

Russia

by Eugene B. Rumer

Overview. Russia enters the new decade amidst significantly lowered expectations. Its domestic prospects look dim. Its prospects as a major player in the international arena are equally dim as a result of its domestic weakness and inability to articulate, let alone implement a coherent foreign policy agenda. The decade of the 1990s, with Russia in transition and the object of expectations of its imminent resurgence as a major power, has been succeeded by a new stage during which it has become increasingly likely that Russian transition—if it is a transition—probably will last even longer than previously thought. Thus, instead of prejudging the outcome of that transition and assuming the inevitability of a Russian comeback, as students of Russian affairs inside and outside of Russia have long done, the policy community needs to adjust its view of the country. There is nothing inevitable about Russia's comeback. It will not bounce back from its troubles any time soon. Its current decline may well continue indefinitely.

- Hence, for the foreseeable future and from the standpoint of U.S. policy and interests, the United States has to deal with a weak and retreating Russia whose residual international ambitions will usually exceed its capabilities and

whose principal near-term challenge will be downsizing in a predictable, responsible manner.

- Despite its diminished international stature and domestic circumstances, the country's geography and nuclear arsenal preclude "forgetting Russia" as a realistic option for U.S. policy. The recommended course is an agenda of focused but limited engagement with Russia on key issues of strategic stability, weapons of mass destruction (WMD) proliferation, and select regional concerns on Russia's periphery where U.S. interests are at stake.

Russian Decline

The roots of Russian decline are in the country's domestic conditions. Despite improved economic statistics helped in a large measure by the effects of the 1998 crisis-driven currency devaluation and significantly higher oil prices, the Russian economic picture remains bleak. The country's chief problem is not the lack of growth (its gross domestic product grew by nearly 4 percent in 1999 and by 7 percent in the first half of 2000), but the quality of its economy, which suffers from long-term structural afflictions including:

- Weak rule of law and property rights.
- Absence of an independent judiciary and a corrupt institutional environment.
- Weak civil society.
- Blurring of lines between public and private spheres.
- Fragmentary market structure fractured along internal political and administrative boundaries.

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- Aging infrastructure in need of vast amounts of investment.

These and other problems pose a formidable obstacle to both penetration of foreign investment and Russian ability to enter the new global economy. The quality and quantity of these problems are such that they are likely to be remedied only by long-term solutions. This situation raises a key question about Russia's ability to catch up to the rest of the industrialized and post-industrial world. The number and scope of structural problems and the resulting dependence on world markets of raw materials raise the likelihood that Russian economic development will follow the pattern of boom-bust cycles: periods of prosperity and growth will alternate with sharp declines in economic performance in sync with fluctuations in global prices of raw materials, particularly oil. Its institutions and enterprises lack the flexibility to adapt quickly to changing international economic circumstances. Thus, far from catching up to the global economy, Russia is facing the prospect of becoming a victim of globalization.

Russia's prospects and competitiveness in the international arena are further aggravated by the cumulative impact that years of economic decline have had on its social sphere. The breakdown in the public health care sector and the resulting epidemics of AIDS, tuberculosis, and diphtheria, alcoholism, drug use, and poverty among children are just a few examples of the long list of afflictions that have profoundly and adversely affected Russia's demographic situation and in turn raised questions about its long-term prospects as a major power. Between 1991, when the Soviet Union broke up, and 2000, the population of Russia declined from 150 million to 145 million and is expected to fall further in the future.

Besides bleak domestic socioeconomic conditions, Russian performance abroad and at home will have to contend with yet another problem: the fragmented nature of political power in Russia. Russia's size, the eroded power and authority of the federal government, the decline of central coercive institutions, and the rise of important centers of political power throughout the periphery of the Russian Federation have produced a political system that closely resembles feudalism.

The economic, political, and social cataclysms of the 1990s have had a devastating effect on Russian military capabilities. The Russian military is in the throes of yet another attempt at military reform, after several such failed initiatives. Because of service and conceptual differences, accentuated by fierce competition for scarce resources, the outcome of military reform remains in doubt. However, what is not in doubt is that the Russian military, which most observers believe is not capable of dealing with another Chechnya-style contingency, will undergo further contraction from its current hollow level of 1.2 million to 800,000 or fewer.

