³⁴

In sum, the common interests and objectives of Russia and India will be tested in the coming years, and the nature and scope of their bilateral engagement with the United States will factor into their decisional calculus.³⁵ Nevertheless, their relationship is likely to remain strong and multifaceted into the foreseeable future.

The Dragon in a Bear Hug, or the Other Way Around?

Russia’s relations with China have undergone dramatic changes over the previous decade.³⁶ An agreement to delimit their international border and accompanying CBMs relating to force levels and troop movements, has injected stability into the relationship. In recent years, China has emerged along with India as the leading purchaser of Russian armaments.³⁷ Their economic interests coincide in exploring the energy assets in Central Asia and the Caucasus and in maintaining stability in the region.

Concerns for Russia in its evolving relationship with China come in disparate, and sometimes intangible, ways. For instance, Moscow is concerned about the yawning gap between its economic capabilities and growth projections, and those of its giant southern neighbor. A gradual and quiet economic, if not political, takeover of the Russian Far East is causing Moscow grave anxieties. Beijing's activism in courting deep economic and wider relationship with Central Asian states is also a potential worry. China's growing military might³⁸ and its ongoing force modernization make Russia uneasy about the growing scope, if not the manifest propensity, for China's unilateral activism in Asia in the years ahead.³⁹

Exports of an entire range of major weapons systems to China and India have become almost a necessity for Russia to finance its economic recovery plan, not to mention the capital needed to maintain its export competitiveness in the increasingly resource-intensive global arms market. But while Moscow does not anticipate any adverse reaction to this "supplier's dependency syndrome" from New Delhi, it is not entirely certain about the growing bargaining leverage of Beijing. Alastair Johnston, a prominent analyst of Chinese strategic culture, argues that "quan bian," a key decision axiom that stresses absolute flexibility and sensitivity to relative capabilities, and "realism," are embedded in the Chinese strategic culture. As such, challenge to the status quo will surface only when the anticipated gains clearly outweigh the costs.⁴⁰

Although this paper does not take sides with the "benign" versus "malignant" projection of Chinese behavior, it does note China's empirical record of use of force to settle territorial disputes. It further notes that power is sometimes defined as the sum of capabilities and intentions. And while capabilities take a long time to acquire, intentions can change almost overnight. As such, in the Asian balance of power, the inexorable rise in Chinese power causes anxieties for a number of its neighbors and smaller states.

In sum, Russia is likely to continue to deepen and widen its engagement of China. At the broadest, it could make China an increasing stakeholder in the stability of Asia. At a minimum, it reduces the propensity for Chinese unilateral activism that is inimical to Russian interests.

Russian Priorities for the Future

In mapping Russia's strategic priorities for the future, South Asia factors in at a relatively lower level in its decisional calculus. One of the primary objectives of Russia in the medium term is improving its relations with the major powers. This includes primarily the United States and Western Europe, but also Japan and China, and securing more favorable terms of trade in the economic domain is almost as important as any strategic accruals.

Another major priority is domestic. As Putin's Russia completes its transition from an "empire" to a "nation state," a viable plan for rapid economic recovery is vital for maintaining social stability as well as to provide resources to pursue larger diplomatic and politico-strategic objectives. This involves revamping of the institutional and regulatory

frameworks that undergird its economy, providing necessary policy and resource stimulus to its nascent private sector, and strengthening rule of law and financial regulations to enhance the domestic revenue base and offer credible security to attract external investment.

On the domestic security front, Russia's priorities include systematic and steep reduction in the size of its armed forces, and consequent force restructuring that creates a lean and potent force for territorial defense of its large landmass and porous boundaries. Power projection is no longer a near-term priority. On the other hand, diplomatic activism (e.g., coordinating with EU leadership to address the security problem on the Korean peninsula) is one means to maintain its international status as an important player. Continued or increased military sales to older customers and newer ones in the Middle East and Southern Asia is another means to maintaining this relevance.

According to this formulation, South Asia's relevance rests on three important factors. One, the internecine conflict between India and Pakistan should not escalate to a point where outbreak of hostilities will create major casualties. The more India is able to "delimit" the damage from its conflict with Pakistan, and gain acceptance from the international community as a responsible and legitimate player on the Asian stage, the easier it will be for Russia to engage it in wider collaboration. This includes defense cooperation (for their national uses as well as limited exports), requisite technology transfers, and wider and mutually beneficial economic cooperation.

Two, if Pakistan lurches toward becoming a failed state, or elements within the country continue and even enhance their assistance to fundamentalism and drug trafficking in Central Asia and the Caucasus, it will create a zone of "vulnerability" in a region that Russia regards as its strategic neighborhood. That is why Russia is engaged in a range of bilateral, regional, and multilateral diplomacy and policy coordination efforts to avert such a prospect that has adverse economic as well as strategic consequences for its well-being.

And three, Moscow remains concerned that India's pursuit of its nuclear weapons capability, and any semblance of strategic competition with China, could further erode prospects for greater policy coordination between the three.⁴¹ It is true that all three seek improved relations with the United States, as well as greater strategic autonomy for themselves. But to varying extents, all share a basic aim toward greater multipolarity in the international system, and to reduce the overwhelming U.S. policy influence in Asian affairs. Any untoward developments that lead to worsening Sino-Indian ties will mean that Russia will be forced to choose between the two, and it is clear that it will choose closer relations with China over India, howsoever painful the choice might be.

Additionally, and finally, Russia is also closely monitoring the change in the scope and character of US-India dialogue. A general improvement in US-India ties will improve India's external credentials and facilitate Russia widening and deepening its relations with India. Currently, the US-India dialogue in the security arena is limited to areas such as joint peacekeeping, interdiction, and maritime security in the Indian Ocean. But if this dialogue builds upon the areas of cooperation envisaged under the Defense Policy Group, or its subsidiary Joint Technology Group, and goes beyond that, then Russia has cause to worry.

Specifically, any significant defense cooperation between India and the United States would mean not simply the loss of a major market, but also of a reliable partner and a source of cash and some technology.

In conclusion, it is clear that the strategic template of Asia is in a state of flux, and it is premature to speculate what precise power configuration will emerge and endure. It is also clear that Russia, China, and India, as well as Japan and the United States, will remain the most important actors and factors in determining the framework of peace and stability in Asia. It remains to be seen how Russia maneuvers itself to maximize its gains from this dynamic.

ENDNOTES

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PART 5:

Part Five: Russia and the United States

Introduction

Anthony Williams

The four papers examining US-Russian relations arrive at a relatively pessimistic view of that relationship. Their combined assessment argues that Russian domestic policies and relations with the Near Abroad will likely not move in a more liberal and transparent direction in the near term. This will stress US-Russian relations, at a time that Russian policymaking will continue to appear situational and power-oriented, and lack a discernible set of guiding principles. In addition, the authors anticipate that, even in the arena of arms control and foreign investment—both areas of critical importance to Russia, the near term, at least, will be characterized more by failure than by success because of the inability of Russia to escape its intellectual and cultural legacy.

John Beyerle argues that the policy of engagement pursued by the Clinton Administration enjoyed broad bipartisan support and will be continued in general terms by the Bush Administration. He argues that this policy of engagement is made possible by three fundamental differences between the former USSR and the Russian Federation. First, Russia has shifted away from authoritarianism and state monopoly of power—although Beyerle acknowledges that this shift appears to have ebbed somewhat since the rise of Vladimir Putin to the Presidency. Second, Russia has shown an increased willingness to engage seriously on two issues critical to the United States: nuclear reduction and non-proliferation. Third, Beyerle argues that Russia has adopted a new dynamic in dealing with its immediate neighbors, less threatening and more cooperative. Although his overall assessment cuts a positive note, he also raises questions about a growing tendency of the Putin government to reassess Russia's commitment to various international agreements and an apparent tendency to use economic power in pursuit of renewed Russian hegemony in the Near Abroad.

Mikhail Alekseev attempts to explain the continuing apparent contradictions in Russian policy toward the United States. He takes the view that Moscow's policy toward the United States is and will likely continue to be driven by the lack of unifying values or guiding principles among its policymaking elite. According to Alekseev, the primary motivation of foreign policy decisionmaking in Russia today is power-maximization. Thus, he argues that Russia's foreign policy elite demonstrates only one consistent principle in its decisionmaking, and that is a fear that all foreign involvements are a potential threat to centralized power in Russia and must be managed from that perspective. Furthermore, since Russia's power elite makes policy decisions on the basis of expediency and they operate from the perspective of having "delegitimized" ideology and principle as drivers of policy, they are inclined to mirror

those views in their analysis of American policy motivations. So, for example, Russia's policy elite perceives American efforts to support the growth of democracy in the former Soviet space, including Russia, in reality as an effort to undermine the power of Russia's central government. So, too, do they interpret American expressions of concern about human rights vis-à-vis Chechnya. The U.S. actions in the former Yugoslavia have ultimately been interpreted in Moscow as a precursor to potential U.S.– or NATO–led intervention in Chechnya.

Because all of this is seen in Moscow as being motivated by a U.S. desire to maximize its international economic power, however, the upshot of this mirror imaging is that Russia's policy elites regard all U.S. foreign policy positions as subject to influence by the highest bidder. Thus, U.S. policy positions are regarded in Moscow as starting points for discussion and negotiation, not as positions of principle. Alekseev concludes that Russian policy is likely to be situation–dependent for the foreseeable future and weighted heavily in favor of actions that maximize Russian international power and prestige. This, in turn, will continue to result in seeming contradictory positions vis-à-vis the United States, with Russia cooperating on some occasions with America foreign policy initiatives, and staunchly opposing them on other occasions. But in no case will a consistent set of values or principles be discernable in these Russian positions. {Consistent with this, Russian cooperation with the United States in the war on terrorism in the wake of the September 11 attacks in the United States is neither unlimited or open-ended; Putin has had to overrule the objections of some advisors, and even he would not want to see a permanent U.S. military presence or even a significantly expanded U.S. political or economic presence in Central Asia. Nonetheless, the current situation does provide an opportunity for U.S. and Russian leaders to radically shift the paradigm of U.S.-Russian relations to a far more cooperative basis. Ed.}

Igor Khripunov assesses the chances for continued progress in the arena of U.S.–Russian arms control. He notes that the proposal from Putin in November 2000 for a bilateral reduction to 1,500 strategic nuclear warheads came at an inopportune time, given the events surrounding the U.S. presidential election. He also argues that it was not a much better time for Russia, since Russia had not clearly defined its global role and requirements for nuclear weapons at that time. Khripunov reviews various factors that will retard a productive arms control dialogue between the United States and Russia, including the obvious fact that Russia is not now a centerpiece in U.S. strategic thinking, as well as the difficulty that Russia's military has had in accepting the outcome of the Cold War. These and various other factors will work to slow any progress toward further arms control agreements in the near term, and long-term success in this effort will be made more difficult by the fact that any arms control agreement into which the United States enters must also address other potential threats, thus making purely bilateral agreements of the Cold War type all but impossible. China, for example, while not bound by the 1972 ABM Treaty, seeks to hold the United States to this agreement for its own ends, ends that have little to do with Russia.

These points aside, Khripunov believes that there are sound reasons for both countries to continue the dialogue, albeit from a different perspective than during the Cold War. He argues that both Putin and Bush have prioritized national interests as the basis for their foreign policies, thereby establishing measurable criteria by which to judge any potential

agreements. Khripunov also argues that the mere existence of U.S.-Russian bilateral arms control agreements enhances Russia's international prestige and to validate her continued nuclear force. Khripunov argues also that the United States has significant threat reduction interests in continuing to engage the Russians in strategic arms control and stockpile security. Khripunov concludes with the observation that domestic politics in both countries and mutual suspicion will likely retard any significant progress in the arms control arena in the near term, but he also postulates that, in the longer term, both sides will likely find common ground on which to continue the arms control relationship, albeit in a post-Cold War format.

Marshall Goldman reviews the history of reform in post-Soviet Russia, and concludes that, more often than not, the process of reform collided with Russia's cultural legacy to produce not economic reform but economic anarchy. The reformers, fearing that Russia might revert to communism if reforms were not fast and total, approached the economy in the same manner as the Soviet commissars in the 1930s who sought to totally destroy the old institutions to preclude a return to the market system of the Tsarist regime. And in the 1990s the reformers attempted to totally obliterate the institutions of the communist regime. Concurrently with these efforts, Western investors and economic institutions such as the IMF made every effort to open Russia to foreign investment. The underlying rationale appears to have been the belief that the only real threat to investment was a reversion to communism. In addition, there was an assumption that Russia was so rich that any investment would ultimately be covered, and the economic chaos and rampant corruption was simply ignored.

Goldman also points out that, just as the Soviet system carried over some of the traditional patterns of Russian economic culture, such as the incestuous relationship between government patron and business manager, so too did this same pattern re-emerge under Yeltsin in the form of the "economic oligarchy." There was also the skyrocketing investment in State Treasury Bills that both foreign and domestic investors deemed to be safe, but when the government defaulted on the Treasury Bills due to the collapse of the ruble, the entire system imploded in August 1998. One of the major consequences of this was the wholesale abandonment of Russia's markets by foreign investors. Goldman points out, however, that the collapse had within it the seeds of a turnaround. The speed of the collapse drove the ruble down so far so fast, that imports dropped 50%. A consequence of this was the emergence of an internal consumer market, providing jobs and taxes. The rising price of oil and gas on the world market also helped to stimulate growth by creating wealth, jobs, and taxes.

Goldman concludes with a warning that Russia and foreign investors may well be riding the crest of yet another wave that is doomed to crash. The influx of hard currency from petroleum exports is undermining the ruble, thereby strengthening imports and weakening exports. This situation has been complicated by Putin's unwillingness to attack organized crime and corruption, despite his attack on the independence of the economic oligarchy. In fact, the focus of his attacks on the oligarchy seem to have less to do with good governance and economic reform than with a re-centralization of political control. The net result, in Goldman's view, is that Russia's economic weaknesses, coupled with its recent economic history and its continued failure to modernize governance, is working to retard foreign investment. And he argues that the Russia's relations with the West, at least over the near

term, are likely to be marked by continued financial standoffishness at a time when foreign investment and Western business methods are what Russia really needs.

U.S.-Russian Relations: The View from Washington

John Beyrle*

This is a very apt time to take stock of the American-Russian relationship from the Washington perspective. One U.S. administration is leaving power, having had eight years to form something of a basis for generalization about relations with Russia overall and having spent much of this last year making its initial assessments of a new Russian leadership. And a new administration is coming to power in Washington that will have a review of the Russia relationship among its top priorities. This leaves me in something of a special position, since I helped formulate and implement Russia policy in the early days of the Clinton Administration as a director on the National Security Council Staff. And I will be *one* of the—if not *the*—highest level State Department official responsible for Russia left in the building after January 20th, 2001.

Thus, as I look at my job, I see myself as responsible for introducing the new Administration to its Russia policy. Today I want to focus my remarks on how the U.S.-Russia relationship looks from the Washington perspective at this very moment, as we have finished our first transition papers and are waiting for the transition team to arrive and start asking us questions and tasking out options papers. There is naturally a great deal of retrospective analysis going on in Washington at this time, too, a sort of “who *didn't* lose Russia” debate on the actions and policies we took over the past eight years. However, I do not propose to go into that at great length today, if at all, if for no other reason than the fact that I have spent much of my time over the last year doing just that. Beginning with the 1998 financial crisis in Russia, through the “who lost Russia” debate in the summer of 1999, and the ensuing financial scandals, money laundering, Chechnya, publication of the Cox Report, and the like, I've been playing a lot of defense. So it's a pleasure to be able to get out and play a little offense here, and I suspect that others will have more to say on these topics in any event as we go through this topic on our panel.

I think that the greater value for my presentation here today is as a candid assessment of what our concerns are as we watch the policy of the new Russian team in the Kremlin play itself out on the ground. And I start with a basic premise: that there have been three fundamental elements that have differentiated the policies of an independent Russian Federation in transition from the policies of the Soviet Union, and these differences have enabled the United States to contemplate a broader and more productive relationship with Russia than was ever conceivable while the Soviet Communist Party was in power. The first factor is the shift that we have seen in the internal dynamics of Russian society, which helped move Russia away from authoritarianism and a government monopoly on power to a situation where power is, to a certain extent, shared with the governed—not absolutely, not

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perfectly, but more along the lines of what we would recognize as a normal democratic model, or at least moving in that direction. This shift has made possible a whole range of interactions with the Russian government, not only in obvious areas like supporting the institutions of civil society, but also in areas where the link is a little less apparent at first glance, like nuclear safety and threat reduction. These latter programs are easier to sell domestically to Congress, and easier to explain to the American people, when we can point to a Russian government that, for example, is influenced in some sort of meaningful way by a legitimate parliament, or is more responsive to public opinion that was the case in the past. We've come to take this for granted, but it is one of the premises that have allowed us to build a different relationship with Russia.

The second aspect I would point to is a willingness on Russia's part to engage seriously on a couple of issues that affect not just the vital interests of the United States but actually, I would say, our survival interests—that is, nuclear reduction and non-proliferation. Here I am talking not just about the negotiated reductions under things like START agreements, which obviously predated the Clinton administration, but really a whole structure or bureaucracy of things like the Nunn-Lugar programs that signal to us and to the American people that something fundamental has changed inside of Russia, that things that were previously off-limits or closed or opaque are somehow now more out in the open, and hopefully irrevocably so. To be frank, I have to say that our ability to serve our own interests here is constrained at least as much by our own resource considerations and limitations as they are by any Russian ambivalence toward this kind of engagement. Nonproliferation is something of a tougher subject to talk about because of, among other things, commercial interests and significant money issues, but we have opened a dialogue with Moscow and have managed to get some action on some if not all of our concerns regarding the transfer of weapons and technologies to other states in ways that are profoundly destabilizing.

The third shift that has allowed us to build a more robust relationship with the new Russia is the change in the external dynamic of Russian engagement with its nearest neighbors. Russia's willingness to accept the collapse of the Soviet Empire as something of a historical inevitability without resort to large-scale use of force and its stated desire to pursue relationships with its nearest neighbors based on mutual benefit and respect for independence, territorial integrity, and sovereignty say something very important to us as we consider our ability to pursue a more cooperative relationship with Russia. I am not saying that Moscow is not using other means to try to hold onto its influence. But *I am* saying that one might have expected a stronger Russian reaction initially, and the fact that we did not see such a reaction says something important to us.

Russia's intention to play a more productive role in multilateral organizations is also part of this, not just the groupings that Russia already belongs to by virtue of inherited membership, like the UN or OSCE, but also the ones that Russia aspires to join or to be associated with, such as the G-8, the G-7, or NATO. My colleague Steven Sestanovich is writing and arguing in an upcoming publication that Russia has shown itself to be something of a "bad joiner" in regard to its associations internationally, especially with regard to NATO and the OSCE. There is much to argue about here, but more about that later. There is no question, however, that the Russian aspiration for greater integration with international or

Western institutions constitutes a form of acculturation to international norms or standards that is positive, if not outright leverage for us as we seek to support the forces in Russia that want to see those international norms and standards become Russia's own norms and standards.

To summarize, I would argue that these underpinnings of the different relationship with the new Russia have been the basis for a bipartisan consensus on the U.S. approach to Russia, which is borne out by the "who lost Russia debate" and even by the publication of the famous Cox Commission report, all of which to my mind showed that no one really questions the fundamental strategy of engagement with Russia. And the three fundamental changes I have just summarized, I would argue, are a large factor in this consensus. The debate really has been over the terms of the engagement or the tactics of the engagement, and if you accept that as a premise, I would argue that this situation will stay the same as long as the premise on these core issues is not called into question.

Turning now to the present, in Washington policy circles over the last several months we have been asking ourselves whether the ascent of a new leadership in the Kremlin has led to actions or policies that are evidence of a reassessment by these new leaders of some of these principles. The optimists will say that it is too early for answers to these questions, and the pessimists are saying that the returns are already coming in—but no one I know argues that it is too early to ask the questions.

I will limit the discussion to a few key areas that are of concern to us. One of these key questions is a simple one: is Russia moving back to a more pronounced zero-sum calculation in its external relations, especially the relations it has with its nearest neighbors? In other words, are those in Russia who see their country's strength derived from the weakness of the lands surrounding it becoming more influential? Here are some examples of things we have seen in just the past few weeks that fuel this debate in Washington. We saw an ultimatum to Ukraine to choose between Russia and Turkmenistan as to which country would be Kiev's sole gas supplier—because, the message from Moscow seemed clear, "you can't have both." There also is the cutoff of oil being shipped to refineries in Lithuania by Lukoil to gain advantages in price negotiations—another example of something that is put forward as strictly a commercial dispute, but when you cut beneath the surface, you see a lot of political factors at play. Another case is the recent cutoff just over this past weekend of gas and electricity to Georgia, again ostensibly for legal and commercial reasons. When you look at this in tandem with the political pressure on Georgia—including such things as Chechen border crossings, basing negotiations, threats to apply a visa regime to Georgia or parts of Georgia—all of this from our perspective harks back to a much more ominous calculation of Russia's relative strength and weakness vis-à-vis its neighbors.

We make an obvious connection between such threats and actions and President Putin's stated desire to reestablish Russia's external stature, to recapture markets, which in large part is the basis upon which he came to power and still maintains an approval rating in the high 60 percent range. Of the statement of the Russian Security Council that "we will uphold and promote our lawful interests in the Caspian," we would say that the important aspect of upholding and promoting lawful interests is doing so in consultation with the neighboring

states while making sure that those neighboring states agree what those lawful interests are. To the extent that we see pressure and coercion replace cooperation and consultation as Moscow's *modus vivendi* with its neighbors, we will have to reassess the level of cooperation possible with Russia.

Another question that we are asking a lot in Washington is how seriously the Russian leaders view the international agreements and understandings that they have either inherited or entered into themselves. In short: can we take Moscow at its word? In the category of inherited understandings, the press recently has been full of reports on the Russian decision—conveyed by the Russian Foreign Minister to Secretary Albright—to pull out of the understanding that was reached in the Gore-Chernomyrdin context on constraining destabilizing arms transfers to Iran over the last five years. This became something of a political football in campaign terms—over who was naive, who was duped, who was the more clever in striking a deal, and what the performance indicators were. But I would argue that this sort of sniping obscured a more fundamental concern for us, which was that Russia was saying that it planned to withdraw unilaterally, with a minimum of advance notice and consultation, from a bilateral understanding on an issue that we identified as a vital concern. Moreover, they were under no illusions that this was indeed a vital concern from our point of view.

This sent a serious shock wave through Washington, through the policy level that is responsible for understanding what is happening in Moscow and, more importantly, responsible for interpreting it for a new administration coming in. At the outset, we need a clearer understanding that Russia ought to consider the precedent that it is setting on one hand, given its own concern about the sanctity of the ABM treaty as a new administration comes in and listens to Russia's repetition of *pacta sunt servanda** in the ABM context. More importantly, we have to ask the Russians if this is the introductory calling card that they want to leave on the doorstep of a new American administration.

Multilaterally, we have seen some signs of this same tendency by Russia's new leaders to reassess old commitments. At the recent OSCE Ministerial meetings in Vienna, Russia's negotiators made clear to us that they had no intention of allowing any restatement of the obligations that Moscow had signed up to in the previous year's OSCE presidential summit in Istanbul, regarding things such as the OSCE presence in Chechnya and negotiations over force withdrawals from Moldova and Georgia, to say nothing of Russian force levels in the Caucasus themselves under the recently renegotiated flank limits of the CFE Treaty. When we and other OSCE member states pressed the Russian officials and negotiators on this, they allowed that they still felt bound by these agreements, but at the end of the day they refused to join a consensus on the OSCE declaration, even when they were offered some compromise language.

Here, the question is not so much one of their adherence to specific obligations and commitments, although in practice we have seen a pretty spotty Russian record on that score; for example, with regard to the OSCE presence in Chechnya and especially the withdrawal of

* "Treaties must be kept." (ed.)

equipment from Moldova. The more worrisome aspect for us is the suggestion we have heard from several senior Russian officials that they are reassessing their ties to OSCE overall. It can be argued that this is an inevitable shift, that Russia is simply prioritizing its engagement with Europe and that it obviously will place a higher emphasis on ties to the EU, which potentially brings significant money to the table, as opposed to the OSCE, which brings little more than complaints and demands (and that may be a cautionary note for OSCE). At the same time, however, this reassessment would represent something of a sea change in the hierarchy of Russian external engagement. You can recall that only a few years ago it was being argued by the Russians that OSCE should be a "super European security organization"—with oversight over, not incidentally, NATO.

On the domestic front, we are clearly concerned about the rollback in some of the democratic gains that the Russian people have achieved over the past ten years. Obviously there is an officially tolerated (if not inspired) campaign underway to suborn some of the independent media. This is a question not only of how far Russian journalists, the Russian elite, and Russian political officials are willing to go to confront this campaign, but also of how loud the Western voice is going to be in speaking out about what we see happening. As we look at an assessment of the first year of a new administration in the Kremlin, with the noose tightening around Media-Most, laws on political parties advanced to give advantages to Kremlin-backed groups, as Russians themselves express alarm over the return of such Stalinist throwbacks as the anonymous denunciation, we find ourselves in Washington talking more and more about establishing some "red lines:" freedom to travel, freedom to read and speak and worship, political associations, and the like. These discussions remind me, unfortunately, of what we went through in 1993, when we suddenly had to deal with "the Zhirinovskiy factor" in the parliamentary elections. I am not suggesting that these things are at risk now, but what I am suggesting is that we are starting to remind ourselves that we need to establish redlines and some baselines as a comparison so that, in a year from now, we can look back and assess what has happened, what has changed, and what the trend lines are. We are certainly much more attentive to this than we were eight to twelve months ago.

On the economic front, we see much to be encouraged about, especially given the economic team we see around the Russian president and prime minister, but all the concerns I have outlined lead us to question the sustainability of the economic progress upon which Putin is putting such a well-deserved priority. The single most frequent question we ask ourselves is whether or not the new Moscow leadership appreciates something we see as a universal truth: the link between sustainable economic growth on the one hand, and, on the other, an open and pluralistic society in which the rule of law has some real meaning.

I fear that I may have painted the picture in darkish tones, but that is some of the reality that we are confronting. Ultimately, what is at stake is the consensus that has emerged on the overall value of engagement with Russia; a consensus, which we accept as a bedrock principle, that has never seriously been questioned in the "who lost Russia" debate. We need to be alert to any circumstance that risk eroding that consensus, and I think that we have a great deal of work ahead of us with Russia—to stay engaged and to keep that consensus from eroding.

From Strategic Partnership to a “Pragmatic” Relationship: Domestic Sources of Russia’s Perceptions of the United States

Mikhail Alexseev

“I like American culture. What irritates me is their foreign policy—this expansion in all directions, political and economic.”

Vladislav Momdjan, a student at the Moscow State Institute for International Relations (MGIMO) that trains Russian foreign policy elites, wearing a Nike Jacket and carrying an Oakley backpack. Associated Press, June 5, 2000.

