



The  
Stanley  
Foundation

# working paper

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Powers and Principles:  
International Leadership in a Shrinking World

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November 2008

## **Russia's Place in an Unsettled Order— Calculations in the Kremlin**

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**With a reaction by Dmitri Trenin**

## About the Contributors

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## About the Project

The aim of the Stanley Foundation's project on **Powers and Principles: International Leadership in a Shrinking World** is to identify plausible actions and trends for the next ten years by which the international community could become more unified. The foundation asked contributing authors to describe the paths by which nine powerful nations, a regional union of 27 states, and a multinational corporation could all emerge as constructive stakeholders in a strengthened rules-based international order. For each case, the writers discuss how their given country might deal with the internal and external challenges posed by international norms for the global economy, domestic governance and society, and global and regional security.

Each essay in the series represents an assessment of what is politically possible (and impossible), supported by a description of the associated pressures and incentives. Unlike other future-oriented projects, there were no calculations of probability; we were interested in a particular global future—an international community with broad respect and support for norms—and how it might take shape. Authors were expected to address the particular challenges, pressures both for change and continuity, as well as natural leadership roles pertinent to their actor's geostrategic position, economy, society, history, and political system and culture.

The project did not apply a checklist or rating system to the question of stakeholdership. A responsible stakeholder can be an upholder, critic, and shaper of the rules-based order all at the same time. But while stakeholdership is not a matter of accepting the entire set of norms, if a powerful nation opts out of too many rules, it will undermine rather than uphold the order. To provide a perspective from the inside and counterweight to each essay, a commentator from the given country (or other actor) has been enlisted to provide critical reactions to the coauthors' piece.

## Russia's Turnaround

Russia has traveled a tumultuous path since the collapse of the Soviet Union nearly seventeen years ago. Hopes that Russia would recast itself as a democracy and align with the West were soon dashed, as the Russian economy collapsed in the 1990s, and federal and local state power deteriorated. Russia lacked the capacity to act as a “responsible stakeholder” during a period when the survival of the Russian state itself was hardly guaranteed. Then, almost as suddenly as the Soviet Union disintegrated, Russia experienced an extraordinary economic recovery. In the decade since the 1998 Russian financial collapse, the country’s gross domestic product (GDP) rose from slightly less than \$200 billion in 1999 to more than \$1.3 trillion in 2007. This figure probably will reach \$2 trillion by 2010—a stunning 1000% growth in just over a decade. Earlier this year, the Ministry of Economic Trade and Development published very ambitious plans for continued economic growth pointing toward a GDP of approximately \$5 trillion by 2020, which would make it the largest economy in Europe and the fifth largest in the world.<sup>1</sup>

Russia’s recovery is only part, albeit an important part from Moscow’s perspective, of an ongoing dramatic tilt in the global economic balance of power toward large emerging market economies and hydrocarbon producers—two categories in which Russia figures prominently. Thirty years ago when the G-7 was formed to manage the global economy, its member countries constituted more than 60% of the world economy; today those countries make up just a bit more than 40% of global GDP.

Given the breathtaking change in Russia’s “stakes,” it is no surprise that Moscow has been rapidly re-evaluating its interests in the international system and what it means to be a “responsible stakeholder.” President Vladimir Putin’s famous February 2007 speech at the Werkunde Security Conference in Munich made two points: 1) that the United States was behaving in an “egoistic” rather than responsible manner in managing global affairs; and 2) an international system of global American hegemony was evaporating and being replaced by genuine multipolarity. Most commentary focused on the first point and missed the import of the second, which Putin summarized:

- The combined GDP measured in purchasing power parity of countries such as India and China is already greater than that of the United States.
- A similar calculation with the GDP of the BRIC countries (Brazil, Russia, India, and China) - surpasses the cumulative GDP of the European Union (EU). According to experts this gap will only increase in the future.
- There is no reason to doubt that the economic potential of the new centers of global economic growth will inevitably be converted into political influence and will strengthen multipolarity.

Putin and his colleagues elaborated on this theme in a number of important speeches in 2007. The call for a “new international architecture” of global governance also became one of the campaign themes of the Russian parliamentary/presidential electoral cycle.<sup>2</sup>

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<sup>1</sup> *Concept in the Long-term Socio-economic Development of the Russian Federation*, p. 6. For analysis of the international implications for the Russian economy of the 2020 Program, see Andrew Kuchins, Amy Beavin, and Anna Bryndza, “Russia’s 2020 Strategic Economic Goals and the Role of International Integration,” forthcoming July 2008. [is this date correct?]

<sup>2</sup> For more on this point see the article by Clifford Gaddy and Andrew Kuchins, “Putin’s Plan,” *The Washington Quarterly*, Spring 2008, pp. 117-129.

While Russians are right to point out the anachronistic and often ineffective institutions of global governance, their own capacity to contribute toward a solution is constrained by an emotionally charged view of what has happened in the international system during the past twenty years. Moscow views many of the changes that have occurred since the late 1980s as illegitimate, since Russia was too weak to assert its positions. In this narrative, the West, and mainly the United States, took unfair advantage of Russian weakness through NATO expansion, Kosovo, promoting regime change (“color revolutions”) on Russia’s borders, abandoning the Anti-Ballistic Missile (ABM) Treaty, and other policies.<sup>3</sup>

The Russian elite clearly views these Western moves in the 1990s as detrimental to Russia’s national interests, but it is hardly realistic—nor would it be in anybody’s interests, including Moscow’s—to reverse the changes in the international system simply because Russia was temporarily weak. It is somewhat understandable that Russians are reveling in their resurgence, but too often this is manifest as “the Russia that can say ‘no,’” rather than cooperating to build a better world. The sometimes obstinate and sometimes cocky Russia was reflected in Putin’s personality as well as Russia’s meteoric recovery during his presidency. Russian *schadenfreude* was also notable as Moscow watched the trials and travails of the United States in Iraq and in the global financial system, sparked by the sub-prime crisis.

### **Resurgent Russia Asserts Itself**

The tensions between Russia and the West, and especially between Moscow and Washington, became tragically evident with the August 2008 war in Georgia. The prevailing narratives in the United States and Russia regarding the provocation for the war were almost diametrically opposed. Mr. Putin, on the basis of the flimsiest evidence, even accused the Washington of orchestrating the conflict, while President Bush had castigated Russia for violation of Georgia’s territorial integrity, behavior that is impermissible in the 21st century. Russian Foreign Minister Sergey Lavrov gave the Russian view in a speech in Moscow on September 1:

Should the United States and its allies choose to back the regime of Saakashvili who has learned nothing at all, it will be a mistake of historic magnitude...America's military aid to Saakashvili's regime never became a leverage with his government. On the contrary, it encouraged this irresponsible and unpredictable regime to proceed along the road of escapades.

For the analytical task at hand, it is not the proximate causes or immediate consequences of this war, but rather the implications for Russia’s future role in the evolving international system that is of interest. As Russian elites themselves discuss this issue, it should be noted how little they talk in terms of “public goods” and “norms.” Russians describe their foreign policy as ultimately pragmatic and interest-driven. US and European references to values and norms are received at best cynically, but often with defensive hostility about our “double standards.” The default interpretation in Russia of American efforts to promote its “values” is to view them as hypocritical justifications for the promotion of US interests—and, ultimately, for influence and hegemony.

But the norm that the Russian government has held dearest, that of national sovereignty, is itself very selectively applied by Moscow. And Russian policy is also rife with double standards when it comes to the sovereignty of countries like Georgia and Ukraine. President Medvedev made this eminently clear in September 2008 remarks on Russian TV, when he presented the five principles that would guide Russian foreign policy:

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<sup>3</sup> This argument is set forth in “Putin’s Plan.” See reference above.

- First, Russia will comply in full with all of the provisions of international law regarding relations between civilized countries.
- Second, Russia believes in the need for a multi-polar world and considers that domination by one country is unacceptable, no matter which country this may be.
- Third, Russia is naturally interested in developing full and friendly relations with all countries, with Europe, Asia, the United States, Africa, with all countries in the world. These relations will be as close as our partners are ready for.
- Fourth, Medvedev sees protecting the lives and dignity of Russian citizens, wherever they may be, as an indisputable priority for our country, and this is one of our foreign policy priorities.
- Fifth, Medvedev thinks that like any other country, Russia pays special attention to particular regions, regions in which it has privileged interests. We will build special relations with the countries in these regions, friendly relations for the long-term period.

