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Re-engaging Russia and Russians: New Agenda for American Foreign Policy

Michael McFaul
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Center for American Progress
1333 H Street, 10th Floor, NW
Washington, D.C. 20005
www.americanprogress.org



EXECUTIVE SUMMARY

U.S.-Russian relations are adrift. After a promising start, George W. Bush has failed to capitalize on his personal relationship with Russian President Vladimir Putin to develop a comprehensive and meaningful relationship between the United States and Russia. Although neither country has adopted an openly hostile position toward the other, the level of engagement between Russia and the United States could be and should be much broader than it is today.

The Bush record on Russia is mixed. The president deserves credit for developing a close relationship with Russian President Putin, but he has failed to translate this friendship into concrete objectives that serve U.S. foreign policy interests. Bush has asserted that his three main foreign policy objectives are fighting terrorism, preventing the proliferation of weapons of mass destruction, and spreading liberty. Unfortunately, Putin has done little to help achieve any of them. His method of fighting terrorism in Chechnya has made Russia and its allies in this global war less secure. Russia has been reluctant to slow the transfer of nuclear technologies in countries such as Iran and its own nuclear weapons are not properly secured. Finally, Putin's anti-democratic actions at home make him an ineffective ally in promoting democracy abroad.

More generally, there is simply little happening in U.S.-Russian relations today. The relationship is stable but stagnant. Unfortunately, this new era of disengagement and disinterest in U.S.-Russian relations has occurred simultaneously with negative changes in the way that Russia is governed. If autocratic practices and authoritarian institutions continue to gain strength, then Russia's ability to integrate into the Western community of democratic states will become even more difficult. If Russia eventually reverts back to a full-blown dictatorship, then Russian-American relations will once again be dominated by conflicts and competition.

At this critical moment in Russia's internal development, American foreign policy makers cannot afford to be disinterested and disengaged. The next administration, be it Kerry's first term or Bush's second term, must move immediately to re-engage both the Russian state and Russian society. U.S. officials must re-establish a meaningful agenda with their Russian counterparts by renewing efforts to decrease the number of nuclear weapons still in operation in both countries; committing to not develop or deploy new tactical nuclear weapons; and pledging to speed the pace and increase the scale of the Cooperative Threat Reduction (Nunn-Lugar) programs. A serious bilateral agenda should also include the removal of Cold War era trade restrictions, a new effort at expanding the number of and de-monopolizing the pipelines that now supply oil and gas from Russia to American allies, and a genuine multilateral effort aimed at ending the frozen conflicts in Moldova, Georgia, and Azerbaijan. Finally, the next administration must reverse the cuts in programs designed to foster the development of civil society in Russia, which include education exchanges, small grants programs, and society-to-society contacts.

As a parallel to this new agenda of engagement with the Russian state, American foreign policy officials must reach out to Russian society, and especially those elements in Russia which are today resisting the current authoritarian drift. At a minimum, U.S. officials must speak the truth about what is occurring inside Russia. The United States does not have the power to reverse anti-democratic trends in Russia overnight. Russia is too big; Putin is too powerful. But U.S. officials



must make clear which side of the fence they are on. If we truly want to succeed in fighting terrorism, preventing the proliferation of weapons of mass destruction and spreading liberty around the world, there is no better place to start than with a new policy toward Russia.

RE-ENGAGING RUSSIA AND RUSSIANS: NEW AGENDA FOR AMERICAN FOREIGN POLICY

U.S.-Russian relations are adrift. After a promising start, George W. Bush has failed to capitalize on his personal relationship with Russian President Vladimir Putin to develop a comprehensive and meaningful relationship between the United States and Russia. Neither country has adopted an openly hostile position towards the other, and the two heads of state like each other personally. However, the level of engagement between Russia and the United States, and the West more generally, could be and should be much broader and deeper than it is today. This new era of disengagement and disinterest in U.S.-Russian relations has occurred simultaneously with negative changes in the way that Russia is governed. If autocratic practices and authoritarian institutions continue to gain strength, then Russia's ability to integrate into the Western community of democratic states will become even more difficult. If Russia eventually reverts back to a full-blown dictatorship, then Russian-American relations will be dominated by conflicts and competition once again. At this critical moment in Russia's internal development, American foreign policy makers cannot afford to be disinterested and disengaged.

THE MIXED BUSH RECORD

Making Friends Fast

Before Sept. 11, 2001, President George W. Bush made establishing a personal rapport with Putin a priority. He did not campaign or start his presidency with this focus. On the contrary, candidate Bush threatened sanctions against Russia in response to the war in Chechnya; pledged to withdraw from the Anti-Ballistic Missile Treaty and pursue national missile defense irrespective of Russian concerns; and vowed to make the strengthening of alliances (and not relations with Russia) his most immediate foreign policy agenda item. In its first months in office, the Bush administration deported fifty alleged Russian spies, pledged to cut funds for the Cooperative Threat Reduction or Nunn-Lugar program (which subsidizes the costs of destruction of nuclear weapons and the safe storage of nuclear materials and other weapons of mass destruction inside Russia) and accused Russia of being the world's worst proliferator of weapons of mass destruction.¹ At the same time, before Sept. 11, Bush made the deployment of a national missile defense system his central foreign policy priority. Proceeding with national missile defense required the abrogation of the ABM Treaty, and an abrogation of the treaty that would not infuriate NATO allies required Russia's acquiescence. Consequently, Bush traveled to his first summit with Putin in Slovenia in June 2001 determined to establish a friendly rapport with his counterpart in the Kremlin. As Bush commented after the first encounter, "I looked the man

¹ For details, see James Goldgeier and Michael McFaul, *Power and Purpose: American Policy toward Russia after the Cold War* (Washington: Brookings Institution Press, 2003), ch. 13.



in the eye. I found him to be very straightforward and trustworthy... I was able to get a sense of his soul.”² Bush knew Putin would not praise the disappearance of the ABM Treaty, but he did hope to use his personal charm to make it an easier outcome for Putin, and therefore American allies in Europe, to accept.

Bush’s initial investment in a personal bond with Putin produced a visible payoff on September 11, 2001, when Putin was one of the first leaders to express his solidarity with the American president and the American people. Putin then backed up his words of support with concrete deeds – a five-point plan, announced on September 24, 2001, to help the American war on terror. As Bush prepared for war against the Taliban in Afghanistan, Putin promised to share intelligence with American officials, open Russian airspace for flights providing humanitarian assistance, cooperate with Russia’s Central Asian allies to provide similar kinds of airspace access to American flights, participate in international search and rescue efforts, and increase direct assistance—humanitarian as well as military—to the Northern Alliance in Afghanistan. Most amazingly, Putin did not try to block an American military presence in the territories of the former Soviet Republics of Uzbekistan and Kyrgyzstan.

Hardliners in Putin’s entourage worried about the American military presence in Russia’s backyard, but Putin prevailed, persuaded by the idea that a united front against terrorism on the part of the United States and Russia not only served Russia’s immediate strategic interests—the Taliban was an enemy of Russia as well—but also could establish the foundation for deeper and long-lasting ties between Russia and the United States. It was euphoric time in U.S.-Russian relations. Secretary of State Colin Powell praised Russia as “a key member of the antiterrorist coalition.”³ At the G8 meeting in Calgary in 2002, Bush praised Putin as a “man of action when it comes to fighting terror.”⁴ A major geo-strategic shift seemed to be in the offing.

During this giddy phase in the wake of September 11, some positive movements in U.S.-Russia relations were made. In May 2002, the two presidents signed the U.S.-Russian Strategic Offensive Reductions Treaty, or Treaty of Moscow. This short treaty committed both countries to reduce their nuclear warheads to a level between 1,700 and 2,200 by December 31, 2012. That same month, NATO heads of state met with Putin in Rome to create the new NATO-Russia Council. The new Council purportedly improved upon its predecessor, the 1997 Permanent Joint Council, by allowing Russia a seat at the table for joint decision-making on issues like terrorism, though each NATO member reserved the right to pull an issue out of that forum to a members-only discussion. The Bush administration also reversed its earlier decision to cut funding for Cooperative Threat Reduction (Nunn-Lugar).