Russia’s perceptions of the United States in the last two years have been contradictory and volatile. On the one hand, following NATO’s intervention in Kosovo, top Kremlin officials and the Russian media referred to the United States as “an international aggressor.” More generally, Moscow identified the United States with a threat of “unipolarity,” understood as a system of international relations in which the United States exercises its military and economic supremacy to influence other actors while disregarding those actors’ (and, consequently, Russia’s) national interests. On the other hand, President Vladimir Putin repeatedly stated that Russia sees the United States as an important partner on the international scene and expressed Russia’s willingness to cooperate with the United States on major global issues. Upon receiving U.S. Secretary of State Madeleine Albright in Moscow in February 2000, Vladimir Putin said: “Russian-American relations have a global nature, and Russia views the United States as its main partner.”¹ To explain these contradictory views, I focus on domestic sources of elite and public perceptions of the United States in Russia and on how these perceptions relate to specific policy preferences.

Whose Perceptions Matter?

From the perspective of Russia’s elites representing the executive branch, the legislature, the leading businesses, state-run industries, science, and the media, policy-relevant perceptions of other international actors are shaped predominantly by a three-tier hierarchy of actors. According to an opinion survey of these elites, conducted by ROMIR polling agency in September 2000, the upper tier is composed of the Foreign Ministry (named as the principal actor by 92 percent of the 500 respondents) and the administration of president Putin (86 percent of respondents), which incorporates the Security Council and oversees Russia’s intelligence services. Russia’s business leaders (“the oligarchs”), named by 56 percent of respondents, and the Defense Ministry, named by 42 percent of respondents, represent the second, lower, tier of foreign policy actors. Finally, the regional leaders and the State Duma make up the third tier, with 35 percent of the elites polled by ROMIR saying these actors exert influence over Russian foreign policy.²

The Security Council, with its powerful secretary, Sergei Ivanov (who now routinely, but not without a hint of pride, denies press reports that he is the most powerful foreign and security policy official in Russia) has recently increased organizational and analytical capabilities. In September 1999, it spawned a Research Council (*Nauchnyi Sovet*) embracing top Russian academics and military analysts. In September 2000, the Security Council formed its own Interdepartmental Commission for security policy coordination that comprises the chiefs or deputy chiefs of the foreign ministry, the security ministries, the justice ministry, chairmen of international relations committees of the State Duma and the Federation Council, the deputy chairman of Russia's Central Bank, top TV executives, and the directors of the Institute of International Relations (MIMO), Institute of the World Economy and International Relations (IMEMO, formerly headed by Primakov), and German Gref's Center for Strategic Research.³

What Motivates the Principal Actors?

Delegitimization of Ideology

Russia's key decision makers—including Vladimir Putin, foreign minister Igor Ivanov, and Security Council Secretary Sergei Ivanov—got politically socialized and advanced their careers in the context of the wholesale corruption of Marxist-Leninist ideology in the Brezhnev era, the de-legitimization of Leninism in the Gorbachev era, and rapid disillusionment with free market liberalism in the Yeltsin era. De-legitimization of ideological commitments weakens constraints on power-maximizing behavior. The arrival of President Putin enhanced the political legitimacy of predominantly functional, instrumental approaches to policymaking. In the words of Irina Kobrinskaya of the East-West Institute in Moscow, “Putin has no mission and is all about function.”⁴

“Effectiveness,” “pragmatism,” and “feasibility” have become buzzwords in formal and informal policy discourses in Russia. One of the central tenets of Russia's Foreign Policy Concept adopted in June 2000 is that “a successful foreign policy of the Russian Federation must be based on maintaining observance of a reasonable *balance between its objectives and possibilities* for attaining these objectives.”⁵ According to Sergei Ivanov, secretary of Russia's Security Council, the Council used “the standard integrated ‘*effectiveness - cost - feasibility*’ criterion” when choosing among five armed forces development programs for the period up to 2010.⁶

Whereas Putin's agenda of centralizing governance in Russia may appear as amounting to state ideology in its own right, his choice of disparate symbols of Russia's state identity (Imperial Russia's flag, a Soviet-era anthem, and medieval Russia's state emblem) indicate a lack of ideological consistency. The adoption of these state symbols came as a response to short-term public pressures (expressed by such important opinion makers in Russia as the Spartak Moscow soccer team and Olympic athletes) and reflects majority public preferences more than a consistent ideological design, as was the case with Soviet symbols.⁷ Uncertainty

about the meaning of a “strong state” in Russia increases flexibility of commitments, perceptions, and preferences.

Institutional Uncertainty

Uncertainty regarding compliance with institutional rules and norms arises from persistent dependency of laws and institutions in Russia on individual preferences of the chief executive. Since his arrival in power, Putin introduced significant changes in key government institutions, such as the Federation Council, that de facto amount to constitutional changes. Some reports suggest he has been considering rewriting Russia’s 1993 constitution.

In the absence of ideological prescriptions and institutional constraints, Russian policy makers have strong incentives for short-term rent-seeking behavior resulting in what economists call “institutional traps,” or the emergence of small groups of actors with high stakes in preserving the uncertainty and inefficiency. These traps become hard to break up when policy makers “are able to block or distort changes in the rules of the game that threaten to reduce the value of their existing control rights.”⁸ Incentives embedded in institutional traps would motivate Russian decision makers to quickly change their positions and to sustain political instability in areas where they see potential for increasing economic payoffs and political influence (e.g., the Caucasus, Central Asia, and Ukraine). Under unconstrained uncertainty and “institutional traps,” manipulative, deceptive behavior is a rational norm.

Furthermore, one can hardly expect that Russia’s political institutions would, in the foreseeable future, provide incentives for Russian policy makers to abide by impersonal rules and norms, since few have ideological commitments to such institutions to begin with. Thus the Russian foreign policy and security establishment has neither the political incentive to embrace the West, nor the incentive to revert to consistent anti-Western opposition or crusading, as in the Soviet era.

The same incentives suggest that the United States can use economic issues as leverage to promote cooperation and security, since economic interest would be the preponderant motivation of policy makers in the Kremlin. In fact, the September 2000 ROMIR elite survey suggests precisely that. Defending Russia’s economic interests was named as top foreign policy priority by 99 percent of respondents, well ahead of developing ties with the former Soviet republics (79 percent), defending the Russians living in the “near abroad” (73 percent), and reaching military parity with the West (68 percent).⁹ Three times as many respondents (75 percent to 23 percent) said that economic power was more decisive than military power in achieving foreign policy goals.¹⁰ With these perceptions in place, mirror imaging would make Russian policy makers perceive the United States as equally driven by economic interests, with these interests trumping other motivations, and with the U.S. institutions appearing as ultimately corruptible. In the fall of 2000, for example, most of the Russian officials and members of the public to whom I spoke on my trips to Moscow and Vladivostok argued that the Western press selectively focused on human rights abuses of the Russian military in Chechnya only because the reporters were bribed by political and business interest groups.

“Reversed Anarchy”

The concept of reversed anarchy refers to a situation that arises when chiefs of government facing strong domestic challenges to sovereignty interact with increasingly interdependent international actors, as has been the case with post-Soviet Russia.¹¹ The collapse of the Soviet bloc and the Soviet Union meant that Russia found itself without in-group identity at the international level. Moreover, Moscow’s hold on power at home was challenged by the “parade of sovereignties,” separatist movements in the North Caucasus and the Volga region, and regional fragmentation of domestic economy. In contrast, since the late 1980s, key international actors outside Russia became increasingly integrated economically and institutionally, especially with the enlargement of NATO and the EU. These contrasting trends have keyed perceptions in Moscow that Russia faces a twin threat of being marginalized internationally and of having its domestic weaknesses exploited by other actors. In line with such perceptions, Moscow is likely to assess the costs and benefits of international interactions with regard to their effect on the president’s capacity to centralize and consolidate political power domestically.

In the context of persistent and intractable military conflict in Chechnya, Moscow has acute sensitivity to international influences that may undermine decision-making centralization at home. Putin’s hostile rejection of international mediation in Chechnya is symptomatic: “We were offered intermediaries to resolve the conflict in Chechnya. We do not need any intermediaries there. That would be the first step toward internationalizing the conflict. First, intermediaries, then somebody else, then observers, then military observers, and then things will be out of our control...”¹²

In a telling example, Russia’s Foreign Ministry held a special meeting on January 30, 2001, attended by president Putin and a group of governors, at which the Russian president “criticized the ministry for not doing a better job in coordinating foreign policy.” Responding to the criticism, foreign minister Igor Ivanov warned the governors that they should not pursue foreign relations without prior approval from Moscow. Moreover, the foreign minister criticized the governors for friendly ties with President Alexander Lukashenko of Belarus, stressing that “the national interests of Russia and Belarus are not identical” and thus suggesting that decision-making centralization supersedes the stated goal of CIS integration.¹³ This clearly stated preference underscores Moscow’s acute perception that international cooperation—even with a closely related state that Moscow wants ultimately to integrate—poses a threat to domestic governance.

From Motivations to Perceptions of the United States

Ideological Commitments Discounted

Under de-legitimization of ideology, Russia’s policy makers are likely to read ulterior motives into U.S. foreign policy motivations that, in reality, may stem from traditional U.S. commitment to promoting institutional democracy and human rights. In Moscow, U.S.

statements in support of human rights and democracy have triggered perception of Washington's "hypocrisy"—under the guise of promoting democracy, the U.S. is really seeking to enhance their political influence and weaken other players. This logic is particularly attractive to Russian policy makers, for it allows them implicitly to shift the blame for Russia's post-Soviet decline on to the United States. While allegedly trying to help Russia become a democracy, Washington, according to this view, primarily wanted to secure the reduction of Russia's military capabilities and thus prevent Russia from re-emerging as a great power.¹⁴ With these perceptions, Moscow's policy makers are not easily, if ever, convinced that any U.S. policy vis-à-vis Russia would arise from unquestionably good intentions.

These perceptions are perfectly illustrated by Moscow's response to and framing of the US and NATO operations in Kosovo in 1999. In the Russian media and in official statements, Russia's policy makers de-emphasized the fact that the United States and NATO acted to stop unambiguous genocidal strategies by Yugoslavia's leader, Slobodan Milosevic. Instead, the U.S. and NATO actions were framed as a manifestation of NATO's core organization and financial interest to preserve itself by finding new missions "out-of-theater" and to justify the alliance's continued existence and eastward expansion. The NATO campaign was also perceived as the alliance's attempt to displace the United Nations and thus downgrade Russia's influence in international affairs. Furthermore, NATO's resolve to project military power was interpreted as a targeted strategy to demonstrate the weakness of Russia's diplomatic efforts to broker peace in the former Yugoslavia, such as the Chernomyrdin-Ahtisaari mission.

"These attitudes result not so much from so-called Slavic fraternity as because a sovereign country is being bombed—with bombing seen as a way to resolve a domestic conflict," former prime minister and Moscow's envoy to Belgrade Viktor Chernomyrdin wrote in *The Moscow Times*." This approach clashes with international law, the Helsinki agreements and the entire world order that took shape after World War II. The damage done by the Yugoslavia war to Russia-US relations is nowhere greater than on the moral plane. During the years of reform, a majority of Russians formed a view of the United States as a genuine democracy, truly concerned about human rights, offering a universal standard worthy of emulation. But just as Soviet tanks trampling on the Prague Spring of 1968 finally shattered the myth of the socialist regime's merits, so the United States lost its moral right to be regarded as a leader of the free democratic world when its bombs shattered the ideals of liberty and democracy in Yugoslavia."¹⁵

Reflecting the same perceptions, Ye. P. Bazhanov, Director of Institute of Current International Problems of the Russian Ministry of Foreign Affairs wrote, in a paper published by an influential Center for Strategic Research (CSR) run by Vladimir Putin's close confidant, German Gref, that the United States could no longer be regarded as a reliable ideological and political ally, a generous and selfless donor, an ideal exemplar of socioeconomic development, and a society and political system worth emulating.¹⁶

The power-maximizing imperative also warrants an instrumental approach to individual U.S. policy makers. Moscow's leaders are motivated neither to demonize, nor to deify any U.S.

politician, but rather to extract maximum possible benefit from interactions with anyone who might hold a position of power in Washington. Any U.S. president will be unlikely to enjoy the status in the Kremlin similar to that of “my friend Bill” that Boris Yeltsin bestowed officially on Bill Clinton. Reputations are hard to obtain and easy to lose. In Moscow, one is motivated to take advantage of the “good guys” and do business with the “bad guys” without scruples.

Then U.S. Secretary of State, Madeleine Albright, was severely criticized for her support of NATO’s enlargement and of NATO’s air campaign in Kosovo. At the same time, however, it was to her that Vladimir Putin addressed calls to intensify cooperation. Russian officials viewed with alarm the ascent of Condoleeza Rice within the inner circle of the then presidential candidate George W. Bush because of her support for the National Missile Defense (NMD). Later, however, the Russian Foreign Ministry praised Ms. Rice for agreeing to study President Putin’s proposal of reducing the number of strategic nuclear warheads on both sides to fifteen hundred.¹⁷ The perceptions of candidate and then President George W. Bush have evolved along a similarly contradictory pattern. The prevailing idea is that the Kremlin can “do business” with the Republican administration since the latter are likely to be more responsive to economic incentives and less beholden to the human rights agenda.

Perceptions of the U.S. position in the international system are similarly “indexed” to perceptions of U.S. military and economic power. According to Bazhanov’s CSR paper, “In the final count, the position of states in the international system will continue to depend on the sum total of their power capabilities.” This perception entails a trivial, unsophisticated view of the United States and its foreign policy motivations. The United States is perceived as the world’s principal center of power: “It accumulated an impressive economic, military, scientific and technical, and information-cultural potential that it is capable to project in all key dimensions of contemporary world.” Therefore, the United States is expected to have a “growing urge to boss others around” and include most other major powers in the U.S. sphere of influence and predominance. In this sense, Bazhanov adds, the United States has capitalized in military and economic terms on de-legitimization and the collapse of other models of society, such as socialism and the “non-capitalist path of development.”¹⁸

The same logic leads Bazhanov to state that the United States will not become “an eternal superpower.” The primary indicator of that is, predictably, the economy: “The unprecedented protracted growth of U.S. economy will not last forever, but will sooner or later give way to depression. That, in turn, would diminish Washington’s ambitions in the global arena.” Domestic interests are also likely to diverge and undermine U.S. power: “We hear distinct voices against the US taking on too heavy a burden of international commitments and interference in all and every situation.” Finally, the relative power of other states is likely to grow and offset U.S. hegemony: “There are states not only capable of resisting the US, but capable to assume leadership role themselves: China, India (in more distant future); perhaps united Europe, Japan. Claims to regional leadership may emerge in the future from ASEAN, Turkey, Iran, South Africa, Brazil, and others.”¹⁹

From this power-politics standpoint, it makes sense for Russia’s policy makers to cooperate more with major European and Asian actors than with the United States. Putin’s statements to the effect that Russia is “primarily a European power” imply precisely that.

This view is also shared by the Russian elites represented in the September 2000 ROMIR survey. Asked which part of the world was more important from Russia's standpoint, 92 percent of respondents named Europe, 94 percent Asia, 57 percent North America, and 43 percent South America.²⁰

The United States as a Source of Economic Gains and Status Enhancement

The strongest incentive for the Kremlin policy makers is to view Russia's relations with the United States as an opportunity to enhance political status and economic gains simultaneously. This means emphasizing cooperation on issues that advertise Russia's capacity to deal with the United States on equal or virtually equal terms (e.g., nuclear weapons and space exploration), rather than on issues that emphasize U.S. superiority (e.g., the economy). Thus, in February 2000, Vladimir Putin sent a message to President Clinton saying that the strategic goals of Russia and the United States "largely coincided." Putin argued that these common goals were disarmament, non-proliferation, and countering international terrorism.²¹ Russia's foreign policy concept later that year specified the same goals as having priority in U.S.-Russian relations and added regional conflict resolution—all being issues in which Russia could build on its old superpower status and gain a new image of a major regional power capable of promoting security within its domain.

In the same vein, Russia's policy makers have the incentive to seek the highest price for Russia's capabilities for dealing with the post-Cold War security issues. In this respect, Moscow's "selling points" include its alleged capacity to combat international terrorism and Islamic fundamentalism, to lead peacekeeping operations in the former Soviet space, to contribute to theater missile defense systems, and to "boldly engage" the "rogue states," such as Iran and North Korea. From the power-maximizing standpoint, this is a near win-win strategy. If Washington acknowledges, endorses, and directly or indirectly bankrolls Moscow's leadership on these issues, then the Kremlin policy makers score important "great power" points and get paid. If Washington refuses to play along, decision makers in the Kremlin could create problems for the United States, exploit potential rifts among the U.S. allies, and receive direct economic benefits from influencing energy policies in the former Soviet space and/or from selling military and industrial equipment and know-how to "rogue" states where other major powers cannot compete with Russia.

Russia's Security Council Secretary, Sergei Ivanov, addressing a conference on international security in Munich in February 2001, directly appealed to U.S. policy makers to switch from National Missile Defense to political containment of proliferators, relying on Russia's political clout where Washington lacks one: "Curbing the 'rogue states'—to use American terminology—would entail lower cost and less threatening consequences if we do it through joint political efforts, for example, in North Korea."²² Developing this view further in a Russian television interview on February 12, 2001, Ivanov suggested that Russia is seeking to use its political leverage with North Korea to influence the United States to drop plans for National Missile Defense: "Let us recall, that a year ago, the Democrats, who were then in power in the USA, justified the creation of the [NMD] system by referring, first and foremost, to the problem of North Korea, to a threat coming from North Korea. This threat has since significantly decreased as a result of our efforts, after our president's visit to Pyongyang last

year, when the North Korean leader said he was prepared to consider abandoning his nuclear program on condition that a third party would launch North Korean satellites into space. I recall a meeting in Brunei at the end of last year between our president and President Clinton, and Americans admitted that it was not a joke and that the idea was worth developing further. So one threat has significantly decreased.”²³

This position explains why Moscow has no motivation to interpret its instrumental, political “rent-seeking” motivations for dealing with the United States as being at odds with general policy statements, most of which seek cooperation with Washington. Russia’s foreign policy concept, for example, states that “the Russian Federation is prepared to overcome considerable latter-day difficulties in relations with the United States, and to preserve the infrastructure of Russian-American cooperation, which has been created over almost 10 years.”²⁴ From the standpoint of policy perceptions, this is no contradiction, since power-seeking individuals are likely to ascribe similar motivations and duplicities to other actors through mirror imaging.

The United States as a Threat to Russia’s Great Power Identity

Russian leaders and policy analysts see the U.S. leadership in globalization as a threat to Russia’s very identity as a state and as a player in the international system. Vladimir Putin, addressing Russian foreign ministry employees on January 26, 2001, started by identifying Russia’s key foreign policy challenge as that of adapting successfully to globalization: “The problems that Russia is encountering in the world today—and you know that better than anyone else—are serious and large in scope. In conditions of the mounting globalization... our country has to find its place in the world. In that context, our strategic course is aimed at integrating into the world community. It is aimed at developing a broad political dialogue and mutually advantageous cooperation with all who want and who are ready to cooperate with us.”²⁵ But then, aspirations of Russian policy makers—that Russia can regain a great power status—clash with the reality that, with globalization, Russia must learn to play by the rules set up by U.S.-led institutions (such as the Bretton Woods system) and alliances (such as the Euro-Atlantic community).

Reflecting these perceptions, former deputy defense minister of Russia, A. A. Kokoshin, in an analytical paper for Vladimir Putin’s leading think tank, the Center for Strategic Research led by German Gref, wrote that, by promoting globalization, the United States poses a threat to the Westphalian system of state sovereignty. As the leading transnational force, the United States is associated with the threat of “the principle of national self-determination prevailing over the principle of territorial integrity and inviolability of borders.” Furthermore, the U.S. leadership, in this sense, “threatens to undermine traditional self-evaluation of our people, our traditions of strong state, our self-perception as the great power, subjecting us to internal socio-psychological stress.”²⁶

Any international development implying that Russia’s role in world affairs has diminished is therefore likely to trigger these threat perceptions. Hence, Moscow’s vocal opposition to the U.S.-led military campaign in Kosovo, regardless of the absence of major economic stakes in the area and regardless of the potential damage to Moscow’s public image

in the West. The mere necessity of dealing with international financial institutions poses a status problem for Russia, as does the prospect of a UN Security Council reform that could dilute Russia's present status as a veto-holding member of the Permanent Five. U.S. investigations of high-level corruption and capital flight, such as the Bank of New York scandal and the arrest of the former head of the Yeltsin administration, Pavel Borodin, are likely to be similarly ascribed to an imaginary grand design to "belittle" Russia.

Sensitivity to Foreign-Domestic Linkage of U.S. Policies

Under "reversed anarchy," international policies of outside powers are likely to be seen through the lenses of domestic security. The perception of insecurity arising from the NATO campaign in Kosovo has been linked with the threat of NATO's intervention in the Caucasus, in response to Russia's use of military power in Chechnya and the potential spread of this conflict to Georgia. Russia's wars in Chechnya have made the Kremlin vulnerable to perceptions of U.S. willingness to intervene in local conflicts where energy resources and human rights are both at stake. Whereas the Gulf War set the precedent for large-scale military intervention in energy-rich regions, the Kosovo intervention set the precedent for intervention in domestic ethnic-based conflict.

Not surprisingly, in 1998, the then chief of Russia's North Caucasus military district thus summed up this perception: "We are not afraid of NATO's expansion [to Eastern Europe]. What we are afraid of is Gulf War II on the shores of the Caspian Sea."²⁷ Sergei Rogov, director of the USA and Canada Institute, clearly linked Kosovo with Chechnya and the CIS: "If NATO can invade one country, NATO can invade another country. There are plenty of ethnic problems in Russia and other former Soviet republics."²⁸

By analogy with the U.S. intervention in the Gulf to protect its economic interests and respond to a military invasion of a sovereign state in 1990, the Russian political analysts are likely to see the threat of a similar U.S. military involvement in the Caucasus in years to come. Moscow is likely to see this threat as particularly grave if the Caspian Sea oil is exported to the West outside of Russia. After all, as we saw earlier, Moscow sees that economic interests in foreign affairs play the dominant role. Moreover, even if Moscow assesses the actual chances of U.S. intervention in the Caucasus as minimal, it is likely to conclude that the U.S. threat to use force will grow more credible over time. The rising credibility of the threat to use military force, in Moscow's view, would empower Georgia and other former Soviet republics to resist Russia's influence and would undermine Russia's stakes in the energy politics of the Caspian.

Russia's foreign policy concept reflects this sensitivity to transnational influences on domestic affairs by objecting to the UN Secretary General's agenda of humanitarian intervention. As Putin does in his autobiographic interviews, the foreign policy concept denounces "attempts to introduce into the international lexicon concepts such as 'humanitarian intervention' and 'limited sovereignty.'"²⁹

Official Views and the Public Opinion: United States vs. “Amerika”

Whereas the foreign policy elite’s views are critical, Russia’s political game ultimately centers on winning elections. As experiences with other states show, electoral democracies, once in place, are very hard to dismantle, even for determined military dictators. Even assuming that the Russian elites have a purely instrumental view of public opinion and only study it to manipulate public views, they still need to know what to manipulate. Putin’s key policies, from Chechnya to restraining the power and reducing the economic base of Russia’s governors, have been generally in line with the majority public opinion. Factoring public opinion in the assessment of perceptions of the United States in Russia shows that these perceptions are split two ways.

First, recent opinion survey data suggests a split between the elite and public views. In the September 2000 ROMIR survey of the Russian elites 53 percent of respondents saw the United States as posing a threat to Russia (to 41 percent of respondents who did not perceive the United States as a threat).³⁰ Yet, in November 2000, in an opinion poll of the Russian public by the Regional Political Studies Agency, only 27 percent of respondents said the United States posed a threat to Russia.³¹

Second, Russian opinion polls register a split between simultaneous perceptions of the United States as an international actor that conducts an arrogant foreign policy and as a society (“Amerika”) with a vibrant and dynamic economy, society, and culture. In a sense, the Russian public—as the public in other states around the world—has a love-hate perception of the United States. These views of the United States-“Amerika” dual identity have several dimensions.

- | Negative perceptions of the United States appear to be associated with international developments that are represented by the leading Russian politicians as threatening Russia’s strong state and great power identity in world affairs. For example, a survey conducted by the Russian Center for the Study of Public Opinion (VTsIOM), in December 1998, found that 67 percent of respondents had a positive view of the United States. In April 1999, following the U.S. intervention in Kosovo (and also following almost a decade of the pro-Milosevic coverage of the Yugoslav conflict) another VTsIOM survey found that only 33 percent of respondents had positive views of the United States.³² Similarly, following the Russian oil tanker arrest by the U.S. Navy in the Persian Gulf in May 2000, only 18 percent of Russian respondents in a ROMIR survey accepted the official U.S. argument that the tanker violated the oil export regime. At the same time, 57 percent of respondents said the United States wanted to demonstrate its strength to (and, hence, humiliate) Russia.³³
- | Positive perceptions of the United States are associated with this country’s high living standards. In an opinion poll in April 1999, at the time of the Kosovo crisis and spiraling negative perceptions of the United States as an international actor, over 60 percent of respondents in a Russian opinion survey said they wanted closer relations with the United States.³⁴ According to a poll by the Regional Political Studies

Agency in November 2000, Moscow residents saw the United States as the best country for their children to live in (18 percent of respondents), above Germany (12 percent) and France (6 percent).³⁵ In my own opinion poll, conducted in Primorskii *krai* by the Center for the Study of Public Opinion at the Vladivostok Institute of History in September 2000, an overwhelming majority of 1,010 respondents said that they wanted to work (65 percent) and live (71 percent) in key Western countries, the United States, Canada, and Australia.³⁶ This view is held despite the fact that the public in Primorskii *krai* has been consistently more xenophobic than Russia's average, as manifested by higher-than-average electoral support of the extreme nationalist Zhirinovskiy party throughout the 1990s.

- 1 Perceptions of the United States as a desirable economic and business partner have shown capacity to withstand hostile political perceptions. The rising hostility toward the United States at the time of the NATO air campaign in Kosovo, for example, did not spill over into commerce and trade issues. The American Chamber of Commerce in Moscow, in April 2000, reported only one negative incident—an ice cream boycott in a town north of Moscow. The cancellation of a concert exchange between rock groups Kiss and Alisa has been also attributed to the Kosovo campaign. Asked whether there had been any signs of consumer boycotts of American products, or any evidence of the Russian authorities making life difficult for U.S. firms at the time of the Kosovo crisis, Igor Rounov of the Commerce Chamber said: “So far, we can’t find any trace of this.”³⁷
- 1 Positive views of the United States as a vibrant society and economy have shown the capacity to moderate hostile perceptions of U.S. foreign policy. For example, a VTsIOM poll during the Kosovo crisis found that only 32 percent of respondents characterized U.S.-Russian relations as tense and said that a new “Cold War” was possible. At the same time, 45 percent of respondents said things would settle down and relations would be back on track where they had been before NATO air strikes on Serbia commenced.³⁸
- 1 Long-term public views display cautious preference for partnership amidst ambivalence. If anything, some polls suggest that demographic trends favor more benign perceptions of the United States. The elderly Russians—and by extension, Primakov and the communist party supporters—most strongly contributed to rising negative perceptions of the US during the Kosovo campaign. In a ROMIR (Public Opinion Fund) poll conducted on April 3, 1999, dislike of the United States among these groups exceeded the average rate of 72 percent (suggesting dislike is less on average among other groups). Among the elderly, negative views of the United States rose from 35 percent, in December 1998, to 78 percent, in April 1999; among the Primakov supporters, from 32 to 79 percent; and among the Communist Party supporters, from 40 to 83 percent.³⁹ In a ROMIR poll of two thousand Russians in September 2000, in 200 primary sampling units spread around forty regions of the Russian Federation, 35 percent of respondents agreed that Russia and the Western states are partners and allies, and only 26 percent disagreed with that. About 40 percent of respondents found it hard to answer the question.⁴⁰ This uncertainty sug-

gests that public perceptions of the United States are complex, uneven, context- and issue-sensitive and, therefore, rapidly changeable. The positive spin-off is that, at the public level, anti-Americanism is unlikely to emerge as Russia's new national identity, recent spikes in hostile perceptions and claims by some Russian media commentators notwithstanding.