This formulation, which many analysts quickly dubbed “The Medvedev Doctrine,” is a striking contrast with the idealistic universalism that marked Mikhail Gorbachev’s “new political thinking” of the late Soviet period. At the same time it bears a strong resemblance to a traditional “realist” balance-of-power that allots special spheres of influence to great powers.

Rather than “norms” and “public goods,” Russian leaders and political analysts frame Russia’s terms of international cooperation as realpolitik bargains and “trade-offs” of interests.<sup>4</sup> For example, if Washington wants Moscow to take a stronger position to isolate Iran, then the United States is expected to compensate Moscow by halting NATO enlargement or deployment of missile defense systems in Poland and the Czech Republic. One of the most oft-repeated grievances is the US betrayal of the “gentleman’s agreement” supposedly struck between George H.W. Bush and Mikhail Gorbachev in 1990 to allow the unification of Germany as long as NATO would not expand and deploy new bases on the territory of former Warsaw Pact countries.<sup>5</sup>

That said, there have been indications, however slight, of a Russian willingness to be more cooperative and constructive. In the early months of the Medvedev administration, prior to the conflict with Georgia, the new Russian president employed distinctly different language regarding the challenges of global governance—offering positive proposals rather than litanies of complaints. For example, in a speech in Berlin in June 2008, President Medvedev—rather than griping about Kosovo, missile defense, NATO expansion, and other issues that usually arouse Moscow’s ire—proposed that the United States, Europe, and Russia should draft a binding treaty on European security.<sup>6</sup> After the clash with Georgia, though, the tone and content of Mr. Medvedev’s rhetoric has echoed the tough sharpness and occasional vulgarity of his prime minister, former President Putin.

This essay will first discuss how Russia’s domestic goals shape its interests in stability in the international system. We will then consider those interests in light of global challenges in key

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<sup>4</sup> Interestingly, President Medvedev spoke out against consideration of such “trade-offs” as detrimental to Russia’s interest in a major speech he gave in Berlin in June 2008. See “Speech to Political, Parliamentary, and Social Representatives,” June 5, 2008, [http://www.kremlin.ru/appears/2008/06/05/1923\\_type63374type63376type63377\\_202133.shtml](http://www.kremlin.ru/appears/2008/06/05/1923_type63374type63376type63377_202133.shtml). In reality, such “trade-offs” on really major issues seems fairly rare in international relations. In the case of perhaps the most significant such example during the Cold War, the US withdrawal of nuclear forces in Turkey to resolve the Cuban Missile Crisis, we did not learn of this until decades later.

<sup>5</sup> The incident shows the problem with such unwritten exchanges, since US officials contest the Russian interpretation of this period.

<sup>6</sup> Ibid.

areas such as international nuclear and security policy, regional security, energy, managing the global economy, and democracy/human rights.

## **Russian Economic Goals and Their Implications**

We must remember that while Russia's recovery over the last decade has been unexpectedly impressive in its speed and magnitude, from the perspective of the Putin/Medvedev team, this is still a relatively early phase. In 2008, per capita income should reach \$12,000, but the goal for 2020 is \$30,000, and for 2030, it is \$50,000. These are daunting but achievable goals which will depend as much on external conditions as on the Kremlin's policies. But even in the best-case 2020 scenario, Russia's share of global GDP will only rise from 2.3% to 3.5%. So even if Russia follows this ambitious trajectory, it is hardly poised to serve as the counterweight to the United States in a bipolar Cold War-like world.

Moreover, the only reason that the Soviet Union was able to compete militarily with the West during the Cold War was because it devoted at least one-fifth of its economy to military spending—ultimately paying the price of the disintegration of its economy and the Soviet state itself. By comparison, Russian military spending, while it has grown in tandem with Russian economic growth, has remained fairly constant as 3-5% of GDP.<sup>7</sup> Such growth is certainly not insignificant, but Russia still will face tremendous constraints and challenges in military modernization.

Growing international arms sales will also remain a high priority for the Russian government. Unless Russia can meet reach its desired sales figures via improved access to Western markets, the United States should expect to find Russian arms in the arsenals of dubious clients like Iran, China, Venezuela, and other problematic regimes. The Russians will defend their sales by, among other arguments, pointing to Western arms deals with such authoritarian governments as Saudi Arabia and Pakistan.

## **Strategic Arms Control and Nonproliferation**

Nuclear security and nonproliferation are areas in which we expect Russia to continue to be a responsible stakeholder. Indeed, the Russians would argue that they have been more responsible in this regard over the past eight years than the Bush administration. Even though Russia became more reliant on its nuclear deterrent due to the deterioration of its conventional forces in the 1990s, the continued aging of its nuclear arsenal leads Moscow to be more interested in deeper cuts in strategic weapons than Washington. While the Russian economy is recovering, we need to keep in mind that, from a strategic military standpoint, Russia remains in decline. Although the United States is mired in Iraq and Afghanistan, to Russia the United States still looks as though it's on the march—developing missile defenses, outspending Moscow by a ratio of 10:1, enlarging NATO, and calling for new bases in former Warsaw Pact countries. Russian policy makers still perceive stabilizing the strategic competition with Washington and its allies as being in Moscow's interests.

In the April 2008 meeting at the Russian Black Sea resort of Sochi, President Vladimir Putin and US President George Bush issued a “Strategic Framework Declaration” aimed at “moving the US-Russia relationship from one of strategic competition to strategic partnership.” While such a development that would clearly go far toward making Russia (and the United States) more responsible international stakeholders, the Russian and American governments have fundamentally different perspectives on how to control strategic offensive nuclear weapons.

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<sup>7</sup> Personal communication from Keith Crane, RAND Corporation.

Since March 2007, Russian and American negotiators have been discussing the contours of a new bilateral arms control accord to replace the 1991 Strategic Arms Reduction Treaty (START), set to expire in December 2009. In their more recent 2002 Russian-American Strategic Offensive Reductions Treaty (SORT), Washington and Moscow committed to reducing their nuclear arsenals to between 1,700 and 2,200 “operationally deployed strategic warheads” by December 31, 2012. This figure is lower than some of the limits imposed by START, but SORT’s verification depends heavily on the extensive on-site inspections, data exchanges, and other compliance measures found in START. Thus, if START expires without a new agreement, both governments will, as of December 2009, be severely hampered in their ability to verify any strategic arms control.

Russian negotiators have pushed for a new legally binding treaty that would replace START and supersede SORT. The Kremlin wants the new accord to be more detailed than SORT, whose limits Moscow sees as insufficient to ensure predictability and parity in the Russian-American strategic balance. Russian representatives also seek to require the United States to eliminate the warheads that are removed from its active stockpile rather than simply place them in storage. Russian leaders are concerned that the earlier agreements leave the US with the ability simply to “upload” these warheads back onto US strategic systems, thereby quickly reconstituting its pre-START II force.

Although the outgoing US administration would prefer an agreement with fewer constraints on US nuclear forces than desired by Moscow, the Democratic and Republican presidential nominees have both advocated positions regarding START that better accord with Russian preferences. Even if a new US administration does adopt a more flexible negotiating position once in office, however, it will not address another problem with the two governments’ approach to nuclear arms control. Moscow and Washington affirm in the Strategic Framework Declaration that any reductions in the size of their nuclear arsenals will represent “a further step in implementing our commitments” under the Nuclear Non-Proliferation Treaty (NPT). Yet, under NPT Article VI, “Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a Treaty on general and complete disarmament under strict and effective international control.” Given the NPT’s call for nuclear-weapons states to relinquish their arsenals, many other governments and international security analysts believe that the Russian Federation, the United States, and the other nuclear powers must make more drastic reductions—with many calling for total elimination—to meet their NPT obligations.