² Press Conference by President Bush and Russian President Putin, Brdo Castle, Brdo Pri Kranju, Slovenia, 16 June 2001, available at www.whitehouse.gov/news/releases/2001/06/20010618.html, 6.

³ Secretary Colin Powell, Testimony before the House Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs, U.S. Congress, 13 February 2002.

⁴ “President Bush, President Putin Discuss Joint Efforts Against Terrorism: Remarks by President Bush and President Putin in Photo Opportunity,” p. 3.



Neglecting Friends and Missing Opportunities

Expectations about closer, deeper ties between the United States and Russia greatly outpaced reality. President Bush maintained his cordial personal relationship with Putin. For instance, after the U.N. General Assembly meeting in September 2003, Putin was the only world leader to extend his stay and visit Bush at Camp David.

Since the initial cooperation on Afghanistan, however, the bilateral relationship has not progressed. Bush was distracted by waging the war against Iraq and managing the disastrous aftermath. He had little time to devote to other foreign policy issues. Of course, a fundamental disagreement about the necessity of war against Saddam Hussein's regime did not strengthen the Russian-American united front against terrorism. Putin stood with his French and German counterparts in opposing the war. Relations further soured when Bush administration officials stated that Russian firms had been violating U.N. sanctions by providing GPS jamming equipment, anti-tank missiles, and night-vision binoculars to the Iraqi armed forces.⁵

The war never completely derailed the rapprochement accelerated by September 11, but neither has the relationship fully recovered. Instead, U.S.-Russian relations have remained stable but stagnant.

Stagnant stability is much less than Bush should want from his Russian friend during this critical moment in world affairs. Bush deserves credit for maintaining his friendship with Putin. American national interests are not served well by difficult relations with the leader of the world's largest country, which also possesses the largest nuclear arsenal outside of the United States. But pleasant company is not a strategy. Rather, it should be a means to pursue ends. The problem in U.S.-Russian relations today is that the personal friendship initiated by Bush has produced little in the way of tangible benefits for American national security.

To defend the United States after September 11, Bush has stressed three major goals. First, the United States must remain in pursuit of the terrorists who attacked and plan to attack us. Second, the United States must recommit to stopping the spread of weapons of mass destruction. Third, the United States must promote democracy around the world and especially in the greater Middle East. Bush's close ties to Putin have only helped marginally in pursuing these three objectives.

On the war against terrorists in Afghanistan, Russia did provide important military assistance to the Northern Alliance and valuable intelligence that helped destroy the Taliban regime. Since then, it is difficult to identify any new battlefield in which Bush has leveraged his personal relationship with Putin to acquire Russian assistance in fighting terrorists. The one front on which Russia is *allegedly* engaged in directly battling terrorism – Chechnya – has not served American (nor Russian) national interests. Terrorists still operate there, Russia is no more secure

⁵ Arshad Mohammed, "U.S. believes Russians in Baghdad Are Aiding Iraq," *Reuters*, 24 March 2003. The U.S. had made claims of this nature and threatened sanctions well before the war began. See "Russia angered by sanctions moves," *United Press International*, 13 September 2002.



today that it was when the war began in 1999, and America's war against terrorism is made no easier by Russia's brutal methods, which inspire recruits to the terrorist cause.

Bush can point to even fewer benefits from his relationship with Putin in the struggle to stop the proliferation of weapons of mass destruction. Amazingly, three years after September 11 and following revelation after revelation about Iran's true intentions to acquire nuclear weapons and the missiles to deliver them, Putin has made only marginal changes to insure that Russian transfers of nuclear technology for civilian use at the Bushehr nuclear power plant cannot be redeployed to build nuclear weapons.⁶ Nor is there any evidence that Putin has reinvigorated the efforts of his government to stop the leakage of weapons of mass destruction from his own country. Bush shares part of the blame for Putin's inaction. Given Bush's intimate relationship with Putin, the two leaders might have worked together to develop a bigger, more robust, and more transparent Cooperative Threat Reduction program. Nothing of the sort has transpired.

On the last American strategic objective of promoting democracy worldwide, Putin is a liability. Putin has contributed nothing to the spread of democracy in the Middle East. At the G8 summit in Sea Island, Georgia (the American state) in June 2004, Bush agreed to a substantially watered down communiqué about democracy promotion in the greater Middle East. Putin sided with those doing the watering. Putin's policies toward countries in his own region also do not make democracy promotion a top priority. Moscow has played a particularly negative role in weakening fragile democracies in Georgia and Ukraine, and has done nothing to push for democratic change in autocratic Belarus. In October 2004, Belarussian President Alexander Lukashenka won a fraudulent referendum to extend his term in office, which Russia praised and the Organization for Security and Cooperation in Europe said "fell significantly short" of democratic standards.

Ignoring Russia's Democratic Rollback

It is his actions at home in Russia, however, that make Putin a most embarrassing "friend" to Bush and his cause for promoting freedom worldwide. Putin did not inherit from his predecessor, Boris Yeltsin, a stable, consolidated democracy. Beyond some improvements in the legal system, Putin has since done little to improve the quality of Russian democracy and much to undermine it. Putin distrusts autonomous actors and organizations that might check or balance his own power. Systematically, he has used his popular mandate to crush independent pockets of political power.

Putin's anti-democratic proclivities were first on display in the way that he has conducted the war in Chechnya. For Putin and other *derzhavniki* (statists) in his entourage, the anarchy in Chechnya was the most embarrassing testament to Russia's weakness. When Chechen terrorist Shamil Basayev invaded neighboring Dagestan in 1999 to liberate the Muslim people of the

⁶ For most proliferation experts, the discovery in 2003 of a secret heavy water production plant in Arak and a uranium enrichment facility in Natanz demonstrated a clear Iranian commitment to developing a nuclear weapon. Equally probative is Iran's development of a new medium-range ballistic missile (Shahab 3), which is only useful as a military weapon when used a delivery vehicle for a nuclear warhead. These missiles lack the accuracy to be effective when armed with conventional warheads.



Caucasus, President Yeltsin and his new prime minister, Vladimir Putin, had to respond to defend Russia's borders. But the response was not limited to expelling the terrorist attackers in Dagestan. Rather, Prime Minister Putin used the crisis as a pretext for trying to tame Chechnya through the use of force once and for all. To date, Putin has not succeeded. Instead, more than 100,000 people in Chechnya have died, but terrorist attacks against Russians have continued, including the horrific attack against a schoolhouse in Beslan, Russia, in September 2004.⁷ As he fails, both Russian military forces and their enemies in Chechnya have blatantly abused the human rights of Russian citizens in the region.

Second, Putin and his government initiated a series of successful campaigns against independent media outlets. When Putin came to power, only three networks had the national reach to really count in politics—ORT, RTR, and NTV. By running billionaire Boris Berezovsky out of the country, Putin effectively acquired control of ORT, the channel with the biggest national audience. RTR was always fully state-owned, and so it was even easier to tame. Controlling the third channel, NTV, proved more difficult since its owner, Vladimir Gusinsky, decided to fight. But in the end, he too lost—not only NTV but also the daily newspaper *Segodnya* and the weekly *Itogi*—when prosecutors pressed charges. NTV's original team of journalists tried to make a go of it at two other stations, but eventually failed. Under the control of those closely tied to the Kremlin, the old NTV has gradually come to resemble the other two national television networks.⁸ In response to the inept performance of Russia's security forces in the Beslan standoff, the print media has shown signs of revival. But when the *Izvestia* newspaper did try to ask questions about the state's failures, the newspaper's editor was promptly fired.