Conclusion

Ideological de-legitimization, institutional uncertainty, and reversed anarchy provide powerful incentives for decision makers to cultivate flexible, context- and issue-dependent perceptions of other actors. With these motivations, Moscow is likely to perceive the policies of more powerful actors, such as the United States, as driven by economic interest and to discount other motivations, such as institutional and normative preferences for democratic governance and constitutional liberalism. Assurances of benign intentions by U.S. politicians are unlikely to be trusted, but strong negative statements are likely to be perceived as genuine.

At the same time, these motivations prompt Moscow to seek quick symbolic gains in the global arena. For decision makers under Putin, Russia is most likely to attain this objective if it is perceived as capable either of cooperating with the United States on a near-equal basis or of generating alternative solutions to global problems and of assembling support coalitions. Hence, Moscow's push for inducing the political "mellowing" of rogue states' elites as an alternative to Washington's national missile defense strategy. The pursuit of status enhancement warrants a strong preference for what Moscow politicians describe as "multipolarity," which they associate with a reduced capacity of the United States to influence other international actors and to enforce rules constraining Russia's capacity for quick gains with respect to political status and economic benefits.

From this perspective, the Russian elites have a dual perception of the United States. On the one hand, the United States presents Russia with some of the best opportunities for political and economic gains in the global arena. On the other hand, Moscow is unwilling to achieve those gains at the expense of acquiescing to the rules set up by major international economic and political institutions led by the United States. Moscow, under Putin, also sees playing by those rules as a threat that would weaken Moscow's central authority in Russia and lead to further weakening, if not disintegration of, the Russian state. By extension, Moscow associates the United States with a threat of losing political status and economic advantages among the former Soviet republics, especially in the energy politics of the Caspian basin.

Perception of threat, however, is also uneven between Russia's elites and the general public. According to the polls, the elites are about twice as likely to view the United States as a threat to Russia as is the average Russian. The public, significantly more so than the elites, is also likely to view the United States predominantly as a democratic country with attractive standards of living and a dynamic, innovative culture. Political crises matter less, and

negative views of U.S. foreign policy are mitigated by positive views of the U.S. economy and society, especially when the Russians look into the future. These positive trends provide a tangible foundation for developing U.S.-Russian cooperation, especially in business and high-status economic projects (such as space). At the same time, the proponents of negative and conflictual views of the United States have a substantial reservoir of vulnerabilities and perceived humiliations to exploit, especially among Russia's foreign policy and security elites.

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U.S.-Russian Prospects for Arms Control: Reality versus Ambitions.

Igor Khripunov

President Putin's proposal on November 13, 2000 regarding further bilateral arms control talks and reduction of strategic nuclear weapons down to 1,500 came at a rather inopportune moment. The U.S. political process was deadlocked as a result of the inconclusive presidential elections. The uncertainties on the U.S. side were expected to last at least until the end of 2001, when the formal nuclear posture review, as outlined by the FY 2001 National Defense Authorization Act, was to be completed. Among other things, the review was supposed to answer an important question about the relationship between nuclear deterrence policy, targeting strategy, and arms control. It is not surprising that shortly after the inauguration the new Republican administration was in no position to specify what President Bush meant during the election campaign when he talked about the possibility of reducing strategic nuclear weapons without a formal treaty with Russia. In addition, in February 2001, he directed Defense Secretary Donald Rumsfeld to conduct a top-to-bottom review involving all missions and priorities. It is likely to further delay the beginning of meaningful bilateral dialogue if any ever materializes.

The Russian side is hardly in a better position. The series of Security Council meetings since August 2000 has left more questions than answers regarding Russia's long-term military posture and weapons programs. Despite tentative approval at the beginning of 2001 of the Plan for Development of Russia's Armed Forces Until 2005 and the Plan for Weapons Acquisition Until 2010, these guidelines are unlikely to be implemented without major adjustments because of the continuously changing strategic environment and unstable defense funding. With the loss of its great power status, Russia has yet to define its global role and requirements for nuclear weapons. What may be even more disturbing is that, despite President Putin's one year in power, he has failed to clearly identify his foreign and security policy priorities.

Russia's illusory perception that strategic parity, practiced throughout the 1970s and 1980s, must be still applied to bilateral arms control agreements is almost gone, even in the minds of most Russian strategists. For the United States, Russia is now just one of several risk factors considered in developing an overall strategy. Because of its weapons of mass destruction, however, Russia cannot be written off, but its bargaining potential either as a possible partner or as an adversary is definitely on the decline. A series of policy actions by the Bush administration during the first half of 2001 amply demonstrated that Russia is no longer at the top of its agenda.

This painful transformation is perceived by groups in Russia's political elite in many ways. Some clearly understand that the game is over and that Russia is doomed to lag behind the West in the foreseeable future or even beyond. Others, especially the military, believe that

the old tug-of-war is still going on and that by playing up U.S. hegemonistic intentions, they can bolster Russian nationalism and regain a dominant position in Russia's hierarchy. Yet others, mostly young technocrats, assume that the only way out of the current crisis is to accept the West's terms and make concessions in the short term, however painful they might be, for the sake of long-term economic recovery and buildup. They are confident that, by drawing on a strong economy and high-tech industry in the future, Russia will be in a position to make up for what it stands to lose now geopolitically, militarily, or otherwise. To advocates of this position, the alternative is a perpetual third world country status. President Putin and some of his associates seem to be gravitating toward this third opinion, though they increasingly have to accommodate the tough views of the military and other conservatives as long as the armed forces are in the process of being reformed and a victory in Chechnya has yet to be secured.

These perceptions leave, however, enough room for some potential progress in bilateral arms control, provided the United States, as the dominant power, defines its stake in this endeavor and realistically contributes to its end. What is particularly important for finding a new common ground at the bilateral level is that both President Bush and President Putin have visibly prioritized national interests as the driving force behind their policy initiatives. As far as the bilateral arms control area is concerned, this approach is a positive departure from the operating mode of both the Clinton and Yeltsin administrations, which consistently introduced in their security and foreign policies elements that went beyond clearly defined national interests.

The next step would be a carefully arranged trade-off based on an understanding of these national interests. For Russia, this should be a recognition of the United States as the superpower with global interests and freedom of action in protecting them. The United States, for its end of the bargain, must positively engage Russia by going as far as removing some barriers hindering high-tech transfers to Russia, or even encouraging them, and, in the spirit of accommodation, make some tangible moves to pull Russia closer to the West. There are some important bargaining chips that could be added to the grand trade-off involving the deployment of a national missile defense and possible modifications of the 1972 ABM Treaty. The stakes are high on both sides. Despite harsh rhetoric in Russia, a compromise is possible in this issue. The last thing Russia's leadership wants is to strain its already weakened economy in a new uphill arms race with the world superpower and its numerous allies. But in addition to arms control concessions, Russia is likely to bargain for other "goodies" outside the immediate realm of arms control.

Russia's arms control scene represents a mixed picture. On the positive side, as a result of post-communist democratic reforms, the Russian military is becoming more accountable, though not quite sufficiently so by Western standards, to civilian authorities. Unlike his predecessor, Boris Yeltsin, President Putin seems to be in full control and has pledged to meticulously supervise the evolution of Russia's military-defense complex. The appointment of Sergei Ivanov as defense minister is yet another manifestation of this trend. The Federal Assembly has demonstrated a more cooperative mood having ratified in 2000 two major arms control agreements (i.e., START-2 and CTBT). Even inside the military establishment, there are signs of more transparency and a spirit of debate regarding important strategic issues. A

case in point was a clash of the two mutually exclusive views advocated by Gen. Anatolii Kvashnin, Chief of the General Staff and Gen. Igor Sergeev, former Minister of Defense, as to prioritizing Russia's conventional armed forces versus the Strategic Rocket Force. Traditionalist Sergeev promoted the retention of the ground-based leg of the nuclear triad while unorthodox Kvashnin believed that Russia could easily reduce it down to one hundred and fifty ICBMs by 2010 and channel the released resources to strengthening Russia's conventional potential. In an effort to avoid a split in the military, President Putin seems to be balancing between these two options.

On the negative side, the Russian military has yet to overcome the trauma of the cold war defeat. They still harbor a high measure of suspicion and mistrust toward the United States and NATO. A new brand of Russian nationalism, which emerged under the impact of the NATO expansion and bombing of Yugoslavia, has translated itself into clearly anti-Western assertiveness. The initial clearly unsubstantiated claims by the military elite that the sinking of the *Kursk* attack submarine should be blamed on a collision with a NATO submarine can serve as a good example of this pattern of behavior. In late 2000, the MOD publicly discussed in the Russian media its unhappiness about the U.S. record of compliance with most of the bilateral nuclear weapons treaties, including START-1 and INF. This trend can be easily extended to include a resumption of much publicized overflights of U.S. Navy ships and exercises of Russia's strategic bombers, which flew dangerously close to the air space of Norway and Japan and even violated them—as claimed by those two governments.

Still, Russia has a stake in successfully engaging the United States in a new arms control dialogue, which would lead to new formal treaties. Its major motivation is to keep the United States from any major breakout from arms-control-imposed ceilings for nuclear weapons. Moreover, as Russia's nuclear arsenal is rapidly declining because of under-funding and obsolescence, its leadership would like to downsize the U.S. stockpiles on a reciprocal and verifiable basis. A major consideration is securing continued U.S. financial assistance for the disposition of strategic weapons systems and facilities slated for destruction under current and possibly new arms control arrangements. Given the fact that the dismantlement of one Russian ICBM costs about \$200,000, the U.S. demilitarization assistance projects are increasingly looked upon in Russia as an important tool for alleviating the overall defense burden. Ironically enough, in the absence of arms control agreements and with further deterioration in bilateral relations, the Nunn-Lugar money spent in the past could actually mean saving Russia money for new offensive strategic programs. In order to make this assistance more predictable and stable, Russian officials have been circulating an idea of including dismantlement and disposition assistance provisions as legally binding ones in the text of further agreements. Arms control agreements have also been conceived and promoted by Russian leaders as an effective leverage against unilateral deployment by the United States of a national missile defense. Withdrawal from ongoing arms control arrangements is seen as a more credible threat than anything else. Finally, these agreements are important for Russia because they help to maintain at least the visibility of its tarnished and lost great power status and to legitimize Russia's dramatically increased reliance on nuclear deterrence.

It would be an understatement that the United States may only marginally benefit from a continued arms control dialogue with Russia. In reality, it has a significant stake in the success of a resumed dialogue. A major consideration is to accelerate the decommissioning rate of Russia's obsolete and potentially unreliable weapons systems, which are beyond service life limits, but are still deployed and will continue to be deployed as a response to U.S. deployment of a national missile defense system. Most, if not all, liquid fuel ICBMs have long reached the end of their service life but have been subsequently extended, in some instances several times. Their rapid dismantlement would definitely contribute to a reduced risk of accidental, erroneous, or unauthorized use of strategic nuclear weapons. Arms control agreements, rather than the absence thereof, can create a prosperous environment for reducing the nuclear alert status posture. With the Russian early warning system still having important gaps, this reduced alert status would contribute to more stability and predictability. Lastly, ongoing arms control agreements provide a unique channel for a better understanding of Russia's strategic thinking and decision making, as well as for establishing military contacts through a workable and meaningful partnership.

It must be unequivocally recognized, however, that the Cold War modalities of arms control are no longer valid in the new geopolitical and technological realities. They should be boldly revamped and adjusted, a task that will require imaginative approaches, mutual trust, and good will. Four basic models can be identified, but none of them is likely to be used alone without some combination of the others.

The first is based on an innovative and comprehensive approach, that is, an umbrella agreement that would consolidate most security arrangements in the spirit of grand symbolism. Being left in the cold following the USSR breakup, Russia is likely to respond to symbolic gestures much more favorably than the West imagines. Given the current strain in bilateral relations, this option, however, will hardly get support from the Bush administration. The second option is a modified status quo model, which may be easier to develop in line with the existing arms control patterns but much more difficult to implement on a long-term basis. Managed unilateral reductions—a strategy President Bush has favored since the election campaign, is the third option, and although would be relatively easy to carry out, is devoid of some important advantages of traditional arms control. Agreed upon reductions, understanding of mutual concerns, and reciprocal verification may still be needed in the process. Also, it is vigorously opposed by Russian leaders who don't want to perform an arms control tango without a partner. Lastly, the "forget Russia" model is based on the assumption that Russia's strategic nuclear weapons will wither away by themselves as a result of underfunding and neglect. Ultimately its triad could be comparable to that of China, with whom the United States does not have an arms control mechanism.

Arms control is not just a numerical reduction of one nation's nuclear weapons stockpiles as determined by its assessment of threats to national security. The choice of these reductions and the way they are implemented must ideally pursue a set of long-term objectives leading to a more stable strategic environment and paving the way for more downsizing of arsenals in the future. A new forum, if it ever emerges, is expected by Russian strategists to discuss and, hopefully, factor in tactical nuclear weapons, high-precision conventional weapons, sea-based cruise missiles, and others. At the present juncture, this

combination of weapons systems to be controlled by a bilateral treaty would look like a formidable challenge even to the most seasoned arms control experts. Moreover, Russia is no longer the only threat to the United States globally. Hence, any reductions on the U.S. side cannot be tied exclusively to Russia, which dramatically complicates the rationale behind new arms control arrangements.

Ironically enough, in the current post–Cold War period, even limited moves toward transparency, predictability, and confidence–building measures are likely to encounter difficulties. A major issue is to what extent both countries are prepared to exchange any sensitive information in an environment of lack of trust and growing suspicion. This is particularly true if a compromise based on expanded cooperation is sought regarding the U.S. intention to deploy a national missile defense and protect its space-based assets against any adversarial attempts. One example of this trend is a growing resistance on the part of the U.S. military to any further bilateral agreements involving advance notice of ballistic missile launches. Following the September 2000 Memorandum of Agreement on the Establishment of a Joint Center for the Exchange of Data from Early Warning Systems and Notification of Missile Launches, the United States and Russia signed, in December 2000, a follow-up agreement that is designed to greatly expand this information exchange. It triggered, however, a letter of protest addressed to President Clinton from nineteen retired U.S. admirals and generals who claimed that twenty-first century military doctrines strongly argue against the United States assuming such obligations. Their major concern is that these obligations could impede development of U.S. space power.

As the United States moves toward a new triad, consisting most likely of residual nuclear weapons, high-precision conventional weapons, and extensive electronic warfare, Russia is dramatically losing its strategic mirror image of the United States. At least in the short-term perspective, Russia’s defense reforms are expected to continue to look back into the twentieth century, rather than forward into the future. Its mid-term strategy and weapons potential are likely to become increasingly incompatible in quantity and quality with those of the United States, which will make any arms control-regulated solutions much more difficult, if not impossible at all.

It is too early to visualize the outlines of a new arms control model that could be eventually agreed upon by both sides as consistent with their national interests. Two things are becoming perfectly clear: arms control is no longer the top political priority associated with national survival, and its progress will depend largely on the overall quality of bilateral relations. The Cold War pattern has reversed itself. In the past, the more tense bilateral relations were, the more compelling arms control agreements became. Now, the worsening of retaliations is likely to hamper prospects for similar agreements. In addition, dramatic difference in both countries’ economic and military potentials, which Russia is yet to reconcile itself to as a player in the arms control dialogue, do not bode well for any meaningful arms control negotiations. It will take some time for the United States and Russia to adjust to new realities and identify acceptable approaches toward new arms reductions.

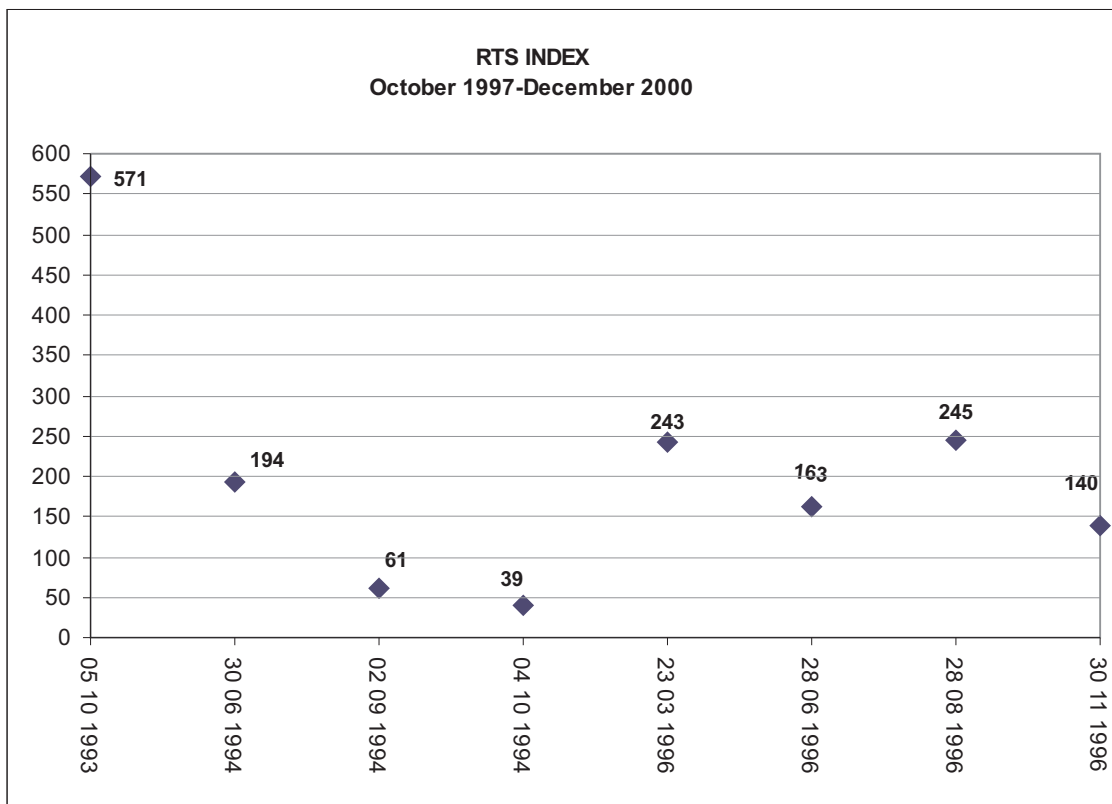
The Coming Russian Boom—Again?

Marshall I. Goldman

Foreign observers have always had a hard time assessing developments in Russia. Some are too optimistic, some too pessimistic. Strange as it may seem, sometimes both are right. Take the Russian economy before August 17, 1998, for example. While some like Richard Layard and John Parker were blithely forecasting “the coming Russian boom,” at virtually the same time, others were pointing out the failure of the whole reform process.¹ Those convinced by the Layard-Parker argument invested optimistically in the Russian stock market and saw their investments soar. The RTS Index of Russian stocks hit a peak of 571 on October 6, 1997 (see Table 1). A year later, however, on October 5, 1998, that index had plunged to 39, a drop of 14-fold. Layard and Parker should be sued for malpractice.

Now, despite the warnings of the doomsayers, the Russian economy seems to be showing

Table 1. RTS Index of Russian Stocks.



new signs of life. What explains this sudden growth—the first sustained revival since the 1980’s? More importantly, how long will it continue? Is this the buildup before another crash—in other words, is this a replay of August 17, 1998?

I.

To understand the prospects for the future, as well as the failures of the recent past, it is essential that we remember the nature of the Soviet planning model. The Soviet central planning model in turn, as revolutionary as it was reported to be, nonetheless reflected aspects of the czar's economic system—one that differed in many ways from the economies of Western Europe and the United States. Given this heritage, no wonder it has been so hard to throw off the legacy of the past. In a sense, Russians seem like drug addicts; they find it very difficult to break habits of the past. Russia keeps infusing and adulterating reforms and the market process with deeply entrenched practices that they have followed for years. Equally important, the reforms that were adopted initially, while the Soviet Union was collapsing, were ill advised. That made matters worse. All of this requires undoing and correcting the mistakes of both the past and present. Since retrofitting is always more difficult than doing it right the first time, both Russians and Western reformers such as Anatoly Chubais, Maxim Boycko, Jeffrey Sachs, and Andrei Shleifer should also be charged with malpractice (at least Jeffrey Sachs has come to see the error of his ways—not all of the others seem willing to recognize the havoc they have created).²

Many Russians have a great deal of difficulty understanding what went wrong with the Soviet economy. No wonder, because, in fact, the Soviet economy did perform well, at least within a narrowly defined context. Central planning and state ownership of the means of production transformed what was one of the poorest countries in Europe in 1917 into the world's second largest economy and either its leading or second largest military power. Its strength was that the collectivization and central planning model worked well to extract resources from a poor country. It was not pretty, especially for those uncomfortable with starvation and brutality. The abuse of human rights notwithstanding, however, this model provided Stalin with the resources, which his central planners could divert to build up a heavy industrial base and a Soviet military-industrial complex that a similarly poor market type economy would never have been able to provide.

This was an ideal model for underdeveloped countries that were eager to industrialize rapidly regardless of the human cost. It worked well as long as technology was relatively stagnant. The state could mobilize those resources and put them again and again into the same type of heavy machine industries. As Nikita Khrushchev put it, Soviet planners were like horses with blinders moving down a rugged road. There might be more exotic industries out there, but “the production of steel was a well-traveled road with deep ruts; here even blind horses will not turn off, because the wheels will break. Similarly, some officials have put on steel blinders; they did everything as they were taught in their day. A material appears that is superior to steel and is cheaper, but they keep shouting ‘Steel, steel.’”³

To reinforce the notion of sticking to the centrally controlled model, Lenin, Stalin, and their successors discovered early on that the Russian public is more likely to accept the burden that such a model entails if it looks like there are external threats seeking to encroach on Russia and its people. The Cold War fit that need nicely. The threat of intrusion from Western Europe and the United States made it easier to sell the notion, but by the late 1980's, it was necessary to devote up to 40 percent of the country's GNP to Russia's

military-industrial complex.⁴ In some cities, military production accounted for as much as 70 percent of the city or region's industrial production. Vitaly Shlykov, formerly a senior intelligence official for the Soviet Ministry of Defense, illustrated the impact of the military sector on the economy with the following example. At the height of the Cold War, Soviet industry produced four million tons of aluminum. Once the Cold War came to an end, however, and there was no longer any interest in producing military aircraft, domestic demand amounted to only 200,000 tons of that output; the rest had to be exported.⁵

As effective as such a strategy might have been when the Soviet Union was in its infancy, impoverished, and with technology that changed little from year to year, by the 1970's and 1980's, something very different was needed. Agriculture, instead of being the major source for extracting capital, had become a recipient, requiring massive budget subsidies each year. Similarly, Russia's massive industrial buildup, which seemed so threatening both industrially and militarily in the 1950's and 1960's, was now beginning to look like an industrial dinosaur. Militarily it still was an enormous threat, but even that was in doubt as the rest of the world became enmeshed in new technologies such as electronics, computers, the Web, and biotechnology. The Soviet Union kept reproducing rust belt type industries, whereas, for everyone else, it was miniaturization and innovation, something central planning simply could not emulate, even in a follow-the-leader fashion.

By the time he became General Secretary of the Communist Party in March 1985, Mikhail Gorbachev had come to understand that unless some basic changes were made, the Soviet Union's economic system would no longer be able to compete as a Cold War superpower. At the same time, there was also reason to believe that Gorbachev also had a sincere interest in doing more to raise the country's standard of living. After nearly seventy years of communism, he seemed intent on spinning off some the dividends from that effort to the public at large. Seven decades seemed a long enough period for sacrifices, with only promises of a better future. That seemed to be the general reason behind his notion of *perestroika* and *glasnost*.

One of Gorbachev's first moves was to seek a halt to any further escalation of the arms race, especially the efforts to build a Star Wars anti-ballistic missile defense system. In November 1984, even before Gorbachev came to power, the Politburo, in Konstantin Chernenko's absence, with Gorbachev as acting secretary, made the decision to resume arms control discussions with the United States. This reversed the decision by Yuri Andropov, the previous General Secretary of the Communist Party, to pull the Soviet Union out of arms control negotiations as long as President Ronald Reagan continued to install Pershing II missiles in West Germany. Undeterred, Reagan ignored the threat, and, sure enough, it was Gorbachev who asked for the resumption of the talks with the United States.

There then followed a whole series of summit meetings between Gorbachev and Reagan, and, to the surprise of most everyone, before long both countries agreed not only to cut future buildups, but to cut back the production and stockpile of conventional and nuclear weapons. In a matter of months, the Cold War came to an end.

In 1987, in the midst of these arms negotiations, Gorbachev also sought to inject more initiative and flexibility into the planning system. He created the Enterprise Law, which allowed factory directors to make more decisions for themselves. He also authorized the formation of cooperatives and even private businesses. Both changes undermined *Gosplan*, *Gossnab*, and the industrial ministries, while enhancing market-type activities.

Unwittingly, the tampering set in motion the ultimate collapse of the planning system. If left alone, there is good reason to believe that the Soviet system would have stumbled along for at least another decade or so. It would have been wasteful, and the shortcomings would have become more and more evident, but the Soviet economy need not have collapsed as suddenly and precipitously as it did in 1992, when industrial production fell by about 20 to 30 percent and prices rose 26-fold.

An analogy might help to explain what happened. There used to be a carnival act in which a motorcyclist inside a wooden cylinder built up his speed until he was riding perpendicular to the wall and parallel to the ground. As long as he maintained that speed, he could defy gravity and remain perpendicular. Should the motorcyclist slow down, however, the motorcycle would crash to the ground.

The Soviet economy in many ways was like that motorcyclist. By emphasizing heavy industry and ongoing military mobilization (in effect the Soviet economy operated as if it were at war from the 1930's until 1991), the Soviet economy was dependent on the external stimuli of the Cold War. Were the Cold War ever to end, or the powers of the central planners to be trimmed, the driving force of the economy would also be undercut and the Soviet economy would, like the motorcyclist, come crashing down. Given the extraordinary reliance on military production, the end of the Cold War was particularly disruptive. Suddenly, there was no longer any need for all of that aluminum, aircraft, or tanks. Moreover, conversion of military industry to civilian production is difficult in the best of market conditions, but it is particularly traumatic when the market system is brand new or when the conversion must depend almost entirely on central planners who are also under threat. Thus it is no wonder that, between 1990 and 1998, Russian GNP fell 40 to 50 percent.

II.