Another lingering nuclear arms control problem is intermediate-range nuclear weapons, those with ranges of 500–5,500 kilometers. The 1987 Intermediate-Range Nuclear Forces (INF) Treaty bans the two countries from developing, manufacturing, or deploying ground-launched ballistic and cruise missiles with these ranges. Russian dissatisfaction with the INF Treaty stems in part from how this bilateral agreement uniquely discriminates against Russia and the United States. In October 2007, Putin warned that Moscow would find it difficult to continue complying with the INF Treaty unless other countries ratified the agreement as well. Washington and Moscow subsequently agreed jointly to encourage other countries to join the INF Treaty, but this hasn’t amounted to anything more than issuing an appeal at the UN General Assembly. From the perspective of becoming a more responsible international stakeholder, it would be much better for Moscow to work with Washington to pull other countries into the INF Treaty than to abandon yet another arms control agreement without offering anything in its place. Indeed this might represent a broader arms control opportunity to find additional means to curb the proliferation of ballistic missiles.

## **Missile Defense**

Russian political, military, and other leaders have stridently denounced American plans to erect a comprehensive ballistic missile defense network extending beyond the US territory. In particular, Moscow objects to early US steps to deploy ballistic missile defense (BMD) systems in Poland and the Czech Republic. Russians are dubious of the stated US justification for the BMD deployments—that the systems are needed to defend the United States and European countries against an emerging Iranian missile threat. Moscow argues that Iran and other potential proliferators have yet to develop long-range missiles or the nuclear warheads that would make them truly threatening. Russian representatives further maintain that the best way to discourage countries from pursuing weapons of mass destruction (WMD) is to deal peacefully with their underlying security concerns rather than take military steps likely to trigger aggressive counteractions. Instead, Russian leaders insist that the true object of these deployments along Russia's periphery is to intercept Russian intercontinental ballistic missiles, which may require the cooperation other (and possible future) NATO governments—including Ukraine and Georgia—to build a more extensive and effective BMD system.

Russia's response to US missile defense moves in Central Europe has been creative. As president, Putin broached a number of potential cooperative approaches to the technology and the emerging threat from Iran. For its part, the Bush administration, while expressing general interest in expanding BMD cooperation with Moscow, discounted Putin's specific offers because they would require abandoning its near-term plans. In any case, the two governments need to address both the specific issue of the East European systems and the more important longer-term issue of how to integrate strategic defensive and strategic offensive systems in a manner that promotes, rather than worsens, international security in general. Nevertheless, converting these concepts into operational arms control limits has proven extremely difficult, with each side doubting the sincerity and intentions of the other. And, although both the Polish and American governments deny it, the Russian military intervention in Georgia clearly spurred both parties to hurry their protracted negotiations to a conclusion. The United States met Warsaw's longstanding demand for a pledge to come to Poland's immediate defense should it be attacked by another country.

In a classic, distinctly ironic, instance of strategic crossed wires, Russia's decision to intervene militarily in Georgia was at least partially intended as a protest against US disregard of Russian security interests in expanding eastward with the deployment of missile interceptors and other military facilities. Regardless of merit, Moscow's decision to respond militarily in Georgia has accelerated this trend.

## **Cooperating on Nuclear Technology and Nonproliferation**

The Russian-American Strategic Framework proclaims that “our two countries will provide global leadership on a wide range of cooperative efforts that will advance our common nonproliferation goals. These will include new approaches focused on environmentally-friendly technologies that will support economic growth, promote the expansion of nuclear energy, and create a viable alternative to the spread of sensitive nuclear fuel cycle technologies.” The document then affirms Moscow's and Washington's commitment to address key elements of this nuclear nonproliferation agenda—expanding the use of nuclear energy while limiting the spread of sensitive fuel cycle technologies; an accelerated timetable for nuclear security upgrades in Russia; and the Proliferation Security Initiative together with other measures aimed to limit the spread of weapons or technologies to countries of proliferation concern as well as nonstate actors.

Moscow has also been working with other countries on parallel but separate initiatives to control sensitive nuclear enrichment technologies via an internationalized supply of nuclear fuel. These initiatives use market incentives, rather than coercive methods, to induce countries to lease



nuclear fuel from designated provider states and then send the resulting waste back to the supplier for reprocessing and disposal. These incentive systems represent the positive complement to these countries' negative nonproliferation measures in the mode of denial and coercion. Such a balanced approach reflects the full imperatives of responsible stakeholderhood in discouraging nuclear proliferation.

The tensions between Russia and the United States over Georgia have claimed-- temporarily, one hopes--a significant nonproliferation casualty: the US-Russia Agreement for Peaceful Nuclear Cooperation, which had been completed earlier in 2008 after nearly two years of negotiations. The proposed accord (known as a "123 Agreement"), would have lasted 30 years, and facilitated the flow of technologies, materials, equipment, and other components used to conduct nuclear research and produce nuclear energy. Section 123 of the US Atomic Energy Act of 1954, requires the United States to negotiate a separate bilateral accord with each country before they can cooperate on commercial nuclear projects. These accords obligate the recipient country to obtain Washington's approval to use any US nuclear material or equipment for uranium enrichment or reprocessing or to transfer any items to a third party.

Representatives of the Russian government and nuclear industry have eagerly sought the cooperation agreement to enhance their ability to expand Russia's role as a provider of international nuclear fuel services. Russia has considerable excess capacity to manufacture or reprocesses uranium fuel for foreign customers. Yet, a majority of the world's nuclear fuel originated in the United States. Until a 123 agreement is in place, countries are prohibited from sending their US-origin nuclear fuel to Russia. Despite the possibility of increased competition, many representatives of the American nuclear industry endorsed the proposed Russia-US agreement. They also want the options of both importing Russian nuclear technology and selling American services and equipment directly to Russian buyers—providing that the Russian government commits to opening its nuclear market to foreign competition and establishes a comprehensive liability regime for commercial nuclear activities.<sup>8</sup>

Several arms control experts who backed the accord emphasized the importance of giving Moscow some financial benefits and other incentives to increase its cooperation with Western countries to contain Iran's feared nuclear weapons program. They had hoped that, by offering Russian nuclear energy companies new markets in the United States and elsewhere, the Russian government would have found it easier to reduce nuclear cooperation with Iran.<sup>9</sup>

It is hoped that the next US administration can renew momentum in this area despite the fallout over Georgia. Russia's support may not be a sufficient condition for preventing nuclear terrorism, but it is a necessary one. Along with the United States, Russia possess more nuclear material suitable for manufacturing weapons—along with more expertise in disciplines useful for preventing illicit nuclear diversions or use—than any other country. Since terrorist groups, unlike nation states, cannot manufacture highly enriched uranium or plutonium, they need to steal, buy, or otherwise acquire these materials from other sources. For years, experts have considered the hundreds of tons of fissile material located in the former Soviet Union to be the most vulnerable to falling into the wrong hands.

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<sup>8</sup> Jack Spencer, "Russia 123 Agreement: Not Ready for Primetime," Heritage Foundation, May 15, 2008, [www.heritage.org/Research/EnergyandEnvironment/wm1926.cfm](http://www.heritage.org/Research/EnergyandEnvironment/wm1926.cfm).

<sup>9</sup> Richard Lugar and Sam Nunn, "Help Russia Help Us," *The New York Times*. See also Miles A. Pomper, "Bush Sends Russia Nuclear Energy Pact to Hill," *Arms Control Today* (June 2008), [http://www.armscontrol.org/act/2008\\_06/RussiaEnergy.asp](http://www.armscontrol.org/act/2008_06/RussiaEnergy.asp).

Even after years of Russian government effort and outside support, concerns remain about the present condition of the materials as well as their possible diversion during the chaotic years following the USSR's collapse.<sup>10</sup> Although some Russians, including those involved in the country's nuclear and security community, deny that Russian "loose nukes" present a major security problem, the Russian government has generally been quite helpful and active in countering these threats. For example, Russian officials still claim pride of authorship in submitting the original text in 1997 that served as the basis of the International Convention for the Suppression of Acts of Nuclear Terrorism, which the UN General Assembly adopted by consensus in April 2005.

The Strategic Framework Declaration also commits both countries to "expand and strengthen" their joint Global Initiative to Combat Nuclear Terrorism (GI). The initiative aims to improve the coordination of nonproliferation programs that contribute to averting nuclear terrorism. Current priorities include decreasing the availability of nuclear material to terrorists; improving the capabilities of participating nations to counter trafficking of such materials; promoting information sharing and other cooperation between law enforcement agencies engaged in combating nuclear terrorism; improving legal and regulatory frameworks in this area; minimizing the use of highly enriched uranium and plutonium in civilian activities; and strengthening national capabilities to manage the consequences of a nuclear terrorist attack. Although the Global Initiative began as a bilateral Russian-American initiative, it has since gained widespread international support. More than 50 countries joined the GI in its first year; as of July 9, 2008, 75 were full partners.

