

ENGAGING RUSSIA

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A REPORT TO THE TRILATERAL COMMISSION: 46

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A Report to
The Trilateral Commission

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The Trilateral Commission was formed in 1973 by private citizens of Western Europe, Japan, and North America to foster closer cooperation among these three democratic industrialized regions on common problems. It seeks to improve public understanding of such problems, to support proposals for handling them jointly, and to nurture habits and practices of working together among these regions.

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The Trilateral Process

While only the authors are responsible for the analysis and conclusions, they have been aided in their work by extensive consultations. These consultations included many officials, experts and others in Trilateral countries, primarily during visits to Tokyo, Ottawa, Washington, London, Bonn, Rome and Vienna. Braithwaite and Blackwill also travelled twice to Moscow (in October 1994 and in February 1995), and Braithwaite travelled to Warsaw and Kiev (in February 1995). The authors wish to express their gratitude in particular to Sergei Karaganov, who arranged the Moscow discussions along with his colleagues at the Institute of Europe and the Council on Foreign and Defense Policy. The authors are grateful to the Council of Advisers to the Parliament of Ukraine and to the British Embassy for the organization of the consultations held respectively in Kiev and Warsaw. The persons consulted in Moscow, Kiev and Warsaw are listed below.

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SCHEDULE OF TASK FORCE ACTIVITIES:

- August 26-27, 1994 — Braithwaite and Blackwill meet at Harvard University to discuss thrust and outline of report and set up program of work.
- October 6-11 — Braithwaite and Blackwill carry on discussions in Moscow.
- November 3 — Braithwaite and Blackwill meet with British officials in London. (They then proceeded to Vienna to participate in the November 4-6 meeting of Trilateral Commission European members.)
- November 18 — Braithwaite and Tanaka meet in London to discuss report.
- December 7 — Braithwaite meets in Bonn with German members, experts and government officials.
- December 8-9 — Blackwill meets in Ottawa with Canadian members, experts and government officials.
- December 15-16 — Braithwaite meets in Washington with U.S. members, experts, and government officials.
- January 10, 1995 — Braithwaite meets in Rome with Italian members, experts and government officials.
- January 13 — Braithwaite, Blackwill and Tanaka meet in London to discuss their first drafts.
- January 25-27 — Braithwaite and Blackwill talk with Japanese members, experts and government officials in Tokyo.
- February 6-10 — Braithwaite carries on discussions in Warsaw and Kiev.
- February 13 — Braithwaite, Blackwill and Tanaka meet in London to discuss their second drafts.
- February 15-17 — Braithwaite and Blackwill carry on further discussions in Moscow.
- February 27-March 1 — Braithwaite, Blackwill and Tanaka meet in Washington to discuss aspects of draft report and talk with U.S. government officials and others.
- April 24 — Full draft of report discussed at annual meeting of Trilateral Commission, in Copenhagen.
- May and early June — Revision of individual essays completed for publication.

Directors' Preface: This report is composed of three individual essays followed by a brief Joint Note stating the shared thrust of the authors' thinking. When this project began, the allocation of drafting tasks was made with a joint report in mind. As work proceeded it became clear that individual, and in important respects parallel, essays would be more appropriate.

Charles Heck, Paul Révay, Tadashi Yamamoto

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RUSSIA AND THE WEST

by Robert D. Blackwill

I. THE CONTEXT OF RUSSIAN FOREIGN POLICY

RUSSIA'S FOREIGN POLICY TRADITIONS

As Moscow struggles to debate, formulate, adopt and implement a coherent set of external policies, it inevitably draws on its own history, ancient and recent, Czarist and Soviet. This long and complex Russian past provides an important part of the political, economic, geopolitical and emotional context from which Russian leaders and ordinary citizens consider their present problems and future challenges. To be sure, there are no inevitabilities in this process and a glance at current Russian policy debates demonstrates there is still plenty to argue about within this framework. But there is increasingly widespread agreement among Russian elites regarding the direction of the compass that will influence Moscow's thinking and behavior as it deals with its post-Cold War external environment.

Russian history is filled with glorious victories and ignominious defeats. But throughout the centuries, there has been an enduring expansionist instinct in Russian foreign policy. Sprawling across a dozen time zones in its more recent configurations, Russia (and then the Soviet Union) sought security through the systematic domination of adjacent lands, and often nations bordering those lands as well. There was certainly much more than pathology operating here. With no natural boundaries, Russia, over its long history, was invaded again and again from east and west. Although all the intruders were eventually defeated or digested, it became commonplace in Russian strategic thought to imbed the well-being of Russia in concepts of external insecurity and imperial behavior. As Sergei Witte put it at the beginning of this century, "No such thing as Russia exists, there is only the Russian empire." In short, for hundreds of years it has been far safer to control the reaches of Russia and beyond than to rely on the beneficence of potential adversaries.

This fear and suspicion of the outside world is prevalent in Russia today, although the capacity to pursue traditional and brutal Russian means—political coercion and the threat or use of force—to deal with real, supposed or invented foreign threats is dramatically less than during most of the past two hundred years, and the costs of doing so are currently prohibitive in many cases. But Moscow's imperial tendencies have not disappeared.