Under such conditions, Russia is likely to become increasingly marginalized in world affairs. The preeminence of structural factors in this analysis is a relatively recent phenomenon, resulting, ironically, from recent political developments in Russia. Boris Yeltsin's Russia was perceived widely as a transitional state whose weakness and erratic, unpredictable behavior in domestic and international spheres was closely linked in the minds of both the general public and professional Russia-watchers with the persona of Boris Yeltsin. Many of the long-term structural trends mentioned in the preceding paragraphs have been known to students of Russian domestic affairs for quite some time. However, they received relatively little attention as a result of general preoccupation with Yeltsin personally and leadership politics.

Yeltsin's resignation from and Vladimir Putin's election to the presidency of Russia were perceived as a turning point, so stark was the contrast between Yeltsin and the young, focused, and much more dynamic Putin. But the fact that Russia's decline and weakness could no longer be attributed to the erratic behavior of its leader suddenly brought into focus the structural factors that Russia must address on the road to recovery. The number and scope of these factors suggest that this is no longer a transitional state, but quite likely a country on a downward trajectory.

The prevalence of structural factors in this analysis is deliberate, however, for none of the multiple tasks on Putin's agenda—rebuilding the state, the economy, and the society—is subject to a quick fix. The problems are the result of the decades of decline of the Soviet Union and Russia, which are not to be reversed in a few years. In the context of Russia's ability to interact and play a significant role in the international system, the task of rebuilding is even more formidable, since the international system itself is not

static, and the gap between Russia and the rest of the first world it aspires to join will continue to grow.

Throughout the 1990s, much of U.S. and other Western interaction with Russia was built on the premise that Russia's comeback to the ranks of major powers was imminent. Expectations of Russia's eventual return to greatness were further fueled by its residual presence in Europe—in the former German Democratic Republic and elsewhere in Eastern Europe and in the Baltic states—until the middle of the decade.

Therefore, the United States and its allies pursued a policy of deliberate inclusion, if not integration, of Russia into their initiatives and institutions. Ventures such as G-8, NATO-Russia, the Contact Group, and European Union (EU)-Russia summits are the result of this approach and are testimony to the Euroatlantic community's expectations of Russia's imminent recovery. Ten years later, the recovery is nowhere in sight. The time has come to revise our assumptions about Russia and its place in the world and to amend our policy toward Russia based on those assumptions.

Russia can no longer be legitimately considered in transition. Although it will continue to evolve, for all practical purposes it has reached a permanent state, a lasting phase. In that state, Russia will be a marginal player at best in the international arena. Nuclear weapons and geography will be its most important claims to a special place in Eurasian affairs (its presence beyond Eurasia, however, will be negligible). Its economic performance and potential, demographic conditions, scientific-technological base, culture, and nonnuclear military capabilities will be equivalent to those of a mid-sized regional power.¹

Russia no longer deserves a special place on the U.S. foreign policy and national security agenda, one that compels us to consult automatically with Moscow on key matters across the board from the Middle East to North Korea. To be sure, the United States does have important interests in Russia and needs to make sure that they are protected, but the time of paying attention to Russia just because Moscow used to be the capital of the Soviet Union has passed. This does not mean that Russia deserves to be neglected or forgotten. Instead, it should be included, but only where and when it can be a meaningful player and after a careful and realistic assessment of our interests in it and the costs associated with protecting them.

U.S. Interests

This development calls for a new appraisal by the United States of its interests in Russia. To repeat, the notion that our stake in Russia is defined by what it once was and could be again in the future is no longer sufficient. Upon further consideration, a reassessment of U.S. engagement with Russia is in order not only as a result of a revised set of expectations for Russia, but also as a result of a realistic assessment of U.S. interests in it.