The independence of electronic media also has eroded on the regional level. Heads of local state-owned television stations continue to follow political signals from regional executives, and most regional heads of administration stood firmly behind Putin in the last electoral cycle. Dozens of newspapers and web portals have remained independent and offer a platform for political figures of all persuasions, but none of these platforms enjoys a mass audience. More generally, Putin has changed the atmosphere for doing journalistic work. His most vocal media critics have lost their jobs, have been harassed by the tax authorities or by sham lawsuits, or have been arrested. Mysteriously, several journalists have been killed during the Putin era, including even one American reporter, Paul Klebnikov. Reporters Without Borders, which published its first worldwide press-freedom index in 2002, ranked Russia 121st out of 139 countries assessed (just one ranking above Iran), making it one of the worst performers in the post-communist world.

⁷ In addition to Beslan, several hundred died in apartment bombings in the fall of 1999, more than hundred more in October 2002 in the hostage standoff at a Moscow theater, 50 in December 2002, 50 in May 2003, 20 in June 2003, 15 more in July 2003, 50 more in August 2003, 40 in December 2003, 40 more in February 2004, several more in May 2004, including the president of Chechnya, Akhmed Khadyrov, dozens more in June 2004, 89 more on Aug. 24 when two airplanes exploded, and 10 more on Aug. 31 when a suicide bomber struck outside a subway station in Moscow.

⁸ A few independent-spirited programs continued to air on NTV after the network's transfer of ownership to Kremlin-friendly hands. All of these shows, including most recently in June 2004 *Namedni*, hosted by Leonid Parfenov, one of Russia's most famous television personalities, have been removed from the air.



A third important political change carried out on Putin's watch was "regional reforms." Almost immediately after becoming president in 2000, Putin made reigning in Russia's regional executives a top priority. He began his campaign to reassert Moscow's authority by establishing seven supra-regional districts headed primarily by former generals and KGB officers. These new super-governors were assigned the task of taking control of all federal agencies in their jurisdictions, many of which had developed affinities if not loyalties to regional governments during the Yeltsin era. These seven representatives of federal executive authority also investigated governors and presidents of republics as a way of undermining their autonomy and threatening them into subjugation.

Putin also emasculated the Federation Council, the upper house of Russia's parliament, by removing governors and heads of regional legislatures from this chamber and replacing them with appointed representatives from the regional executive and legislative branches of government. Regional leaders who have resisted Putin's authority have found elections rigged against them. In the last gubernatorial elections in the Kursk, Saratov, and Rostov oblasts, as well as in the presidential races in Chechnya (twice) and Ingushetiya, the removal of the strongest contenders ensured an outcome favorable to the Kremlin. In September 2004, Putin announced his plan to appoint governors.

Fourth, in December 2003, Putin made real progress in weakening the autonomy of one more institution of Russia's democratic system – the parliament. After the 1999 parliamentary election, Putin enjoyed a majority of support within the Duma. To make the Duma more compliant, Putin and his administration took advantage of earlier successes in acquiring control of other political resources (such as NTV and the backing of governors) to achieve a smashing electoral victory for the Kremlin's party, United Russia, in the December 2003 parliamentary election. Unified Russia and its allies in the parliament now control two-thirds of the seats in parliament. In achieving this outcome, the Kremlin's greatest asset was Putin's own popularity, which hovered around 70 percent during the fall 2003 campaign. Constant, positive coverage of United Russia leaders (and negative coverage of Communist Party officials) on all of Russia's national television stations, overwhelming financial support from Russia's oligarchs, and near unanimous endorsement from Russia's regional leaders also contributed to United Russia's success. For the first time ever, the Organization for Security and Cooperation in Europe (OSCE) issued a critical preliminary report on Russia's 1999 parliamentary election, which stressed that "the State Duma elections failed to meet many OSCE and Council of Europe commitments for democratic elections."

Finally, Putin has even decided that non-governmental organizations (NGOs) are a threat to his power. By enforcing draconian registration procedures and tax laws, Putin's administration has forced thousands of NGOs to close. NGO leaders considered too political are harassed and jailed. To force independent NGOs to the margins of society, the Kremlin has devoted massive resources to the creation of state-sponsored and state-controlled NGOs. Most recently in his 2004 annual address to the Federation Assembly, Putin struck a xenophobic note when he argued that "[n]ot all of them [NGOs] are striving to promote the public interest. For some of these organizations, the priority is getting grants from the powerful foreign foundations."



Subsequently, pro-Kremlin members of parliament have introduced legislation which would tighten state control over the distribution of grants from foreign donors.⁹ Western NGOs are not immune from Russian state harassment. Putin's government has tossed out the Peace Corps, closed down the office of the Organization for Security and Cooperation in Europe in Chechnya, declared *persona non grata* the AFL-CIO's field representative in Moscow, and raided the offices of the Soros Foundation and the National Democratic Institute (NDI).

When observed in isolation, each one of these steps in Putin's plan can be interpreted as something else besides democratic backsliding. The government in Chechnya did not work; terrorists did and do reside there. Some of the regional barons that Putin has reigned in actually behaved as tyrants in their own fiefdoms. What president in the world does not want his party to enjoy a parliamentary majority? And more generally, everyone believes that Russia needs a more effective state to develop both markets and democracy. But when analyzed together, the thread uniting these events is clear – the elimination or weakening of independent sources of power.

The Bush Response

Mid-level officials within the U.S. government have spoken out publicly about the dangerous, anti-democratic trends inside Russia. Secretary of State Colin Powell even published an op-ed piece in a Russian newspaper in the winter of 2004 warning about the deleterious consequences of further democratic rollback. Bush, however, has not weighed in. Grandly, President George W. Bush has made the promotion of liberty around the world a central theme of his foreign policy speeches. In a speech commemorating the 20th anniversary of the National Endowment for Democracy last November, Bush stated that “the advance of freedom is the calling of our time; it the calling of our country.” In this same speech, Bush discussed those countries such as Cuba, Burma, Zimbabwe, and China where “our commitment to democracy is tested.” Missing from his list was Russia. At a time when Putin was rolling back democratic practices, President Bush declared in September 2003, “I respect President Putin's vision for Russia: a country at peace within its borders, with its neighbors, and with the world, a country in which democracy and freedom and rule of law thrive.”

Also against the backdrop of these democratic rollbacks in Russia, Bush administration officials began discussions about the timetable for Russia's “graduation” from American-funded democracy programs. The Bush administration originally pushed to cut funds for Russia under the Freedom Support Act from \$148 million in 2003 to \$73 million in 2004. (Only wiser congressional leadership added money to the administration's requests.) The Bush administration also has gutted funding for exchanges – one of our most effective and least expensive tools for fostering democratic development.

Human rights groups in Russia have expressed disappointment with Bush's embrace of Putin. As Lyudmila Alekseeva, head of the Moscow Helsinki Group, explained, “The integration of Russia into the anti-terror coalition became a pardon of violations by Western democracies. This ally

⁹ Anfisa Voronina, “A Filter for Grants: The state will decide which donors are acceptable,” *Vedemosti*, 23 July 2004, translated and redistricted by WPS Monitoring Agency.



that we [the Russian human rights movement] had in Western governments, the U.S., the European Union, Canada, is immeasurably less of an ally now.”¹⁰ Not surprisingly, Putin has expressed the exact opposite sentiment about Bush and his re-election prospects, going out of his way on numerous occasions to endorse Bush as his preferred candidate and even suggesting that a defeat for Bush would be a victory for al Qaeda.

Indifference to Economic Opportunities and Threats

In contrast to his abysmal record on democracy, Putin did much in his first term to accelerate Russian economic reform. Putin’s government and the new pro-Putin Duma have passed into law a series of fundamental reforms, including a flat income tax of 13 percent, a reduced profits tax (from 35 percent to 24 percent), a new land and legal code, and new legislation on currency liberalization. Under Putin, the Russian government also has balanced the budget several years in a row and sharply reduced international lending. Parallel to these reforms, the Russian economy has boomed. Sparked by the devaluation in 1998 and fueled steadily since by higher oil prices, the Russian economy has grown every year since 1999, foreign direct investment hit an all time high in 2003, hard currency reserves are bursting, inflation is modest, and real per capita incomes have grown by more than a third since Putin came to power.