Inherent in this sense of Russian imperial destiny has been the conviction on the part of most Russians that they are the citizens of an especially great nation. Whether measured by geographic size and population, natural resources, artistic and scientific accomplishment, spiritual intensity or raw military might, Russia (and the USSR) has been viewed by Russians as an exceptional country, one quite unlike all others and, more distinctively, one that possesses clear prerogatives beyond most other states—certainly beyond those of its neighbors. Again, the cataclysmic events of the past five years and Russia's present enfeebled internal condition have dampened the frequency with which Russians express their confidence in the intrinsic transcendence of their country, but this intense desire to be great, to be seen as great, and to be treated by others as great lies deep in the Russian psyche—yesterday, today and tomorrow. And it is growing in Russia today. President Boris Yeltsin has stated, "As regards relations with the United States, we want to be equal in everything, as two great powers. Concessions on any matter humiliate our patriotic feelings...."

Another powerful influence on Russia's present national security elites and citizens is the Soviet experience. Despite the USSR's collapse, many of Soviet Communism's habits of thought and standard operating procedures remain widespread throughout the national security agencies of the Russian government today. This should come as no surprise; organizational repertoires change slowly, especially if the leaders at the top are drawn largely or entirely from the old guard which is on the offensive throughout the Russian government. One has seen this in the small circle around Yeltsin that often dictates Russian policy whatever the Duma and country at large think; in the easy lies by the government to mask its brutal resort to force regarding Chechnya; in the extreme secrecy that has been reimposed on most aspects of Russian national security policy; and in the steady reemergence in Russia of the internal security service. If Russian national security institutions do what comes naturally, what comes naturally is often, and perhaps

increasingly, Soviet-style and authoritarian rhetoric and behavior.

From this perspective, other governments do not have honest differences with Moscow or reasonable strategic concerns; they mount calculated provocations against Russia. Other governments seek to strengthen Russia's neighbors only in order to weaken Russia. Other governments are not benevolent bystanders or hapless in their policies; they conspire to cause Russia's downfall. It is, of course, true that not every Russian official falls prey to these Soviet (and Tsarist) modes of thought and expression, and not only the new Russia sometimes feels the world is organizing against it. But these corrosive Soviet proclivities are reemerging in the formulation and articulation of Russian external policies.

Most of the current Russian national security elite believes that a horrendous catastrophe befell the Soviet Union (and thus Russia) under the policies of Mikhail Gorbachev. These patriots lost their country, ideology, form of government, economic system, societal values and most important, their capacity to guarantee the security and safety of their nation. And all this, usually associated with total military defeat and occupation, occurred without a shot being fired. Imagine the enormous psychological blow to the individuals still dominating the national security organs of the Russian government. Imagine the sense of humiliation and loss. Imagine the degree of resentment directed against the victors, especially since they have not always masked their glee at the demise of the USSR. In a few short years, much of what these men stood for throughout their professional lives disappeared and was replaced by confusion, chaos and collapse. Many of them are determined to restore Russian influence abroad by the means they know—persuasion, coercion, force.

The prospects for domestic political and economic reform that might buttress a different approach to international relations are uncertain. Despite the incredible changes during the past three years, Russia inherits virtually nothing from its past that will assist it in becoming a responsible and democratic member of the international community: No democratic traditions or values. No civic society. No respect for human rights. No free and fair elections. No rule of law. No separation of powers. No legislative oversight. No public or press scrutiny of government policies. No spirit of genuine compromise. No respect for—indeed phobias against—non-white peoples. No tradition of friendly and peaceful relations with its neighbors, instead a long history of military intervention and subsequent political domination.

These factors do not suggest that Russia is destined to return fully to its imperial past. There are countervailing trends within Russian society. But Russia will be required to surmount these powerful ancient predispositions if it is to become an enduring partner of the industrial democracies. It is much too soon to know if Russia can accomplish such a daunting task and, if so, over what time period.

RUSSIA'S NATIONAL INTERESTS

Before proceeding to discuss Russian national interests in the period ahead, a caveat must be registered. To quote Dean Acheson, what follows is to some degree "clearer than truth." Russia is in a state of enormous turmoil and confusion. Long-term considerations by those inside and outside of government can often be measured in days. Politicians and officials have little confidence that they may be in office tomorrow and less that this morning's policy will last until sunset. Most of them hedge against an uncertain future in what they say and do to us (and more important to each other). While these factors are the stuff of revolutionary change and thus no particular surprise, they make analysis of Russia's external orientations and policies an extremely precarious endeavor.

Nevertheless, Trilateral governments cannot simply conclude that Russia is too difficult to understand at present and wait until the situation clarifies. That illumination will not happen for many years at best and, in the meantime, one must try to make analytical sense of the bedlam and disarray that so characterizes the Russian Federation today. What follows is an attempt to distill the essence of how the Russian elite sees the outside world in their present circumstances, an elite that argues about many of these issues among themselves. In that sense, this section may indeed be clearer than truth. Hopefully the following nevertheless will capture the quintessence of how most (not all) of the Russians who matter in debating, formulating and implementing Russia's foreign policies now look at their international situation.