The collapse was also a result of the faulty nature of the reforms that followed under Boris Yeltsin. Not that any far-reaching reform of the Soviet system would have been easy. After all, no one had ever attempted such a fundamental turnaround. There had been more modest and gradual reforms in Hungary and China. Closer to home, the Poles launched a program called "Shock Therapy" in January 1990, two years before Russia began its reforms on January 2, 1992. But as destructive as communism had been to market institutions in Eastern Europe, the system there lasted only forty-five years and, with the exception of China, communism was almost always imposed from the outside. Thus, no communist country other than Russia was faced with the task of undoing seventy years of homegrown communism. Moreover, a substantial portion of the Russian population preferred the status

quo. This was very different from Poland, where the vast majority of the country agreed that Poland should switch from Eastern central planning to a Western market orientation.

The extra twenty-five years of communism in Russia made any reform much more of a challenge. The purge of market institutions, codes, laws, and memory was much more ruthless and effective in the Soviet Union. It was as if Soviet communist leaders were determined to do all they could to burn their institutions behind them. The more thorough the destruction, the less likely they assumed it would be that efforts would be made to introduce radical reform. In effect, the Soviet leaders had created a situation where the options were either central planning or anarchy—nothing else seemed viable. *Gosplan* and the industrial ministries superseded or destroyed the remnants of markets, both wholesale and retail, as well as formal and informal commercial and industrial codes and laws. Without instructions and orders from *Gosplan* and the ministries, factory directors and store managers had no notion of where they could obtain inputs or sell what they produced. To fill the void, local entrepreneurs in the late 1980's and early 1990's created over three hundred so-called commodity, or stock markets (in fact, they did not deal in futures, but in actual products, such as trucks, nails, soap, wheat, and cotton) where those with goods to sell could bargain with those who needed them. This was a step above pure chaos, but not by much. On top of that, the breakup of the Soviet Union with what had been fifteen republics disrupted many established relationships between factories and their subcontractors, who suddenly found themselves in different countries.

The transition was also complicated by the fact that, over seventy years, much of the infrastructure that was put in place was intended for a socialist communal, not a market consumer society. Thus, factories were designed to produce massive quantities of uniform products. This provided economies of scale, but it necessitated unusually big assembly lines and made it all but impossible to produce small or varied batches of goods. Whether the factory produced one thousand or ten thousand tractors, the work force needed was the same. This made it all but impossible to produce small batches profitably.

This economy of scale mentality also affected the way cities, small towns, and villages were built. For example, to economize on the use of energy, the government ordered that heat and hot water must be supplied for large districts by a single central steam generating plant. Individual buildings were not allowed to have their own furnaces. This system worked reasonably well in the Soviet era and in large cities even after the advent of the market. But in the less populated regions, the system generally proved to be cumbersome and unprofitable for private operators. This helps explain why so many regions now report a lack of heat and the freezing of radiators and transmission pipes. Such a communal system is simply not viable in a profit-oriented economy, and unfortunately for undeveloped areas of the country, no other system can be put in place quickly.

If all this were not enough, the end of the Cold War left a disproportionate number of enterprises with a product mix for which there was no longer any customer.

III.

The rejection of central planning and state ownership, as well as the switch to the market was characterized by some, like Stephen Cohen, as too much movement and by others, like Anders Aslund, as too little⁶. In a sense, they are both right, which helps to demonstrate why the reform process in Russia was all but doomed to fail, regardless of which remedies were adopted.

Because the transition came so quickly, it was inevitable that little could be done. Switching to a new system necessitated the introduction and adoption of a whole new set of institutions, including laws and codes, and the discarding of many of the most important existing institutions, laws, and codes. Under the best of circumstances, even if there had been a broad consensus as to the direction the reforms should take and the type that should be introduced, there would not have been enough time to design and implement the very serious changes that were needed. As a consequence, there was not enough implemented of the new—no established markets or commercial banks, nor commercial codes, nor judges experienced in dealing with private business disputes. And too much remained of the old that should have been abandoned—residual state ownership of shares in privatized business, a central bank that was more *Gosbank* than commercial bank, and a president, Yeltsin, who issued orders just as the czars and General Secretaries of old.

Other shortcomings include the neglect, if not the outright obstruction of new business startups. The emphasis instead was on privatizing large state businesses. This reflected the traditional Russian preference for massive enterprises.

Yegor Gaidar, the acting Prime Minister and architect of the reforms, also decided against a currency reform. Had there been such a reform, it would have allowed him to eliminate the ruble overhang, but he feared that a currency reform would wipe out the earnings and savings of many honest businessmen and consumers who, beginning in 1987, had responded to the opportunity to go into business for themselves. Gaidar's failure to do this, however, precluded an across-the-board liberalization of prices. Thus, Gaidar had to continue controls over oil and some food prices. He realized that without such controls there would be a run-up of energy and oil prices. This would have pushed up the cost of energy beyond the reach of ordinary citizens and lead as well to massive speculation and profiteering by oil producers. He hoped his controls would prevent all of this. In the end, however, the 26-fold inflation in 1992 wiped out almost everyone's savings anyway. Meanwhile, the failure to allow oil prices to reach world levels all but insured that those with access to oil would eagerly seek to export it in order to avail themselves of the considerably higher world prices. To prevent such windfall profits from the export of oil at prices five or more times higher than those that were set for the domestic market, the government insisted that oil exporters must first obtain an oil export license from the government. What should have been anticipated in advance (maybe it was!) is that this would make those who issued such licenses the target of very large bribes.

IV.

The reformers also went overboard and overdid some of the reforms. In particular, they overindulged in privatization, notably of the country's larger enterprises. Initially, the government retained shares, and sometimes complete control of some of the most lucrative properties, but in 1996, even some of these, or at least some of the government shares of ownership, were put on the market.

The privatization of small business went reasonably well, and, for the most part, few seemed bothered by the takeover of the shops by the managers and staffs. But reflecting the same notion of entitlement, the manager and staffs of the country's larger enterprises began to demand the same kind of access. Because they had a strong presence in the Supreme Soviet, the managers of these large enterprises were able to win concessions from Anatoly Chubais, Gaidar's deputy in charge of privatization. Chubais wanted to privatize as quickly as he could because of his fear that the country might revert to communism. He reasoned that by making the average citizen a stockholder, the public would resist any such return. Although he opposed the effort to make the staffs the outright owners of the larger enterprises, he nonetheless did want to provide some equity for the staffs, again because he felt that this was the way to ensure opposition to any return to communism.

Because of the inadequacies of the design of the privatization effort as well as the absence of an adequate system of controls designed to limit corruption and voucher manipulation, the privatization effort resulted in the massive theft of a substantial portion of the country's most lucrative assets. Some of these enterprises went to what were once the *nomenklatura* of the country's old communist party, including former industrial ministers, as well as high-ranking officials and factory directors. They shared in this takeover with a band of what, in the Soviet days, would have been considered traders, speculators, and black market dealers—those who were engaged in what, prior to 1987, were regarded as “economic crimes.” The privatization frenzy that followed was made all the more intense by the fact that Russia was so rich and that there was so much to steal. Poland and China were spared similar problems on such a scale because, fortunately, they had less in the way of natural resources, and consequently there was less to steal.

Although some of the reformers were cognizant of such risks, they nonetheless supported instant privatization because they believed that without immediate privatization, the state managers would strip their enterprises and divert assets to their own private holdings. Many reformers also believed that private ownership, by definition, would generate more effective operations than state ownership. When the state is the owner, decisions are more likely to be made for political or personal reasons and not because of profit and loss calculations. However, because the state continued to retain shares in most of the privatized companies, and because there was relatively little restructuring, the newly privatized enterprises were often private in name only and remained inefficient while the managers, both state and private, stripped their assets. This was very different from Poland, where there was relatively little asset stripping, despite the fact that they waited five years before they began the privatization process.

There was also too much of the wrong advice by the International Monetary Fund. Based on earlier studies, the IMF had concluded that macroeconomic stabilization, especially control of inflation, was one of the most important prerequisites for success. Once inflation was reduced to a tolerable level, economic growth would follow almost automatically. As a result, the IMF did all it could to lobby for a sharp tightening of credit and a balancing of the federal budget. What the IMF had neglected to consider was that the Russian economic and institutional situation was very different from what had existed in other countries where this strategy did work. For example, unlike their counterparts in market, but underdeveloped economies, few Russian plant managers had much experience borrowing from non-state credit institutions. Heretofore, most of the funds for these state enterprises had come in the form of non-cash clearing accounts from *Gosbank*. Thus it was only natural that, if they could not obtain credit from commercial banks, they would look to each other to recreate those clearing accounts. In other words, they began to rely increasingly on barter and credit extensions to each other. Often, that meant no more than that they stopped paying their bills to each other as well as their wages to the workers and their taxes to the state. To insist on immediate payment would have meant even more widespread plant closings and unemployment. As it was, the end of the Cold War had already resulted in massive layoffs that the economy could not absorb. Even more layoffs would have been politically explosive. So the enterprises just played make-believe with each other while their unpaid bills and accounts payable and receivable reached record amounts. Their workers were unpaid for months at a time, and the government, because it could not collect taxes, began to borrow money in the form of ever-larger quantities of GKO's (treasury bills). They had to do this in order to pay the minimum amount of expenditures. First issued on May 18, 1992, in moderate amounts by the Ministry of Finance, the use of GKO's rose astronomically. By the end of 1994, there were \$3 billion of GKO's outstanding; one year later there were \$16.6 billion, and by May 1998, the total had reached \$70 billion, or 17 percent of the country's GDP⁷. Even then, all the proceeds had to be set aside to make the interest payments on already issued GKO's—what in the West would have been called a Ponzi scheme. This was clearly unsustainable.

V.

These efforts at reform more often than not collided with Russia's cultural legacy. In an effort to speed up the process of legal transformation, the zealous reformers would all too often transplant, in part or in whole, legal codes from other countries. But since these laws and codes had no organic base from within Russia, all too often they did not take root properly and were, therefore, either ignored—an old czarist and Soviet tradition—or distorted, even perverted.

As if that were not bad enough, the inflation that hit in 1992 all but impoverished any honest civil servant who tried to rely solely on his official salary. It forced even honest officials to look favorably upon, or even to depend on, payoffs and graft. The traffic police, who openly extort bribes on the street, are the most blatant manifestation of such behavior. In such a climate, the rise of the Mafia and the breakdown of law and order at all levels were inevitable.

Finally, the Russian transition was handicapped by some sociological factors that, at least in part, were unique to Russia. For example, because Russia was so richly endowed with raw materials and human talent, it was widely assumed that the Russian reforms would come quickly and be very successful. This assumption led many investors, both foreign and domestic, to drop their guard and invest without the necessary due diligence. This seemed to be a get-rich-quick opportunity, and many did exactly that, at least until October 1997 (See Table 1). Their early success attracted others, and the Russian stock market soared five-fold to a peak of 571 by October 1997. Investors bought Russian securities despite the seven-year drop in the Russian GDP and opaque corporate behavior.

Lending by banks, private lenders, and foreign governments to local and federal government bodies was similarly unrealistic. Lenders from the IMF and Wall Street investment bankers outdid one another in their eagerness to lend money to Russian provincial governments, which often had no notion about why they needed this money in the first place. With so much natural wealth, the lenders in the meantime assumed that the federal government was good for the loans and would stand by its provincial governors should there be temporary defaults. More than that, IMF lenders who normally insisted on rigid conditions relaxed those controls because they feared that a rejection of a funding request from Boris Yeltsin and his subordinates might jeopardize Yeltsin's standing. This was a particular concern during the 1996 election campaign. A loan rejection might trigger his defeat, which in turn might lead to a return of the Communist Party. So instead of Tough Love, foreign investors stood by mute as Yeltsin did as he pleased, as the loans were squandered, and as capital flight reached a billion dollars or more a month.

Table 2. Russian Industrial Output.

Month	1998 as % of 1997	1999 as % of 1998	2000 as % of 1999
January	102.9%	97.6%	110.7%
February	101.2%	97.0%	113.0%
March	102.5%	100.4%	109.6%
April	101.1%	100.6%	105.5%
May	97.2%	106.0%	110.6%
June	97.1%	109.0%	109.8%
July	91.0%	112.8%	108.5%
August	88.4%	116.0%	110.2%
September	85.0%	120.2%	107.2%
October	88.3%	110.3%	
November	90.6%	112.9%	
December	93.3%	111.1%	

At the same time, oligarchs with political patrons in the Kremlin or regional centers gradually gained control of what had been state-owned assets. In many ways, it was a throwback to the way in which czarist-era businesses operated before the Revolution. For that matter, this incestuous interaction between government patron and plant manager was an important operating practice during the communist era as well. Traditionally, the director of a state enterprise, when the communists were in control or an owner when private property, was allowed, even had to have a patron or friend in court (be it in St. Petersburg, Moscow, or Sverdlovsk) to protect the enterprise from other government and private predators. Thus, the general secretary of the *Obkom* and the enterprise manager operated in tandem more or less as they pleased during the communist era, much as Tyumen Oil operated comfortably in Tyumen, where the governor also turned out to be the chairman of Tyumen oil's board of directors.

VI.

After this rather lengthy background, it should be clear why the entire edifice was doomed to collapse. The immediate cause was the spin-off from the financial crisis in Asia. However, given 1) the corruption, 2) the unrealistic prices being paid for the stock of companies that were losing money, 3) the inability to absorb the cuts in the military-industrial complex, and 4) the failure to pay taxes, not to mention, 5) the insistence by the IMF that Russia sustain, not devalue, the ruble, sooner or later the bubble was bound to burst. It finally did on Black Monday, August 17, 1998.

The impact was immediate. As investors and the public began the rush to convert their rubles into dollars, the government lacked the dollars and other Western currency needed to redeem those rubles, and therefore the government had to abandon its support for the ruble. In a matter of days the rate of exchange fell from one dollar for six-and-a-half rubles to one dollar for twenty-four rubles. At the same time, the government defaulted on its GKO's, while also declaring a moratorium on all debt repayment on foreign loans by private as well as Russian government borrowers.

Of course it was not only the financial markets that suffered. Industrial output also fell sharply. With no money available at the bank, consumers stopped buying and producers stopped producing. Table 2 shows that in September 1998 industrial output fell 15 percent immediately in the wake of the August financial collapse. In fact, industrial output had begun to decline in May 1998, in a sense anticipating the August crisis. This undid the recovery, which had just begun in late 1997, the first time there had been such growth since Gorbachev's days.

Although Russia had previously survived a number of economic crises, it was hard to see how it would emerge from this one. Not that much could be done about it, but the default on the redemption of GKO's had an enormous and unanticipated effect. Because they seemed to be so safe and because they yielded rates of return as high as 200 percent a year, investment in GKO's seemed like a safe bet for commercial banks. Thus, with the exception of Alfa Bank

and some provincial banks, most of Russia's banks, particularly the larger ones, suffered an enormous liquidity crisis. For example, the major Moscow banks had put an average of 40 percent of their assets into GKO's. With the default, these banks became insolvent, and millions of depositors, both individuals (including Mikhail Gorbachev himself) and businesses, lost their money. It was almost as if Russian authorities had declared a bank holiday. Almost overnight, many of the oligarchs discovered that their businesses inside Russia, particularly their banks, had ceased to function.

While not as dramatic, foreign investors and businessmen also paid a heavy price. Some businesses, such as Pizza Hut, Phillips Electronics, Bankers' Trust, Elf Aquitaine, Dunkin Donuts, and ICN Pharmaceuticals, simply picked up and left Russia. Others, such as Coca-Cola and Mars, found it necessary to write off hundreds of millions of dollars on their factories and inventories, as the market for non-basic consumer goods dissolved overnight. Responding to the moratorium on Russian debt, investment banks also found it necessary to write off hundreds of millions of dollars. For example, Credit Suisse First Boston alone wrote off \$1 billion. All of this also brought down Long Term Capital Management, which had lent money to many of those who had invested in Russia. Long Term Management's collapse, for a time, threatened to bring down the whole U.S. financial structure as well. As it was, out of fear that the collapse might not be contained, the Dow Jones index fell 20 percent.

VII.

Given the seriousness and depth of the economic collapse, it was hard to see how Russia would recover any time soon. There were few, if any, who predicted anything but prolonged economic agony. But as Table 2 indicates, industrial production stabilized as early as March 1999 and began to improve steadily after that. What explains this unexpected and, in many ways, amazing turnaround, and why had it not occurred earlier?

There is general agreement about the reasons for the turnaround. One major factor was the sudden increase in raw material prices, particularly in oil and gas. Fortunately, in 1999 the Asian economy began to revive, and as it did, Asian nations began to increase their demand for raw materials. This pushed up the price of oil, which rose from the 1998 level of \$11 per barrel to as much as \$35 a barrel in 2000. Since Russia is a major producer and exporter of petroleum and gas, this was a windfall. At the lower prices, some producers, often with creative accounting, had complained that they could not earn a profit or pay taxes. Thus, despite being the largest supplier of gas to Europe, incredibly *Gazprom* had reported a loss in 1998. But even with the same questionable accounting procedures, once energy prices began to rise as much as they did, Russian producers could no longer complain of losses, and so, finally, they began to pay some of their taxes. They also started paying their back bills and wages. Thus, the overdue debt of industrial enterprises fell from 64 percent of output, in August 1998, to below 30 percent in mid 2000. Similarly, barter diminished from 52 percent to 26 percent.⁸ Even the amount of wage arrears began to shrink.

An equally important factor, some say one that may have been more important in the long run for the Russian economy, was the devaluation of the ruble. The severely weakened ruble precipitated a drop in imports of almost 50 percent. Overnight, this eliminated many Western goods from Russian shelves, an enormous change, since up until that time imports made up as much as 60 percent of Russia's retail trade. Even those Western companies that had begun to produce goods in Russia suffered because, for the most part, the products that they produced were intended for the top of the line, and high-priced goods were the ones most adversely affected. It was an unattractive market in all respects, but since Russian manufacturers generally produced lower-priced merchandise, even if of a lower quality, the drop in imports of overpriced Western brands provided Russian factories with a golden opportunity. Because their costs in cheap rubles were so much lower than those of foreign producers, some were even able to increase their exports. Overall, export revenues increased approximately 50 percent in late 1999. The combined effect resulted in a trade surplus of almost \$50 billion in 2000 and a tripling of Russian reserves, from \$11 billion in August 1999 to almost \$30 billion in late 2000. In retrospect, when considering various reforms, instead of insisting on a strong ruble, reformers, including those in Russia and the IMF, would have done better to have pushed for a weaker ruble instead of balanced budgets and restricted loans.

VIII.

Given what seems to have been the remarkable recovery of the Russian economy, why should there be concern for the future? Such a question in part stems from the nature of the current recovery, particularly because of the apparent failure to deal with the legacies of the past, some of which we specified at the beginning of this paper.

The irony of the recovery in 2000 is that the very nature of Russia's recent growth contains the seed of its future problems. For example, there is fear that oil prices will drop. As of this writing, at close to \$20 per barrel, oil prices have already fallen far below the \$35 or so paid earlier in 2000. But even at \$20 per barrel, the revenue from oil exports has resulted in such an influx of dollars that it jeopardizes the cheap ruble. The impact of abundant oil and gas revenues is called "the Dutch disease" because the Netherlands had the same problem. Dutch gas exports brought in large revenues to the Netherlands, which pushed up the value of the Dutch guilder. This priced Dutch manufactured goods out of export markets, thus leaving manufacturers in the Netherlands at the mercy of imports. The same thing is now happening to the ruble. Instead of losing value, it has actually strengthened relative to the dollar. It has also set off fears of increased inflation. There are now signs that imports are growing at an increasing rate, and while exports continue to grow, they are doing so at a diminished rate compared to the year as a whole.

The more basic challenge, however, is for Russia to deal with its structural impediments. To his credit, President Vladimir Putin has pushed through legislation reducing and simplifying the tax burden and import tariffs. He has also re-centralized controls that Boris Yeltsin had delegated to the country's eighty-eight, or so, governors. However, many have

criticized the attack on the governors. While several of the governors have developed reputations for corruption and taken actions at the expense of the state and the country, the governors were, after all, elected, and emasculating their Council of Federation, a constitutionally established parliamentary body, reflects a disdain for the constitution and for democratic niceties.

But there are even more serious complaints about Putin's record. He has done almost nothing to address concerns about the Mafia and corruption. As the former head of the FSB (the successor to the KGB), it would have been natural and probably easy for him to crack down on any number of Mafia groupings. There is no doubt that he had the information as to who was doing what. Attacking the Mafia, even a few selected groups, would have been a powerful symbol that this was a man with an agenda of integrity and reform. His hesitation to move may be a consequence of many factors, including the fact that so many former KGB operatives are now working for (or are) the Mafia (it could be called the privatization of the KGB). Indeed, there is good reason to believe that he has been hesitant to move against his former colleagues. In any case, the Mafia, and along with it widespread corruption, seem as ubiquitous as before.

Putin has taken on some of the oligarchs, particularly Vladimir Gusinsky and Boris Berezovsky. Neither man would pass the Boy Scout honor code, but what most distinguishes them from other oligarchs is that these two, particularly Gusinsky, have run television networks that have been particularly outspoken in criticizing Putin. They have been equally hard on his handling of the war in Chechnya and the sinking of the submarine *Kursk*. While Putin and what he calls his independent prosecutor general have hounded Gusinsky in Spain and called for his arrest and return to Moscow, Putin has seemingly embraced the other oligarchs, dropped legal charges against some insiders, and allowed them to create new aluminum and telecommunication empires. It matters not if this be at the expense of already committed and operating investors.

The failure to reform corporate governance practices and to protect minority stockholders has been particularly off-putting for foreign investors and a major reason why foreign investment remains at such a low level. For example, foreign direct investment in 1998 was estimated to total \$3.4 billion. During the first nine months of 1999, foreign direct investment increased to \$4.3 billion, but there are some indications that in the year 2000 capital flight once again increased and exceeds \$1 billion a month.⁹

Foreign investors do not have to look far to find examples of shareholder abuse and corporate looting. The companies that have been charged with such practices encompass almost all of the leading businesses in Moscow. For example, BP Amoco invested almost \$500 million in Sidanco, only to find that one of Sidanco's main producing subsidiaries had been seized by Tyumen Oil. In the meantime, Sidanco decided to restructure itself, reducing BP Amoco's shares by even more. Despite efforts by Dart Industries to protect their holdings, Yukos Oil restructured in the same way. Norilsk Nickel and UES have attempted similar restructuring efforts. *Gazprom*, in the meantime, continues to sell off its producing fields to Itera, a company headquartered in, of all places, Jacksonville, Florida. As a result, Itera is now the main supplier of gas to Ukraine and many of the other former republics of the Soviet

Union. What makes this noteworthy is that Itera is said to be owned by relatives of senior officials at *Gazprom*, which has sold Itera holdings worth hundreds of millions of dollars for about \$2 million. Such abuse is not limited to traditional Soviet-era industries. Some Russian cellular phone companies were suddenly told that their frequencies had been reassigned to other phone companies run by close friends of Vladimir Putin and his new Minister of Communications. Last but not least, there is the effort to seize Vladimir Gusinsky's company MediaMost by putting him in prison and charging him with fraud and dishonesty, something not yet attempted in any of the cases just mentioned.

Russia's corporate practices are marked by a lack of transparency, misuse of transfer payments, tax evasion, and abuse of the bankruptcy system to seize assets from otherwise legitimate companies. No wonder foreign investors are hesitant to invest in Russia. Those that have, including the European Bank for Reconstruction and Development, as often as not have nothing but abuse to show for their efforts. Out of the \$2.1 billion in loans that the EBRD has provided to Russian businesses, \$500 million have been classified as non-performing or bad debts.¹⁰

What most Russian businessmen disregard is that all of this is very costly, not only to the country as a whole, but their own companies. Their short-run plunder comes at the expense of their long-term gain. As an illustration, almost everyone agrees that if foreign investors could invest freely in companies like *Gazprom*, and if *Gazprom* were run with Western methods and concern for investor rights, it would be worth considerably more than it is now. Few appreciate how much more, however. According to one estimate, the present capitalized value of all outstanding shares in *Gazprom*, as of November 2000, amounted to about \$4 billion.¹¹ However, if the oil and gas reserves that *Gazprom* owns were valued at the same rate as a firm with similar reserves in the West, the capitalized value of *Gazprom* would total about \$2 trillion. This, as much as anything, is a measure of the failure to deal with Russia's legacy. By discouraging foreign investors this way, they frighten away investment that Russia could use to ensure its basic economic resurgence.

IX.

There is no doubt that Russia has enormous economic potential. But whenever it looks like the country is beginning to address its problems, something unexpected occurs. The Russians have an amazing knack for rescuing failure from success. Despite the recovery since 1998, the chances are, at best, fifty-fifty that they will avoid another setback in the near future.

Reflecting this reluctance to make the changes needed, the Russians tell a story about the meeting God had with President George W. Bush, Prime Minister Tony Blair, and President Vladimir Putin.

"Tell me God", says President Bush, "Will the public ever come to believe that I really won the 2000 election?"

“Yes,” God responds, “but it will take twenty-five years and you won’t be around to see it.”

Then Prime Minister Blair asks, “Will England adopt the Euro and will Great Britain come to rule the waves again?”

“Yes,” says God, “but it will take fifty years, and you won’t be around to see it.”

Finally it’s Putin’s turn. “Tell me, God. Will the Russian economy ever recover and will honesty and the rule of law ever take hold in Russia?”

“Yes,” answered God, “But I won’t be around to see it.”

ENDNOTES.

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6. Anders Aslund, *How Russia Became a Market Economy*, (Washington: The Brookings Institution, 1995). Stephen F. Cohen, *Failed Crusade: America and the Tragedy of Post-Communist Russia*, (New York: W.W. Norton, 2000).

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Part Six: Russia's Military Transformation

Introduction

James F. Holcomb

The three papers in this section address the state of the Russian defense system and, more specifically, the prospects for military reform. Why is the Russian defense system so incomprehensible? Why do Russians think the way they do? What has been Putin's impact on the structures and dynamics of Russian "defense policy"? What are the prospects for the future? All of these questions are important, if somewhat intractable, and the authors do credible work in grappling with the answers.

Dr. Stephen Blank establishes an effective introduction to the subject with an overarching theme in "The Framework for Russian Defense Policy Under Vladimir Putin". Dr. Blank contends that Russian defense and security policy are incoherent, military reform (*voennaia reforma*) is non-existent and likely impossible, and the politicization and criminalization of the armed forces constitute an absurdity of civil-military relations. The news is not good and not likely to get better. The statist nature of Putin's Russia, more a legacy of Russian history than Soviet, is producing a unique and unfortunate example of a third world nation (if not a failing state) dressed up as a great power. The inherent contradictions affect all aspects of Russian national security and defense policy making and the state of the armed forces. Among these, the most notable is an absence of a process, institution, or mechanism for developing or implementing security policy. It is from this "sin" that all others derive: paranoid threat-based strategies, the "democratic deficit" and militarization of security policy, the politicization/criminalization of the military, and the total mismatch of strategic impulse and resources. We are left, as Dr. Blank states, with the "myth of reform," a false nostalgia for "great powerness," and the police state under the firm hand of the czar.