In addition to another emerging market filled with potential for American investors, Russia’s economy also has strategic importance for American national interests. Russia is the world’s largest producer and exporter of hydrocarbons, has one of the world’s largest oil reserve bases, and owns 30 percent of the world’s proven gas reserves.¹¹ Because the United States now seeks to decrease its energy dependence on the unstable regimes in the Middle East, Russia offers a significant alternative source of oil and gas.

The Bush Response

The Bush administration initially showed interest in making greater economic cooperation a major component of Russian-American relations. The Bush administration dissolved the government-to-government commission headed for many years by former Vice President Al Gore and former Prime Minister Viktor Chernomyrdin. In place of this government-to-government arrangement, the Bush administration has given its blessing and support to a set of private bilateral organizations dedicated to these same issues with a particular focus on stimulating trade and investment.¹² Bush also called for an accelerated schedule for Russia’s membership in the World Trade Organization.

¹⁰ “West Accused of Ignoring Russian Human Rights Abuses,” *Associated Press*, July 9, 2002.

¹¹ Paul Hueper, “The Energy Locomotive,” in Jan Kalicki and Eugene Lawson, *Russian-Eurasian Renaissance? U.S. Trade and Investment in Russia and Eurasia* (Stanford: Stanford University Press, 2003), 175.

¹² In July 2001, Presidents Bush and Putin called for the formation of the Russian-American Business Dialogue (RABD). The RABD is comprised of four private organizations – the U.S.-Russia Business Council, the Russian-American Business Council, the American Chamber of Commerce in Russia, and the Union of Industrialists and Entrepreneurs.



After the articulation of ambitious agendas, however, most of these economic initiatives have lost momentum. Regarding trade, the Bush administration has failed to press Congress to repeal the 1974 Jackson-Vanik amendment, which explicitly still links Russia's trading status to levels of Jewish emigration. A moral and effective legislative act in its day, the Jackson-Vanik amendment is now obsolete, since serious restrictions on Jewish emigration no longer exist. Yet, Bush has decided not to invest any political capital to retire this symbol of the Cold War era, and has instead allowed the legislation to be linked to other trade disputes, including Russian efforts to limit American chicken exports to Russia.

Bush also has made little progress in developing Russia as an alternative supplier of oil and gas to the United States and its allies. In January 2004, the Russian government inexplicably cancelled a 1993 agreement allowing Exxon Mobile Corporation and its partners to develop Sakhalin-3, a major undeveloped oil field in Siberia. Russian officials plan to resell the tender for a "fairer" price. At least publicly, The Bush response to this egregious violation of property rights was mute. Nor has the Kremlin's campaign against Yukos and its owners become a major issue in U.S.-Russian relations, despite the fact that the state-orchestrated bankruptcy of Yukos hurts American shareholders, frightens other potential investors away from doing business in Russia, and lessens the supply and increases the price of oil (at least in the short term) in the world. In addition, the Bush administration has moved slowly to develop new pipelines in the region, which could accelerate the flow of oil exports out of Kazakhstan.

RUSSIAN DEMOCRACY AND THE AMERICAN NATIONAL INTEREST

Even after the collapse of the Soviet Union, Russia is still a major power in the world that affects American national security interests in direct and immediate ways. Russia is still the only country in the world that can launch a major nuclear attack against the United States. Russia is one of the few countries in the world that can provide (and therefore prevent the spread of) weapons of mass destruction to enemies of the United States. As a veto-holding permanent member of the United Nations Security Council, Russia can substantially ease or complicate American attempts to work through the U.N. and other international institutions to advance vital U.S. interests. As the world's largest producer and exporter of hydrocarbons, Russia offers the U.S. and its allies an opportunity to diversify and increase supplies of energy outside of the Middle East and OPEC. Russia also maintains relationships with and therefore has information about countries such as Iran and North Korea, which is critical to American national security. In Eurasia, Russia is the regional hegemon, whose actions can affect American allies in the region both for good and for ill.

The United States, therefore, has a strategic interest in Russia's internal development and external behavior. And the two are interlinked. The collapse of communism in Eastern Europe and then the Soviet Union greatly enhanced American national security. So long as unreconstructed communists ruled the Soviet Union, the country represented a unique threat to American security. When the communist regime disintegrated and a new democratically oriented regime began to take hold in Russia, this threat to the United States diminished almost overnight. Democratic regime change inside Russia was not the sole cause of the sea change in Russian



behavior internationally. Russia today is much weaker, militarily and economically, than the Soviet Union was at the time of its collapse. And yet, power capabilities are not the only variable explaining the absence of balancing against the West, any more than the military equation was the only reason for Soviet-American enmity during the Cold War. Russian foreign policy intentions have changed more substantially than Russian capabilities. After all, Russia still has thousands of nuclear weapons capable of reaching American territory. Regime change in the opposite direction could make this arsenal threatening once again.

Russia today is not a dictatorship. Yet, the absence of democratic consolidation in Russia has already adversely affected American interests. In Kosovo just a few years ago, a renegade Russian military operation to occupy Pristina nearly precipitated the first direct combat between NATO and Russian troops. If Russia had in place at the time a fully consolidated democracy, complete with civilian control over the military, then this dangerous fiasco would not have occurred. Today, it is no coincidence that the most Soviet-like, unreformed elements of the Russian state are the same actors threatening American security interests, be they the Russian armed forces fighting in Chechnya and threatening Georgia, the Federal Agency for Atomic Energy (formerly the Ministry of Atomic Energy or Minatom) working with Iran, or the KGB officers who advocate the re-nationalization of Russian oil and gas companies.¹³

Russia's anti-democratic drift also slows Russian integration into Western multilateral institutions. Relations with the European Union and NATO have become strained in part because of uncertainty about Russia's commitment to democracy. Some in the West already question whether Russia deserves membership in the G8. Russia will never become a trusted partner of the West and a "normal" European country unless Russia becomes a "normal" democracy. Likewise, if Russian leaders see no prospect of joining Western clubs, they will become less interested in pursuing membership criteria and more focused on creating and strengthening their own clubs, such as a more active Commonwealth of Independent States. This new separation between East and West serves neither side.

Today, Putin still enjoys high approval ratings, giving him the capacity to rule without the support of anti-democratic elements and unreformed units of the Russian state if he chooses to do so. Nonetheless, Putin appears at times to be beholden to these antidemocratic forces. Former FSB officers serving in Putin's government now enjoy incredible power. If Putin's popularity were to fall dramatically, and there are signs suggesting that support is declining, then he would have to rely even more heavily on these FSB officers, as well as on the so-called power ministries, such the Ministry of the Interior and the Ministry of Defense (both now headed by former FSB officers). In the worst-case scenario, if democracy were suspended completely, Putin or his successor would become completely dependent on these forces. In this scenario, the guys with guns who would be needed to maintain autocratic rule are also the same domestic constituencies in Russia that are most hostile to the West, and the United States in particular.

¹³ One alleged proponent of this change in property rights, Presidential Deputy Chief of Administration Igor Sechin, became the chairman of Rosneft, the largest Russian oil company still in state hands, in July 2004. Upon his appointment, analysts speculated that Rosneft might seek to acquire other energy assets, including parts of Yukos. See "The Oil Cardinal," *Kommersant' Daily*, 28 July 2004.



In the long run, further autocratic consolidation will also slow Russian economic growth, a development that serves neither Russian nor American interests. Over the last four years, some have argued that Putin's anti-democratic policies are a necessary evil for achieving positive economic growth. These apologists cite successful autocratic reformers in South Korea and Chile in the recent past and China today as positive analogies for Putin's Russia. Without question, reforming economies need functioning states to succeed. Lawless states or regimes captured by oligarchs do not provide permissive conditions for growth. Dictatorships, however, do not always provide permissive conditions, either. On the contrary, for every autocrat that pushes through reform, attracts investment, and spurs growth, there is another that blocks reform, steals assets, and impedes economic development. For every China, South Korea, and Chile there is a Myanmar, Pakistan, and Angola. Moreover, dictatorships are best at guiding economic growth when the task is to move from an agrarian-based to an industrial society. Russia's task today, however, is to make the shift from an industrial to a post-industrial economy. The Soviet state could build Uralmash, but the new Russian state cannot pick the next Google. The experience in the post-communist world is clear—the fastest democratizers are also the fastest economic reformers and most successful economies.