After the initial US-Russian Cooperative Threat Reduction (CTR) effort helped Russia and other former Soviet republics dismantle unwanted Soviet-era strategic weapons systems, focus shifted to enhancing the safety and security of residual weapons against illicit trafficking by terrorists and other nonstate actors. The newest CTR priority in recent years has been joint efforts to lessen third-party proliferation threats. This new focus holds the most promise for future Russian-American threat reduction cooperation because it moves from the donor-recipient dynamic of earlier CTR programs to one of joint partnership against common threats. Russian and American experts have already engaged in periodic discussions about applying CTR-like programs to other countries, especially in North Korea and Pakistan.<sup>11</sup>

### **Iran and North Korea**

Since Moscow has better relations than the United States with Iran and other nuclear aspirants, Russian leverage offers significant potential to help resolve nonproliferation issues with these countries. In addition, Moscow and Washington could develop joint programs designed to share lessons with representatives of less experienced nuclear weapons states such as India and Pakistan. Such initiatives could focus on securing nuclear weapons and related materials against being diverted into illicit transnational criminal or terrorist networks—a recurring worry in chaos-prone Pakistan. And if Iran and North Korea ever follow Libya's example and renounce nuclear weapons, they might prefer to work on sensitive verification measures with a joint Russian-American program rather than with the United States alone.

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<sup>10</sup> Matthew Bunn and Anthony Wier, *Securing the Bomb 2007* (Washington, DC: Project on Managing the Atom, Harvard University, and Nuclear Threat Initiative, 2007).

[http://belfercenter.ksg.harvard.edu/publication/17525/securing\\_the\\_bomb\\_2007.html](http://belfercenter.ksg.harvard.edu/publication/17525/securing_the_bomb_2007.html).

<sup>11</sup> David E. Hoffman, "Lugar, Nunn Push Arms Security Program," *Washington Post*, August 28, 2007, [http://www.washingtonpost.com/wp-dyn/content/article/2007/08/27/AR2007082701395\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2007/08/27/AR2007082701395_pf.html).

In an effort to avert near-term challenges posed by Iran's nuclear program, Russia and Western governments continue to urge Tehran to comply with UN Security Council resolutions to suspend its enrichment and reprocessing activities. While Russia joined with other UN Security Council members in supporting sanctions in 2006 and 2007, Moscow remains an unenthusiastic backer of punitive measures. Russian diplomats often work to weaken proposed sanctions. In addition, they have always defended Iran's right to pursue nuclear activities for peaceful purposes such as civilian energy production. Russian officials have also been especially stubborn in denying that Tehran is currently seeking a nuclear weapon or is developing long-range missile technology. Although Russian nonproliferation experts are genuinely concerned about preventing Iran from developing the capacity to manufacture a nuclear bomb, other influential Russians place a higher priority on possible arms sales and nuclear energy deals with Iran. As a responsible stakeholder, Russia would continue to oppose Iran's acquisition of nuclear weapons and prove willing to impose whatever multinational sanctions are necessary to achieve this end, even if that required Russian firms to end their lucrative sales to Iran. For leaders already ambivalent about helping the US with the Iranian nuclear issue, the Georgia War has only lessened their appetite for cooperation with Washington.

In the case of North Korea's denuclearization, the Strategic Framework proclaims the commitment of Russia and the United States to the six-party talks, the implementation of UN Security Council Resolution 1718, and "the ultimate goals of the denuclearization of the Korean Peninsula." Although US and Chinese officials have assumed the lead role in negotiating with the North Koreans, Russian representatives have also encouraged Pyongyang to roll back its nuclear program. In addition, Russia chairs the six-party working group responsible for addressing regional security issues. Its chairman, Deputy Foreign Minister Alexander Losyukov, has declared his government's long-term objective of establishing a more permanent institution than the six-party talks to address northeast Asian security issues.

Russian leaders clearly oppose North Korea's acquisition of nuclear weapons. The Russian delegation to the six-party talks has demanded that the DPRK dismantle its nuclear facilities at Yongbyon rather than simply suspend operations at the facility in order to ensure the country's nuclear disarmament. Nevertheless, Russian policy makers remain more concerned about the potential immediate collapse of the North Korean state than about its leader's intransigence on the nuclear question. Given these concerns, Moscow could best serve as an international stakeholder regarding Korea by contributing Russian diplomatic support and, ideally, nuclear expertise to assist with implementing the denuclearization agreement as well as use its role in the six-party framework to help establish a more durable security environment in northeast Asia.

## **Regional Security Issues**

Throughout 2007 and early 2008, Russian government officials brandished their Security Council veto against any proposal on Kosovo that the Serbian government in Belgrade opposed. Russia's position probably contributed toward stiffened Serbian recalcitrance. Some analysts suspected that the Russian government hoped that such tactics of delay and slow-rolling would provoke frustrated Kosovars to once again resort to mass violence, thereby turning the international community against their independence.<sup>12</sup> As events unfolded, the EU decision (backed by NATO) to circumvent the UN Security Council and support Kosovo's independence on its own authority to the Russians seemed like an exact replay of the 1999 Kosovo war.

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<sup>12</sup> Morton Abramowitz, "Kremlin Making Mischief in the Balkans," February 7, 2008, <http://search.japantimes.co.jp/cgi-bin/ea20080207a2.html>.

More problematically, some Russian officials threatened that, if Kosovo succeeded in asserting its independence, other separatist regions in Europe would intensify their efforts to follow suit. In January 2008, Russian Deputy Foreign Minister Grigory Karasin warned of the potentially far-reaching and “unpredictable consequences” of sanctioning Kosovo’s independence “given that presently “about 200 regions are seeking self-determination in one form or another.” Subsequent Russian moves to enhance ties with the pro-Moscow enclaves in Georgia’s regions of Abkhazia and South Ossetia might be traced in part to Moscow’s frustrations over being unable to block Kosovo’s independence. During his last news conference as president, Putin said that European governments that recognized Kosovo’s independence should feel “ashamed” for “having these double standards.” Putin also warned that Moscow would not necessarily consider Kosovo a special case: “We have Abkhazia, South Ossetia, Trans-Dniester, and they say Kosovo is a special case?”

At first, Russia responded merely by strengthening its ties with Serbia, denouncing Western actions, withholding formal recognition of the new Kosovan government, and preventing it from joining international organizations such as the United Nations. Responsible stakeholderism would restrain Moscow from adding further provocation, such as encouraging Belgrade to reopen the issue of Republika Srpska in Bosnia. Russia should also have ceased threats to retaliate by supporting separatist aspirations in other break-away regions, such as Abkhazia and South Ossetia in Georgia.

### **Fallout Over Georgia**

Although the precise catalyst for the war between Russia and Georgia in August 2008 is unclear, the risk of escalation was always present given the years of tension and the diplomatic stalemate over the status of the pro-Russian separatist regions of Abkhazia and South Ossetia as well as Georgian aspirations to join NATO. The question was whether Moscow would exploit its local military superiority to compel Georgia’s formal dismemberment or would instead hold the threat of armed interventions in reserve in an attempt to influence Georgian foreign policy without jeopardizing Russian-Western relations. Ultimately, in August 2008 Russian policy makers decided to accept the risks of armed confrontation in the expectation that, given the already poor state of Russian-Western relations, they would suffer minimal added costs while achieving some enduring security benefits.

Although Russian Foreign Minister Lavrov has denied that Moscow seeks “regime change” in Tbilisi, the Russian Ambassador to the UN, Vitaly Churkin, observed that, “Sometimes there are democratic leaders who do things which create great problems for their country. Sometimes those leaders need to contemplate how useful they have become to their people.” Other Russian officials have referred to the Georgian government as a “criminal regime,” while Putin told the media that Tbilisi had effectively lost its moral right to govern the two regions. President Medvedev referred to Georgian President Saakashvili as a “political corpse.” The military punishment inflicted on Georgia is also presumably a signal to the Georgians and other countries, including Tbilisi’s allies, of Russia’s military revival. Although Russian defense spending has increased in recent years, analysts remained uncertain whether the Russian military had achieved genuine improvements in operational capability—given its poor performance in Chechnya, morale problems, and lack of actual combat experience. Russian leaders have now demonstrated dramatically that they have both the capacity and the will to use the country’s armed forces to advance Russia’s security goals.