Because of its size and geography and the number and character of its neighbors, the Russian Federation occupies an exceedingly complex geopolitical position. It has interests from one end of Eurasia to the other; faces a large number of real and perceived threats to these interests from every direction; and finds few foreign allies in its quest to establish its post-Soviet national security identity. In the early days of the new Russia, beginning in late 1991, there

were various approaches regarding Russia's national interests in the new situation. Many reformers argued that Russia's future lay unequivocally with the United States and Western Europe and that Russian external policy should be principally devoted to establishing a strategic partnership with these countries, a theme that was echoed, or sometimes initiated, in G-7 capitals. Another approach saw Russia as a Eurasian power, with important interests to both its west and east. This view counseled against over-reliance on connections with the United States and Western Europe; it stressed that China would be a critical variable in Russia's future and should therefore play a crucial part in Moscow's developing definition of its national interests. A third group concentrated on Russia's immediate periphery and argued that Russian national interests were primarily connected to developments in the other new states of the former Soviet Union. And there were those who believed Russia's most important national security challenge was internal, to maintain the territorial integrity of the Russian Federation itself.

In early 1995, something approaching a consensus has emerged in identifying and ranking Russian national security interests in the period ahead, although a vigorous discussion continues regarding the best policies to support those interests and reduce or eliminate threats to them. Especially in the context of the Chechnya crisis, Russians have again been reminded that only their country of the major powers around the world faces immediate threats to its national boundaries. Thus, maintaining the present territory of the Russian Federation is the first and overriding national interest of the new Russia, an objective shared by the overwhelming majority of Russia's political, military, diplomatic and intelligence elites.

In clear second place is Moscow's interest in the stability and pro-Russian orientation of the other members of the Commonwealth of Independent States. Russians have come to agree that developments in what they call the "near abroad" have enormous implications for the future safety and security of the Russian nation. As Foreign Minister Kozyrev has stressed, "the states of the CIS and the Baltics constitute the area of concentration of Russia's vital interests." Of special concern is the fate of the 25 million ethnic Russians who live in these countries, a problem that no Russian government, however reformist, can ignore. Indeed, in April 1995 Kozyrev warned that Russia is prepared to use force to protect the rights of ethnic Russians living in the former Soviet republics, including implicitly the Baltic states: "there may be cases when the use of direct military force may

be needed to protect our compatriots abroad." A flood tide of Russian refugees from these turbulent states would put further pressure on the economy and risk more radicalization of the Russian political process. There are policy debates in Moscow regarding how best to protect Russian interests on its periphery, but there is little argument that most of the immediate threats to Russia emanate from these new nations.

Good relations with the West and particularly the United States, although still important, have now fallen into third place in the considerations of the Russian government. We will return to this subject but it will suffice to say here that most Russians in the national security establishment have become increasingly disappointed concerning relations with the Trilateral nations (as has the populace as a whole). The Yeltsin-Clinton Summit in Moscow on May 10, 1995, furthered this accelerating trend. Russians have come to expect, with a considerable degree of bitterness, much less from the West than in the heady days of 1991-92, and also have realized that these ties offer little assistance to Russia as it deals with its two preeminent interests indicated above. They are persuaded that at least in the short term, and with the possible exceptions of NATO enlargement and the future of Ukraine, the G-7 countries present no serious threats to Russian interests.

Another primary interest as defined by Russia is that it maintain its historic influence over East-Central Europe in general, and Poland in particular. Although much has changed after the Cold War, Moscow continues to believe that the grey area between Russia and Germany, and especially Poland, must remain outside the Western security system the Soviet Union confronted for four decades—that is, these nations must not become members of the North Atlantic Alliance, unless Russia joins NATO at the same time, and Moscow should possess a veto over Poland's external policies in particular.

Russia's national interests in containing growing Chinese power and avoiding the emergence of a hostile Japan, while consequential over the long run, do not now figure as prominently in the day-to-day policy discussions in Moscow—China because there are so many uncertainties regarding the futures of both China and Russia and the interaction between them; and Japan because bilateral relations between Moscow and Tokyo are impeded by the dispute over the Northern Territories. Likewise, the potential benefits of participating in the dynamic Asia-Pacific region are more distant from high-level day-to-day discussions in Moscow.

Russia, of course, pursues many other national interests: participating in the international economy in a significant way, although that remains a distant dream; reducing the dangers of nuclear proliferation that would threaten the Russian homeland; expanding conventional arms transfers that add to Russian defense revenues and strengthen Russian military industry; repairing ties with former client states such as Iraq, Syria and Libya that owe Moscow tens of billions of dollars; intensifying relations with the nations of the Balkans to increase Russian leverage there; and projecting Russian diplomatic influence into the Yugoslav crisis, the Middle East (including the Israeli-Palestinian problem), and at the United Nations. (International human rights concerns, except for Russians living in the former Soviet Union, and regional and global environmental challenges do not seem to have a place in Russia's current perceptions of its national interests.)