Less abstractly, it is difficult to connect the dots between Putin's anti-democratic actions and economic growth. How exactly did the destruction of Media-Most help Russian GDP grow? Does the harassment of anti-war activists actually add to Russia's hard currency reserves? Is there any evidence to suggest a positive relationship between the war in Chechnya and economic growth? More likely, the increase in autocratic practices and the increase in Russian economic growth over the last four years is a spurious correlation.

More recently, Russia's authoritarian drift already shows signs of slowing down economic growth. The war in Chechnya is an obvious and unnecessary burden on the budget. The assault against Yukos already has dealt a major blow to the Russian stock market, which suffered a 50 percent correction between April and July 2004. The campaign also has scared away potential investors and decreased the incentives of other Russian companies to make transparent their profits and losses. Capital flight from Russia accelerated to \$5.5 billion in the first six months of 2004, compared to \$2.9 billion for all of 2003.¹⁴ The Yukos affair suggests that there are two economic models being advanced by different factions within the presidential administration and Russian government. Russia's liberal reformers want to see a form of capitalism in Russia in which the line between the state and the private sector becomes more defined. Their opponents favor a closer relationship between the state and economic entities in which the state retains partial ownership (and complete control) of Russia's major companies. For the first group, Yukos is a model company. For the second group, Gazprom or Rosneft are preferred models. Over the long run, economies based on the latter model do not produce as much growth as those based on firms controlled by private owners. As former Minister of the Economy Yevgeny Yasin observed in reflecting on the long-term implication of Yukos' demise, "...a humiliated and degraded business [community] will not be the engine of Russia's growth. In a market economy,

¹⁴ "Government Rethinks Optimism regarding Capital Flight," *REF/RL Newslines*, 9 August 2004.



prosperity is created by bold people and companies, ready to take risks, and not merely be obedient.”¹⁵

One can only wonder how much higher Russia’s growth numbers would have been over the last three years if Russian democracy had been deepening, rather than eroding. Evidence suggests that the unrestrained Russian state is becoming not a helping hand, but a grabbing hand, demanding bigger bribes from major businesses, which pay in fear of the consequences of not paying. No one wants to become the next Khodorkovsky. Recent studies of transitional economies suggest that an independent media and a strong party system are more important for fighting corruption than a bloated police force. The best watchdogs for bad policy and corrupt government are hungry politicians who want to get back into power through the ballot box or investigative journalists who want to make their name by exposing company fraud. Russia now lacks such checks on corruption. That Russia relies so heavily on oil and gas exports to earn hard currency makes it a likely candidate for crony capitalism, absent any democratic checks on the state’s power.

Finally, the United States should want to see the consolidation of democracy in Russia because the people of Russia want democracy. In poll after poll, Russians report that they value democratic ideals and practices, even if they are not ready at this time to fight for the protection or promotion of these practices.¹⁶

The United States has a strategic, economic, and moral interest in strengthening Russian democracy. An imperial autocrat in the Kremlin will threaten our allies in the region, undermine our efforts to control the proliferation of nuclear weapons in places like Iran, and suppress those Russians who embrace democratic values. In the long run, autocracy in Russia will lead to higher levels of corruption, a greater drag on economic reform, and the end of Russia’s economic recovery. It was democratic regime change in the Soviet Union and then Russia that put an end to the Cold War. Russian regime change in the opposite direction will rekindle confrontation between the U.S. and Russia.

A NEW AMERICAN STRATEGY

It is clear that the United States has immediate interests in fighting terrorist organizations and preventing proliferation of weapons of mass destruction, which require Russia’s cooperation, as well as a long-term strategic interest in seeing the consolidation of democracy inside Russia. Some believe that these two American policy goals are in conflict with each other. They are not. Rather, the American government has the capacity to pursue multiple objectives at the same time with difficult but strategic countries like Russia. During the Cold War, some American leaders tried to keep it simple and cast the entire world as “us” against “them”; the communists were against us and anti-communists were with us. Such simplicity made thugs like General Pinochet

¹⁵ Yevgeny Yasin, “The willful destruction of Yukos tells us: be afraid,” *Financial Times*, 29 July 2004.

¹⁶ Timothy Colton and Michael McFaul, *Popular Choice and Managed Democracy: The Russian Elections of 1999 and 2000* (Washington: Brookings Institution Press, 2003), ch. 8.



in Chile, Jonas Savimbi in Angola and the apartheid regime in South Africa our “friends.” However, the more effective leaders understood that the United States needed a more sophisticated approach that oftentimes included dual track diplomacy toward the same country. In dealing with the Soviets, this meant pursuing arms control and fostering political liberalization within the Soviet bloc *at the same time*. A similar strategy for dealing with Russia is needed today.

More generally, the Russian-American relationship desperately needs a new agenda to end the current malaise. American indifference about Russia is not only limited to issues of democratic governance. Rather, President Bush has devoted little time or energy to developing a constructive relationship with Russia regarding any set of issues. U.S.-Russian relations are too important to be kept on the backburner for any longer.

RE-ENGAGING THE RUSSIAN STATE

Denuclearization, Nonproliferation and Counterproliferation. Motivated by shared interests, the United States and Russia already cooperate on many fronts related to nonproliferation. Most recently, in June 2004, Russia agreed to become a core member of the sixty countries cooperating to stop the shipments of weapons of mass destruction under President Bush’s Proliferation Security Initiative. This is a positive sign. But much more needs to be done. The U.S.-Russia relationship is in desperate need of a new, grand and cooperative initiative. Accelerating the dismantlement of nuclear weapons, perhaps even with the aid of a new treaty, would be one way to generate a new atmosphere of cooperation between Russia and the United States and help the United States in its quest to discourage proliferation of nuclear weapons worldwide. For many in the Bush administration, arms control with the Russians is passé, no longer needed in the post-Cold War era. However, to those living in countries still aspiring to acquire nuclear weapons (or being threatened by those countries developing nuclear weapons), a new treaty commitment to reduce still further the nuclear arsenals of the world’s two nuclear superpowers would have important symbolic meaning. To build an international coalition against proliferation of nuclear weapons, the United States must make a more credible commitment to decreasing its own nuclear stockpile. A treaty that defined rules for counting warheads, specified a timetable for dismantlement, included robust verification procedures, made cuts permanent, and did not allow demobilized weapons to be put in storage (as is now the practice under the Strategic Offensive Reductions Treaty) would send a message to the world that the United States is serious about meeting its obligations specified in Article 6 of the Nuclear Non-Proliferation Treaty (NPT).

Similarly, the United States and Russia should sign a new bilateral agreement that pledges to discontinue research and development of new nuclear weapons. Both Presidents Putin and Bush have supported the development of new nuclear weapons programs. In the United States, the Bush administration stated in the 2002 Nuclear Posture Review a desire to develop low-yield, earth-penetrating nuclear weapons as a more effective weapon for destroying bunkers. Russia’s strategic doctrine continues to emphasize the utility of battlefield nuclear weapons. In addition, President Putin announced in February 2004 his desire to deploy a new generation of strategic



ballistic missiles armed with nuclear warheads.¹⁷ All this modernization is unnecessary. In particular, neither the United States nor Russia needs to develop “mini-nukes” or bunker-busting nuclear weapons, since the deployment of such systems would increase, however slightly, the probability of using nuclear weapons. Instead, Russian and American officials should pledge to devise military strategies that do not rely on nuclear weapons. The current trajectory in Russian military doctrine is to move in the opposite direction, that is, toward greater reliance on nuclear weapons for national security. Likewise, the Bush administration’s emphasis on preemption in combination with the development of new “mini-nukes” sends a dangerous signal to the rest of the world about the potential for American first use of nuclear weapons. Only after American and Russian officials commit to reducing the role of nuclear weapons for the security of their countries will other countries take a similar approach. As Sam Nunn forcefully argued, “if the United States and Russia de-emphasize the role of nuclear weapons in our security it would immediately reduce the dangers we pose to each other; it would give us more standing to encourage other nations to dismiss the nuclear option—nations like Iran and North Korea. And it would rally the world to take essential steps in preventing catastrophic terrorism – not only in the nuclear arena, but also the biological and chemical.”¹⁸

To demonstrate commitment to curtailing nuclear weapons development, the American president and the U.S. Senate must work together to propose the changes necessary to allow the United States to ratify the Comprehensive Test Ban Treaty. Ignoring this important international treaty sends the exact wrong message about America’s commitment to nonproliferation.