One of the trappings of Russia as Great Power is their strategic nuclear arsenal. This certainly constitutes a (perhaps the only) reason for continued American and European deference to Russia in multinational and bilateral fora. Dr. Stephen Cimbala makes the case in his paper "Russia's Strategic Nuclear Force Options: Implications for U.S. Arms Control" that indeed strategic nuclear deterrence is still an operable concept and that nuclear arms control is not an obsolete process. The Cold War may be over, but the strategic nuclear legacy is still very real and, from Russia's perspective, even more important. Russian weakness has led to a doctrinal reliance on nuclear weapons for deterring conventional and regional threats as well as for traditional strategic nuclear attack. For Moscow, the NATO air campaign against Serbia simply established the latest data point in burgeoning Western military capabilities putatively oriented against Russia. Dr. Cimbala analyzes the effect on deterrence of START III warhead levels with an attendant discussion on

vulnerability/effectiveness of delivery systems. It is also important to understand the factors that contribute to “stability” and where the threshold to “instability” in the strategic relationship lies. Very topically, he also analyzes the theoretical effect on deterrence of employment of a viable missile defense system by one or both parties. Although the deterrence dynamic is changing for a variety of reasons, the basic principles still obtain, and it is no less important to understand today than it was at the height of strategic confrontation during the Cold War.

Dr. Robert Arnett’s survey of the status and prospects for the Russian armed forces reflects several of the themes presented earlier. Because the military oligarchs insisted on retaining force structure for the wrong threat, the armed forces are essentially bankrupt. To survive, they have been feeding on war reserves, weapons sales, farms, and regional assistance. One has to wonder what happens when the resource barrel is finally empty. In the absence of coherent national security policy, the question of the purpose of the armed forces continues to beg. From that question a host of policy decisions on size, organization, professionalization, deployment, training and equipping, and so on derive. Prospects for dramatic improvement are remote; at best, a rationalization of core units to retain some responsive, hopefully disciplined military force is to be expected. But until the big decisions are made and a functioning national security policy mechanism is established, the armed forces will continue to pay the bill out of a diminishing purse.

Although these three papers covering the scale of military transformation and reform address different aspects and levels of detail, the interrelationship of the subjects is clear and reflects the larger problem of Russian reform in general. The question of what Russia’s military transformation will ultimately look like depends to a large degree on the political path Russia takes or is forced to take. Historical precedent would indicate the likelihood of a strong hand imposing reform from above. The prospect for friction, discord and disruption is still very real. Until the fundamentals change, the incidentals will continue to contribute to a situation that looks very much like a crisis.

Russian Armed Forces: Status and Prospects

Robert L. Arnett*

Introduction

The status and condition of a country's armed forces at any point in time are indicators of both the priority the armed forces enjoy in terms of resource allocations granted by the nation's leaders and of the expectations that a country's leadership has of its armed forces. However, it is necessary to go beyond the static indicators of a snapshot taken at any given point in time and to examine the underlying factors and the trends they reflect. These indicators and the underlying factors and trends often remain relatively constant over time. At times, however, radical changes in a country's geopolitical situation, such as defeat in a major war or dramatic political or social changes internally, bring about major changes in a country's armed forces.

In the case of Russia, the Russian armed forces have undergone a major transformation since the late 1980s. While change in the military was initiated deliberately as a result of the perestroika and glasnost policies instituted by former Soviet leader Mikhail Gorbachev in the late 1980s, a variety of factors accelerated this change—some would say propelled it out of control—throughout the 1990s. These factors included the collapse of the Warsaw Pact, the dissolution of the Soviet Union, the withdrawal of large numbers of personnel and units from Eastern Europe, and the economic conditions that have prevailed in the intervening period. As a result, the Russian armed forces are, in most aspects, only a shadow of the Soviet armed forces of the late 1980s.

Perhaps the most evident feature of this change has been the radical downsizing of the former Soviet—now Russian—armed forces in every major measurement criteria, as illustrated in table 1.

* The views expressed in this article are solely those of the author and do not necessarily represent the views of the Department of the Army or any agency of the United States Government.

Table 1: Comparison of Soviet and Russian Armed Forces¹

Measurement Category	1987	2000
Total Personnel Strength	4.6 million	1.2 million
Ground Forces Active Division Equivalents	209	39
Air Force/Air Defense Aircraft	6,680	1,800
Air Force/Air Defense SAM Launchers	9,000	2,150
Principal Surface Combatants	274	35
Submarines	360	70
Strategic Nuclear Warheads	10,000	6,600
Tactical Nuclear Warheads	Thousands	Thousands
ABM Launchers	100	100

As illustrated in the right-most column of table 1, in numerical terms, the Russian armed forces would appear still to be a significant military power. With an authorized active duty strength of 1.2 million personnel, 39 active division equivalents in the Ground Forces, 1,800 aircraft and 2,150 strategic SAM launchers in the Air Force, 35 principal surface ships and 70 submarines in the Navy, 6,600 strategic nuclear weapons, and thousands of tactical nuclear weapons, Russia still possesses one of the largest military establishments in the world.² Furthermore, in calculating Russia’s military power, one must also factor in, at least to some extent, the capabilities of the Internal Troops, which include 20 divisions and 29 independent brigades. These troops played a major security support role in both wars in Chechnya. However, the Russian military’s performance during both the 1994-1996 and the current Chechnya conflicts—as well as voluminous news media reports and statements by senior Russian officials—suggests that this substantial force is, in many respects, a “hollow military.”

Evaluation Criteria

To evaluate the actual capabilities of the Russian Armed Forces and gain an accurate view of its current status, however, one must look beyond the numbers of weapons and personnel at the factors that play key roles in determining the capabilities and effectiveness of any force. For this purpose, let us evaluate the current Russian forces in terms of eight parameters—defense spending, manpower levels and quality, training, weapons procurement, logistics, maintenance, mobilization capability, and morale.

Defense Spending.

Current annual Russian defense spending is less than 17 percent of the annual Soviet defense budgets of the late 1980s.³ The drastically reduced level of spending is a result of several factors. First, the collapse of the Soviet Union led to a reduction in the government's revenue, since one hundred million people and the resources of fourteen republics were no longer under Moscow's control. Second, the economic depression of the 1990s caused a further decline in the nation's Gross Domestic Product (GDP). Jointly, these events led to a fifty percent decline in GDP compared to 1989. A third factor was the Yeltsin administration's view of the threat and the underlying causes of problems in the military. President Yeltsin supported the assessment that there is no near-term major threat to Russia. He also believed that the military's problem was not that it received insufficient funding, but that Russian military leaders had kept a military force structure far beyond what Russia needed and could afford. He argued that if the military force structure were reduced then the defense allocations would be sufficient to fund adequate training and weapons procurement. Finally, the current conflict in Chechnya has caused the diversion of funding from upkeep, modernization, and military reform.

This dramatic reduction in defense spending has caused significant problems that have seriously undermined Russian military capabilities and readiness. The key point is that current levels of defense spending are insufficient to support the current force structure—a problem that has existed for almost a decade. As a result, about 70 percent of the current national defense budget is allocated just for subsistence—pay and allowances, food, housing and utilities, and equipment operation.⁴ Only 30 percent is left for training, weapons R&D and procurement, and all other expenses. This shortfall in the allocation of funding has two major consequences. First, limited funding for training undermines current force capabilities. Second, limited funding for R&D and weapons procurement undermines future force capabilities. Those who favor a substantial increase in defense spending give dire warnings about what will happen if this is not done. As one declared, and others have repeated, “Those who do not feed their Army will feed someone else's.”⁵ This reminder of Napoleon's and Hitler's invasions into Russia is intended to use those past disasters in Russian history to make their point.

Over the next few years, there seems little prospect for any significant increase in defense spending. Although President Putin favors a strong military, he is more concerned about the weakened state of the Russian economy and the impact of current defense spending levels. As a result, he noted that “the country spends over 35 percent of the [national] budget's expenditure on national defense requirements.” He went on to say that “This is quite a lot. This is excessive.”⁶

One is tempted to ask how the Russian armed forces have even survived in such circumstances. The military has survived the dramatic cutback in defense spending largely through the use of existing internal resources (war reserves, selling equipment, military farms). During the Cold War era, the Soviet Union created vast war reserves of food, fuel, spare parts, clothing, and other necessities required for a major war with NATO. These reserves have been quite simply drawn down to keep the military operating.⁷ The Ministry of

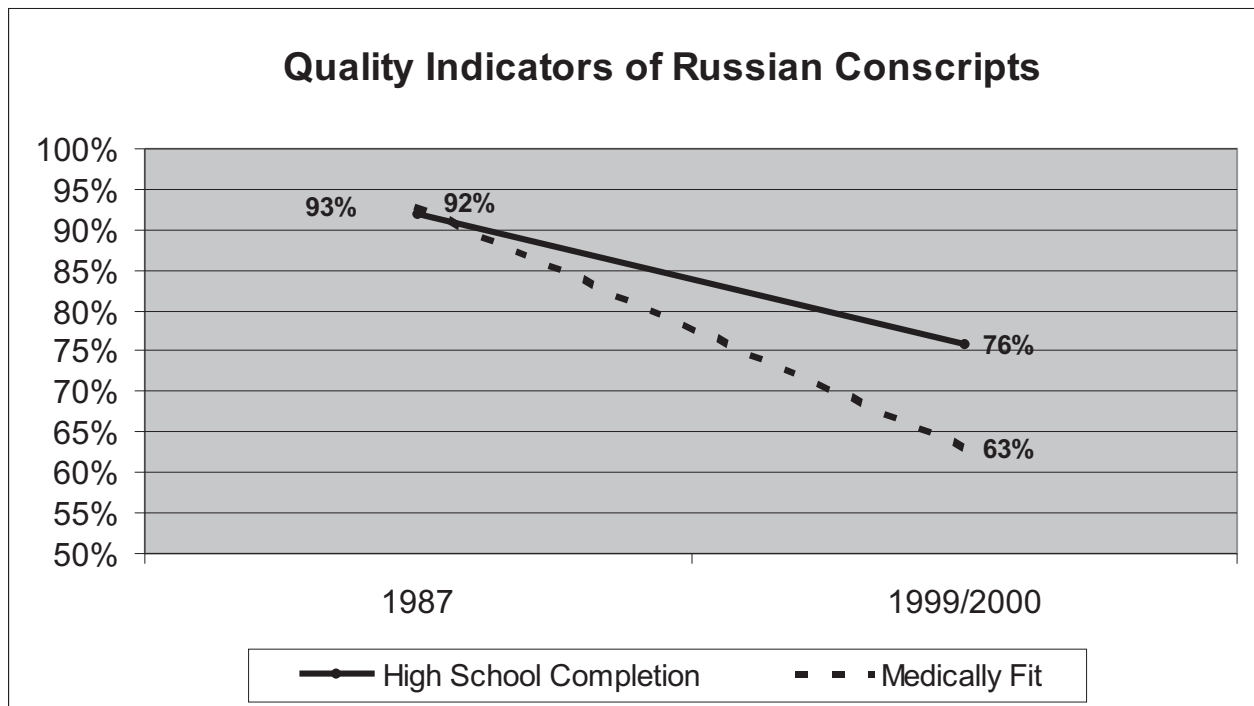
Defense and military garrison commanders also have acquired funds through the sale of equipment, such as trucks, and by loaning out soldiers to provide manual labor for local enterprises. The military also has relied heavily on its extensive network of military farms, which have provided about 30 percent of the military’s food requirements.⁸

In addition to these internal resources, the military has received other assistance from non-federal bodies. Local and regional governments have provided funds or material to assist military garrisons when the federal authorities have proven unable to do so.⁹

Manpower Levels and Quality

The authorized strength of the Russian armed forces, as of December 2000, is 1.2 million. For a variety of reasons, however, there is a shortage of at least two hundred thousand military personnel.¹⁰ An even greater problem is the fact that there is a 25 percent shortage of personnel in skilled positions in the armed forces. Moreover, there has been a decline in the quality of conscripts as well, as illustrated in figure 1. This decline has been most noteworthy in both educational levels and medical fitness.

Figure 1: Quality Indicators of Russian Conscripts in Late Soviet and Russian Periods¹¹



Training and Readiness.

Training, which is absolutely essential to achieving any significant degree of operational effectiveness, is far below both Soviet-era standards and required levels. In the Ground Forces, the emphasis has been on Command Post Exercises (CPXs); field training has been

limited. In some divisions, some battalion-level field training is conducted, but in most divisions, the training is at lower levels.¹² The 1997 end-of-year training evaluation for the Ground Forces illustrated the extent of readiness problems. Inspected units that received a “Good” rating included only 11 percent of divisions, 20 percent of regiments, and 22 percent of brigades.¹³ There is little evidence to suggest that readiness levels have improved much since that time.

In the Air Force, pilots have only limited flight time.¹⁴ Long-Range Aviation and tactical aviation pilots average about twenty flight hours per year. Military transport aviation pilots get about sixty hours.¹⁵ In the Navy, again, there is an emphasis on CPX’s, and most practical training is conducted on ships in ports.¹⁶ The Strategic Rocket Forces, which are given high priority because of its nuclear deterrence mission, have the highest levels of field training.¹⁷

This decline in training almost across the board in the Russian forces is exacerbated by systemic flaws in the conscript system. Under the Russian system, every six months 25 percent of conscripts, the most experienced soldiers, are released from active duty, and 25 percent of the force consists of new inductees. As a result, there is a turnover of nearly 100 percent of conscripts every two years.¹⁸ This high level of turmoil, combined with the fact that the Russian military does not have a professional NCO corps, creates a situation in which intensive field training is absolutely required to maintain a competent force. Unfortunately, opportunities for such training do not exist for the overwhelming majority of the conscripts in the current situation, and the lack of training cannot but contribute to a low level of proficiency in the force.

Weapons procurement.

The drastically reduced level of funding for the military has had a dramatic impact on weapons procurement, perhaps the key element of force modernization. As a result, as illustrated in table 2, by the late-1990s, Russian weapons production had essentially come to a halt, with only very limited numbers of key end items being produced.

What is more troubling for Russian military leaders is that these production numbers include weapons produced for export. Thus, the Russian military actually received fewer end items than the numbers listed in the table. In fact, for the period 1992-1999, only 1.5 percent of Russian military armament and military equipment was replaced with new equipment.²⁰ This is far below the almost 100% replacement rate typical over a ten-year period during the Soviet-era.²¹ The decision—or necessity—to drastically cut back weapons procurement has had a major impact on overall force modernization. Currently, only 22 percent of Russian weapons stocks are classified as modern.²² Russian officials predict that if there is no increase in weapons procurement by the year 2005, the number will drop to five percent.²³

Table 2: Comparison of late Soviet and Russian Weapons Production¹⁹

Category	1990	1998
<i>Ground Forces</i>		
Main Battle Tanks	1,600	15
Infantry Fighting Vehicles	3,400	250
Helicopters	450	40
Self-Propelled Artillery	500	10
Air Force		
Bombers	40	-
Fighters	430	40
Transports	120	-
Navy		
Submarines	12	2
Major Surface Vessels	2	-
Strategic Nuclear Forces		
ICBMs/SLBMs	115	15

Maintenance

Weapon and equipment maintenance is important in any military organization, because equipment that is not maintained, especially complex military equipment, will simply cease to function. Moreover, maintenance is especially important in a military establishment with a large-scale equipment aging problem. Older equipment, quite frankly, usually requires more maintenance—at a higher cost—than newer equipment. Currently, as it seeks to maintain aging equipment stocks, the Russian military suffers from a lack of funding to procure spare parts and a lack of qualified technical personnel to perform maintenance. As a result, only 50 percent of existing weapons and equipment stocks are considered to be functional, including 30 percent of helicopters are functional, 60 percent of tanks, 50 percent of ships, and 50 percent of fixed-wing aircraft.²⁴ The inability to maintain equipment degrades the operational readiness of units. Moreover, once the backlog of deferred maintenance grows, it requires an ever-increasing level of funding—funds that are not available in the Russian case—to overcome the backlog.

Logistics

As has been evident in Chechnya, there is no major shortage of conventional munitions. There are, however, severe logistic shortage problems within the military. Food shortages occur at times, especially in some remote garrisons. The most significant implication of this particular problem is nutrition.²⁵ Fuel shortages are another serious problem, and this is a key reason why field training has been so limited.²⁶ The armed forces are receiving only about

thirty percent of the fuel and lubricants that are required.²⁷ Similarly, spare parts shortages mentioned above have led to widespread cannibalization.²⁸ While Russian officials have so far been able to ameliorate some logistic shortages by drawing upon the massive war reserves built up during the Cold War, the key question is what happens when the war reserves run out?²⁹ Like the maintenance problem, resolution of the military's logistics problems will require significant additional funding.

Mobilization

During the 1980s, the Soviet Union had the capability to call up a million reservists in a short period of time.³⁰ Today, the Russian mobilization system is severely crippled. While the military commissariat (draft) system is still in place nationwide, over the past decade only small numbers of reservists have been called up and only a few have received reserve training. In recent years, only about ten thousand reservists—junior officers—have been called up to help fill vacant slots. In October 2000, for the first time in many years, a five thousand-man reserve call-up was conducted.³¹

Morale

Morale problems also have taken a toll on military readiness and retention. Officers have had to deal with a decline in their societal status and their standard of living when compared to the Soviet-era and with pay delays, housing shortages (20-25 percent of officers do not have apartments), and job insecurity. In a mid-1999 opinion poll, eighty-four percent of twelve hundred officers surveyed said they were dissatisfied with life in the military.³² Contract soldiers, while receiving higher pay than conscripts, have not received the other benefits they were promised, including better housing, and have endured pay delays. Forty-two percent have not received the housing they were promised.³³ Conscripts, on the other hand, have not had a significant decline in standard of living, but only because they have always been forced to serve in a spartan environment with only the basic necessities of life. Pay delays are not really a serious problem for conscripts because they only make the equivalent of about ten dollars a month. Food shortages, when they occur do have a harder impact on these soldiers, because unlike officers, they do not have the money and often do not have the opportunity to buy food off post. Finally, Russian conscripts, like their Soviet predecessors, are subjected to physical and mental hazing.

Other Indicators

The Russian military operation in Chechnya suggests that the military can field a force of about one hundred thousand troops, including Internal Troops, while continuing its other current force deployments. Russia's current deployments abroad total about twenty five thousand troops in Bosnia, Kosovo, Moldova, Georgia, Armenia, and Tajikistan. The sinking of the nuclear submarine *Kursk*, at this point, does not provide evidence regarding naval force readiness, because it is unclear whether defense spending cutbacks were an underlying cause of the sinking or whether it was merely an accident. On the other hand, the planned deployment of the Kuznetsov-class aircraft carrier battlegroup to the Mediterranean would be a demonstration of force capabilities. In December 2000, the planned deployment was

cancelled because of funding limitations and fuel shortages.³⁴ Such a development indicates that Russia's naval force projection capabilities are quite limited.

Thus, even a brief examination of the eight parameters initially identified, as well as other factors, makes it clear that the sheer size of the Russian force does not make it a formidable force. Indeed, given the current shortfalls in funding for a variety of critical functions, the size of the Russian military could be looked upon as an impediment to the creation of a highly capable force. An examination of the dynamics involved indicates that the Russian military faces systemic and long-term turmoil.

The implications of the Russian problems are significant for both conventional and strategic forces. In the conventional arena, Russian forces currently pose little threat to other countries. In the strategic nuclear weapons arena, while Russia remains a "superpower," it is a superpower with fundamental, systemic problems that will increasingly bring that superpower status into question over time.

Military Transformation Required

The foregoing discussion demonstrates that the Russian military clearly faces a series of major hurdles that must be overcome before it can significantly improve its operational capabilities. The greater challenge Russia faces, however, is that of synchronizing its military capabilities with its national security policies within the constraints of current resource availability. First, the current mismatch of force structure and defense budget allocations must be ended, which can be accomplished either by significantly increasing defense spending or by reducing the size of the military establishment. Perhaps indicating its recognition of existing resource constraints, the Putin administration has chosen the latter course of action. The second task the military faces is that of building a credible and effective force. A key factor will be building cohesive units, a core of divisions and other units that must be fully manned, equipped, and trained. During the past decade, almost all Russian divisions have suffered from major manpower shortages. The Putin administration has made a commitment to establishing at least one "Permanent Readiness Division," which is fully manned and trained, in each military district.³⁵ A third key factor is that field training must be increased to ensure that these manned units develop a real level of operational effectiveness. Finally, weapons procurement must increase to ensure that Russian forces remain on par with those of other modern countries. Accomplishing these goals will take at least ten years of sustained commitment.

Security Council Decision.

The current mismatch of force structure and defense spending developed because Russian generals throughout the 1990s fought to keep as large a force structure as possible. Their goal was to retain a large force and infrastructure in the hope that defense spending would eventually be increased to support that force and accompanying infrastructure. Their

strategy had severe negative consequences, because retaining a large infrastructure without sufficient funding has been perhaps the key factor in the serious decline in force readiness and capabilities. To help end the mismatch, President Putin has ordered a six hundred thousand space reduction in the three million strong defense and security establishment.³⁶

Critical Factors Affecting Force Prospects.

Four critical external factors affect the prospects of the Russian armed forces. First, when will economic recovery occur and how significantly? At best, it is likely that Russia will experience only moderate economic growth in the 2000-2010 timeframe. Second, when will Russia's defense industry be revitalized? Defense revitalization depends upon economic recovery and a sustained commitment to revitalization. Third, when will a comprehensive military reform plan be implemented? Debates continue over military reform. The debate needs to be resolved and a comprehensive plan implemented. Finally, will Russia's president become seriously involved in pressing for military reform? If he pays limited attention to the problems of the military, as Yeltsin did, especially in the latter years of his presidency, then military reform will likely receive insufficient emphasis to make any substantial progress. President Putin, however, is young and energetic, and he has made clear that military reform is a priority to him.

Meeting Policy Requirements.

For the present, there are two questions that must be asked. First, can the Russian military meet the requirements set forth by current security policy? Foremost among these requirements is the task of defending the nation's territorial integrity. Fortunately, Russia currently faces no major external threats, so this issue is, for the time being, moot. When looking at internal threats, on the other hand, the Russian military's control over Chechnya may be only nominal; even in this realm, however, the military appears to be meeting the basic requirements of national security policy, if only at a minimal level.

A more ambitious undertaking is the potential policy requirements for power projection. The Russian military can project relatively small forces to places such as Bosnia and Kosovo as part of international peacekeeping operations, and it also can project forces into the CIS nations on its perimeter. Any more ambitious power projection undertaking, however, probably is beyond the capabilities of the Russian military, especially when the requirements for sustaining a major force beyond the territory CIS for an extended period are considered. For the foreseeable future, Russian power projection capabilities are likely to remain very limited.

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The Great Exception: Russian Civil-Military Relations

Professor Stephen Blank*

Introduction

On September 25, 2001, President Vladimir Putin addressed the Bundestag and again urged Russia's admission into NATO, this time as part of a global coalition against terrorism. While such membership faces many obstacles; for Russia to join NATO, it must completely transform its system of civilian control over the military. Although Russia has nominal or formal civilian control, it certainly is not a democratic form of control, nor does it conform in any way to Europe's emerging normative community standard regarding civil-military relations.¹

Russia's failure to meet that standard obliges us to question the past decade's shibboleths of democratization, especially insofar as civil-military relations are concerned, and second, the notion that democratization and demilitarization of the state also should be defined as a kind of Arms Control program as well. Thus the failure of military reform in Russia, while it lasts, also prevents a full realization of a truly cooperative security relationship between Russia and both Europe and the United States on the continent.² Russia shows that we must stress democracy not just civilian control over the military and police. Second, failed democratization and failed military reform are inseparable aspects of the same negative and regressive process. Third, they both entail serious domestic and international consequences. It also is difficult to argue for two different sequences of reform in these processes. Rather they should be coterminous in time because progress, like failure, in either domain, means the same thing in the other area. Third, military obstruction and leadership neglect of reform have fostered the overt politicization of the armed forces, even greater corruption than before, a repeated resort to internal war and thus heightened insecurity.³

Boris Yeltsin bequeathed to Putin a legacy of an unreformed and undemocratic policy process, pervasive corruption, internal war and military politicization. And at least in Russia's case, these consequences of failure, obstructed democracy and internal war, reinforce each other and are unlikely to be overcome anytime soon. The new Minister of Defense, Sergei Ivanov, lists improving the flow of weapons to the armed forces, regulating their optimum size and readiness, and increasing defense spending in general and raising soldiers' salaries in particular as the goals of his reform plan.⁴ These are worthy goals but are irrelevant to the fundamental issues discussed here.

*The views expressed in this article are those of the author and do not necessarily represent those of the U.S. Army War College, the U.S. Army, or any other agency of the U.S. Government.

Therefore Russia remains the great exception or antipode to NATO's insistence of a genuine and workable democratic civil-military relationship as a condition of membership. Military Reform, as understood here, entails a complete transformation of the entire national security structure from top to bottom. It encompasses both the civilian and the military leadership as well as Russia's 11 other armies under government authority, whence the term multiple militaries. Transforming the civilian-military relationship is a major part, though by no means all, of this task. If the avowed goal is democratic and civilian controls throughout and not just atop the multiple militaries and police, those forces must be subjected to full legal and institutional accountability to the legislature and judiciary which must remain truly (and not just on paper) independent of executive interference and restriction within their legally designated domains. This does not entail any particular democratic model as such, but it does entail a democratic process and institutional relationships under law.

Likewise the defense budget must be maximally transparent to the legislature, which has exclusive authority to authorize defense spending and full access to the information it needs for that job. Even secret spending issues can be discussed with cleared Parliamentarians *in camera*. This also means that a large body of civilians must exercise controls in the Ministry of Defense and over the police alongside of and over uniformed personnel and have full access to the relevant information needed to support a judicious defense and security policy while also being fully accountable to the Duma and the judiciary.

Domestic Macro-political and Strategic Consequences

Not only is this unlikely anytime soon. Much evidence signifies a regression away from the limited democratization of the early 1990s. The interaction of failed military reform and failed democratization generates several negative macro-political and even strategic consequences. The most general and basic consequence of the twin failures of democratization and of military reform is the perpetuation of this failed democratization because those linked failures place the viability of the Russian state itself at constant risk. Yet some of the most prominent analysts of Russia omit true civilian control over the armed forces and the police as essential preconditions of democracy.⁵

Failed reform of the power structures exempts large areas of political life from the influence of democracy and the rule of law, and it corrupts the rest. Perpetuating this situation allows the armed forces, police, and defense industrial lobby to obstruct reform and progress. The outcome is quite clear: continuing poverty, internal wars (Chechnya being the fourth since 1991), an overly large military economy and burden upon the overall economy, and endangered democracy.

Russia remains a government of men, not laws. Institutions are powerful or possess binding authority only to the degree that their leaders and officials are powerful. They certainly do not derive their power or authority from an electoral process.⁶ And, thanks to Yeltsin, there is neither a lawful overall policy process nor a specific institution legally ordained with regular and general oversight and leadership of national security policy. As a

result, Russia still lacks a reliable and consistent mechanism for either making or conducting defense policy. Those who claim otherwise, like Ivanov, as former Secretary of the Security Council, must hide or distort the truth. Like Tsarist statesmen, they pretend that a regular, law-governed bureaucratic process or “system” is occurring in defense policymaking and that a regularly functioning institution is currently making or coordinating policy.⁷ In November, 2000 Ivanov denied that the Council was supplanting the ministries involved in those policies, yet he unintentionally revealed that it can and does actually oversee and even usurp those functions, undermining his simultaneous claim of a regularized policy process. Ivanov argued,

The Security Council is, first of all a constitutional organ, and secondly it is not an organ of executive power (this last point is clearly false-author). For that reason it cannot duplicate either a ministry or one department by definition. We do not have executive powers, but merely consultative functions. *But then questions of coordinating policy in the security sphere are indeed the clearly designated task of the Security Council.* Moreover, you should not forget that our president is like three persons in one: he is in addition the Supreme commander-in-Chief, and Head of the Security Council. So the council is fulfilling the president’s political will. We do not get into economics or executive functions, that is to say, the things the government does, and in fact, I do not think we should. But at the same time, some members of the government, including the prime minister himself, are members of the Security Council and attend all the sessions. Just as the head of the president’s administration does (*italics mine*).⁸

Obviously this portrait describes neither a regularly functioning governmental institution nor regular government. As events since his departure show, the Security Council itself does not regularly function.