Russia and its Periphery

It is crucial to disaggregate Russia's preoccupations and policies regarding its borderlands encompassing the territory of the former USSR. With the exception of the three Baltic states which are in a separate category clearly protected in a special way by the West, two general principles seem to animate Russian perceptions pertaining to these newly independent and vulnerable nations where Russia now has about 130,000 of its troops stationed: they must over the long term conduct their policies in ways that Russia finds congenial; and, again in the sweep of time, these states should inevitably be "reintegrated" solidly into Russia's sphere of interest, if not in some cases into the Russian Federation itself. In short, these nations will not be truly independent if that entails their pursuing policies that Moscow regards as damaging to Russian interests. As Ivan Korotchenya, the Russian Executive Director of the Commonwealth of Independent States, told Russian television on May 22, 1995, the CIS over the long term is really about a "a single army, a single border system, a single economic space."

This does not mean that one should necessarily soon expect intensified Russian actions to make "reintegration" occur. Russian resources for this activity are scarce at present and polls suggest that the Russian public has little enthusiasm for foreign adventures given the enormous problems at home. But if and when Russia has sufficient capacity for such an enterprise, polling also shows that most Russians believe that the former territory of the Soviet Union,

less the Baltic states, is a natural part of the Russian domain, whether or not these states fly their own flags and play their own national anthems.

With the 14th Army in Moldova and Belarus after its May 14, 1995, referendum well on its way to reintegration—with or without a “national” flag—into the Russian Federation, this sentiment is especially significant with respect to Ukraine. Russians are uneasily aware that the West takes a close interest in the future of Ukraine. They find this hard to understand and accept and there was much suspicious commentary in the Russian press regarding President Clinton's May 11, 1995, visit to Kiev. Few Russians really believe that Ukraine should be an independent nation. This is not surprising. Russian history and national psychology have been deeply entangled with the area now comprising the territory of Ukraine for a millennium. The origins of the Russian state are found in Kievan Rus in the ninth century and Russians have thought of the inhabitants of this area as their kith and kin at least since 1654 when the Ukrainian Cossacks sought the protection of the Tsar against the Poles and Turks. Although most ethnic Ukrainians have another view, this does not diminish the Russian conviction that a Ukraine separated from Russia is abnormal and that eventually this unnatural situation will surely be remedied.

This, however, has not at this writing produced Russian policies that have explicitly sought to undermine the territorial integrity of Ukraine. Indeed, throughout the period since 1991, Russia has acted with considerable restraint regarding Ukraine. Moscow has worked with Kiev and the ethnic Russians in the Crimea to avoid a disintegrative crisis there. It has continued to sell Ukraine energy at below world market prices, although the flow is frequently interrupted by the Russian side, not least because Ukraine has a debt to Russia of more than \$4 billion. It accepted the implementation of the CFE Treaty which left Ukraine thousands of the Soviet Union's most advanced conventional weapons. And it has largely stayed out of Ukraine's domestic political struggles, although Moscow was clearly delighted when Leonid Kuchma, more sympathetic to Russian perspectives, became President in July 1994.

Some reasons for this Russian restraint are obvious and some a matter of conjecture. Moscow's compelling short-term goal vis-à-vis Ukraine is the removal of the 2,400 nuclear weapons that were on Ukrainian soil when the Soviet Union dissolved. If Ukraine were to seek to acquire operational control of those weapons, Russia would

be faced with a tremendous and deadly threat. So Russian diplomacy, working with the United States, has been devoted in the first instance to persuading Kiev to become a signatory of the Nuclear Non-Proliferation Treaty and to hasten the departure of nuclear weapons from Ukraine. Any violent crisis in the Crimea, which could easily spread to other parts of Ukraine, could threaten the safety of these weapons and thus of Russia itself. Such violence would also endanger the lives of the twelve million ethnic Russians who live in Ukraine.

Further, much of the West has asserted to Moscow that moderate Russian behavior regarding Ukraine is a prerequisite for good relations and, in the end, for international economic assistance to the Russian Federation. In addition, many in Moscow fear that any early effort to bring Ukraine securely within Russia's orbit would at the same time inevitably import Ukraine's immense economic problems, which could destroy prospects for Russian economic recovery and thus political reform. Kuchma's election gave the Russian national security elite more evidence that the wisest course was to achieve the "reintegration" of Ukraine over a longer time line. And finally, the war in Chechnya has diverted Russian attention away from events in Ukraine. Convinced that the West will not devote the necessary resources to maintain Ukraine as an independent nation and doubtful that the Ukrainians will take the required steps to produce a healthy economy, Moscow now waits patiently for Russia's gravitational pull to bring Ukraine back to Mother Russia at a pace that minimizes the danger of strife within Ukraine; of serious damage to the Russian economy; and of marred relations with the West. How a stronger Russia would interact with Ukraine, after all nuclear weapons leave Ukrainian soil in 1996, remains a big and worrying question.

Russia's interactions with the people of the Caucasus have less to do with ethnic linkages. The Russians have had dealings in the area for a thousand years. They have a romantic attachment to the landscape and the people, much celebrated in their literature. But with an ethnic Russian population in this region of only several hundred thousand, Moscow's principal interests in the Caucasus lie in its strategic position on the marches of Iran and Turkey. The Caucasus mountains are the nearest thing Russia has to a natural boundary. It has a powerful interest at a minimum in retaining direct control over the northern side of the watershed. Hence the Russian determination to dominate the Chechens and other mountain

peoples who live there. Hence too the uncompromising efforts to oversee the small nations on the southern side of the watershed—Georgia, Armenia and Azerbaijan. In addition, Russia wishes to ensure that conflict in this area (again endemic following the dissolution of the Soviet Union) does not spread to the Russian Federation itself; and, in this context, to blunt the dangers posed by Islamic extremism—embodied for Russians in the Chechen fighters—to Russia with its twenty million Moslem citizens. The solidarity shown to the people of Chechnya in the course of the Russian military crackdown by other nearby Moslem peoples demonstrates this potential danger to Russia's security. These concerns led Moscow to intervene in the ongoing Georgian civil war in 1992-93, partly through the deployment of a few hundred Russian troops. This gave Russia decisive influence over Georgian policies, including Tbilisi's willingness after much hesitation to agree to Russian military bases on Georgian soil.