Earlier in 2008, many NATO governments resisted formally strengthening their ties with Georgia and with the alliance for fear of further antagonizing Moscow at a time when Russian-NATO relations were already strained over US plans to deploy ballistic missile defenses in Eastern Europe and Russia’s moratorium on implementing the Conventional Armed Forces in Europe

Treaty. Some European leaders also expressed concern about Saakashvili's alleged authoritarian tendencies. The declaration adopted at the April 2008 NATO summit in Bucharest nevertheless stated that the allies eventually expected Georgia to join the alliance, but the recent fighting has underscored the risks of actually bringing Georgia into the alliance since no NATO government is prepared to engage in a war with Russia on Tbilisi's behalf. On the one hand, Putin pointedly warned that, "Georgia's aspiration to join NATO ... is driven by its attempt to drag other nations and peoples into its bloody adventures." On the other hand, some NATO leaders have worried that a weak alliance response, such as an offer of dialogue unaccompanied by threats of punishment, would encourage further Russian aggression. The resulting compromise consisted of a formal statement by the foreign ministers that NATO could no longer "continue with business as usual" toward Russia following its invasion of Georgia. They therefore suspended meetings of the NATO-Russia Council—a move reciprocated by Moscow—until Russian troops withdrew from recently occupied Georgian territory back to their prewar deployments. The ministers also agreed to create a special NATO-Georgian Commission to help coordinate allied support for Georgia's post-conflict reconstruction, including rebuilding Georgia's military infrastructure.

Yet, Russian leaders have had little success in rallying other governments to their side. Despite intense Russian lobbying, the political declaration adopted at the Shanghai Cooperation Organization (SCO) summit shortly after the conflict with Georgia does not blame Tbilisi for causing the war or refer to its alleged acts of "genocide" in South Ossetia, the alleged pretext for Russia's intervention. The other SCO members also distinctly opted against following or even supporting Russia's decision to recognize the independence declarations of the pro-Moscow leaders of South Ossetia and Abkhazia.

The Central Asian countries in the SCO—with borders drawn by Soviet leaders for their own administrative convenience and as part of Moscow's divide-and-rule strategy—all have ethnic minorities and potentially contested boundaries. Their leaders have no interest in sowing doubts over these frontiers, encouraging secessionist sentiments among their ethnic minorities, or giving Moscow an excuse to intervene on behalf of Russian citizens. They also fear that openly siding with Moscow on Georgia would antagonize their Western partners, some of whom already see the SCO as a potential anti-NATO bloc of Eurasian authoritarian states. Even the Chinese leadership was evidently reluctant to endorse the principle that governments can militarily support secessionist movements in other states.

Until recently, it appeared as though mutual concerns about Afghanistan's security would sustain a modicum of Russia-NATO cooperation. After the NATO summit, however, Lavrov suggested that Russia might suspend Moscow's transit agreement with NATO for the transport nonlethal equipment through Russia—and through consenting Central Asian countries—for use in Afghanistan. The Russian Foreign Minister pointedly told reporters in Sochi that, "The fate of NATO is being decided in Afghanistan" and that "Russia needs cooperation with NATO no more than NATO needs Russia."

When Russia and the West begin looking for areas to restore their relationship, the situation in Afghanistan and Central Asia may offer greater opportunities than many others. Russian policy makers express less unease about the Western military presence in Central Asia than they do about NATO military activities in Eastern Europe, Ukraine, or the Southern Caucasus. Of course, it helps that no influential voices in Brussels or Washington call for extending full alliance membership to the current Central Asian governments. In addition, Russia and NATO share an interest in preventing a Taliban resurgence in Afghanistan. For several years, Putin and other Russian officials have urged NATO to cooperate with the Russian-led Collective Security Treaty

Organization (CSTO) on joint operations to counter Afghan narcotics trafficking.<sup>13</sup> Since NATO is still struggling to ensure security in that country, heightened cooperation with Russia to curb terrorism and narcotics trafficking and promote reconstruction only makes sense. As a responsible stakeholder, the Russian government would continue to support international efforts to curb Afghan narcotics trafficking and stabilize the Afghan government. Russian officials would also refrain from exploiting the crisis to establish hegemony over its Central Asian allies or displace Western influence from the region.

## Energy Security

Russia's role as a major player in global energy security--especially as a gas supplier in Europe--has attracted a great deal of attention and heated debate in recent years. This debate has only intensified since the war in Georgia prompted accusations that the Russians were merely using the conflict as a pretext to strengthen Moscow's dominance of the Caspian basin's energy transit infrastructure. The Russian government vehemently denies this charge, but certainly other governments in the region--notably, energy-rich states like Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan--are watching with great trepidation.

The extraordinary rise in oil prices has transformed Russia in less than ten years from virtual bankruptcy to one of the world's largest creditor nations. Currently, the value of oil and gas production is about \$500 billion annually, or nearly half Russia's current GDP. This hydrocarbon-generated revenue stream is the most important driver of the Russian political-economy as well as its foreign policy projection. The two most significant events of the Putin years for Russia's domestic as well as foreign policies both find their roots in oil and gas: the Yukos affair; and the 2005/06 gas dispute with Ukraine. The Yukos affair marked a dramatic power shift and the re-centralization of political and economic authority away from the business oligarchs back to the Kremlin. In Vladimir Putin's campaign to regain state control over the massive financial flows in the energy sector, the destruction of a company that five years ago was Russia's most highly valued and the jailing of its CEO Mikhail Khodorkovsky was a considerable show of strength.

The early 2006 gas dispute with Ukraine--culminating with Gazprom's decision to shut off gas supplies for a day to that country (and consequently to many of Russia's European customers)--raised the question of Moscow's reliability as a supplier. The coincidence that Russia took this step on the very day that it assumed chairmanship of the G-8, with energy security as its main theme, only added to the fallout. US Secretary of State Condoleezza Rice was one of the first international figures to accuse the Russian Federation of using energy as a "political weapon." Regardless of the merits of Gazprom's negotiating positions, cutting off gas supplies was a public relations fiasco for Moscow. Concern in Europe about excessive dependence on Russia and the need to diversify supplies has been intensifying ever since, and the echoes are loud in Washington as well.

That said, much of the controversy surrounding the gas cut-off to Ukraine obscured the underlying roots of the problem: the growing tightness between supply of and demand for Russian gas. Price hikes to Ukraine were part of an overall picture of price increases, albeit not evenly applied, to all of Moscow's former Soviet customers as well as its consumers at home. The dispute was particularly sharp with Ukraine because it appeared Moscow was punishing Ukraine for the Orange Revolution and for the rejection of Moscow's favored candidate for the

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<sup>13</sup> See for example the exchange in "Remarks by Secretary of State Condoleezza Rice Secretary Robert Gates, Russian Foreign Minister Sergey Lavrov and Russian Defense Minister Anatoly Serdyukov," March 18, 2008, <http://www.state.gov/secretary/rm/2008/03/102362.htm>.

presidency. In fact, the Ukrainian gas dispute is an excellent case where Russia's political and economic/commercial interests, as viewed from the Kremlin, coincided. In purely economic terms, though, production growth has been nearly stagnant at Gazprom for years, while the demand for Russian gas both abroad and at home is steadily increasing (production growth for Russian independent gas companies, though, has been far more impressive).

This brings us back to the Yukos case and the push for increased state intervention in the energy sector. The essential question is whether the Russian state is "killing the goose that lays the golden egg." Or, put differently, is the current Russian ruling elite more concerned about growing the energy sector pie—or merely getting larger pieces for themselves? The most pressing issue for defining Russia's contributions to regional and global energy security is twofold: whether the dependence of consumers of Russian oil and gas (mostly European) makes these entities vulnerable to Moscow's political whims, and (perhaps more importantly) whether the Russian companies and state are taking adequate measures to sustain and even grow supply capacity to meet domestic and foreign demand commitments. There is no question that Russia does not develop supply relationships on a purely commercial basis.<sup>14</sup> Russia naturally takes advantage of Europe's inability to act collectively on energy by providing attractive terms to politically favored clients like Germany, France, Italy, and others. Whether Europe will be able to develop energy policy toward Russia in a more unified manner in the wake of the recent war in Georgia remains to be seen. Certainly there is now increased desire among EU members to act with greater consensus.