Likewise, the current strife among military elites who quite regularly and publicly contradict each other on major policy issues shows the absence of policy coherence in devising and executing a true military reform. The bitter public infighting between former Defense Minister General Igor Sergeev and Chief of Staff General Anatoly Kvashnin and their subordinates, as well as Putin’s own publicly voiced frustration with defense policies, paints rather a different picture than that portrayed by Ivanov. Indeed, this public infighting is all too characteristic of the overall government and confirms in many details—for example, mobilization of the press and political elites like the Duma against rivals—Western findings about the general crisis of the state.⁹

This situation reflects the broader crisis and situation that Boris Yeltsin bequeathed to Putin. Indeed, the way the presidential administration actually functioned under Yeltsin allowed interested officials many opportunities for frustrating a policy. For instance,

Continuing a tradition begun in the Tsarist era and maintained by the Soviets, the Russian president and prime minister circulate draft decrees, directives, and other important documents along a lengthy chain of executive officials. Each bureaucrat must apply a stamp of approval, known as a visa, before the proposal can go forward to the next official in the chain. This laborious procedure allows officials to subvert policy initiatives by withholding the visa, sitting on the proposal, or even losing the document. Although an impatient and willful leader may “fast-track” some decrees, or override the veto of a subordinate, the visa routine represents an inheritance that—in the absence of party discipline—devolves considerable authority onto second-tier officials in the presidency and Government.¹⁰

Thus presidential capacity is hamstrung from within and obviously not just on military policy. Yeltsin, like his predecessors, consciously employed institutional redundancy to discipline his government, since neither law, nor patronage, nor convention sufficed to do so. Hence Yeltsin's government lacked either executive discipline or collective responsibility. By the mid 1990s, Yeltsin's presidential staff reached several thousand officials who duplicated the Prime Minister's staff of 1100 officials and their deputies. Yet, at the same time, Yeltsin was not interested in actively supervising any of the bureaucracies he oversaw. Instead he ruled as a traditional monarch, allowing bureaucratic elites freedom to run their affairs until they needed a presidential decision when they would then come to him, in traditional fashion, as applicants.¹¹

Personalism and institutional degradation under the rubric of "super-presidentialism" pervaded all of Yeltsin's policies with comparably disastrous consequences across the entire scope of Russian government.¹² There was not only a constant and accelerating reshuffling or "ministerial leapfrog" in key positions, but Yeltsin also constantly revamped the Security Council or created new Defense Councils or other bodies and reshuffled key personnel in defense policy. Even without the general chaos of state building and economic decline, these actions precluded a coherent defense policy that harmonized with Russia's equally chaotic overall national security policy. Moreover, Yeltsin also reserved all aspects of national security policy, internal and external alike, to the president, thus freeing him, the various councils he set up, and his chancellery from institutional accountability to anyone.

Consequently, no stable institution has yet emerged to work on a systematic basis to make and/or execute defense policy. Despite official documents like defense doctrines or national security concepts, in practice, Russia, even under Putin, cannot or will not formulate predictable policies and national interests that can reassure its neighbors or enhance Russia's real security.¹³ This instability has not been lost on either Russian or foreign observers who are all too aware of the fact that, just as happened under Nicholas II, "people from nowhere", i.e. all sorts of schemers and hangers-on, are running the country or trying to do so with dangerous results.¹⁴ At the same time, Russia has implemented few, if any, of those earlier documents' policy prescriptions, and it appears not to have considered that, for its own benefit, it needs to reassure its neighbors, partners, and interlocutors about its stability.

Yet, signifying incoherence of the policy process, tomorrow Putin could revamp the entire structure quite arbitrarily without meeting any serious obstacles. In fact, any sufficiently powerful player in defense policy can and does take his case to the public, the Duma, or directly to the President without submitting his policy proposals to any kind of normal accounting and examination processes. As there is no normal process for such accounting and examination, every aspect of defense policymaking can, therefore, be decided arbitrarily and by unaccountable personages or agencies, the essence of despotism. Essentially the process remains largely outside of any law or legal procedure, let alone public scrutiny and accountability. And in some respects, it is becoming more opaque to external and public scrutiny.¹⁵

Therefore, a severe democratic deficit in military policy exists where senior people are accountable only to their personal superiors and not to law or legal institutions, and

autocratic and patron-client relationships dominate the armed forces. Not surprisingly, Russian military leaders evidently have little or no idea what civilian democratic control actually means, even if they wanted to accept it. And profound structural and even constitutional barriers could impede its development in the foreseeable future. Thus they maintain that presidential control over the armed forces (though they do not include the FSB for obvious reasons) now resembles the American system because a civilian heads the country! Yet, allegedly at the same time civilians are entering the MOD's work force, thus supposedly civilianizing it. Accordingly the recent appointment of FSB veteran Mikhail Dmitriyev as Deputy Minister of Defense in charge of arms sales, who reports not to the Minister of Defense but directly to Putin, supposedly extends civilian control.¹⁶

Second, the constitution does not give the chairman of the Duma's Armed Services Committee or the Federal Assembly the right or power to invite the Chief of Staff or Defense Minister to testify or to order an investigation. Worse yet, according to members of the Yabloko party, the absence in the constitution of any provision for accountability to the Duma can be construed to make any law demanding such accountability unconstitutional and even illegal, since accountability to and control by the president is explicitly stated in the constitution.¹⁷ Even if the Duma has, as at least one analyst argued, begun to make progress on holding the military accountable, its success remains very tenuous and its prospects for the future are moot.¹⁸ Certainly it is not discernible in terms of the military budget. As Brian Taylor, an American expert on these issues, notes, since 1998 an earlier visible trend towards opening up the Defense Ministry's budget with 19 open articles and sub-articles listed has been reversed.

Now there are only 3 open lines in the military budget with one (open) line accounting for 90 percent of the budget. Unfortunately, these three lines are so general that they provide no sense to Duma members or to society of how the armed forces are actually allocating their budget. The closed nature of the military budget actually violates the 1998 Law on Budget Classification, but the Ministry of Finance simply ignores the law, motivated by the desire to maintain the freedom to shift funds as it sees fit. Moreover, Putin is unlikely to compel the Ministry of Finance to be more open about the military budget. The military budget is worked out largely by the Ministry of Finance in negotiation with the Ministry of Defense. Although the Ministry of Defense is often blamed for keeping the budget closed to Duma scrutiny, members of the Duma Defense Committee maintain that it is Lyubov Kudelina, Deputy Minister of Finance responsible for the power ministries, who has been the main obstacle to a more transparent budget. Indeed, the army has started to figure out how to use the Duma as an ally in budget fights, sending service chiefs to testify in front of the Defense Committee. However, in the absence of strong pressure for a more open military budget from a civilian minister of defense—an uncertain prospect at best—this policy of budget secrecy is likely to remain in place.¹⁹ Meanwhile Chechnya and the continuing failure to reform the armed forces highlight the very limited scope of the armed forces' and the government's accountability.

Almost all of the many consequences of this "irregular government" are bad. First, the use of force, either at home or abroad, by military, intelligence, and police forces remains outside the law as these institutions remain under the President's personal, not institutional, control.

Thus there has been no domestic accountability concerning the current Chechen war. In fact Putin remains institutionally or financially unaccountable concerning the use of the multiple armed forces, whether at home or abroad.²⁰ Therefore, arguably there is no such thing as extra-legal use of the armed forces, since there really is no truly legal use of them either.

Consequently, in any conflict involving Russia's armed forces there is a constant tendency that military operations and the war will escape military control and descend into a realm of violence conducted largely for its own sake. This does not mean that the war in question was not undertaken for political reasons. Rather the means available, political control among them, are not congruent with the objectives. Another way of expressing this idea emerges from a recent study of the IRA, which observed that,

No war has ever been the product of meaningless violence, and for any belligerent to wage war, it must have some political rationale. That rationale may not always be strong or even convincing, but nevertheless, the war will be fought for a particular reason. *So when we talk about warfare as a continuation of policy, we are not arguing the presence of a political motive; rather we are questioning the quality of the political control exercised* (emphasis mine).²¹

The example of other militaries corroborates the utility and validity of this way of approaching the issue. The institutional incoherence of Russian policy invariably precludes synchronization between strategic ends and means, as in Chechnya. Equally important, this lack of synchronization causes strategic operations to degenerate rapidly—as happened in both Pristina in 1999 and in Chechnya—into wars and operations undertaken as much for sectoral, factional purposes as for any particular national interest.²² Consequently there was insufficient military and political appreciation of the strategic risks involved in using the Army for such narrow purposes as in either Pristina or Chechnya.

Thus the refusal to establish a “regular government,” or what Russian analysts once called *pravovoye gosudarstvo*, (*rechtstaat* would be the closest Western approximation) essentially ensures that ruling factions will resort to war out of the mindless pursuit of power for their own benefit or for what Julian Schofield calls “interests defined in terms of power.”²³ Schofield observes that, in a constitutional regime, goals emerge out a balance of ends and means where the selection of strategic goals or ends “gives purpose to and puts constraints on the means.” Therefore Clausewitz's principle that war is the conduct of policy (*politik* in German can also be translated as policy or politics) is not necessarily descriptively accurate but rather “it is a normative demonstration of efficient civil-military relations: the deliberative and executive leaders of the state, with the advice of the armed services, provide a general policy outline that the military is to uphold.”²⁴

Russia, where key institutions are regularly omitted from these kinds of processes, provides the opposing example of a state pursuing “interests defined in terms of power,” and thus constantly risks war.²⁵ Absent sufficient political control Russian military operations inherently tend to lead to a dead end where no political solution is foreseeable or achievable, as in its peacemaking operations and in Chechnya, or to the very real potential for a much greater and unanticipated war, such as in Pristina.

Corruption, Dedovshchina, and Other Pathologies

The lack of accountability and democratic controls over the armed forces both extends or perpetuates and causes officers to engage in appalling treatment of their men. So much has been written about how Russia's officers still treat their men as "baptized property" that we need not repeat it all here. The pervasive cynicism, corruption, and brutalization this engenders is entrenched in the system, corrodes the functioning of the state and the Army, and the results are on view in Chechnya's two wars.²⁶ While Russian generals fully know that their troops are drunkards, criminals, etc., but at the same time military crimes against soldiers may be rising again in 2001.²⁷ The numerous atrocity stories, the discovery of mass graves, accounts of Russian and Chechen death squads that target civilians, looting, officers' regular theft of their men's salaries and bonuses, and reports that they and officials have stolen almost all the funds earmarked for Chechnya's civil reconstruction confirm these findings concerning the quality of the forces in Chechnya and throughout Russia.²⁸ From these reports one can only conclude that the forces in Chechnya are not much better than an armed gang or rabble.

And this recourse to what is essentially anomic behavior occurs in the context of a particularly nasty version of the protracted ethnic wars of our times. Indeed, at least one observer suspects more Russian soldiers were killed by acts of brutality in the Russian Army, (*dedovshchina*—translated as hazing but a much broader phenomenon) in the nineties than in the war up to June 2001.²⁹ While such behavior is not uncommon in these wars, Russia's importance for Eurasian security and its government's pretensions to a major security role globally make the implications of this continuing disintegration and its systemic origins quite frightening. As Alexander Golts writes,

There's no question that theft in Russia's armed forces has reached a grandiose scale. But it wouldn't be right to lay the blame entirely at the feet of a demoralized officer corps. The whole system of relations between the state and its armed forces incites theft, ... The state channels over a quarter of its income into defense, but exactly how this money is spent is shrouded in secrecy. Not only the military brass, but also government officials at the highest levels are eager to get their hands on the defense budget.³⁰

Golts also grasps how this mechanism of corruption from the top down fosters the soldiers' and officers' brutalization and literal enslavement of soldiers by their officers. Thus,

Commanding officers in the armed forces are to this day in situation like that of serfs, having to carry out any orders coming from their bosses, even illegal ones, if they want to keep their chance of climbing the career ladder. They know, too, that it's better not to tire the top brass with complaints about lack of money to feed soldiers, purchase supplies, and so on. The Army still lives on the principle of stealing to survive. Sooner or later, any regiment commander comes to the conclusion that the only way to get money is to use his soldiers as slaves. Sooner or later, the commander starts renting them out to the local grain-processing plants or state farms. Of course, the commander knows he's breaking the law, and if he's caught. He knows he'll never be able to prove that he spent the illegally earned money not on himself, but on the soldiers. Since he's going to have to steal anyway, then, he starts siphoning money into his own pockets and soon becomes a banal criminal. *So long as reform of the armed forces hasn't begun, allocating state money for combat preparedness or new arms purchases is more or less a senseless enterprise.*

Without a transparent reporting and accounting system, the money will just disappear without a trace (emphasis mine).³¹

An army so constituted cannot defend either Russia's integrity or its vital interests, let alone democracy.

Towards a Police State?

Nor do the macro-political and economic consequences of failed defense reform and democratization end here. A major consequence of the absence of legal controls is the trend towards a police state. Although Yeltsin used the FSB sparingly, by leaving them essentially unreformed and above and outside the law he left the field open to Putin, who has energetically used the FSB and its cadres to create the outlines of a classic police state and instrument of repression against potential opponents and critics in politics and in the media. The use of the military in internal wars and their conduct in Chechnya also suggests how those forces could be used to affect Russian domestic politics. Indeed, in Chechnya, the result has been not just an unwinnable war, but the creation of the nearest equivalent to Hobbes' state of nature.³² Here the brutality of the Russian army, itself a collection of brutalized men, let loose upon the population, surpasses that of the Serbian forces in Kosovo in 1998-99, and its corruption is on an equally grand scale, as it has sole effective control of monies spent to further the war effort. Here the lack of legal standards and accountability reaches its zenith or perhaps its nadir.

Secret police penetration of society is also particularly visible in the military. Putin's policies and past suggest that he emphasizes the armed forces' internal security role as much as their nominal task of defending the integrity and sovereignty of the Russian Federation against foreign threats. Indeed, the official documents published since he came to power and his domestic policies to reorganize the government and quash dissent at home assign equal, if not more, weight to internal threats than to external ones.³³

Putin's emphasis on fusing the power structures' internal and external security roles and increasing their scope clearly emerges from these texts.³⁴ For example, Ivanov wants to use the joint regional grouping of Russo-Belarusian forces in Kaliningrad to strengthen "the verticality of central power" against purely domestic threats in that notoriously criminalized province.³⁵ Because those doctrinal documents, and actual policy have emphatically approved the use of the armed forces, even in a commanding role in internal conflicts, including—but not only in—Chechnya, Yeltsin and now Putin have rhetorically and actually erased the line between domestic and foreign threats and functions confronting the various police and military forces. Putin here extends Gorbachev's and Yeltsin's policies that split the armed forces into many more domestic formations that assumed new internal missions, primarily to preserve their power.³⁶

Worse yet, all too often police and/or military instruments now seem to be the only way to face these seemingly universal threats that Russia perceives. Putin began, in February 2000, by ordering the FSB, Russia's domestic intelligence agency, to restore surveillance over

military personnel's political allegiance and become, once again, a centralized organization unifying both counter-intelligence and the political police within the army. By restoring the FSB's Special Departments and ordering them to prevent an activity "by individuals aimed at harming Russia's security" and all mutinies and plots against the established constitutional order, Putin also let the FSB recruit informers from within the army "on a confidential basis."³⁷

This was not an innovation, since in 1996-97, FSB members publicly bragged about their political surveillance of the officer corps, another sign of Yeltsin's failure to democratize the police and armed forces.³⁸ But since the FSB answers exclusively to Putin, this action, though it might result in better political control over the military or is intended to do so, only further enhances the undemocratic super-presidentialism and tendencies to irregular government and policymaking as well as trends towards a police state. Indeed, it increasingly seems as if service "in the organs" is the prerequisite for attaining high state office and that former KGB and FSB personnel now pervade the senior ranks of the Administration.³⁹

Politicization of the Police and Military

Yeltsin furthered politicization of the military beyond being a conscious instrument in the domestic struggle for power after 1991, and Putin has extended this policy still further. This politicization entails more than officers acting in partisan political roles where they could publicly critique the government, although that is bad enough. The military was and is still called upon to roll out the vote for the President.⁴⁰ And in the light of recent revelations of massive vote fraud in the elections of 1999-2000, it is easy to imagine what measures were contemplated and/or employed.⁴¹ Earlier, in 1995, the Ministry of Defense tried to field a slate of military or pro-military candidates for the Duma.⁴² Likewise, prominent generals like Lev Rokhlin, who won election to the Duma, used that opportunity to organize "military opposition" movements to Yeltsin. Rokhlin's murder under very suspicious circumstances also suggests the extent of politicization, the use of internal violence to resolve domestic issues, and ties between the armed forces and Russia's criminal world.⁴³

Nor did politicization stop there. In his feud with Sergeyev, Kvashnin, in March 1999, publicly appealed to the Duma against Sergeyev and blasted his—and implicitly Yeltsin's—policies while standing alongside members of the Duma Defense Committee.⁴⁴ He also connived with the Duma to draft resolutions stating that, due to NATO's campaign, the CFE treaty did not meet Russian national interests.⁴⁵ This comprehensive attack on all aspects of state policy went unpunished, indicating that such phenomena seem quite normal in a situation where military politicization has long been tolerated as the rule, by both officers and by the government.

Thus the armed forces can now play a legitimate and open role in partisan political struggles. This capacity, while they are also potential key players in internal crises, opens up too many possibilities and temptations to both commanders and politicians for political action. One such temptation, aggravated by the lack of control mechanisms, is that the

Ministry of Defense and the General Staff continue to pursue sectoral or factional, perhaps even personal, policies at the expense of the state. A second, even more dangerous potential outcome is either for the armed forces to launch what amount to coups d'état or for civilian politicians, enjoying military support, to do so. Yeltsin's penchant for doing so successfully and the opportunities he has left to his successors are not lost on them, and this potential in and of itself has dire consequences for Russian democracy and security. While the army may or may not eventually launch a coup, major parts of the military and police forces have clearly made themselves available to political figures like Yeltsin and Putin, and perhaps to others who are willing to experiment with using force in domestic politics. A civilian-led coup cannot be excluded, and Yeltsin, by his own admission, often contemplated such a coup.⁴⁶

For example, in October 1999, the Ministry of Defense and General Staff published for the first time a draft defense doctrine that was supposed to "concretize" the precepts laid out in the national security concept that was not published until January 2000.⁴⁷ Arguably the military acted to preempt and dominate the debate on national security policy to ensure that no other approach to potential threat assessments and policy recommendations would command a public platform. Signifying this possibility, the draft doctrine's section on the leadership of the armed forces says that the president "heads" (*vozglavlyayet*) the armed forces, connoting a rather formal but not close supervision in practice.⁴⁸ While that description may have accurately depicted the nature of the infirm Yeltsin's oversight, it also represented a conscious attempt to enlarge the sphere of professional military discretion at Yeltsin's and Putin's expense, and Putin quashed it. Therefore, the April 2000 defense doctrine states that the President "directs" or "leads" (*rukovodit*) the armed forces, a much stronger formulation that signifies Putin's determination to rule in fact.⁴⁹ While this episode confirms Putin's control over the military, it also shows one of the challenges he must contend with.

Meanwhile, Putin also is extending this politicization. The Kremlin is trying to get as many "top dogs" from the defense and security organs to run in the elections for gubernatorial seats to create a phalanx of "aggressively loyal" governors who will unhesitatingly obey Moscow's commands and reinstall a centralized (and idealized) vertical chain of command from Moscow downwards. Ivanov's remarks about Kaliningrad epitomize Putin's systematic policy to create a disciplined loyal administration in Russia, organized around a military-police model. These candidates come from the Army, the FSB, and the Navy and follow in other ex-officers' footsteps. They also complement Putin's past efforts to install centralized control over the regions by appointing seven plenipotentiaries from Moscow to rule over a concentration of those 89 provinces into seven regions. Five of those seven "*namestniki*" (Tsarist term for Governor-Generals) are from the Army and FSB. These moves only further legitimize and extend the tendencies towards politicizing the armed forces and police, circumscribing democracy and enthroning police rule over Russia, and militarizing Russian politics.

This politicization applies not only to the elections, but it has a broader significance as well. First, the open politicization of the military and the public and the very shrill Kvashnin-Sergeyev feud encourage subordinates to do the same and legitimize politicization throughout the system. Second, this politicization, sponsored from above by recruiting

serving officers to run for election for provincial governorships, gives open sanction to the idea that serving officers can legitimately participate in partisan politics. An estimated 1500 officers and generals now serve on Putin's staff, the Russian Government's staff, the staff of the Federal Assembly, the Accounting office, and various ministries and departments. As reported by Andrei Korbut,

Approximately 500 officers and generals now have jobs in the presidential administration, the government the Federal Assembly, the State Auditing Commission, ministries and departments. Moreover over a 1,000 officers are assigned to the Russian organization for Defense Sports and Techniques (ROSTO), Rosoboroneksport, state-owned company, Biopreparat Russian joint-stock company, Aeroflot-Russian International Airlines Inc. field institutions of the Central Bank of the Russian Federation.⁵⁰

There is no doubt that this politicization has deliberately been sponsored by Putin and his government. Thus Korbut also reports that,

At present, military senators are making the active basis of the "party in power" in the Federation Council. They do not conceal their military background, and, according to reports from the military sources, they help the personnel departments of the presidential administration look for military candidates for permanent jobs as senators in the upper house. It is not ruled out that by the end of this year 60 vacant seats in the Federation council would be taken mostly by officers and generals, who would be nominated by the regions themselves. Meanwhile promoting loyal generals to government bodies is only part of the policy that the Kremlin has been carrying out. The point is that many supervisors from the president's inner circles consider that military personnel should form the core of lower-level officialdom. According to our military sources a whole "regiment of professional soldiers," who are assigned to the federal authorities, is quartered among state officials.⁵¹

This spreading inclination to engage in public intra-service or inter-service public political quarrels makes the military even more unwieldy a defense policy instrument and encourages the formation of alliances among officers and with various politicians, above and beyond ties that have been cemented with regional governors. Consequently public or partisan political activity has become increasingly legitimate to these politicized officers. But what is much more ominous than the militarization of governance throughout the entire "power vertical" is the essential disregard for and ignorance of civilian control and accountability. Thus General Vladimir Shamanov, who earned a record for great harshness in Chechnya, campaigned at Putin's request and was elected Governor of Ulyanovsk as a serving general, stated that

The algorithms of managing an army and a civilian society are almost identical, ... What you in civilian life call a 'problem' we in the army call the 'enemy'. The rest is similar. The only difference is, when you make a decision in the army, you can control it and make sure it's been realized in life. This is lacking in civilian life.⁵²

Finally there is an ever more overt expression by officers of a mood that evokes the stab in the back mentality of the Weimar Republic. For example, major military figures like retired General M.A. Gareyev, President of the Russian Academy of Military Sciences and a major military theorist, openly stated that the government is the enemy of the country.

Thus Gareyev writes that, “For 150 years the political leadership of this country has placed the military into extremely unfavorable and intolerable conditions from which it has had to extricate itself. Moreover, eventually the military winds up ‘guilty’ of everything.”⁵³ Sergeyev echoed this sentiment when he asserted that the underlying cause of the Kursk submarine disaster in August 2000 was the lack of funding of the military that had led to lack of equipment, resources, etc.⁵⁴ The MOD’s wastefulness and strategic incompetence was nowhere mentioned as being equally culpable.

Lastly—and paradoxically—this twin failure of reform also manifests itself in the excessive and rising state expenditures on the armed forces. Putin knows this in general terms. However few realize that (using a purchasing price parity) Russia spends (according to British MOD and IISS estimates) \$50-57 billion a year, about 5 percent of GDP and 25-33 percent of the budget on the armed forces, and this figure is in itself opaque and probably hides other kinds of funding.⁵⁵ Certainly this shows that the military and defense industry are more wasteful and inclined to excessive threat inflation and lack of accountability than they are to responsible management. But it also strengthens the military and defense industry lobbies, who are thereby encouraged to create ever more fanciful threat scenarios and demand more money, even though they cannot efficiently invest those funds in usable military forces to meet these often invented threats.

External Manifestations and Consequences

The second set of macro-political consequence of failure of military democratization is that it perpetuates Russia’s moral-political isolation from the Western European world it so desperately craves to join. Moreover, as NATO and the EU move east, with each possessing some military function that makes the question of control over the use of armed forces a vital one for both organizations, Russia’s adherence to an essentially pre-modern system only widens the gap between it and Europe. This isolation also expresses itself in the more tangible arena of security policy because it remains a prime cause for the insecurity that Central and East European states feel emanating from a revisionist Russia where the armed forces are or can easily become the political equivalent of a rogue elephant.⁵⁶ That fear and sentiment still pervade the region, even though an invasion anytime soon is inconceivable.

Writing in 1994, the Hungarian analyst, Pal Dumay, articulated those fears and the consequences of this unreformed military’s adherence to archaic threat assessments for the entire post-Warsaw Pact area. Dumay’s observations still contain much validity although global power projection beyond the CIS is clearly and admitted to be beyond Russia’s capability. He wrote that,

As long as the Russian military does not get beyond its threat perception developed during World War II, it will continue to hold the image of a hostile world and try to compensate with military force for its inferiority in other spheres. Given the fact that the military force of Russia dwarfs that of every other state in the region, Russia’s lack of a clear commitment to develop a defensive military posture can jeopardize military reforms in many other states both in the near abroad and the countries of Eastern Europe. ... It seems, nevertheless, that the purpose of restructuring the military industry of Russia is not only to maintain its global competitiveness in

the world market, but also to modernize its own armed forces in a way that would make global power projection possible also in the future... It [also] seems clear that the military makes and will continue to make efforts to increase Russia's influence in the near abroad; its military potential is possibly the most effective means to achieve goal. There are clear tendencies of reintegration in the former Soviet area made possible by a conflict resolution/peacekeeping role played by the Soviet military. This function is retained in the new (i.e., 1993-SB) military doctrine.⁵⁷

The national security and military doctrines published in 2000 fully articulated these traditional threat perceptions, added new domestic and external ones to the mix, and explicitly postulated military reintegration of the CIS as a goal.⁵⁸ The security concept openly states that,

The interests of ensuring Russia's national security predetermine the need, under appropriate circumstances, for Russia to have a military presence in certain strategically important regions of the world. The stationing of limited military contingents [the same term used to describe forces in Afghanistan-SB] (military bases, naval units) there on a treaty basis must ensure Russia's readiness to fulfill its obligations and to assist in forming a stable military-strategic balance of forces in regions, and must enable the Russian Federation to react to a crisis situation in its initial stage and achieve its foreign policy goals.⁵⁹

Another tangible outcome of failed reform is that much of Russia's conflict resolution/peacekeeping/peacemaking role in the CIS was explicitly undertaken in order to enhance the Ministry of Defense and army's roles in policy at the expense of civilian agencies like the Ministry of Foreign Affairs. Thus today Russia is embroiled in numerous ongoing conflicts that it cannot terminate, even if shooting has stopped, and its military plays a most dubious role in Georgia and Tajikistan.⁶⁰

A second practical manifestation of the consequences is that Russia seeks to gain access to, integration with, and ultimately control over key CIS armed forces. Belarus is the most advanced but hardly the sole case. In Belarus' case, as is true prospectively throughout the CIS, Russia's program for the military integration of the CIS appears as an opposing model to NATO's program. Certainly nothing like NATO's integrated military structure exists in Russia's blueprint for the CIS, nor is there a community of values among these states that could precede the formation of an acceptable and truly active command and controls system. Indeed, the 1999 CIS decision to create a common headquarters for coordination between Central Asian and Russian militaries against terrorism owed as much to the possibility of inter-state warfare among the Central Asian states as it did to the terrorist threat.⁶¹ And for all Russia's promises of assistance and threats to the Taliban, etc., little tangible assistance has come. What has happened is that Russia and China induced the transformation of the Shanghai-Five that originated mainly as a confidence-building mechanism into a six member collective security system that now allows for the projection of Chinese and Russian military power into Central Asia in order to combat separatism and terrorism.