With some of the same motives in mind, Moscow has also intervened directly in the long and bloody conflict between Armenia and Azerbaijan over the enclave of Nagorno-Karabakh. Again, Russia did not trigger this bitter ethnic dispute which has its origins in the distant past, but once the war was underway, Moscow has worked hard to ensure an outcome that promotes Russian strategic domination of the Caspian region. This long-term objective has been reinforced by the huge energy reserves found in recent years in and around the Caspian Sea and the fact that existing pipelines to the outside world lead through Russia. (In Kazakhstan there may be as many as 35 billion recoverable barrels of oil; Azerbaijan like Kazakhstan possesses one of the world's ten biggest oil fields; and Turkmenistan is heir to one of the globe's largest stores of natural gas, estimated at some 350 trillion cubic feet.) The question of who exploits the region's energy resources is of great urgency. Arguing that the Soviet Union developed these resources, the Russians have insisted that Lukoil and GazProm, the Russian oil and gas giants, be allowed to buy into the consortia of Western and local companies which plan to exploit these energy resources, which may become vital to both Russia and Trilateral countries sometime in the next century. It is abundantly clear that the Russians are determined to dominate the disposition of these vast resources. Despite Moscow's faint willingness to consider some OSCE involvement in the problems of the Caucasus, these energy reserves have also strengthened Moscow's determination not to allow the West

including Turkey, Iran or any other outside influence to supplant it as the predominant arbiter of relations between Azerbaijan and Armenia.

With 6.2 million Russians living in Kazakhstan (37 per cent of its population), Moscow pursues a delicate diplomatic strategy of fostering ever closer relations over time, without at the same time pushing so hard that the Kazakh leader, Nursultan Nazerbayev, reacts by accelerating a process already well underway—the gradual exclusion of ethnic Russians from positions of authority in the Kazakh government. Crude Russian interference in the internal affairs of Kazakhstan would probably be counterproductive in the period immediately ahead, but much of the Russian national security elite foresees a Kazakhstan again safely within Moscow's strategic domain, or, as it is sometimes put in Moscow, back within Russian geopolitical space as it has been for well over a century.

Russian considerations in Central Asia are, as noted earlier, concentrated on natural resources, in containing Islamic extremism exported from Afghanistan and Iran, and in protecting the eleven million Russians who live there. In addition to the large Russian population in Kazakhstan, substantial Russian minorities reside in all Central Asian states. Thirty-six per cent of the population of Turkmenistan is Russian. Only in Uzbekistan is the eponymous ethnic group overwhelmingly dominant; even there twenty per cent of the population is Russian.

The question of future Chinese policies toward this region is in the background at present although Russians do worry over the long term about the distant threat of increasing Chinese influence in Kirgystan and Kazakhstan. Moscow's current preoccupation is the civil war in Tajikistan where 25,000 Russian troops are bogged down in a guerilla conflict with no negotiated or military end in sight. Assisted by ethnic Tajiks and sympathetic mujahideen in Afghanistan, the opposition inside Tajikistan seems sufficiently resilient to continue the war for years. Moscow has concluded that if it does not stop the mullahs here, they will soon be at the borders of Russia itself. And Russia faces an increasing problem of significant drug flows into the Federation from this area.

As far as threats from the south and east are concerned, the Russians maintain that they have no choice but to draw a defensive line, and that it must be drawn not on the unprotected and wholly permeable frontier of Central Asia and Russia, but on the southern border of the former Soviet Union, where mechanisms of control are

already in place. But these Russian policies on its periphery do not necessarily portend the recreation in the south of the geopolitical unity and political organization of the Soviet Union. To the contrary, many Russians resented the flow of resources from Soviet Moscow to these southern regions for infrastructure, social services, and economic development. Throughout the 1980s the Soviet Union paid massive subsidies—one estimate puts them at \$50 billion per annum—to the other republics of the USSR through direct budgetary assistance and cheap raw materials, especially energy. The pattern began to change as the Soviet Union broke up. Thus, in 1992 Russia awarded \$17-20 billion in grants and interest-free loans to other members of the former Soviet Union. In 1993 these fell to one-third, and in 1994 to about one-tenth, of the 1992 level. Although many subsidies continue, most Russians want them to stop.