Russian efforts to dominate transport infrastructure of gas and oil from Russia and the former Soviet Union to European and Asian markets have also sparked outcries in Europe and the United States. Russia views efforts to develop alternative pipeline routes that bypass Russia as overtly hostile. Disputes between Russia and the West over the Baku-Tblisi-Ceyhan, and more recently plans for the Nabucco and Trans-Caspian pipelines, have been sharp. Russia has responded to the US-led "happiness is multiple pipelines" policy with a concerted strategy to augment Russian domination of pipeline infrastructure. Related disputes have prevented Russia and Europe from agreeing on the Energy Charter Treaty, which Moscow has refused to ratify, principally because of Gazprom's refusal to renounce its monopoly of domestic gas pipelines.

The answer to whether Russia is and will behave as a responsible stakeholder on energy security may well depend on where you sit. Germans are more likely to answer this question in the affirmative, for example, than Ukrainians, Poles, the Baltic States, or Georgians. However, Russian behavior is not so different from that of other large hydrocarbon suppliers when a high-price environment enhances their leverage. At times when prices are skyrocketing, Russian companies are hardly alone in revisiting contracts, production sharing agreements, and equity stakes that had been negotiated when prices were much lower. The recent demonstration, however, of Moscow's willingness to use force outside its constitutional borders marks a new development bound to affect calculations of all neighboring states on a wide variety of issues, including energy.

## **Global Economic Stewardship**

When President Bush met with President Putin and then with President-elect Medvedev in Sochi in April 2008, the foremost question on Russian leaders' minds was not on the official agenda: the future strength of the US dollar. Looking back to the 1990s, if there was a currency between the two countries, it was the plummeting value of the ruble. This new concern of Russian leaders

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<sup>14</sup> Vladimir Milov, "Russia and the West: The Energy Factor," July 2008.

reflects the extent to which Russia is now integrated into the global economy, with commensurate stakes in global financial stability.<sup>15</sup>

It stands to reason, then, that global financial stability is the area where one can expect to see the most constructive Russian approach. Unlike the security and political realms, this set of issues is not heavily burdened by the legacy of the Cold War. In fact, the Soviets remained outside the Bretton Woods process during and after World War II as a matter of their own choice. Six decades later, as the existing financial system struggle with current challenges, the Russian leadership is determined not to repeat the mistake of their Soviet predecessors. The first significant Russian foray, in 2007, was to push former Czech Finance Minister Josef Tosovsky as a candidate for Managing Director of the International Monetary Fund, as an alternative to the EU candidate, Dominique Strauss-Kahn. While most of the media coverage portrayed the move as yet another Russian obstruction or geopolitical game, *The Financial Times* recognized the validity of Russia's position on its merits:

It is depressing when the Russian executive director speaks more sense about the future of the International Monetary Fund than does the European Union. Yet Alexei Mozhin did so when he criticized the EU's decision to foist Dominique Strauss Kahn, a former French finance minister, on the IMF. Only those who want the Fund to be irrelevant can applaud the decision. This is the wrong candidate, chosen in the wrong way. Mr. Mozhin was right when he said "the IMF is facing a severe crisis of legitimacy." He was correct to insist that "we must select the best candidate" if the institution is to remain relevant for developing countries."<sup>16</sup>

The "crisis of legitimacy" is especially acute at the IMF where the voting power quotas are so convoluted and archaic that China's quota is less than that of that of either Great Britain or France, and where India's share is less than Belgium's. Global wealth is moving east and south while the IMF distribution of voting power harkens back to the colonial era. This deficit of legitimacy also implicates the World Bank, given the cozy arrangement that for 60 years put an American at the head of the World Bank, while a European leads the IMF. Many in the US government recognized that Tosovsky was a stronger candidate than Strauss-Kahn, but the decision to go along with the EU's French candidate showed how reluctant Washington was to upset the old arrangement, which after all had put the Bush administration's own Robert Zoellick in the Bank's top job. While the Russian candidate did not prevail in the IMF contest, the fact that Tosovsky was defeated despite the support of China, India, and many other developing and emerging market countries laid bare the inequities of an anachronistic system and boosted the chances that the structural challenges to the IMF to maintain legitimacy will be addressed sooner rather than later.

President Medvedev has continued to elaborate on the need for reform of global financial institutions in light of the weaknesses exposed by problems in the US housing market. In his speech to the XII St. Petersburg International Economic Forum, Medvedev pointed to three challenges for a regulatory system in a globalized market: 1) better coordination between regulatory institutions; 2) improved evaluation of various financial instruments; and 3) new systems for more reliable information disclosure, including strengthening the role of rating agencies. He also contrasted the responsible approach that Russian companies and investors with

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<sup>15</sup> This argument is developed at length in "Putin's Plan," by Clifford Gaddy and Andrew Kuchins.

<sup>16</sup> "Not Strauss-Kahn," *Financial Times*, August 27, 2008. [http://www.ft.com/cms/s/0/90b5c5d6-54fe-11dc-890c-0000779fd2ac.html?ncllick\\_check=1](http://www.ft.com/cms/s/0/90b5c5d6-54fe-11dc-890c-0000779fd2ac.html?ncllick_check=1).



the “economic selfishness” of other international actors that has contributed to the dramatic increase in food prices in 2008.

## Democracy and Human Rights

The long tradition of democracy promotion as a hallmark of US foreign policy can impede Americans from being aware just how distinctive that tradition is—and how strange to other political cultures. Indeed, with support from China and a host of other authoritarian governments, Russian leaders have sought to break the momentum of “color” revolutions that appeared to be sweeping Eurasia when George Bush spoke so eloquently about democracy and peace in his second inaugural address in 2005.<sup>17</sup> As Thomas Carothers argued in 2006, “The growing backlash has yet to coalesce into a formal or organized movement. But its proponents are clearly learning from and feeding off of one another.”<sup>18</sup> From Eurasia to Africa to the Middle East, the promising wave of democratization of only a few years ago appears to have lost momentum while the authoritarian capitalists have mobilized.

There are striking similarities in the maturing ideological foundations of contemporary Russian and Chinese outlooks. Russians often referred to the emerging ideology promoted by the Putin administration as *sovereign democracy*.<sup>19</sup> To understand the Kremlin’s idea it is important to appreciate that they view the decade of the 1990s as a modern *Time of Troubles* when domestically Russia was in chaos, very weak internationally, with foreign powers and organizations exerting too much influence over Russian domestic and foreign policies. In this narrative, Vladimir Putin has restored stability to Russia and set it on the road to recovery, not by abandoning market democratic values and institutions, but adapting them to Russian values and traditions (which appear to have little in common with Western notions of democracy).

These Russian perspectives match quite well with Chinese ideological formulations. The so-called *Beijing Consensus* poses counterarguments to American and Western ideological hegemony that align very closely with the Kremlin’s *sovereign democracy*. First, there is not just one correct path to development. A country must innovate and experiment to find the path best suited for its cultures and traditions, and no country or organization should seek to impose external models. The majority of Russians today view the advice of Western advisors and multilateral organizations as bad medicine that only exacerbated Russia’s socio-economic problems. The typical Chinese interpretation of Russian development of the past 15 years suggests that Moscow took the wrong path in the 1990s, but that the Putin administration has learned many things from the Chinese reform experience and instituted much-needed corrections to re-concentrate power in the hands of the state.<sup>20</sup>

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<sup>17</sup> Much of the discussion on democracy promotion is derived from Andrew Kuchins, “État Terrible,” *The National Interest*, September/October, 2007, pp. 92-96.

<sup>18</sup> Thomas Carothers, “The Backlash against Democracy Promotion,” *Foreign Affairs*, March/April 2006, vol. 85 Issue 2, pp. 55-68.