Russia's plan of integration resembles a hegemonic system wherein Russia retains control over those states. Russia's repeated invocation of the Afghan based threat of insurgency in Central Asia and desire to respond militarily to it appears as an attempt to bind nascent Central Asian militaries to it, thereby stifling their autonomous growth. Attempts to integrate the CIS on the basis of police and military officers who reflect and share a

pro-Moscow view and can also be vetted by Moscow illustrate this trend.⁶² The nucleus of the future collective CIS forces or “Euro-Asian alliance” grows out of previous exercises conducted by the CIS militaries with Russia and also reflects trends towards economic integration or, more accurately, hegemony, in that Russia will now make available to those states arms and hardware deliveries at below-market prices. Hence, Russia is subsidizing its arms industries and their military growth even as it does not have enough money for its own armed forces, which it must cut.⁶³ Likewise, Russia is trying to legislate and create a unified air defense system for the CIS.

While this trend must be stopped to preserve Eurasian and not least Russian security, in many respects this counter-model to NATO remains very much a paper armed force. Paradoxically, the effort to preserve the imperial and unreformed military dimension actually entails less security for the entire CIS region, hardly something Europe or Russia can be afford to be complacent about. Moscow will have to drastically subsidize much of this force’s development, but it simply cannot afford to do so. Second, national parliaments must ratify any decision to send forces to a third country. And although Russian officials, off the record, expect President Lukashenko of Belarus to be able to circumvent his constitution’s prohibition of dispatching forces to foreign conflicts, despite his claims to the contrary that he will uphold Belarus’ constitution and not send any troops to “hot spots“, other presidents might not be so compliant.

But this point already evidences the democratic deficit inherent in the counter-organization Moscow is building to counter NATO and other threats, since the essence of NATO’s decision-making is democratic consensus. Likewise, Article IV of the Tashkent collective Security Treaty of 1992 states that aggression against any one signatory is viewed by other signatories as aggression against all of them, implicitly resembling Article V of NATO’s founding Washington Treaty. But Moscow itself has already violated that understanding vis-à-vis Armenia and Azerbaijan in Nagorno-Karabakh. And insurgency cannot easily or always be viewed by non-involved parties as outside aggression. Moreover, a decision to move collective forces to a state’s territory to take part in another Chechnya could be adopted only subject to consent by the country to which the troops are being moved. In other words, a repetition of Kosovo in Central Asia or the Caucasus is hardly possible.

Lastly, the new military-political alliance, for that is what this Russian effort represents, is still too vague in its mechanisms—and the CIS to date has hardly been a model of fidelity to its declarations—to count as a really functioning alliance. Certainly its command mechanism remains unclear. Will Russia really allow Kazak generals to command its forces as even the United States finally acceded to with its allies in Kosovo? Certainly Russian leaders are now trying to prevent Central Asian governments from exercising their sovereign decision-making right to cooperate militarily with the United States in its campaign against terrorists originating in Afghanistan.⁶⁴ Therefore, even though the new alliance represents the military analog to the Eurasian Economic community created earlier in 2000 in Astana, itself a counter or prototype Russian-inspired EU, all there is in favor of the new military organization is the oft-repeated and often violated assurances of functionaries that the principles governing its operation resemble those in use around the world.

Finally, concrete decisions on the mobilization readiness of this “coalition’s” forces and their funding have yet to be made. While forces will remain on their home territories, in the event of a threat, forces will be relocated—presumably by the governments involved—to the scene of the threat. Thus, the coalition lacks command, funding, and defense integration structures. Certainly, it is not a vehicle at present for truly collective defense à la NATO.⁶⁵

Thus, the transparent purpose behind this military-political alliance and the accompanying economic community is another attempt to reshape the CIS into an instrument for perpetuating Russia’s hegemony in the CIS. But it appears this barn is already unlocked and the horse has already bolted, given the globalizing influence upon these states’ militaries of the Partnership for Peace program and the key NATO allies’—in this context the United States and Turkey—extensive programs for military integration with CIS members. The coalition, as planned, rests on Russian subsidies that it can ill afford and lacks any true vehicle for becoming an effective instrument of collective defense. Furthermore, the refusal of Georgia, Azerbaijan, Ukraine, and Uzbekistan to play along with Moscow—and Uzbekistan even sought its own deal with the Taliban—calls the viability of this operation into question, notwithstanding Russia’s own concurrent military retrenchment policies. And after the terror attacks on the United States, the Central Asian governments’ open courtship of Washington reflects their unwillingness to depend exclusively on Russia.

Only with Belarus has there been any true military integration to date, and even that is in many respects problematic.⁶⁶ Russian and Belarussian security services have also gotten ahead of their governments by finalizing their union and creating a joint structure made up of members of both states’ Justice, Interior, and Security Ministries (among the most sinister of government agencies in both states). This organization also highlights the democratic deficits involved in Russia’s model of military-political integration because it predates the governmental and legislative unification of both states and therefore will be beyond any true democratic or institutional accountability. Indeed, this structure has yet to explain its mission, which appears first of all to guarantee both presidents’ power against their domestic opponents.⁶⁷

Boris Bikknin, the Deputy Chairman of the new organization, the SCB (Scientific Consultation board) and Deputy Belarussian Minister for Emergencies, stated that the major obstacle to this integration is the West, particularly the United States, and the two states’ principal tasks is to disrupt plans for a buffer zone between Europe and Asia under the aegis of NATO, a task that overrides any consideration of economic cost, and therefore, he implies, merits Russian subsidization.⁶⁸ Thus Belarus frankly advertises its intention to be a “free rider” in this alliance. Clearly though for the Russian military, the deal, at least until the present, is worth the costs. Prime Minister Mikhail Kasyanov recently stated that the doctrine for this formation would be drawn up by Moscow, not Minsk.⁶⁹ Ivanov’s statement cited above concerning the Kaliningrad forces reveals that for him, and presumably his colleagues in Moscow, neither Belarussian nor Russian sovereignty or democracy counts for much if foreign troops are to be brought into Kaliningrad to suppress democracy and the devolution of power.

Because of NATO's enlargement and the possibility of NATO's militarization of Poland, a neuralgic point in Russian military planning, a union with Belarus has loomed large in Russian politics. Integration with Minsk is not just deemed to be a critical geostrategic or military-political goal, it is also the first step in the dream of an integrated CIS and a matter of the survival of the Russian state as idea and reality. These economic and military "unions" are thus openly advertised as being a response to NATO enlargement.⁷⁰ However, this unity is not restricted solely to the armed forces.

If the union with Belarus is a model, there would also be substantial FSB penetration of the secret and regular police forces directed from Moscow. More recently, the FSB has also helped Ukrainian police arrest the opposition's leader, former Energy Minister Yulia Timoshenko, on the basis of five-year-old bribery charges. As one Ukrainian analyst told the author, such arrests are a card available to any CIS leader who is anxious about his domestic opposition. Unfortunately, the FSB does not work pro bono, and its bill for these "services" reinforces these states' dependence upon Moscow and the FSB. Certainly Putin has tried to establish such control over CIS police, security, and military organizations and replace their current leaders wherever possible with pro-Moscow figures.⁷¹ That "foreign" policy is the flip side of the same policy being employed throughout Russia where the intelligence services are funding the right-wing nationalist Eurasian movement.⁷²

The use of police and even criminal forces abroad as the avant-garde of Russian influence is known and acknowledged across Central and Eastern Europe as well as the CIS. Throughout the region, but especially in key states like Lithuania and Bulgaria, FSB personnel, organized crime, and Russian firms like Gazprom and Lukoil work to gain control over the energy industry, fund local political parties, and compromise local politicians, all in an effort to inhibit these states' integration with the West.⁷³ Were this tactic to succeed, the targeted states would be unable to integrate with European security organizations, take part in globalization, and become involved in westernization for a long time. Since only such integration offers them a chance for prosperity and democracy, consignment to Moscow's exclusive sphere of influence ensures their poverty, authoritarianism, and most importantly, endless armed conflicts in and around Russia.

Simultaneously, efforts to compel Ukraine to join a military-political bloc have grown stronger and clearer. In Ukraine, the price of supplying gas is the removal of pro-Western officials from key security positions and their replacement by more neutral individuals who must then groom overtly pro-Moscow figures to succeed them, a classic Stalinist tactic.⁷⁴ Another accord obligates Ukraine to conduct joint military exercises with Russia under terms that would preclude its armed forces and government from joining with NATO under the Partnership for Peace, an essential step towards integration with the West. Putin's new ambassador, former Prime Minister Viktor Chernomyrdin, publicly decried Ukraine's policy of non-alignment with NATO and Russia, calling for a public choice on behalf of Moscow.⁷⁵

Thus the external aspect of this failure or the great exception to European practice has as its manifestations and consequence an enhanced likelihood that Russia will be dragged into a conflict that it cannot afford, even as it vainly tries to resurrect a facsimile of the Soviet empire and war economy that are also beyond its means. The uncontrolled and atavistic

threat perceptions of the military and the government and their proposed solutions not only overtax Moscow's economic resources and capabilities and prolong, perhaps well into the future, its isolation from Europe, they also mean war abroad and at home, such as in Chechnya.

Conclusions

Russia presents a virtual paradigm of Samuel Huntington's "subjective" control over the various or multiple militaries, the net result of which is a series of unwinnable domestic wars and an armed force that was seriously tempted to go to war again against Afghanistan, even though it cannot defend Russia, care for its men, or provide quality weapons to its men. Meanwhile, this military also remains beyond effective political control. Yeltsin gave the military uncontested control over its own administration and internal policy-making processes, which created the conditions for this stalemate. This outcome has eliminated any real possibility for creating an organization to provide a balance or alternatives to the military's recommendations on defense issues or hope of genuine military reform.

Therefore, we cannot count on the officer corps' inherited professionalism to be a basis for either domestic reform and democratization or external integration. The nature of that professionalization was a Soviet one, inherently alien to the values of democratic control over the armed forces. And its corruption and deformation in the last fifteen years has probably distanced it further from democracy and an ability to integrate with European armed forces than we would like to admit.⁷⁶ Certainly the pervasive brutality, corruption, and criminality of Russian military life present formidable obstacles to democratization and European integration.

But Yeltsin's legacies to Putin here and the trends in the Russian armed forces also signify that no military reform proposals of real consequence would or probably can emerge from within the armed forces. And outside of Sergeev in 1997, none has emerged. The military leadership has constantly stated that military reform meant that the state, not the armed forces, had to take the lead in a sweeping reform of the entire national security policy and policymaking framework. Indeed, much military writing and complaining since 1991 about military conditions attributes all the responsibility for everything that has gone wrong to the state, thus absolving the armed forces from any responsibility or need to act.

Russia's failed military reforms threaten its own and its neighbors' security, peace, prosperity, and democracy. Numerous foreign observers also note that Russia still isolates itself from the European community's political norms, and Russia's record on civil-military issues exemplify that isolation.⁷⁷ Indeed, Russian military-political figures are still all too ready to make military threats and actually undertake extraordinarily risky and foolish moves, such as bringing tactical nuclear weapons into Kaliningrad.⁷⁸ As long as this twin failure persists, Russia can neither be a fit partner for the rest of Europe nor can we say that it conducts a truly European security policy. Thus, any serious Russian interest in NATO membership, apart from the strategic questions such an application raises, must be met by

NATO's insistence on both internal and external reform that conform to its standards. Russia might not like this answer at all, but facts are stubborn things.

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Russia's Strategic Nuclear Force Options and New Uncertainties*

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The Bush administration's declared commitment to the deployment of national missile defenses (NMD) has introduced additional complexity and uncertainty into political and military relations between the United States and Russia. Russian President Vladimir Putin has indicated a desire for reductions in both states' strategic nuclear forces well below the agreed START II levels, and, preferably, even lower than START III reduction targets previously agreed to between Russia and the Clinton administration. Russia's nuclear and other military modernization efforts are also hostage to its endemic economic problems. Within the limited funds available for defense, Russia also faces pressure to revamp its military personnel and recruitment systems and to plug embarrassing gaps in its equipment, command and control, and logistics. Therefore, both the budgetary and the strategic parameters of nuclear arms control between Washington and Moscow challenge orthodox thinking of even a few years ago.

Russians recognize that the "revolution in military affairs" in conventional, high technology weapons has left them well behind the United States and other NATO nations. Therefore, Russia and NATO have swapped deterrent positions in the post-Cold War world, compared to their preferred positions for most of the Cold War era. Russia now relies mainly upon its nuclear weapons to deter any significant attack against Russia or a major threat to its periphery, and it openly says so. NATO now treats nuclear weapons as weapons of last resort instead of first choice, renouncing the early or first use that Russia admits it depends upon. NATO enlargement therefore presents Russia with the somewhat unsettling prospect of a forward thrust of NATO's nuclear deterrent shield into central Eurasia. Russia's leadership faces a tableau of NATO enlargement, possible U.S. missile defense deployments, economically constrained modernization, and an uncertain military professional ethos as a backdrop for its continued participation in nuclear force reduction talks.

In this study, we first review why nuclear deterrence will remain important for Russian military planners and political leaders and, therefore, for the governments and militaries of NATO and of other Eurasian states bordering Russia. Second, we review pertinent issues of strategic nuclear force structure in the United States and in Russia. Third, we interrogate our analytical model in order to compare the outcomes of hypothetical nuclear wars at various levels of reduced forces. Fourth, we consider the impact that missile defenses might have on START III sized Russian and U.S. strategic nuclear force exchanges, and therefore, on the viability of deterrence with reduced offenses and partly effective defenses.

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I. The Continuity of Deterrence

From Russia's perspective, nuclear weapons and deterrence remain important in the post-Cold War world. This assertion holds even if deterrence does not operate as reliably as it did in the Cold War years. There are a number of reasons for this continuing Russian interest in nuclear deterrence and in nuclear arms control.

First, Russia still has many thousands of strategic nuclear weapons, more non-strategic nuclear weapons than any other state, and a forward leaning nuclear doctrine that emphasizes the possible first use of nuclear weapons under various contingencies (see below). Second, the other acknowledged nuclear powers, in addition to the United States and Russia, show no inclination to abandon nuclear weapons as ultimate deterrents. China is, in fact, by all accounts engaged in a significant modernization of its military technology base, including the base that supports improved delivery systems for nuclear weapons. A third reason for the continued importance of nuclear deterrence is the addition of India and Pakistan in 1998 to the club of acknowledged nuclear powers, and the potential for additional non-nuclear states to acquire these and other weapons of mass destruction.

Russia's draft military doctrine of October 1999 reaffirmed the significance of nuclear weapons in Russian military strategy by noting that nuclear arms are an "effective factor of deterrence, guaranteeing the military security of the Russian Federation and its allies, supporting international stability and peace."¹ And despite the dire financial straits in which Russia's conventional military forces found themselves at century's end, civilian and military leaders reaffirmed the priority of nuclear force modernization in the face of NATO enlargement and possible U.S. deployments of ballistic missile defenses.²

The draft military doctrine of 1999 was less significant for its military-technical aspects than for its political frame of reference. Compared to its 1993 predecessor, it was explicitly anti-Western and anti-American. Expressing the Kremlin's obvious pique at having to swallow NATO enlargement and Operation Allied Force against Yugoslavia in 1999, the draft doctrine contrasted two opposed trends. The first trend was unipolar, meaning U.S. superpower domination; the second, multipolar, with many centers of influence, including Russia.³ Nuclear weapons guarantee Russia a seat at the great power table and, thus, a claim to future status as one of the influential poles in a twenty-first century multipolar international system.

The April 2000, officially approved military doctrine signed by Russian President Vladimir Putin also makes explicit the centrality of nuclear deterrence in Russian military strategy. In its discussion of the conditions under which Russia might be compelled to use nuclear weapons, the official doctrine notes:

The Russian Federation reserves the right to use nuclear weapons in response to the use of nuclear and other types of weapons of mass destruction against it and (or) its allies, as well as in response to large-scale aggression using conventional weapons in situations critical to the national security of the Russian Federation.⁴

This statement was deliberately vague on the definition of situations “critical” to Russian security that might call forth a nuclear first use in response to conventional military attack. Some additional clarification of the issue against whom Russia might use nuclear weapons is provided in the draft doctrine of October 1999 and repeated in the April 2000 approved version. According to both statements:

The Russian Federation will not use nuclear weapons against states party to the Non-Proliferation Treaty that do not possess nuclear weapons, except in the event of an attack on the Russian Federation, the Russian Federation armed forces or other troops, its allies or a state to which it has security commitments that are carried out, or supported by, a state without nuclear weapons jointly or in the context of allied commitments with a state with nuclear weapons.⁵

This rather open-ended formulation excludes virtually no one committing a hostile act against Russian forces, territory, or allies from a possible nuclear riposte, other than a pitifully weak, non-nuclear state with no nuclear allies. Any state member of NATO, of course, is part of a nuclear alliance. NATO recognizes that Russia is sensitive on this point. Thus, the NATO-Russia Founding Act of 1997 and NATO declaratory policy have been shaped to reassure Russia that NATO has no plan, no intention, and no reason to deploy nuclear weapons in any of the former Soviet bloc states added to NATO membership (Poland, the Czech Republic and Hungary) in 1999.

Unfortunately, NATO’s celebration of its enlargement in April 1999 was also marked by its crisis with Yugoslavia and the onset of Operation Allied Force, a seventy-eight day bombing campaign against Serbia over the protests of Russia and in the absence of United Nations approval. Allied Force may have been an operational success leading to a strategic failure. It caused an unfavorable shift in the domestic political climate for the making of military strategy and nuclear arms control policy in Russia. NATO’s uncontested air operation without a single casualty reminded Russia of the U.S. primacy in high technology, conventional warfare based on the Revolution in Military Affairs (RMA). Allied Force was also an expression of the Clinton administration and NATO’s political assertiveness vis-à-vis Russia. For the duration of the Cold War, NATO maintained vigilant deterrence without actual war fighting. In 1999, NATO unsheathed its sword for the first time, against an erstwhile Russian ally and geopolitical protectorate and in a region previously defined as “out of area” for NATO operations.

Russia, as a result of NATO enlargement combined with Operation Allied Force, found itself in an old, familiar but uncomfortable position. When Tsar Alexander I met with Napoleon at Tilsit in 1807, he was forced to acknowledge the temporary military weakness of Russia compared to the apparent hegemony of France and her allies. Russia grudgingly helped NATO to terminate Allied Force by assisting in the diplomatic brokerage of a peace agreement unfavorable to Serbia. Russia also agreed to contribute its own troops to a post-conflict peacekeeping force, in order to observe NATO’s activities from inside the tent. But Russia’s cooperation was a coda to an embarrassing overture. NATO had demonstrated that, from a military standpoint, it was the sheriff of Western, Eastern, and now Southern Europe. Russia was a bystander. Only Russia’s nuclear weapons, especially its nuclear weapons of longer range, kept the United States and NATO from dismissing Russia

altogether as a military player on the geopolitical chessboard. Thus, as Stephen J. Blank argues, the nuclear provisions of Russia's draft military doctrine and security concept are clearly related to NATO's operation in Kosovo.⁶ Operation Allied Force gave additional impetus to a tendency already in evidence for Russian nuclear weapons to serve, not only deterrent functions, but also a variety of warfighting missions across the entire spectrum of conflict.⁷

In addition, Russia's military doctrine also reflects the determination of the Putin administration not to permit local and regional conflicts near Russia's borders to expand into Russian state territory. Russia will use the implicit, or explicit, threat of nuclear action in order to establish its borders and territory as a sanctuary in such cases. From the Russian standpoint, even internal-secessionist wars or other political rebellions within Russian state territory that have the potential to expand into large local or regional conflicts may require the availability of nuclear deterrence as a backdrop to conventional military power at the point of the spear. According to Colonel-General Manilov, thought by some to be the principal architect of Russia's 1999 and 2000 military doctrine:

[T]he absolutely clear, extremely transparent essence of this warning, which leaves no place for misunderstanding, is that nuclear weapons may be used as a response to the use of nuclear and other types of weapons of mass destruction against Russia and/or its allies, and also in response to large scale aggression through the use of conventional arms in situations critical to Russia's national security.⁸

Manilov's article, like the official doctrine, leaves unspecified the cases that might reach the threshold of "critical" security matters. Related to this is the deletion from the April, 2000 version of the doctrine of any reference to "world war" and its replacement by the term "large-scale war." A large-scale war may grow out of a local or regional conflict, according to the doctrine, and involve many states from different regions. In addition, a large-scale war using only conventional weapons "will be characterized by a high probability of escalating into a nuclear war with catastrophic consequences for civilization...."⁹

It would be wrong to infer any propensity for nuclear carelessness or brinkmanship from these citations. Russia is not in a position to use nuclear weapons as a backdrop for large-scale conventional offensives against NATO or, for that matter, almost anywhere else. The fungibility of nuclear deterrence in the case of a major power is related to the credibility of that power's conventional military forces. Without highly competent conventional military forces that can be expected to create a pre-nuclear pause before a state is forced to commit its nuclear weapons, the value of nuclear deterrence is vitiated. If a state has no option but to use its nuclear weapons like voters in Chicago, early and often, and its opponent knows this, then the opponent has every incentive for a preemptive nuclear strike. The nuclear deterrent mechanism under these conditions becomes a self-defeating doomsday device. U.S. and allied NATO leaders understood this as early as the 1960s, but lacked the technology and political consensus to bring NATO's conventional forces up to speed until the 1980s. When they did so, those Soviet Marshals who understood the relationship between immediately usable conventional military options and nuclear deterrence, like Marshal N.V. Ogarkov, were appropriately disappointed at the arrival of U.S. Army AirLand Battle and NATO deep

strike. NATO's conventional deep strike made its nuclear deterrence more, not less, convincing.

The relationship between conventional dissuasion by credible threat of denial, on one hand, and nuclear dissuasion by means of deterrence, on the other, was not necessarily well understood by professional or lay audiences in the Cold War years. It is even less likely to be comprehended in the aftermath of Soviet disintegration, the end of the Cold War, and the collapse of international bipolarity in favor of an emerging, but amorphous, multipolarity. In addition, the expectation emerged from the Gulf War that the United States will forever remain predominant in high technology conventional warfare based on long range precision strike, stealth, and superior C4ISR (command, control, communications, computers, intelligence, surveillance and reconnaissance) capabilities. For some prophets of "third wave" warfare, nuclear weapons now hold the status of embarrassing anthropological artifacts from a primitive culture.

The Russians are unlikely to adopt the view that nuclear weapons are passé, even if they can turn around their economy and repair some of the damage to their hobbled conventional armies, fleets, and air forces. The present danger in Russian doctrine is not one of hubris, but of desperation. Faced with what they perceived to be a threat to their vital interests and lacking confidence in their conventional forces for deterrence or for defense, Russia's political and military leadership may equate nuclear first use with de-escalation. Nuclear weapons would be used as a purportedly "defensive" response to an unprovoked conventional aggression against Russian interests. A mistaken Russian decision for nuclear "de-escalation" might happen if Russia's leaders ever come to see the first use of "tactical" nuclear weapons as something apart from a potential chain of connections to "strategic" nuclear weapons: that is, as things in themselves. Russian and U.S. leaders need to recall one bitter lesson learned the hard way during forty-five years or so of Cold War. Nuclear deterrence, like romance, is rooted in uncertainty, not in certainty. A marriage taken for granted by either partner is in trouble. Nuclear certainty in place of a conventional denial force actually defends nothing, and therefore, deters nothing.

II. Force Structure Issues

The View from Washington

It was an accepted truism during most of the Cold War that U.S. strategic nuclear forces had to be distributed among three kinds of delivery systems: land based ballistic missiles; submarine launched ballistic missiles; and a variety of weapons delivered by bombers of intercontinental range, including gravity bombs, short range attack missiles, and air-launched cruise missiles (ALCMs). (Short-range attack missiles—SRAMs—are no longer in the U.S. inventory: today's bomber force carries gravity bombs and ALCMs.) In addition to ALCMs, nuclear-armed cruise missiles could also be launched from surface ships or submarines (SLCMs, for sea launched cruise missiles). Air and sea launched cruise missiles also can be tasked for conventional missions, as they were during the Gulf war of 1991 and against Yugoslavia in 1999.

The strategic rationales for this triad of forces were of three kinds.¹⁰ First, by distributing retaliatory forces across three kinds of launchers, the United States could complicate the plans of any attacker. A first striker would have to attack the various U.S. land-based, sea-based and air-delivered delivery systems in different ways. On account of this first factor, the attacker's plans would be confounded by necessary and undesirable trade-offs. For example, an attacker might have to choose between simultaneous or sequential launches of its ICBMs and SLBMs. If land- and sea-based missiles were launched simultaneously against U.S. targets, the early arriving SLBMs would provide additional warning time for American ICBMs to escape destruction via prompt launch. On the other hand, if attacking ICBMs and SLBMs were launched sequentially in order to destroy more of the American land-based missile force, then additional time would be available to scramble U.S. bombers out from under the attack.

A second argument for the triad was that each leg created a different problem for any missile or air defenses deployed by the other side. Having bombers and two types of missiles meant that even highly competent ballistic missile defenses could not obviate destruction from air-delivered weapons. For the same reason, air defenses were of no value against attacking missiles. A third aspect of the triad touted by its defenders was the avoidance of vulnerability due to any single technology breakthrough. If, for example, the United States were to reduce its offensive retaliatory forces to a monad based on submarines as some have advocated, then a singular breakthrough in anti-submarine warfare technology would negate the U.S. deterrent. (Current or foreseeable technology offers no such possibility, it should be noted.)

These strategic rationales were supported by strong forces in domestic politics. Each military service wanted a piece of the action of strategic nuclear warfare. The Navy's sea-based ballistic missile force was a complement to the Air Force's Strategic Air Command. The Air Force and the Army contested for at least a decade the issue of who would control land-based missiles. After many battles, a truce of sorts allotted the mission of offensive retaliation by means of land-based ballistic missiles to the Air Force. The Army acquired ballistic missile defense as its turf. These decisions about roles and missions, reached during the latter 1950s and early 1960s, have largely carried forward to the present day. Modernization of nuclear forces and research and development on potential anti-nuclear defenses (from Project Defender through the present Clinton version of limited defenses against accidental launches or rogue attacks) has continued to distribute the domestic economic spillovers of weapons procurement and deployment across the various services and across many Congressional districts as well.