Russia and the United States also must get serious about reducing existing non-strategic nuclear weapons, and making more verifiable the safe storage of these weapons, including the safe storage of the highly enriched uranium needed to make these weapons. Russia still has between three and four thousand of these battlefield nuclear weapons, while the United States maintains between one and two thousand of these weapons, which dangerously reduce the threshold for nuclear use. As a first gesture of its commitment to lessen reliance on these kinds of weapons, the United States should remove all non-strategic nuclear warheads from Europe.

Most ambitiously, the United States and its Western allies need to offer Russia a buyout of its billion-dollar contract with Iran to build a nuclear power plant in Bushehr. Recent revelations about Iran’s secret weapons program make it clear that the mullahs in Tehran cannot be trusted with nuclear technology. Although it has not been proven that the Russian project contributed to Iran’s secret weapons program (Pakistan was a more likely source), any transfer of nuclear technology to Iran now does not serve Russian or American national security interests. The regime in the Nuclear Non-Proliferation Treaty designed to stop leakage between civilian and military nuclear programs simply does not work. Russia, however, stands to lose millions of dollars from a Bushehr closure and could stand to lose much more from Iranian retaliation in

¹⁷ Vladimir Isachenkov, “Russia Plans New Generation of Weapons,” *Associated Press*, 18 February 2004; Rose Gottemoller, “Nuclear Necessity in Putin’s Russia,” *Arms Control Today*, April 2004.

¹⁸ Remarks of former Senator Sam Nunn to the Carnegie Endowment for International Peace, Conference on International Non-Proliferation, 21 June 2004, transcript provided by the Federal News Service.



other areas of economic cooperation between the two countries. Russia's atomic energy agency desperately needs this contract to stay afloat. In exchange for a complete halting of the Bushehr project, therefore, the United States and European Union should compensate Russia in a deal similar to that constructed to stop the transfer of Russian missile technology to India in the early 1990s. Either Russia could be paid in cash the equivalent of the Bushehr contract or Russia could be offered a new, bigger contract for nuclear-related services (such as the storage of spent fuel). Either way, it is a small price to pay if it helps to prevent Iran from acquiring nuclear weapons.

In addition to preventing the spread of nuclear weapons, the United States and Russia must work together more robustly to prevent the proliferation of ballistic missile technologies. Recent revelations about North Korea's new ballistic missile systems indicate that Russia was the original missile technology source.¹⁹ External actors also have contributed to Iran's development of new ballistic missile systems. As the world's leading developers of missile technologies, Russia and the United States must take the lead in reinvigorating the Missile Technology Control Regime (MTCR) and the monitoring of missile development and testing more generally. In 1998, Presidents Clinton and Yeltsin agreed to establish a bilateral center in Moscow to facilitate the exchange of information about missile launches worldwide, in large measure to prevent an improper response to an accidental launch by one side or the other.²⁰ The center also was assigned the task of monitoring missile launches worldwide. Six year later, the center has yet to open.

The Cooperative Threat Reduction (CTR), or so-called Nunn-Lugar program, also must be expanded, accelerated, and reformed. It was progress that the Bush administration reversed its decision to cut funding for CTR in 2001, but current funding levels do not reflect the urgency of the problem after September 11. The Department of Defense's CTR budget for fiscal year 2001, the last year of the Clinton administration, was \$443 million, while the Bush administration's request in FY 2004 for CTR's budget was \$451 million, a tiny increase from pre-September 11 levels. Almost all of the increases in the Department of Energy's nonproliferation budgets have been earmarked for the security and disposal of American, not Russian, fissile material.

Metrics for measuring success must be made clearer and information about progress in meeting these goals must be made more readily available. Today, access to storage facilities operated by the Russian Ministry of Defense and the Agency for Atomic Energy (formerly Minatom) is a real impediment to the deeper development of the Nunn-Lugar program. American officials should lessen Russian suspicions about America's true intentions in seeking this access by giving Russian officials greater access to American storage facilities. The more transparency, the better. The pace of CTR work must also accelerate, since assessments predict that Russian stockpiles will remain insecure for another decade under the current program. Special new emphasis should be placed on the removal of highly enriched uranium from Russian naval systems scheduled for dismantlement. American officials also must pledge to not allow CTR programs to be linked to Russian behavior in other dimensions of the bilateral relationship.

¹⁹ Joseph Bermudez, "North Korea Deploys New Missiles, *Jane's Defence Weekly*, 2 August 2004.

²⁰ Russia's early warning system has eroded considerably since the collapse of the Soviet Union.



Russia's full partnership in a new global initiative to control the international circulation of nuclear fuel is also essential. American and Russian government officials must take the lead in stopping the production of highly enriched uranium (HEU) and plutonium, and eventually eliminating the use of highly enriched uranium for any purpose. Using American money and Russian facilities, both countries should work together to remove all highly enriched uranium at research facilities in the non-Russian successor states.

Both countries also should sign a more robust and verifiable Fissile Material Cutoff Treaty. If this new treaty is going to have any chance at success, the current American proposal to limit verification procedures (because the Bush administration does not want an international organization carrying out on-site inspection programs of American facilities) must be reversed. Russian and American officials also must take the lead in establishing a new protocol to the Non Proliferation Treaty, which would forbid the acquisition of a closed fuel cycle to any non-nuclear country seeking to develop nuclear power capabilities. The same technology and material produces highly enriched uranium for both power reactors and nuclear weapons. The export of these dual use technologies, therefore, must stop, and be replaced by a new international regime that guarantees the supply of lower grade nuclear fuel and the removal of spent nuclear fuel from those countries seeking to use nuclear plants to generate electricity. Such a regime will only gain momentum if the United States and Russia work together.

Finally, more than a decade after the end of the Cold War, it is simply absurd that American and Russian nuclear forces remain on hair-trigger alert. This practice must be stopped immediately.

Fighting Terrorism. As already mentioned, American and Russian cooperation in defeating the Taliban in Afghanistan was real and tangible. U.S. and Russian officials hint that they continue to share and exchange intelligence about international terrorist groups. The Russian intelligence community, as well as the policy and academic communities in Moscow, has unique experiences and insights about the greater Middle East, from which their counterparts in the United States can learn. These are positive achievements of the last three years.

At the same time, the “war on terror” slogan has also distorted American and Russian analysis of the situation in Chechnya. Some people who are fighting Russia's armed forces in Chechnya associate their cause with a global, ideological movement to which Osama bin Laden and his allies also belong. However, this group inside Chechnya is a small minority. Other fighters in Chechnya may use the same means, including terrorism, as those followers of bin Ladenism, but their objectives are very different and include both Chechen independence and money. In other words, Chechnya has jihadists, freedom fighters, and bandits all fighting side by side against a common enemy—Russia. An end to the Chechen war will only occur when Russian leaders develop strategies to divide these three groups and then negotiate with those fighting for Chechen independence.²¹ At this stage, the United States government can do little to assist in

²¹ Continuation of the war in the name of fighting terrorism has many other detrimental side effects for Russian national interests, including exacerbating ethnic tensions between Muslims and non-Muslims in other parts of Russia, decimating and demoralizing a whole generation of drafted young Russian men, and strengthening the role



ending the war and beginning reconciliation. At a minimum, U.S. officials cannot contribute to the problem by talking about the conflict in Chechnya as simply one more hotspot in the global war on terror.