Instead, Russia could seek to use the territory of these newly independent states to contain conflict so that it does not spread to Russia; to maintain or create military bases for purposes of defense (including of ethnic Russians residing outside the Federation) and power projection; and to control the exploitation of the rich natural resources present in several of these countries. Whether Russia makes an energetic attempt to achieve all these objectives remains to be seen. But there are clear signs that some strategic “reintegration,” which Ukraine is especially resisting, is underway. (Note Belarus’ agreement to allow a Russian troop presence for 25 years, after earlier insisting that all Russian forces should be withdrawn by the end of 1995; the Russia/Belarus/Kazakhstan accord early this year aiming at a common military strategic area; the announcement in January 1995 that Russia and Kazakhstan will begin this year to create a joint military force; agreement within the CIS—and especially between Russia and Ukraine—to create a united air defense system; and tentative approval at the May 26, 1995, CIS Summit in Minsk by Russia, Belarus, Kazakhstan, Kyrgyzstan, Armenia, Georgia and Tajikistan to place Russian border guards on their outer borders.) Given its various resource and other constraints, how far Moscow will be able to go in this direction, even if it makes an all-out effort, is uncertain. But the objectives of the current Russian government are clear. President Yeltsin stressed at the Minsk Summit that the CIS should adopt “effective joint (Russian-led) protection of CIS borders,” “mutual utilization of military facilities...and joint operation of defense production.” And Prime Minister Viktor Chernomyrdin put it like this at the Minsk: “Nobody

is encroaching on anyone's sovereignty, but no one will stop us uniting."

Finally, what about the Baltic states? The Baltic coastline has been an object of Russian strategic ambition for four hundred years at least. So it remains. Moreover, as a result of the policies of Stalin and his successors, Latvia and Estonia have a large proportion of Russian inhabitants (30-40 per cent) who in Russian eyes are denied the full advantages of citizenship. Moreover, Estonia has territorial claims on Russia. Although Russian troops more or less left the Baltic nations on schedule, Moscow will persist in believing that events in these states have important strategic and domestic implications for the Russian Federation.

Russia, the United States and Western Europe*

Although Moscow's relations with Washington continue to head this category of interests, Russia's ties with the Trilateral countries, and especially with the United States, have been in slow decline since mid-1993, a trend that continued at the May 1995 Clinton-Yeltsin Summit in Moscow. This may have been inevitable given the unrealistic expectations on both sides as the Cold War ended, the USSR collapsed, and Russia struggled to find its place in the new Europe and the transformed international environment. On the Russian side, much was expected in material support and political understanding. This was especially true given the series of G-7 Summit announcements heralding vast sums (tens of billions of dollars) that were to be transferred to Russia in support of democratic and market-oriented reforms. The United States made the most of these enormous amounts in its public statements, and the United States was most free in the volume and intensity of its advice (both governmental and private) to the Russian government on how best to reform its economy.

In any event, the G-7 both overpromised and underdelivered. One reason for this—that the sums would be wasted until market reform had actually taken hold—was quite respectable. The funds were available only on strict and justified macroeconomic conditions and the Russians were often unwilling or unable to change their policies in ways demanded by the G-7 and its agents in the IMF and the World Bank. But while the G-7 announced with great fanfare aid

*A discussion of Russian views of East Asia is to be found in Akihiko Tanaka's essay later in this volume.

packages of \$24 billion and \$28 billion in 1992 and 1993 respectively, the amounts delivered during those years were closer to \$16 billion and \$8 billion. There was a great deal of double counting from summit to summit and much less real Western money than Trilateral governments tried to proclaim. In particular, these sums included short-term loans at market rates and credits by individual Western nations partly to improve market penetration. The European Union was painfully lethargic in getting aid to Russia and extremely reluctant to open up significantly its markets to Russian products. As the May 6, 1995, *Economist* wrote, "To say its response has been inadequate barely captures the extent of its failure in Russia." The United States was also slow off the mark. The IMF and World Bank were bogged down for long stretches in internal bureaucratic quagmires.

Perhaps of equal importance, most of the aid that did reach Russia by and large did not arrive in ways that ordinary Russians could see and feel. Many Russians did see the humanitarian aid that reached them—mostly from Western Europe—in the difficult winters of 1991 and 1992. They were duly grateful, but also felt humiliated that their President was going cap in hand for assistance, and that their once great country apparently had to appeal to its former enemies simply to feed itself. These emotions helped to drive the last nails into Gorbachev's political coffin.

Many of them were also skeptical of the economic advice with which the West was so free. The Western consultants who streamed to Moscow were paid large fees from aid funds which the Russians had thought were meant directly to benefit them. Much of the advice seemed irrelevant and inapplicable. Some of it, such as the advocacy of free trade and the free establishment of Western banks and businesses, seemed hypocritical when it came from nationals of European countries who were busy maintaining barriers to Russian exports. Few of the "experts" stayed long enough to understand the complexities of the economic and political scene in post-Communist Russia. Those who did often became the objects of jealousy or political intrigue themselves.

Thus, Russian citizens came to a series of cynical conclusions: either the West never intended to send the assistance and therefore the entire enterprise was a sham; or some of the money did reach Russia but was immediately stolen by the political and economic elites; or, most corrosive of all and a thought that sprang from Russia's paranoid past, the purpose of Western aid—promised and

delivered—was to weaken Russia itself, to produce an impotent Russian state that the West could manipulate for its own purposes. In short, the entire experience of G-7 assistance to the Russian Federation since 1991 has produced among some Russians an anti-Western, and especially anti-American, emotion. This trend is on the rise.