The View from Moscow

Russia's options for modernizing its forces after 1999 will be constrained by the state of its economy.¹¹ Russian intercontinental ballistic missiles (ICBMs) remain as the backbone of its strategic retaliatory forces. At the end of 1998, nineteen ICBM bases held 756 missiles of five types: SS-18s, SS-19s, SS-24s, and SS-27s in underground silos; rail mobile SS-24s; and road mobile SS-25s. START II entry into force would eliminate all SS-18s and SS-24s and all except 105 SS-19s; remaining SS-19s would be downloaded to a single warhead. Some ICBM

silos may be converted to accept the SS-27 Topol-M.¹² Gen. Vladimir Yakovlev, CINC of the Strategic Rocket Forces, called in 1999 for a production schedule of twenty to thirty Topol M (SS-27) becoming operational for each of the next three years, and for thirty to forty per year for the following three years.¹³

With regard to ballistic missile submarines, Russia's START exchange data of 1998 included forty-two submarines of six classes, but the actual number of submarines available and fully operational is fewer than that. The Russian navy considers only twenty-five SSBNs as operational, sixteen in the Northern Fleet and nine in the Pacific Fleet.¹⁴ Operational tempos of the Russian SSBN fleet have been drastically reduced since the end of the Cold War, and Russia might have as few as ten to fifteen operational SSBNs by the end of 2003 (consisting of Delta IVs, newer Delta IIIs, and Typhoons). Although the keel for the first Borey-class SSBN was laid in November 1996, construction was suspended in 1998, at least temporarily, amid official statements that the ship was being redesigned.¹⁵ Russia in the autumn of 1998 was already below the START II established ceiling for warheads carried on SLBMs (1750).

The modernization plans for the Russian strategic bomber force are as vague as those for the navy. Russia claimed some seventy strategic bombers at the end of 1998, but fewer were actually operational due to lack of funds. The current generation of air-launched cruise missiles (ALCMs) is approaching the end of their service lives, adding an additional modernization requirement for airborne resources already stretched. The commander in chief of the Russian Air Force has announced plans to replace the Tu-95MS Bear H with a new aircraft after 2010, a rather distant date. Only two of the six Tu-160 Blackjack bombers listed as operational at the end of 1998 were actually able to take off, and plans to purchase additional Blackjacks were delayed until 1999.¹⁶

Although some thought that Russia might eventually drop its long-range bomber force as a component of its strategic nuclear triad, there is evidence of renewed interest in strategic aviation for four reasons. First, NATO's air war against Yugoslavia in 1999 apparently impressed then Russian Defense Minister Marshal Igor Sergeev with the possibility that some conflicts might be won by air power alone. Second, strategic bombers, compared to land- and sea-based missiles, have a greater life expectancy. Russia's ICBMs and SLBMs will need replacement by 2007, but its Blackjack bombers can last (with modernization) until 2015–2020.¹⁷ Third, bombers can be used as a visible and flexible support for diplomacy, during crisis and in peacetime military exercises, in ways not possible with ballistic missiles. Bomber launch and recall obviates the irrevocable commitment that firing a missile makes unavoidable. Fourth, U.S. interest in missile defense makes air-launched cruise missiles more important among possible Russian retaliatory options, since BMD would not be designed to defeat long-range ALCMs.¹⁸ (Defenses receive additional consideration in below.)

Effects of START III Reductions on War Outcomes

In this section we compare alternative U.S. and Russian force structures compatible with START III guidelines at either of two levels: ceilings of 2,500 deployed warheads for each side; or, ceilings of 1,500 warheads each. The latter number is one that Russian President Vladimir Putin has indicated he would prefer to see established as the eventual START limit. The U.S. military has thus far indicated little interest in reductions below 2,500, arguing that it requires this many deployed warheads to ensure reliable coverage of Russian targets mandated by war plans based on 1997 Presidential guidance.

Our data analysis will consider the outcomes of nuclear exchanges between hypothetical, but not unreasonable, U.S. and Russian START III forces at 2,500 warhead and 1,500 warhead levels. The object will be to determine whether mutual deterrence can be maintained at these greatly reduced (compared to Cold War or even 1995) levels. Further, the analysis will be carried out for each side by varying its force structure among four possibilities. Having completed these tasks, a third step introduces national missile defenses (NMD) of optimistic effectiveness into the equation and asks what difference they might make in the outcomes of nuclear attacks across various kinds of force structures.

In order to expedite concise presentation, a considerable body of data and analysis is presented below in a few summary tables. Table 1 summarizes the results for each of four U.S. and Russian START III compliant forces at 2,500 warheads. Cell entries in Table 1 are the numbers of surviving and deliverable retaliatory warheads for each side after having absorbed a first strike. The four U.S. and Russian forces used in the analysis are as follows:

U.S.	Russia
1. Balanced Triad	1. Balanced Triad
2. No ICBMs	2. No Bombers
3. No B-52s	3. ICBM Heavy (triad)
4. SLBMs Only	4. SLBM Heavy (triad)

Table 1. Surviving and Retaliating U.S. and Russian Warheads (START III - 2500 Limit)¹⁹

Forces	U.S.	Russia
1	805	675
2	927	860
3	862	803
4	1106	748

Source: Analysis performed using Steve’s Nuclear Assessment Matrix (SNAM)

In table 2, below, we perform similar computations for the case in which START III levels are reduced to a maximum of 1,500 deployed warheads on strategic launchers.

Table 2. Surviving and Retaliating U.S. And Russian Warheads (START III - 1500 Limit)

Force	U.S.	Russia
1	497	539
2	598	609
3	495	556
4	677	555

Source: Author

Several observations suggest themselves on the basis of the findings in tables 1 and 2. First, there is not a great deal of variation across force postures within a given ceiling on total warheads, whether Russian or American. In the case of a total warhead limit of 2,500, the U.S. “SLBM only” posture (Force 4) is the only one that provides significantly more survivable warheads than the others. Posture seems to matter very little for Russia under either the 2,500 or 1,500-warhead limit, nor for the United States in the 1,500 cases. In the U.S. case, the additional survivability of SLBM warheads compared to bomber or ICBM warheads might be offset by the weakness of basing all retaliatory forces in a single mode, which eliminates the redundancy and complexity of a dyad or triad that makes it harder for a prospective attacker to strike with confidence against the entire U.S. deterrent.

Another interesting aspect of these findings is that, contrary to the fears of some U.S. military and other experts, the number of surviving and retaliating U.S. warheads under a START III ceiling of 1,500, compared to 2,500, warheads, remains adequate to do more than “city busting” in response to a first strike. Several hundred warheads would be available to the United States and to Russia for retaliatory strikes against the other side’s nuclear and non-nuclear forces, command and control systems, and other military targets in addition to a base of several hundred warheads directed against urban-industrial targets.

On the other hand, these numbers may not meet the expectations of U.S. or Russian planners based on state policy guidance. In the U.S. case, for example, Clinton policy guidance as of 1997 required the targeting of some 2,260 essential Russian aim points, with a damage expectancy of at least 80 percent. This guidance created a need for nearly 1,800 surviving warheads and for some 2,200 strategic warheads on alert in peacetime. Included in the Russian target base under Clinton administration strike plans were the following:

- | 1100 nuclear weapons and weapons sites;
- | 500 conventional or “other military targets” (OMT), such as military bases and buildings;

- | 160 leadership targets;
- | 500 war-supporting industry, including factories for war production and other urban-industrial targets.²⁰

If these assumptions about U.S. nuclear war planning guidance are accurate reflections of Pentagon reality, then the United States may be loath to go below 2,500 warheads, and it will almost certainly insist upon basing a third or a quarter of its nuclear weapons on ICBMs that are launch-ready within several minutes. Another factor weighing against reductions below 2,500 is the requirement in current U.S. policy guidance for target coverage outside of Russia, including, since 1997, two limited attack options against a variety of targets in China.²¹ And still another consideration relative to offensive force sizing is the possible deployment of missile defenses by the United States alone or by mutual agreement with Russia.

Defenses

U.S. Secretary of Defense William Cohen announced in January 1999 that the United States would commit \$6.6 billion dollars to a “three plus five” program that would make possible a limited National Missile Defense (NMD) system ready for deployment by the year 2005.²² A final decision on deployment of any U.S. NMD system was scheduled for the year 2000, permitting additional technology development and testing of proposed system components. As envisioned by DOD and BMDO (Ballistic Missile Defense Organization) these components would be: space-based detectors for missile launch; long-range radars to track missile flight paths; other radars for intercept tracking; and non-nuclear kill interceptors.²³ In July 1999, President Clinton signed the National Missile Defense Act passed by Congress and calling for a U.S. NMD deployment when feasible. Clinton stated that his signature did not amount to final approval for deployment. A final decision would be based on four criteria: technological readiness; the nature of rogue state ballistic missile threats; cost factors; and arms control considerations.²⁴

On September 1, 2000, Clinton announced that he would not make a deployment decision in 2000 but would leave that choice to his successor. The President said the Department of Defense would continue a vigorous program of NMD research and development. He indicated that a national missile defense system “if it worked properly” could provide extra insurance against proliferation of nuclear and other weapons of mass destruction. But Clinton also cautioned that, although the technology for NMD was promising, the “system as a whole is not yet proven.”²⁵ The George W. Bush administration signaled early on its intention to deploy a more ambitious BMD system than the one proposed by Clinton. Bush plans briefed to NATO allies in April 2001 included designs for a multi-layered system that might include ship-based radars and interceptors, in addition to land-based and space-based components. An expert panel appointed by Bush’s Secretary of Defense, Donald Rumsfeld, reportedly recommended increased spending on airborne laser and space-based laser technology.²⁶

How much difference would defenses make in the stability of the U.S.-Russian strategic nuclear relationship, purportedly in transition from a deterrent to a partnership? During the Cold War, the prospect of a transition from deterrence, based exclusively on offensive retaliation, to a mixed force structure employing both offenses and defenses, was held back by mutual suspicion in Washington and Moscow. Transition to a mixed deterrent force was also inhibited by the primitive state of defense technology compared to offense. Improved technologies and better U.S.-Russian political relations now reopen the question whether defenses mixed with offenses would improve stability, under the assumption of mutually agreed and deployed forces.

In the years immediately following the collapse of the Soviet Union, the Russian leadership gave some preliminary indications of viewing favorably missile defense deployments if they were jointly agreed to by the U.S. and Russian governments. Addressing the UN Security Council in January 1992, Russian President Boris Yeltsin, after noting that the ABM Treaty was a cornerstone of stability, added that “Russia is ready to develop, then create and jointly operate a global defense system, instead of the SDI system.”²⁷ Presidents Clinton and Yeltsin signed a statement on the need to develop a Global Protection System with the expectation of future “cooperation in developing ballistic missile defense capabilities.”²⁸ The statement on global protection systems was also included in the preamble to the START II Treaty.

Yeltsin’s second term was marked by more suspicion of U.S. and allied NATO objectives in foreign and security policy, including nuclear arms control. The year 1999 was especially troublesome for U.S.-Russian political relations: NATO enlargement, NATO’s bombing of Yugoslavia, and Russia’s war in Chechnya moved the military more prominently into the security policy driver’s seat. Anti-American themes were commonly articulated in the Russian Duma, and ratification of START II was temporarily held hostage to NATO’s air campaign against Serbia. Boris Yeltsin’s sudden resignation on December 31, 1999, opened the door to his eventual succession by Acting President Vladimir Putin in the elections scheduled for March 2000. The effect of Putin’s presidency on U.S.-Russian relations and on arms control was an open book, with the text to be written after Putin had the March elections safely behind him.²⁹ He did, at least, prod the Russian Duma to ratify START II in April, 2000, opening the door to the further reductions envisioned in START III.

Russia’s military leadership and defense intellectuals remain warily skeptical that any U.S. missile defense deployment could be consistent with stable deterrence. The commander in chief of the Russian Strategic Missile Forces (RVSN), Colonel General Vladimir Yakovlev, called, in January, 1999, for a global “strategic stability treaty” that would include, in addition to the United States, Russia, Britain, France, and China.³⁰ According to Yakovlev, such an agreement would include reductions in U.S and Soviet strategic nuclear warheads even to START III levels and agreement between the two states on “the inviolability of space.”³¹ He specified, in regard to space arms control, the need for a pledge not to create space vehicles capable of attacking warning systems designed to detect missile attacks. Additional Russian skepticism about a U.S. limited national defense system was voiced by Ministry of Defense official Colonel-General Igor Valynkin, who contended in early February

1999 that a U.S. revision of the ABM Treaty to permit missile defenses would upset stability and that Russia would “undoubtedly respond.”³²

Prominent Russian arms control expert Sergei Rogov noted, in an article in August 2000, that U.S. national missile defenses might overturn mutual deterrence by making a radical change in the military balance of power. One of the more interesting aspects of Rogov’s analysis is that the author raises the possibility of a U.S. preemptive strategic strike with long-range, conventional weapons against Russian counterforce targets, including submarine pens and bomber bases.³³ Along with this, a U.S. NMD system of some 250 ground-based interceptors might, according to Rogov, be adequate to intercept the several tens of Russian warheads surviving a U.S. preemptive strike. In addition, a more robust missile defense system with a space-based attack capability might give the United States the capability to successfully intercept not only a Russian retaliatory strike but any Russian attack. The possibility of a second generation NMD system that effectively reduced Russian motivation for a launch on warning (LOW) attack or launch under attack—as well as a second strike ride-out capacity—is important because LOW may be Russia’s principal option in case of any assumed U.S. attempt at nuclear preemption.³⁴ If, in addition, Russia now fears strategic conventional preemption combined with American missile defenses, its warning, assessment, and launch decision process may become more preemption prone and trigger-happy.

Defense, even granted the assumption of technologies better than Cold War defenses, is still difficult to do with high assurance of effectiveness. Space-based defense interceptors are prohibited by the ABM Treaty that remains in force; the same agreement also limits the numbers of sites and the numbers of interceptors deployed. The military tasking of defenses under any revised U.S.-Russian arms control regime will thus be restricted to accidental launches or limited attacks from rogue states armed with ballistic missiles. Even against attacks of modest sizes by Cold War standards, defenses that are very good (i.e., allow very little “leakage” of attacking warheads through the system) will not preclude historically unprecedented levels of societal damage.

The U.S. Ballistic Missile Defense Organization in March 1999 envisioned a phased development of NMD systems as depicted in table 3.

The George W. Bush administration indicated within months of assuming office that it would not be satisfied with the Clinton plan for a limited system beginning with one hundred interceptors and a battle management radar on Shemya Island in the Aleutians (Alaska). Bush, responding to the demands of conservative Republicans in Congress, insisted on a more ambitious system based on multiple technologies, including elements that might be based on land, at sea, airborne, or in space. Some of the candidate technologies might be far off in terms of reliability, but the political driver in the equation was the desire of Bush officials and their Congressional allies to get beyond the ABM Treaty of 1972 and its limits on the testing and deployment of missile defense systems. Bush administration briefings to NATO allies in April 2001 stated flatly that the ABM Treaty would have to be “replaced, eliminated, or changed in a fundamental way” because the administration had decided that “we will deploy defenses as soon as possible.”³⁵

Table 3. U.S. National Missile Defense Architectures

	C-1 Configuration (1)	C-2 Configuration (2)	C-3 Configuration (3)
Number of interceptors deployed in Alaska	20-100	100	125
Number of interceptors deployed in North Dakota	0	0	125
Upgraded Early-Warning Radars	Beale (CA), Clear (AK) Cape Cod (MA) Fylingdales (UK) Thule (Greenland)	Beale Clear Cape Cod Fylingdales Thule	Beale Clear Cape Cod Fylingdales Thule South Korea (possible new radar)
X-band Radars	Shemya, Alaska (Aleutians)	Shemya Clear Fylingdales Thule	Shemya; Beale; Clear; Cape Cod; Fylingdales; Thule; South Korea; Grand Forks, ND; Hawaii
SBIRS - low	No	Yes	Yes

Source: U.S. Ballistic Missile Defense Organization, from Lisbeth Gronlund and George Lewis, “How A Limited National Missile Defense Would Impact the ABM Treaty,” Arms Control Today, November 1999, p. 100.

Notes:

- (1) C-1 (capability 1) system is a defense against a “few, simple” warheads, where “few” refers to five or fewer warheads.
- (2) C-2 (capability 2) system is a defense against a “few, complex” warheads.
- (3) C-3 (capability 3) system is a defense against “many, complex” warheads. Complex warheads are those including some countermeasures against defenses.
- (4) SBIRS is a space-based, infrared detection satellite system planned for deployment.

How much difference would the deployment of national missile defenses by the United States, by Russia, or by both, make in terms of the numbers of surviving and retaliating warheads available under a START III ceiling of 2,500 warheads? We interrogated our model to answer this question, assigning a notional “leakage” rate of 20 percent to the hypothetical defenses of both sides. A leakage rate of 20 percent means that, on the average, 80 percent of the retaliating warheads will be successfully intercepted: it does not tell us the probability of successfully intercepting any individual re-entry vehicle. Cell entries in table 4, below, show the numbers of retaliating warheads that each state can place on target after absorbing a first strike and despite the other’s defenses (from each of four force postures, as listed immediately prior to tables 1 and 2).

Source: Author.

Table 4. U.s. And Russian Surviving and Retaliating Warheads with Defenses (START III - 2,500 Warhead Limit)

Forces	U.S.	Russia
1	161	135
2	185	172
3	172	160
4	221	149

For a regime in which the two sides' START III forces are reduced to 1,500 warheads, table 5, below, summarizes the resulting distribution of outcomes for each side with defenses and by force posture.

Source: Author.

Table 5. U.S. And Russian Surviving and Retaliating Warheads with Defenses (START III - 1,500 Warhead Limit)

Forces	U.S.	Russia
1	100	107
2	119	121
3	99	111
4	135	111

The issue of U.S. national missile defense continues to be a political hot potato for the intelligence community. A National Intelligence Estimate (NIE) on likely foreign reactions to an American NMD deployment was delivered to President Clinton in August 2000. In this study, CIA and other experts estimated that: (1) China would react by expanding its arsenal of twenty silo-based nuclear missiles to some two hundred warheads on mobile and multiple warhead (MIRVed) ICBMs by 2015; (2) the Chinese buildup would prompt India and Pakistan to expand the size of their own nuclear arsenals; and, (3) Russia would not rule out further reductions in offenses even after U.S. defense deployments, but American missile defenses would complicate future efforts by both states in cooperative arms control and nonproliferation.³⁶ This NIE was almost certain to be challenged in Congress as having been influenced by Clinton administration timidity about deploying missile defenses. Presidential candidate George W. Bush indicated in May, 2000 that, if elected, he would push Congress to approve an even more ambitious NMD program than the Clinton plan for an initial operational capability of twenty interceptors plus supporting radars, satellite early warning, and command, control and communications (C3) systems by 2005.

Conclusions

The Cold War Soviets and Americans argued for larger and more diverse strategic nuclear forces on the assumption shared by many professional militaries: redundancy provides insurance against the fog of war, or, in the case of nuclear weapons, against the fog of deterrence failure. In the post-Cold War world, marked by officially non-hostile U.S.-Russian political relations and a conventional military balance favorable to NATO in Europe, nuclear flexibility and agility become more important than redundancy. Therefore strategic nuclear force reductions to START III levels, and perhaps the elimination of one or more nuclear arms of service by the United States or by Russia, are in theory compatible with stable deterrence.

But stable deterrence is not necessarily immune to unexpected shocks: such as Russian revanchism, or U.S. ballistic missile defense that actually works well. And the inertia of three-legged stools for nuclear deterrence in Russia and in the United States argues against optimism that a strategic nuclear dyad or monad will be the preferred option for nuclear force modernization in either state. An important difference in the perspective from the two capitals is that the United States is feasting on projected budget surpluses and can afford to build almost anything that Congress can be talked into. Moscow is cash starved and can at best afford marginal improvements in two of three legs of its triad while barely holding on to the other leg. (It is not inconceivable that Russia will decide to go out of the long-range bomber business for purposes of intercontinental warfare, as opposed to theater warfare in Eurasia.)

Defenses based on current principles (ground based interceptors, non-nuclear kill, exo-atmospheric intercept) will not overthrow the regime of deterrence based on offensive retaliation. Therefore, with or without defenses, it matters whether offenses can be reduced to higher or lower (2,500 or 1,500) START III levels. Russia might prefer to go lower for economic reasons, but the U.S. military will be hard to push off the higher number unless target-planning guidance is changed drastically by the political leadership. Higher START III numbers might also preserve the U.S. and Russian leads over other nuclear-armed states, without demanding of those states reductions in their own arsenals. U.S. and Russian nuclear preeminence may be at risk if START III levels as low as 1,500 are agreed to. Nevertheless, data analysis shows that both the United States and Russia can, with deployed forces capped at 1,500 warheads, accomplish assured destruction missions and attack some military targets too, from a variety of force postures.

Appendix

Alternate Russian and U.S. START III Forces

The following charts depict various options for both U.S. and Russian forces under either a 2,500- or 1,500-warhead limit. They postulate various compositions, based on a mix of land-based ICBMs, both fixed and mobile, SLBMs, and manned bombers carrying either ALCM or bombs, or both. In all cases, no MIRVed ICBMs are included; in contrast, SLBMs are MIRVed in all cases, with variations in warhead counts in cases where SLBM counts are the same deriving from variations in the number of warheads carried by each missile. Additional details, including missile types can be found in Natural Resources Defense Council, *NRDC Nuclear Notebook*; "Russian Nuclear Forces, 2000," in *Bulletin of the Atomic Scientists*, No. 4 (July/August 2000), p.70, <<http://www.bullatomsci.org/issues/nukenotes/ja00nukenote.html>>. See also Stephen J. Cimbala, *Nuclear Strategy in the Twenty-first Century* (Westport, Ct.: Praeger Publishers, 2000), Ch. 5.

Russian Forces at 2,500 Warhead Limit

Russian--Balanced Triad (2,500 Limit)		
Launcher Type	Launchers	Warhead Total
Silo-Based ICBM (Single Warhead)	105	105
Silo-Based ICBM (MIRVed)	0	0
Mobile ICBM (Rail and Road)	490	490
ICBM (Land Based) Total	595	595
SLBM (Sea-Based)	232	1048
Bombers (ALCM & Bombs)	41	524
Totals	868	2167

Russian--No Bombers (2,500 Limit)		
Launcher Type	Launchers	Warhead Total
Silo-Based ICBM (Single Warhead)	105	105
Silo-Based ICBM (MIRVed)	0	0
Mobile ICBM (Rail and Road)	550	550
ICBM (Land Based) Total	655	655
SLBM (Sea-Based)	232	1632
Totals	887	2287

Russian--ICBM Heavy (2,500 Limit)		
Launcher Type	Launchers	Warhead Total
Silo-Based ICBM (Single Warhead)	105	105
Silo-Based ICBM (MIRVed)	0	0
Mobile ICBM (Rail and Road)	700	700
ICBM (Land Based) Total	805	805
SLBM (Sea-Based)	232	1048
Bombers (ALCM & Bombs)	41	524
Totals	1078	2377

Russian--SLBM Heavy (2,500 Limit)		
Launcher Type	Launchers	Warhead Total
Silo-Based ICBM (Single Warhead)	105	105
Silo-Based ICBM (MIRVed)	0	0
Mobile ICBM (Rail and Road)	490	490
ICBM (Land Based) Total	595	595
SLBM (Sea-Based)	232	1280
Bombers (ALCM & Bombs)	41	524
Totals	868	2399

American Forces at 2,500 Warhead Limit

U.S. - Balanced Triad (2,500 Limit)		
Launcher Type	Launchers	Warhead Total
Silo-Based ICBM (Single Warhead)	300	300
Silo-Based ICBM (MIRVed)	0	0
ICBM (Land Based) Total	300	300
SLBM (Sea-Based)	336	1344
Bombers (ALCM & Bombs)	61	732
Totals	697	2376

U.S. - No ICBM (2,500 Limit)		
Launcher Type	Launchers	Warhead Total
ICBM (Land Based) Total	0	0
SLBM (Sea-Based)	336	1680
Bombers (ALCM & Bombs)	61	732
Totals	397	2412

U.S. - No B-52s in Bomber Force (2,500 Limit)		
Launcher Type	Launchers	Warhead Total
ICBM (Land Based) Total	300	300
SLBM (Sea-Based)	336	1680
Bombers (ALCM)	21	336
Totals	657	2316

U.S. - SLBMs Only (2,500 Limit)		
Launcher Type	Launchers	Warhead Total
ICBM (Land Based) Total	0	0
SLBM (Sea-Based)	336	2352
Bombers	0	0
Totals	336	2352

Russian Forces at 1,500 Warhead Limit

Russian--Balanced Triad (1,500 Limit)		
Launcher Type	Launchers	Warhead Total
Mobile ICBM (Rail and Road)	490	490
ICBM (Land Based) Total	490	490
SLBM (Sea-Based)	232	696
Bombers (ALCM & Bombs)	24	310
Totals	746	1496

Russian--No Bombers (1,500 Limit)		
Launcher Type	Launchers	Warhead Total
Silo-Based ICBM	0	0
Mobile ICBM (Rail and Road)	520	520
ICBM (Land Based) Total	520	520
SLBM (Sea-Based)	232	928
Totals	752	1448

Russian--ICBM Heavy (1,500 Limit)		
Launcher Type	Launchers	Warhead Total
Silo-Based ICBM	0	0
Mobile ICBM (Rail and Road)	550	550
ICBM (Land Based) Total	550	550
SLBM (Sea-Based)	212	636
Bombers (ALCM & Bombs)	22	296
Totals	784	1482

Russian--SLBM Heavy (1,500 Limit)		
Launcher Type	Launchers	Warhead Total
Silo-Based ICBM	0	0
Mobile ICBM (Rail and Road)	450	450
ICBM (Land Based) Total	450	450
SLBM (Sea-Based)	212	848
Bombers (ALCM & Bombs)	16	202
Totals	678	1500

American Forces at 1,500 Warhead Limit

U.S. - Balanced Triad (1,500 Limit)		
Launcher Type	Launchers	Warhead Total
Silo-Based ICBM (Single Warhead)	300	300
Silo-Based ICBM (MIRVed)	0	0
ICBM (Land Based) Total	300	300
SLBM (Sea-Based)	288	864
Bombers (ALCM & Bombs)	28	336
Totals	616	1500

U.S. - No ICBMs (1,500 Limit)		
Launcher Type	Launchers	Warhead Total
ICBM (Land Based) Total	0	0
SLBM (Sea-Based)	288	1152
Bombers (ALCM & Bombs)	29	348
Totals	317	1500

U.S. - No B-52s in Bomber Force (1500 Limit)		
Launcher Type	Launchers	Warhead Total
ICBM (Land Based) Total	300	300
SLBM (Sea-Based)	300	900
Bombers (ALCM)	21	252
Totals	621	1452

U.S. - SLBMs Only (1500 Limit)		
Launcher Type	Launchers	Warhead Total
ICBM (Land Based) Total	0	0
SLBM (Sea-Based)	312	1440
Bombers	0	0
Totals	312	1440

ENDNOTES.

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