Russia's Integration into the West. Today, it is a real achievement of the Cold War's end that Russia has partial membership or affiliated status with the G8, the World Trade Organization (WTO), the North Atlantic Treaty Organization (NATO), and the European Union. In the future, Russia should acquire normal or full membership in all of these international organizations. Over the next two decades, the United States should make Russian integration into these Western clubs a serious priority. A Russia fully embedded in these international institutions will evolve into an important trading partner and strong ally for the United States and Europe. A Russia on the outside of these institutions could become an impediment or even a threat to the enlargement and consolidation of these international institutions. In parallel, American officials must work with their European allies to extend the reach of these institutions to other countries that emerged from the Soviet collapse. Most importantly, NATO and the European Union must continue to expand, however slowly, so that all countries of Europe and the Caucasus (if not even Central Asia) will enjoy the benefits and share the responsibilities of integration.

In the coming years and decades, however, the logic of Russian integration must change. In the initial years after Soviet collapse and Russian independence, American and European officials understood integration as a tool for socialization. Russia did not qualify to become a member of the G8 or to receive funds from the International Monetary Fund (IMF). However, President Clinton pressed to bend the rules of these international organizations to bring Russia in. Once inside the club, so the strategy asserted, Russia would accept the norms of the club and gradually be socialized into the Western community of democracies. This strategy achieved results, but only limited results, because once inside the tent, Kremlin officials believed that Russia was too big and too important to ever be threatened with expulsion. For instance, Russian officials believed, not without reason, that IMF conditionality did not apply to Russia in the same way that it did to smaller, non-nuclear countries. Likewise, because of Russia's strategic importance, Yeltsin saw G8 membership as a Russian right, despite the fact that China had not been accorded this same right. Russian-EU negotiations as well as WTO accession talks also suggest that Moscow officials believe that Russia should be accorded special treatment.

In the future, the United States and its Western allies must reverse the sequence. Russia must meet the standards of these international institutions first, and then be offered membership. Membership, including even qualified membership, should not be granted as a way to push Russia toward meeting the standards. And if Russia actually loses ground after meeting the standards for membership, then expulsion must be seriously considered. For instance, if Putin continues to rollback democracy and increase the state's role in running the economy, then Russia's standing in the G8 must be reviewed. All the G7 countries are consolidated democracies and market economies. If Russian leaders no longer aspire to build democratic and market institutions, then Russia no longer belongs in this organization.

of the military in decision-making about national policy more generally. For details, see Dmitri Trenin, *The Forgotten War: Chechnya and Russia's Future*, Carnegie Endowment Policy Brief, No. 28 (November 2003).



The sequence of joining security and economic institutions must also change. A decade ago, Yeltsin and his administration believed that Russian membership in the European Union was more desirable and attainable than membership in NATO. Today, it is clear that Russia will not become a member of the European Union for decades and maybe never at all. Russia simply will not meet the criteria for membership any time in the foreseeable future.²² Even if Russia could meet the standards, no one in Brussels and few in Moscow have any enthusiasm for the project. Russia is just too big. Disappointment about Russia-EU cooperation could be lessened by a more rigorous effort to upgrade Russia's status in NATO. Of course, Russia must meet the membership requirements of this club as well, requirements which include consolidating democracy. Nonetheless, NATO officials must begin to speak positively about Russian membership as a means to keep integration moving in the right direction.

Regional Security. The United States and NATO can take a few immediate steps unilaterally to demonstrate that Russia is no longer considered the enemy. The discontinuation of NATO war planning for a war with Russia would be an important symbolic step. More importantly, as suggested by President Bush, the United States should reduce dramatically its forces stationed in Germany. This Cold War legacy not only strengthens the arguments of Cold War warriors in the Russian military but it also ties up American troops desperately needed in other parts of the world.

Beyond these unilateral measures, Russia, the United States, and NATO need to develop a real security agenda that moves beyond symbolic gestures. Russian membership in NATO is a long-term project. In the interim, Russia and NATO must find ways to expand cooperation and diffuse zero-sum calculations about the balance of power in Europe and the territory of the former Soviet Union. Russia's decision to join the NATO-Russian Council was an important step toward institutionalizing the European security architecture, but since the creation of this council, very little real positive change in relations between NATO and Russia has occurred. On the contrary, with the presence of NATO troops in Central Asia, the Caucasus, and soon in the Baltics, Russian generals warn increasingly of NATO's strategy of encirclement and as a response call for a more active projection of Russian influence in the Commonwealth of Independent States. This perception of Russian and American competition in the region must be corrected. New cooperative projects with meaningful objectives, not just symbolic ones, are desperately needed.

Russian and American officials talk abstractly about future cooperation in developing missile defense systems.²³ Russian and American navies also have conducted joint naval exercises, apparently with the idea that a mutual threat on the high seas might eventually emerge. None of these current projects or ideas really serves American or Russian national security interests. They are all symbolic gestures.

²² Timofeir Bordachev and Arkady Moshes, "Is the Europeanization of Russia Over?" *Russia In Global Affairs*, Vol. 2, No. 2 (April-June 2004), 90-102.

²³ David Sands, "Envoy hints at Moscow cooperation on missile defense," *Washington Times*, 23 May 2003.



A more serious, immediate, and concrete agenda of security cooperation would focus on resolving the so-called “frozen conflicts” in Transnistria, Abkhazia, South Ossetia, and Nagorno-Karabakh. These are real problems that constitute real security threats to both the United States and Russia. Since the collapse of the Soviet Union, Russia has unilaterally assumed primary responsibility for resolving these conflicts. Involvement by other actors, including the Organization for Security and Cooperation in Europe (OSCE) and the United States, has been limited and not coordinated with Russia. Results have been few. Russian officials, in fact, have described the status quo as desirable. Talking about South Ossetia, where Russian troops have served as peacekeepers in a territory internationally recognized a part of Georgia, Russian Defense Secretary Sergei Ivanov remarked in August 2004 that “for 10 years, all was normal there...”²⁴

The essence of a new approach would be to enlarge the problem, that is to internationalize each of these conflicts. The Russians cannot be the only peacekeeping force involved in these conflicts. Ideally, the United Nations (including Russia) would endorse new multilateral deployments, and the OSCE would take the lead in organizing a multinational peacekeeping force. The negotiation processes also must be internationalized. Members of the Georgian government, for instance, can only sit down to a negotiating table with their Russian counterparts if Americans and Europeans also have a place at the table.

RE-ENGAGING RUSSIAN SOCIETY

The battle for democracy within Russia will largely be won or lost by internal forces. In the margins, however, the United States can help to tilt the balance in favor of those who support freedom. In seeking to influence economic and political developments inside Russia, the United States has few coercive tools available. Comprehensive, sustained, and meaningful engagement of all elements of Russian society, therefore, must be the strategy. Moreover, Russian society wants to engage with the West. In an opinion poll conducted in January 2004, 75 percent of all Russian respondents reported that they wanted Russia to be an ally or friend of the West.²⁵ Only 17 percent thought that the West should be treated as a rival and less than 3 percent thought that the West is an enemy of Russia.

American support for the development of market and democratic institutions should not be considered anti-Putin or against the stated interests of the Russian state. In his annual address to the Federal Assembly in May 2004, Putin declared, “Our goals are absolutely clear: high living standards in the country, with life safe, comfortable and free, a mature democracy and a

²⁴ Bill Gasperini, “US, Russian Defense Ministers Discuss Security Issues,” UTC, 14 August 2004.

²⁵ The Demoscope group at the Institute of Sociology of the Russian Academy of Sciences carried out the survey of 1,648 Russian citizens. Timothy Colton, Henry Hale, and Michael McFaul designed the questionnaire. It should be noted, however, that other opinion polls suggest that Russians have a much lower opinion of the United States than they do of other Western countries.



developed civil society, the strengthening of Russia's position in the world."²⁶ By engaging directly with Russian society, the United States can help Putin achieve these goals.