What are U.S. interests in Russia? *By far the biggest and most important among U.S. interests remains reducing the threat of nuclear weapons to the United States* and preventing proliferation of WMD and means of their delivery. Beyond WMD, Washington has a general interest in seeing Russia evolve into a stable, predictable, and responsible member of the international community. Other interests related to Russia's unfulfilled economic potential and commercial opportunities for U.S. companies, while attractive, do not meet the threshold of important national security concerns for the United States. However, the United States does have an interest in Russia's neighbors, their security and stability—an area in which Russia has great residual influence and is likely to be an important player, and one that will necessitate dealing with Russia because of U.S. interests, even though our immediate concerns may rest outside Russia proper.

Notwithstanding the link between U.S. interests in Russia and its neighbors, there is one crucial difference: the United States has a compelling strategic interest in the Russian nuclear arsenal that is not subject to debate, regardless of any other considerations; the nature of U.S. interests elsewhere in the former Soviet Union is subject to more than one interpretation and is a topic of ongoing debate in the United States and abroad.

Arms Control: Diminished Role

The question of how best to pursue strategic arms control with Russia has no easy answers. The experience of the 1990s with U.S.-Russian strategic relations deadlocked for many years—first over the issue of START II ratification by the Russian Duma and then by the politics of national missile defense (NMD) in the U.S. Senate—is not a good precedent for future arms control reductions. Moreover, *the*

logic of bilateral U.S.-Russian negotiated arms control, much like the logic of mutually assured destruction (MAD), has lost its appeal, as Russian weakness, rather than strength, has become the chief source of U.S. strategic concerns.

The alternative—reciprocal or unilateral arms control—has a number of attractive features. Most attractive among them for both sides—neither of which realistically fears the other's surprise attack—is the prospect of being able to size and structure a force commensurate with its threat perceptions and financial capabilities, and to do so in a timely manner. After years of deadlocked negotiations, the merits of this approach are indisputable.

However, will this approach be cost-free? With U.S.-Russian political relations stalled at a post-Soviet low, and with anemic bilateral economic relations (U.S. exports to Russia in 1998 amounted to \$3.5 billion, while U.S. imports from Russia amounted to \$5.7 billion), negotiated bilateral arms control has been the most significant element of the relationship, sometimes serving the role of a surrogate for the entire relationship. Were negotiated bilateral arms control to be removed from the agenda between the two countries, there would not be much left of that agenda at all. The limited equities the United States has in the political and economic relationship with Russia could not possibly fill the space on the agenda currently occupied by bilateral negotiated strategic arms control. The latter's removal from the agenda and replacement with a unilateral posture of reciprocal or non-negotiated reductions would mean that U.S.-Russian relations would be narrowed greatly.

Narrowing the Agenda. A narrowing of the scope of U.S.-Russian relations appears to be not only advisable but also inevitable because of the low probability that the current model of strategic stability based on the notion of MAD—and an adversarial U.S.-Russian posture—can be sustained for long, let alone indefinitely. The direction of the U.S. strategic debate, plans for NMD, proposals for unilateral or reciprocal arms control, and the widespread abandonment of the perception of Russia as a strategic threat suggest that MAD is unlikely to endure as the underlying principle of U.S.-Russian strategic relations. With bilateral negotiated arms control as one of the likely early victims of this paradigm shift, the agenda for U.S.-Russian relations would be reduced in terms of both its scope and importance.

A narrowing of the U.S.-Russian agenda does not need to be prejudged as a major blow to U.S. interests. Indeed, given Russia's internal troubles, diminished status, and uncertain prospects, it is likely to be in the U.S. interest to do so. But it should come about as a calculated decision rather than as an unanticipated consequence of a well-intentioned move to break out of the political gridlock surrounding bilateral negotiated arms control.

By the end of the 1990s, bilateral negotiated arms control had also become the dominant element in the U.S.-Russian strategic dialogue. In the absence of bilateral arms control, such a dialogue could easily lapse, with each side reverting to its own respective unilateral posture and failing to make the special effort to continue to communicate. Yet, no matter what the quality and intensity of U.S.-Russian relations, such a dialogue is advisable, given the interests both sides have in understanding each other clearly.