<sup>19</sup> As is typical of emerging ideologies, there has been considerable controversy over the term *Sovereign Democracy* and its meaning. In fact, Dmitri Medvedev was a critic of the term when it emerged during Putin’s presidency in 2005/06. Deputy Head of the Presidential Administration, Vladislav Surkov, was the most vocal proponent of the notion, and his behind-the-scenes role has been compared to that of Mikhail Suslov during the Brezhnev years. Surkov laid out his understanding of Russian sovereign democracy in a fascinating, nearly stream-of-consciousness speech he gave at a party meeting for *United Russia* in February 2006. “Vladislav Surkov’s Secret Speech to United Russia,” *Moscow News*, July 7, 2005, <http://www.mosnews.com/interview/2005/07/12/surkov.shtml>.

<sup>20</sup> Kuchins heard this view expressed many times in visits to China in May, October, and December 2006.

Russia's liberal approach to economic integration starkly contrasts to the Kremlin's posture in the debate between national sovereignty and international intervention to promote democracy and to address human rights abuses. While the Russian government has scaled back foreign involvement in designated "strategic sectors" of the Russian economy, essentially Moscow's approach has been very open. But on human rights and democracy promotion, as Sarah Mendelson has argued, Russia under Vladimir Putin has developed a sense of "hyper-sovereignty."<sup>21</sup> This strain was certainly evident in the 1990s with Russia's sensitivity to criticism over its war in Chechnya and vehement opposition to NATO's Kosovo war. Somewhat incongruously, however, just as Russia was, in actuality, becoming more financially sovereign, Putin spoke ominously about Russia being besieged by foreign enemies who sought to weaken it. In response to criticism of Russia's authoritarian drift and accusations of human rights violations, corruption, and other abuses, Russian officials countered with a loud and steady refrain of "double standards." Unfortunately, the combination of the bizarre spectacle of the 2000 US presidential elections, rash of corporate scandals symbolized by Enron, and disgraceful US treatment of detainees, the Russians had a lot of ammunition. But the Russian concerns about violations of national sovereignty are also very selectively applied. Moscow shows few qualms about violating the sovereignty of its neighbors, especially Ukraine and Georgia. It was reported that, in a dinner discussion at NATO's April 2008 summit in Bucharest, Putin told Bush that Ukraine was not a real country.<sup>22</sup> Although some observers claim that destruction of Georgia's nascent democracy was one of the Kremlin's goals in prosecuting the recent war, we believe that Russian policy makers mainly sought to prevent what they viewed as encroachment on their geostrategic sphere of influence rather than oppose the spread of democracy through military action.

Russia has also made systematic efforts—often in alliance with China and others—to highjack the agenda in international organizations responsible for establishing and defending norms on human rights. Russia's relationship with the OSCE, for instance, has been tense for years, as Moscow has aggressively sought to reduce the organization's role in election monitoring and human rights protection. Increasingly, practitioners and academics working on democracy promotion and human rights view Russia more as a determined spoiler than a responsible stakeholder.<sup>23</sup>

## Factors in Russia's Trajectory

The extent to which Russia plays the role of a responsible stakeholder in the evolving institutions of global governance will depend primarily on how the country develops domestically. We would welcome Russia's transformation into a liberal democratic regime like that found in Western Europe, but such a transition looks improbable for the next few years. Ultimately, we do accept the proposition that a more solidly democratic Russia will display more responsible behavior, but for the period covered by this essay and its companions, the next decade, Russia will still be in a transitional phase. It is very hard to imagine Russia in 2018 having completed its democratic transformation.<sup>24</sup> However, a Russia that remains on a relatively stable development path for the next decade will likely be a more accommodating and responsible Russia—especially as the

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<sup>21</sup> See Sarah Mendelson's Testimony before the US Commission on Security and Cooperation in Europe "Russia Today: In Transition or Intransigent?" May 24, 2007, [http://www.csis.org/index.php?option=com\\_csis\\_congress&task=view&id=231](http://www.csis.org/index.php?option=com_csis_congress&task=view&id=231).

<sup>22</sup> "Putin Hints at Splitting Up Ukraine," *Moscow Times*, April 8, 2008.

<sup>23</sup> Mendelson, op cit.

<sup>24</sup> For a fuller treatment of the likely development trajectories of Russia, see Andrew C. Kuchins, *Alternative Futures for Russia to 2017* (Washington DC: Center for Strategic and International Studies, November 2007).

trauma of the Soviet collapse and the perceived humiliation of the 1990s recede from the forefront of Russians' national identity.

In addition to domestic considerations, Russia's participation in the international system will be most affected by the behavior of other countries, especially the United States and, to a lesser degree, Europe. Perhaps even more so than the behavior of other countries covered in this series, Russians will respond to US policies given the recent and decades-long history of bipolar Cold War confrontation with Washington. The Russian political elite still has a tendency to benchmark themselves against the United States, though this practice is diminishing as the Cold War recedes into history and newer elites emerge who do not carry their elders' historical and psychological baggage. The shadow of the Cold War looms most heavily over security issues, especially those involving nuclear weapons, where American policies indeed have a decisive impact on Russian strategies.

The overall challenges of reforming institutions of global governance also fall most heavily on the United States, since Americans played the lead role in creating the existing system. But the "unipolar moment" is fading, as is the broader historical dominance of the West that has lasted for nearly 300 years. Russia is not very different from other large emerging powers in that its behavior will likely be more responsible to the extent that its leaders believe they participate in the shaping (and reshaping) of international political, security, and economic institutions. Russians appear eager to play a more leading and vocal role, including by championing the interests of other powers that were not involved in crafting the existing institutions. They are also not shy about contesting US leadership—even if, at times, their rhetoric and actions aim more at posturing than policy.<sup>25</sup>

For the next decade, we believe that the likelihood of Russia playing the role of responsible stakeholder will vary considerably, depending on the issue area. At present, the most promise lies in the areas of strengthening global economic institutions and promoting nuclear nonproliferation. On energy security, Moscow's status as a supplier country will strongly color its approach. Current tense relations with some of its European customers will likely persist. Finally, Russia's relations with its neighbors will likely prove the most problematic, particularly on issues relating to regional security ties and democracy promotion.

We leave the reader with a question. What if Russia is very successful in achieving its economic growth goals, yet still feels unsatisfied with its global role? This is a distinct possibility given that, even in the best-case economic scenario for 2020, Russia's proportional weight in the global economy would only increase from today's 2.3% to about 3.5% in that year. Moreover, the continued rapid economic growth of China and India will probably result in these countries pulling further ahead of Russia. The relatively large economies of Japan and Brazil might also outperform that of Russia. Even in the realm of providing a counterweight and contesting US and Western leadership, China and India may soon seize the initiative from Moscow. Given the current ambitious aspirations of the Russian leadership, some disappointment and disillusionment seem inevitable.

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<sup>25</sup> For example, an interesting new grouping is the BRIC countries (Brazil, Russia, India, and China) whose foreign ministers met together for the first time separately at a summit meeting in Yekaterinburg in May 2008.

## **Dmitri Trenin's Reaction**

The Kuchins-Weitz essay is well-researched, lucid, insightful, leading them to quite useful policy conclusions. There is virtually nothing in the essay with which I would take strong issue. Rather than use this commentary to nitpick, I will amplify some of its key arguments, and perhaps offer added perspective.

As Russians see it, the very concept of responsible shareholders is a US project aimed at locking the world's key players into a new compact largely drafted by the United States. The concept tries to lure other countries, including Russia, into taking an ownership "stake" in the system; yet, the system itself would essentially remain under the United States' supervision.

The Russian reaction to such an arrangement over the years has been ambivalent. From the 1990s to the early 2000s, Moscow actively, though unsuccessfully, sought Washington's recognition of its legitimate interests and its role as a valuable, even strategic, partner to the United States. It did not challenge US post-Cold War global hegemony and only claimed to be part of the decision-making loop.

This changed in the mid-2000s, as the Russian leadership after a series of strategic shocks—the Iraq War, Yukos affair, Beslan school tragedy, Georgian and Ukrainian color revolutions and dual "big bang" expansion of both NATO and the European Union—concluded that integration into the US-led system as America's junior partner is neither feasible nor especially desirable.