Speak the Truth about Democratic Erosion in Russia. Just weeks before assuming her responsibilities as national security adviser, Condoleezza Rice wrote about the deleterious consequences of not speaking honestly about Russia's internal problems: "The United States should not be faulted for trying to help. But, as the Russian reformer Grigori Yavlinsky has said, the United States should have 'told the truth' about what was happening [inside his country]." She then attacked "the 'happy talk' in which the Clinton administration engaged."²⁷ Dr. Rice's message is even truer today. Yavlinsky and other defenders of democracy inside Russia still want U.S. officials to tell the truth.

In the last two years, Bush administration officials have made contradictory statements regarding their level of concern about democratic backsliding in Russia. While public statements made by Ambassador Alexander Vershbow in Moscow or (now former) Deputy Assistant Secretary of State Stephen Pifer have expressed real concern about internal developments in Russia, remarks by President Bush have conveyed the opposite. The violation of the human rights of those being held at Abu Ghraib and Guantanamo Bay make it harder for the Bush administration to speak authoritatively about democratic backsliding in other countries. Nonetheless, the American president, be it Bush or Kerry, must develop a consistent message about his commitment to promote freedom abroad in Iraq as well as Russia. President Bush's inattention to democratic erosion in Russia undermines the credibility and authority of lower level officials with a different, more critical message. To be effective and sound credible, the American government must speak with one voice.

Maintain Support for the FREEDOM Support Act (FSA). At a time when Russian democracy is eroding, some Bush administration officials have begun to discuss the timetable for Russia's "graduation" from American-funded democracy programs. In every budget request since coming to power, the Bush administration has cut funding to the FREEDOM Support Act for the region as a whole and for Russia in particular. From 2002 to 2004, funding for FSA fell from \$958 million to \$548 million, while funding for Russia's portion of these funds fell from \$162 million in 2002 to \$93 million in 2004, which, as the result of wisdom on Capitol Hill, was \$20 million more than the \$73 million originally requested by the Bush administration. The budget proposed for FY2005 continues this downward trend.

These cuts are premature. The job of democracy building in Russia is not only incomplete, but it is becoming more difficult. This is no time for "graduation." And if the United States abandons democratic activists in Russia now – well before democracy has taken root – what signal will this send about American staying power to those democratic leaders in Iraq and Afghanistan? Cutting funding for exchange programs is also dangerously short-sided. The United States has no greater asset for promoting democracy than the example of our own society.

²⁶ Putin, Address to the Federal Assembly of the Russian Federation, 26 May 2004, transcript and translation provided by Federal News Service.

²⁷ Condoleezza Rice, "Exercising Power without Arrogance," *Chicago Tribune*, 31 December 2000.



Repeal the Jackson-Vanik Amendment/Increase Funding for the Jackson Foundation. Compared to the dark days of the Soviet Union, the quality of political freedoms and individual liberties in Russia has increased dramatically in the two decades since the creation of the Jackson-Vanik Amendment to the 1974 Trade Act, which explicitly linked Jewish emigration quotas to the Soviet Union's trade status. State impediments to Jewish emigration no longer exist. Some of the human rights problems that Senator Jackson and Congressman Vanik wanted to address in 1974 still remain, but Jackson-Vanik no longer addresses these new strains of democratic infringements. It is time for Congress to graduate Russia from Jackson-Vanik and thereby allow Russia to obtain normal trading status (or what used to be called "most favored nations" status) with the United States. The retirement of Jackson-Vanik is important symbolically to Russia. But the current regime also places Russia under more stringent anti-dumping regulations than a country with normal trading status, a regime which has adversely affected Russia's exports of steel to the United States.

At the same time, the U.S. president should work with Congressional leaders to initiate new legislation to deal with new forms of human rights abuses in Russia today. Specifically, Congress should provide new resources to the Jackson Foundation, a non-profit organization established with seed money from the U.S. Congress to continue Jackson's agenda of promoting of human rights and religious freedoms in the Soviet Union and then Russia. A better funded Jackson Foundation could be tasked with making direct grants to those activists and organizations in Russia that are still dedicated to the original principles outlined in the 1974 legislation.

Increase Funds for Education in Russia and the United States. Education is the ally of democracy and democracy is the ally of the United States. The United States must devote greater resources to developing higher education within Russia and to promoting the study of more Russians within the United States. Special emphasis must be placed on promoting public policy schools and the development of political science as a discipline. Russia now boasts several top-notch business schools as well as first-rate departments of economics. Russian students have many options available to them if they want to learn about market institutions. The same cannot be said about the study of democratic institutions. Subsidizing Internet access inside Russia is another powerful tool for promoting democracy within Russia and integrating Russian society into the West.

New Trade and Investment Initiatives. Some critics of Putin's autocratic ways have called for a return to the policy of containment as a policy response. Such a policy response fundamentally misunderstands the new Russia. Rather than sanctions or new walls, U.S. officials need to understand that Russian society – including those in the private sector – can serve eventually as a check on autocratic drift. The more integrated Russia's business community becomes in the global economy, the harder it will be for a future new Kremlin dictator to push Russia away from the West. And in the long run, a strong and wealthy Russian middle class may fuel a second wave of democratization. Fostering economic growth inside Russia, therefore, is a vital U.S. interest.



Russian regulators are in need of a whole new wave of technical assistance regarding complex institutions that support market transactions. There is great need for assistance in drafting new bankruptcy statutes, new rules to prevent insider trading, and better regulations for reforming the banking system and developing credit and mortgage markets. Small business development is essential to economic growth and job creation in Russia, which means there must be more focused attention from the Agency for International Development, the Small Business Administration, and the Senior Executive Corps.

Export controls on high technology must be streamlined so that the American and Russian IT sectors can grow and integrate more effectively. Lingering legacies from the Cold War in this sector must be removed. At the same time, Russian and American officials must cooperate to develop better regulations to secure intellectual property rights and protect against piracy.

Assess Democracy and Market Reform Assistance. The next administration should join together with the U.S. Congress to authorize a comprehensive assessment of democracy and market reform assistance to Russia over the last decade, which should be made by a blue ribbon, bipartisan commission of independent analysts, scholars, and former statesmen. We need to know what works and what does not, both to improve programs in Russia and to offer up a list of best practices for new democracy and market assistance programs in Afghanistan and Iraq. To date, the accumulated knowledge on this subject both in government and academia is appallingly thin.

Ukraine. Ironically, perhaps the most important step for promoting democracy in Russia in the long run is to actively engage in fostering a democratic transition of presidential power in Ukraine this fall. Unlike Russia, Ukraine has a real chance at a democratic breakthrough if this election is free and fair. A swing of the pendulum toward democracy in Ukraine – coming soon after a similar hopeful shift in democratic momentum in Georgia – would send a powerful message throughout the region. On the other hand, a falsified or tainted electoral process would reaffirm the idea that all state leaders governing in states of the former Soviet Union have the power to ignore the will of the people. The United States, therefore, must mobilize its full diplomatic resources and leverage the influence of European allies to create the permissive conditions for a free and fair election in Ukraine in October and November of this year.

CONCLUSION

The United States does not have the power to reverse anti-democratic trends in Russia. Russia is too big; Putin is too powerful. But U.S. officials must make clear which side of the fence we are on. In reflecting on the Cold War era in Europe and Asia in a speech at the National Endowment for Democracy last year, Bush stated eloquently, “we provided inspiration for oppressed. In prison camps, in banned union meetings, in clandestine churches, men and women knew that the whole world was not sharing their own nightmare. They knew of at least one place – a bright and hopeful land – where freedom was valued and secure. And they prayed that America would not forget them, or forget the mission to promote liberty around the world.” Democrats in Russia are still praying that we do not forget them and do not abandon our mission to promote liberty *everywhere* in the world, including Russia.



ABOUT THE AUTHOR

Michael McFaul is the Peter and Helen Senior Fellow at the Hoover Institution and an associate professor of political science at Stanford University. He is also a non-resident associate at the Carnegie Endowment for International Peace. His latest books include with James Goldgeier, *Power and Purpose: American Policy towards Russia after the Cold War* (2003); and with Nikolai Petrov and Andrei Ryabov, *Between Dictatorship and Democracy: Russian Post-Communist Political Reform* (2004).