Impact on Regional Proliferation. Given the weight of arms control on the U.S.-Russian bilateral agenda, there are certain to be consequences in other areas from such a decision. U.S. counterproliferation interests and efforts in Russia would be among the first areas affected. The impact is likely to be felt in U.S. efforts outside rather than within Russia. U.S.-funded Cooperative Threat Reduction programs in Russia are not likely to be in immediate danger because of their direct and tangible benefit to concrete Russian interests. However, U.S. attempts to enlist Russian cooperation in joint efforts to stem the flow of WMD-related technology and equipment in other areas, such as Iran and India, are likely to encounter even less success than they have to date.

Russia has exhibited a rather relaxed attitude toward WMD and ballistic missile proliferation in general. Whether this disregard for the current and future challenge of WMD and missile proliferation is a permanent feature of Russia's strategic outlook is unclear. However, the only safe assumption for the United States is that a general narrowing of the U.S.-Russian bilateral agenda would further reduce Washington's ability to influence Russian proliferation attitudes and posture.

Although a troublesome prospect at first, upon further reflection this is hardly a reason to be alarmed. U.S. leverage on Russian proliferation and counterproliferation efforts or threat perceptions has always been limited at best. Purely economic pressures on Russia's

defense-industrial complex and research and development establishment have as much to do with this situation as do differences in threat perceptions. The notion that the United States cannot afford to pursue a more limited path of engagement with Russia because it needs to protect its counterproliferation interests and ability to influence Russian arms sales to Iran is misleading, for there is little there to protect.

Iran, not Russia, holds the key to Iranian WMD and missile pursuits. Russian-Iranian relations, despite the apparent disparity in the two countries' sizes and capabilities, are heavily skewed toward Iran. Tehran is prepared to buy Russian weapons and technology. Russia is an eager seller by virtue of the dire condition of its defense-industrial complex after the Soviet collapse. As long as Iran has the means, Russia will be both a source of conventional arms and a proliferation risk.

A Marginal Player. Russia is likely to have few, if any, meaningful opportunities to retaliate against the United States for narrowing the bilateral agenda. There is hardly a major issue on the international agenda where Moscow has the capacity or inclination to make a constructive contribution. Its influence in Europe and Asia is on the decline. In most instances, the best it can do is to abstain from participation. Such is the case in the Balkans, where the revolution in Belgrade has left Russia without an ally; such also is the case on the Korean peninsula, where progress in North-South relations and U.S.-North Korean relations has left Russia without a client and with little prospect of playing a role in regional affairs. Such is likely to be the case with Iran and Iraq—if and when better relations with the United States develop—for Russia in its current condition has little to offer to these two countries in need of capital and know-how for modernization.

Unlike the Soviet Union in 1985, when Moscow's engagement was indispensable for settling most, if not all, major issues in the international arena, and unlike Russia in 1992–1993, when Moscow was accorded a prominent place in world affairs based on expectations of its imminent return to greatness, Russia in 2000 is largely disengaged and can influence few international developments. Thus, a narrowing of U.S.-Russian bilateral relations can come at no real price for the United States.

A More Selective Engagement

A narrowing of the bilateral agenda, however, does not mean isolating Russia. It means engaging Russia only where it matters. Given Russia's size and history, both of which are bound to play major roles in its security policy, it will remain a significant factor in several regions of concern to the United States, including Eastern Europe, the Caucasus, and Central Asia. Russia is likely to play an important role in these regions because of the residual ties it has to local regimes and also because it is surrounded by and is dealing with countries that, a decade after the dissolution of the Soviet Union, have found themselves in even more precarious circumstances than Russia has.

Regional Role. Russia is likely to play an important role in shaping the fate of its neighbors. It will do so whether or not it is able to stem its own domestic decline. If it is successful in its pursuit of internal transformation, it is likely to play the role of a security manager, possibly even hegemon, in the post-Soviet space. If its decline continues unchecked, Russia's own internal weakness is likely to reverberate negatively throughout the neighboring states. Each of these outcomes will have different consequences for the United States.