### **What Does Russia Want?**

In recent years, Moscow has been trying to bring the United States into a new deal with Russia. The terms would include Washington's acceptance of Russia "as is"; its willingness to treat it "as an equal"; and mutual respect of each country's interests. This was the essence of Putin's infamous Munich speech. In other words, rather than trying to fit into the Western system, Russia announced its independence from the West.

This evolution of the Russian attitudes stems from very palpable changes in Russia's financial status, economic well-being and self-esteem. It took Russia a full 20 years to recover from the latest of its periodic historical crises, but the recovery is real, even if today's Russia is hardly the superpower that the Soviet Union was. Kuchins and Weitz richly document this trajectory.

Russian policy-makers interpret the Bush presidency as the beginning of the decline of US hegemony. America's problems in the Middle East and with its own financial system mean that the unipolar moment has truly passed. For the time being, the United States will remain the world's premier power, but it will have to contend with ever-stronger competition from other players, mostly from the non-Western world.

Moscow is eager for the post-Cold War order, forged when Russia was flat on its back, to fade. The Georgia War marked a watershed: Russia is prepared to fight, literally, to defend its interests. Moscow's "armed response" was not aimed solely at Tbilisi; it was also intended as a warning to Washington not to cross certain red lines—most important, no US permanent military presence or NATO expansion anywhere in the post-Soviet space.

Russia's foreign policy, as the authors correctly point out, prides itself on being pragmatic. Gorbachev's apparent altruism in conceding Soviet interests to the West is now widely derided, even reviled. The West no longer carries, in the Russian eyes, the moral authority it enjoyed at the

end of the Cold War. Rather, it is seen as a collection of assorted players, some rather arrogant, some quite impotent, with a number of sensible ones thrown in—but all of them guided by their own perceived interests, despite trying to dress them up in ideological or rhetorical wrapping. Consequently, Russia’s approach to Western counterparts is to appealing to their self-interests.

As the existing order is visibly crumbling, Moscow wants to be present at the creation of its replacement. Essentially a strategic loner, Russia is trying to renegotiate the terms of engagement with the powers in decline, (i.e. the United States and the European Union); build strong ties with Asia’s emerging powers (China and India); reach out to the forces of moderation in the Muslim world; and exploit other geopolitical shifts, from Venezuela to Vietnam, Mexico to South Africa.

While insisting on its great-power status, Russia has dropped the Soviet Union’s superpower ambitions as an aberration. It sees itself as one of an approximately half-dozen major powers shaping the future of the global system. In a way, Moscow views the system as an oligarchy. Thus when Russian leaders talk about the primacy of the United Nations in the global order, what they really mean is the primacy of the UN Security Council, where Russia has a veto.

Russians are fully aware of the failings and failures of the UN system, and the notorious difficulties of reforming it. Equally content to work both formally and informally, Russians value their G-8 membership not only as a status symbol, but as a means of reaching understandings that can then be translated into UNSC decisions. Call it the global Politburo or the Board of World, Inc., Russians want to be in the G-8. To them, it is in line with a long tradition dating back to the Concert of Europe.

Rather than seeing themselves as a responsible shareholder in the US-led system, Russians want the United States to be responsible normal great power in concert with the other elite few. Moscow is irritated by the United States imposing its law, its notions of right and wrong, and its military forces anywhere it chooses. Russia does not want confrontation with a still immensely more powerful America; but it hopes that a combination of the US decline and other powers’ rise will eventually lead to a more equitable international arrangement.

In the meantime, Russia will need to focus on its own problems. The Georgia War was followed, in quick succession, by the global financial crisis, which wiped five years’ worth of growth out of the Russian stock market. It should be fully apparent to the Russian leadership that unless the country modernizes, it will not be able to compete in the rapidly changing world. Russia’s mammoth problems, from infrastructure to demographics will have to be tackled for the country to stay above water, and intact . The triumphalism of the Putin years has no place in today’s circumstances.

Asking whether Russia can be a responsible shareholder in some still-undefined global system is not the right question. The real issue is whether Russia can be a partner to the United States in solving important global and regional issues, and if so, under what conditions. This is what Kuchins and Weitz are actually asking—since they presume, of course, that the system of global shareholders is United States-led.

The authors’ answer to that question is a general “yes,” and this commentator agrees. This answer needs to be qualified, though, by one major consideration. Russia would likely act responsibly and in good faith toward the United States and its interests, but only if the United States reciprocates by treating Russia respectfully, and as a serious player. And from Moscow’s vantage, they have yet to see it.

## **How the United States Can Help**

The problem with the prevailing US view of Russia is, that since the latter is not a democracy—and Russia’s present regime is indeed a mild form of autocracy, or “authoritarianism with the consent of the governed”—then, in this day and age, its government is not fully legitimate. And if Russia’s leadership lacks legitimacy, it follows that that Moscow’s pursuit of its national interests is likewise not fully legitimate. The early heightened hopes after the abandonment of communism and dismantling of the Soviet Union could be partially to blame for this, as well as the fairly light commercial traffic between the two countries. Nevertheless, it is a problem which needs to be solved.

The United States could move toward solving that problem in several ways. One concerns the question of Ukraine and NATO. There is no need to kowtow to Russia on that issue, but there is a clear need to let the Ukrainian people sort out for themselves where they want to belong. According to recent opinion polls, only one in five Ukrainians want to be in NATO, and more than half would prefer to abstain. This does not mean, by the way, that they favor an alliance with Russia, which is definitely not in the cards. But as regards US policy, refraining from pushing for MAP (Action Plan for NATO Membership), and encouraging the EU to be more open and generous to Eastern Europe’s largest nation is not only the right Ukraine policy, but also the right approach to Russia.

Another key issue is missile defenses. As Kuchins and Weitz highlight, Moscow has long supported European theater missile defenses. Yet the Bush administration decided against working with Russia on a system clearly oriented toward Iran and instead proceeded with ballistic missile defense (BMD) deployments in Central Europe—which Moscow views as part of a global BMD system that ultimately would only undercut Russia’s strategic deterrent. When the Russians, as a fall-back position, sought permanent monitoring arrangements at the US installations, they were essentially rebuffed.

To restore a modicum of mutual confidence in strategic matters, which is also a US national security interest, the United States needs to review its stance. In fact, accepting Russia’s offer of theater missile defense collaboration would send perhaps the most powerful possible signal to Tehran—while laying the foundation with Moscow of a strategic partnership worthy of the name. If that is still too much to dare, a more sensitive approach to missile defense that responds to Russian concerns would at least halt any further deterioration of US-Russian relations in the area of strategic arms.

Kuchins and Weitz are correct that Russia is ready to work toward a new agreement regulating long-range offensive weapons. Moscow has a clear interest in seeing the START treaty, which expires in December 2009, succeeded by a new legally binding document. Constructive work on a new set of rules in this highly sensitive area would also help spur joint US-Russian efforts in the field of nuclear nonproliferation. Which brings us back to the subject of Russia having no interest in seeing Tehran armed with nuclear weapons. Moscow, however, cannot be expected to jump on Washington’s bandwagon on policies decided without its active input. US-Russian collaboration on Iran-related issues would require genuine and close work in tandem (as part of broader international cooperation) and as equals.

## **Russia’s True Stakes**

Russia has just awakened from the strategic equivalent of a coma. The trauma of the last quarter-century is still exceptionally painful. In response, its leaders have adopted an inordinately jaded approach, characterized by realpolitik, jungle law, black-and-white. There is too much emotion

vis-à-vis the United States and too much *schadenfreude* when it fails. The fact remains, though, that Russia is much more part of the wider world than it has been at any point in its history. It wants to succeed, and to advance in that world. It wants to take part in making the rules, not just observing them. It wants all others, meaning the mightiest nations, to follow the same rules. All of which makes Russia a difficult country to deal with—too big for the West to integrate, and too small to compete with the West as an equal.

As a member of this wide world, Russia is becoming increasingly aware of its limitations. Its population is smaller than Pakistan's, and will fall below Turkey's. Its modernization is contingent on its access to Western technologies. Its conventional military is no match for the alliance on its western borders, or the great power rising in the east. With a massive piece of terrestrial real estate populated by too few people, Russia is bound to have a growing interest in some kind of order in the world—a set of rules and norms, and a system of governance. Its capacity for being responsible grows in proportion to its stake, which can not be described as anything other than existential.

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