Of more importance to the Russian national security elite than to the rest of the population has been Moscow's increasing frustration concerning its exclusion from the key European decisionmaking processes after the Cold War. At the outset, the new Russia was showered with promises by the West, and particularly by Washington, of a strategic partnership that would make Russia a crucial player in the creation of the "new world order." Expectations went through the roof in Moscow's foreign affairs and defense establishments as these elites waited for specific ideas from America and major West European capitals on how this lofty task might be accomplished. What they got instead was repeated and vague rhetoric and a series of exclusionary steps—calculated or inadvertent—that mirrored Western ambivalence about including Russia systematically in its decisionmaking processes.

Indeed, specific Russian grievances regarding Western policies—again centered on the United States—are many and diverse. Until the Contact Group was formed to deal with the war in the former Yugoslavia and to meet Russian insistence that it be brought into this crisis management and negotiating effort, Moscow was left on the sidelines as the West incompetently addressed the Bosnian tragedy. NATO continually threatened to attack the Bosnian Serbs although Moscow evidenced major opposition. That NATO bombs rarely fell on the Bosnian Serbs did not substantially reduce Russia's distress with Alliance decisions and its unwillingness to take Moscow's views significantly into account. The Alliance's Partnership for Peace Program treated all countries to the east as equals, when Russia clearly was in search of pride of place in relations with NATO. Western talk of a treaty between the Alliance and Russia remained just that—talk. While the Yeltsin government waited for NATO, and especially American, suggestions concerning what might comprise the specific content of such an agreement, nothing tangible was forthcoming from Russia's purported "strategic partners," including at the May 1995 U.S.-Russian Summit, and NATO's May 31, 1995, agreement with Russia on enhanced consultation remains very short on details.

Moscow's ideas for major CSCE institutional reform presented at the December 1994 Budapest Summit and designed to give Russia a more structural say in issues of European security were rejected by the West. The START II and the Conventional Forces in Europe (CFE) Treaties are regarded as unfair to Russia, forced on Moscow when its government was vulnerable and incompetent. Russia's wish to redefine the equipment limitations of the 1990 CFE Treaty was flatly denied by the West for years. The United States acquired from Belarus in murky circumstances Russia's most advanced air defense system, the S-300, which may cost Moscow billions in overseas sales. Washington opposed Russia's arms sales to Iran and elsewhere while, in Russian eyes, selling U.S. weapons around the globe; and also opposed a perfectly legal transfer of Russian nuclear technology to Iran. Russians wonder why Western governments, so preoccupied with Soviet human rights violations in the old days, now seem indifferent to such encroachments against Russian citizens living in other nations of the former Soviet Union. Moscow's national security elite asks who appointed the United States as threatening global policeman in the former Yugoslavia, Haiti, Somalia, Iraq and North Korea. They are suspicious that when Westerners promote Russian defense conversion, they really intend Russia's unilateral disarmament. Russians complain that the West does not understand that Russia is fighting Islamic extremism in the south. And NATO under U.S. prodding has stated its intention to expand its membership to nations of East-Central Europe, while obviously determined to exclude Russia from the same opportunity to join Europe's dominant security institution.

It is difficult to exaggerate the deep opposition of the Russian elite to NATO enlargement that includes Poland and excludes Russia. Moscow makes many arguments on behalf of what it calls, in Soviet-speak, its principled position. NATO enlargement would draw new lines in Europe, reimposing a division of the Continent that was ended with the Cold War. It would bar Russia from Europe's most important security institution, inevitably creating lasting tensions between Moscow and the Alliance. It would likely bring NATO forces to the borders of Russia, perhaps with nuclear weapons. It would lead Poland and the other East-Central European nations to be reckless in their relations with Moscow, imagining that they could then hide behind the NATO shield. It would thus destabilize what is now a perfectly stable East-Central Europe. It would deprive Russia of important potential partners in its economic and political

transition. It would force the Russian General Staff to begin contingency planning vis-à-vis East-Central Europe, an activity that is now absent from Russian defense designs. It would inevitably lead to a major increase in Russian defense spending and could provoke a new arms race in Europe, using resources that could otherwise be directed to domestic challenges. It would strengthen the role and influence of military and intelligence agencies in Moscow's decisionmaking process.

As seen from Moscow, NATO enlargement would bolster those within the Russian government who want to bring Ukraine rapidly back under Russia's domination. It would lead to more Russian pressure on the Baltic states. It would hasten tight military reintegration of the forces of CIS nations. It would weaken the democratic reform movements in Russia and fortify fascists and communists who wish to recreate the geopolitical space of the USSR. It would insensitively ignore Russia's feelings of loss and humiliation resulting from the frightening changes that have shaken the Soviet Union/Russia in the past five years. And it would fundamentally prohibit Russia from exercising its rightful influence on the future of Poland, a nation with which Russia has been profoundly involved for centuries. In short, sympathetic Russians argue that NATO's malevolent act of expanding to East-Central Europe would produce a self-fulfilling prophecy—a hostile and revisionist Russia intent on overturning an emerging European security system that it regarded as profoundly inhospitable to its vital national interests. Why, pro-Western Russians ask, would NATO wish to do that?