The best outcome for the United States—a stable and prosperous Russia emerging as a partner to the United States, sharing its interests and priorities, and acting as a surrogate for it—is also the least likely prospect at this time. Although not explicitly hostile to the United States, Russia's elite and populace share few U.S. concerns in the international arena, including WMD proliferation, promotion of democracy and human rights, and free trade. Russia's elite is opposed to the instruments that the United States has chosen to address these concerns—NATO enlargement, humanitarian intervention, and sanctions. Therefore, Russia's acceptance of U.S. concerns or benign acquiescence to the means of their pursuit appear highly unlikely throughout the former Soviet Union or elsewhere in the world.

The prospect of Russia emerging as a powerful Eurasian hegemon driven by a hostile anti-Western ideology is also quite remote. Russia's military and economic weakness and the federal government's continuing inability to reassert its power and authority in Chechnya and elsewhere in the North Caucasus suggest that its internal weakness will act as a powerful constraint on its hegemonic impulses. The United States is

likely to be confronted with the third option—a weak and uncooperative Russia, nostalgic for its former greatness and occasionally acting in pursuit of grand ambitions, but ineffectual and ultimately unsuccessful.

Whereas Russia and the result of its transformation are likely to have a significant effect on its neighbors throughout the former Soviet Union, the reverse is also inescapable. Developments in the former Soviet states are likely to affect Russia's domestic politics and foreign policy. For example, a new crisis in the Caucasus, in Central Asia, or in Ukraine—with or without Russian complicity, but with a probable Russian impulse to intervene as a peacemaker—could trigger further instability in Russia proper and heighten tensions between Moscow and Washington as well as its European allies.

Regardless of its motives, a further weakening of Russia as a result of postimperial overextension in neighboring regions would not be in the interest of the United States. But given Russia's own weakness and the uncertain prospects of many of its neighbors, the United States is likely to be faced with the most difficult of the three options sketched out above—a weak and uncooperative Russia.

Reconciling U.S. interests in Russia with its interests in other former Soviet states will involve difficult tradeoffs. These may require compromises regarding the independence or sovereignty (or both) of Russia's neighbors and the regional interests of the United States or its allies. U.S. policy in support of multiple pipelines from the Caspian is one such area where a thorough reconsideration of U.S. interests and options may be required. Ukraine, with its dependence on Russian energy exports, also could find its strategic choices constrained as a result of increasing Russian pressure to adopt a less independent stance in international affairs, especially if Russia is successful in building an alternative gas pipeline to Europe through Belarus.

Generally, the United States will need to develop a posture that will respect the independence and sovereignty of the former Soviet states while recognizing Russian interests there. Ideally, this should be a posture built around the following three elements:

- Recognition that although Russian and U.S. interests are not identical, some important connections exist between them;
- Commitment to consultation and transparency so as to avoid surprises; and
- Occasional joint/parallel action.

This posture could lead to cool but benign relations between Russia and the United States. Such a benign state of bilateral relations could not develop in the short run. Rather, it is an end-state that the two countries would need to work hard to achieve. But it is an end-state that is fully consistent with the notion of narrowing U.S.-Russian bilateral relations.

A New U.S.-Russian Agenda

The challenge for U.S. policy toward Russia is *to narrow the scope of the relationship, but enhance its quality and intensity in those areas where each of the two countries has substantial interests*—strategic stability and regional stability in the former Soviet Union. Elsewhere—in the Middle East, on the Korean peninsula, and in the Balkans—U.S. efforts on behalf of regional stability and security need not include Russia.

Balkans. Should Russia eventually decide to withdraw from peacekeeping operations in the Balkans, it should not be dissuaded from doing so. Its presence strains its capabilities and creates a misleading impression of partnership where there is none. Whereas in the early and mid-1990s the inclusion of Russia in Balkan peace efforts may have seemed reasonable and advisable, based on expectations of Russian recovery and promise of Russian partnership with the West and NATO, the new calculus with regard to Russian prospects at the end of the decade does not support such efforts. Russia has little to offer the Balkan countries in advancing their economic and social development, while its continuing participation in peacekeeping efforts creates both an inflated perception of its role there and an unfounded impression of common interests with the United States and its European allies.

Bilateral Ties. Progress in bilateral relations will require engaging Russia in a dialogue about U.S. interests, intentions, and activities with a view toward achieving maximum transparency, avoiding surprises and, possibly, carrying out joint/parallel action in select cases. General areas for dialogue should include:

- Strategic stability and NMD;
- Impact of proliferation on strategic stability;
- Revolution in military affairs (RMA) and its impact on strategic stability;
- Regional trends in the former Soviet states; and

- European security and options for NATO expansion in 2002 and beyond.

Dialogue on these issues should be conducted at several levels:

- Senior diplomatic consultations;
- Contacts between intelligence communities; and
- Military-to-military exchanges.

These contacts should not be limited to the executive branch, but should include representatives from the two countries' legislative branches.

In addition to these government channels, a deliberate effort to reach out to Russian foreign policy and political elites could play an important role in improving the climate for bilateral relations. This outreach effort should take the form of attendance at policy-academic conferences, interviews and submissions to Russian media outlets, visitor programs, and increased use of the Internet to facilitate dissemination of U.S. policy statements.

In addition to a more active U.S.-Russian dialogue, special attention should be given to two critical issues: better coordination with NATO, the EU, and individual major European allies; and improved consultations on U.S.-Russian relations with congressional leaders.

While enhancing the quality of U.S.-Russian dialogue and consultation process on a select range of topics, the United States will be in a strong position to limit the number of top-level exchanges and summits. For example, the practice of nearly obligatory bilateral presidential U.S.-Russian meetings on the margins of multilateral fora—the G-8, the UN General Assembly, the Organization for Security and Cooperation in Europe—can be discontinued without harm to the relationship.

Reviewing Russia's participation in the G-8 is another step warranted in the context of narrowing relations. The disparity between Russia and the rest of its G-8 interlocutors speaks for itself, while the depth of Russia's internal decline suggests that the gap will not be closing in the foreseeable future. That leaves G-7 leaders with the difficult prospect of reversing the trend of the 1990s, as a result of which Russia inched closer and closer toward full membership in the group. One possible way for Russia to avoid the embarrassment of being excluded from

G-8 is to restrict its participation to political discussions, while expanding the role of economic discussions on the agenda.

NATO-Russia. While the NATO-Russia Founding Act has fallen short of both sides' expectations, it provides a general and still useful framework for engaging Russian foreign policy and military establishments and for conducting a dialogue on some of the key issues listed above. Any attempts to change or revise the Founding Act in the hope of thus improving the relationship between the alliance and Russia are likely to prove counterproductive at worst and irrelevant at best. The challenge for the alliance now, as it has been in the 3 years since Madrid, is to find the right substance, not style, for engaging Russia. A candid—and early—sharing of allied thinking on the next stage(s) of its evolution and/or enlargement appears to be the right issue on which to engage Russia. However, given the limits to Russian willingness and ability for a meaningful engagement with NATO, it would be advisable to consider abandoning the practice of regular high-level meetings and holding them only as necessary.

Military-to-military exchanges, both bilateral and within the NATO framework, are another area where U.S. expectations should be lowered. Contacts between military professionals cannot fill gaps in the political relationships between the United States and Russia and between NATO and Russia. However, they can and do provide useful insights that *in the long run* can serve a useful purpose in crisis management, interoperability in joint operations, or understanding each other's operational and strategic concepts.

All of these recommendations are driven by a sense of Russia's diminished capabilities and our stake in them. The proposed steps rest on the revised expectation that such a partnership remains distant indeed, more distant than it appeared at the outset of U.S.-Russian relations in the aftermath of the breakup of the Soviet Union. The goal of these steps is to return the relationship to a realistic basis.

Notes

¹ Russia has the same gross national product as the Netherlands with ten times its population.