Indeed, since 1993 when the romantic period of Russian infatuation with the West ended, the entire national security elite in Moscow has increasingly regarded a strong and coherent NATO as inconsistent with Russian interests. This has led to hesitancy concerning Russian participation in the Partnership for Peace initiative; tepid interest within the General Staff for military cooperation with the Alliance; and a growing conviction that a weak and fragmenting North Atlantic Alliance is good for Russia. This Russian geopolitical tenet, which, of course, also draws on powerful Soviet antecedents, is unlikely to change anytime soon.

Of much less but still considerable importance in Russia's relations with Western Europe and the United States has been the dreadful crisis in Bosnia. Russian elites simply do not accept that the Serbs are the villains of the piece. Driven by historical involvement

in the region, emotional identification with fellow Slavs, and loathing of NATO's—the enemy for nearly half a century—bombing of traditional Russian allies, Moscow will not accept an outcome of the Bosnian crisis that harshly punishes the Serbs or reduces Russian influence in the Balkans.

The consequence of all these factors is that the Russians have been increasingly self-preoccupied. Most of them now believe that their country will have to fend for itself, at home and abroad. Although it is unclear at this writing how difficult Russia's relations with the United States and Western Europe will become in the next several years, the high-water mark of cooperation was reached in 1992 and these connections will be fraught with difficulties, and perhaps even punctuated by periodic crises, in the foreseeable future. This is especially true of relations between Washington and Moscow, not least because of the illusions both sides harbored at the end of the Cold War about the character of their future ties.

Nevertheless, Russia presently retains major incentives to try, within the gloomy context indicated above, to pursue as positive relations as possible with the West. It wishes to influence Transatlantic decisions regarding future nuclear and conventional defense programs, the evolution of NATO, conflict management in Europe, issues at the United Nations, and so forth. It recognizes that the United States and the nations of the European Union can minimize Russia's place in the changing European organizational architecture. Moreover, hostile relations with the West would generate increased demands for much greater Russian defense spending, hardly an attractive prospect for many in Moscow. The Trilateral community will decide the degree of future Western economic support for Russia. It will set a tone that will influence the volume of Western private investment going into the Russian Federation. And an isolated and alienated Russia, without friends, would enter the next century in a daunting situation. Whether these important incentives will moderate the increasingly troubling trends in Moscow's external behavior remains to be seen.

THE DOMESTIC CONTEXT

As indicated above, Russia's national security decisions will be importantly affected by Russian domestic politics. Here the signs are not encouraging. As we have seen regarding Chechnya, the Russian government is capable of making decisions to use brutal force

without benefit of democratic processes and against the wishes of the vast majority of the population. Neither the Duma nor public opinion have appeared to have the slightest impact on the conduct of the war.

Moreover, prospects for the democratic parties in the December 1995 Duma elections are not bright. The Communists and their Agrarian allies are best organized at the local level and are set to take advantage of the issues of most concern to Russian voters: the economic deprivation that has seriously wounded much of Russian society; the growing gap between rich and poor in the country; and the problem of crime and corruption. These two parties and parliamentary sympathizers could capture a majority in the new Duma. Zhirinovskiy and his supporters are also set to garner ten to fifteen percent of the vote. With these electoral liabilities, the radical reformers are disorganized, thoroughly split and riven by personal rivalries. Mafia money, which will have an important impact on the election, will mostly not flow to these democratic parties.

President Yeltsin seems unlikely to bring these fractious radical reform factions together before the Duma elections, not least because the majority of them will not support his candidacy should he run for President in June 1996. Yeltsin's effort to create a center-right electoral bloc behind Prime Minister Chernomyrdin and a center-left grouping led by Duma Speaker Ivan Rybkin faces uncertain prospects. So the next Duma will probably have fewer democrats than this one; be less committed to Western values, including the rights of the individual against the state; be more dedicated to the reintegration of CIS geopolitical space; have greater suspicion about Trilateral objectives vis-à-vis Russia; and generally hold views that will make it more difficult than at present for any Russian government to cooperate closely with the West.

With respect to next year's Presidential election, almost everything is questionable, including whether the ballot will be held. According to many polls, President Yeltsin is now deeply unpopular in Russia and widely blamed for contributing to many of the country's ills. It is therefore unclear whether Yeltsin could win a free and fair election next year. For this reason and because of worries about domestic instability, there are important voices in Russia arguing that the Presidential election should be postponed until at least 1998. And if an impartial ballot is held next June and whether or not Yeltsin runs, there is a significant possibility that a non-democrat of one kind or another will win.

But whatever happens relating to these two elections, domestically in the next three to five years Russia at best is most likely to accelerate somewhat along its present mildly authoritarian path. This would mean decisions made among a small circle of Presidential advisors without much public scrutiny; further weakening of radical reform political factions and growing strength of left-communists and national patriotic groups; increasing influence by the old guard throughout Russia's bureaucracy; growing influence of the internal intelligence agencies; continued spread of what is regarded as classified information by the government (the latest, as in the Soviet period, is crop estimates); widespread electoral fraud on behalf of those already in power and/or postponement of elections; endemic corruption throughout government and the political process; close collaboration between non-democratic political forces and the criminal sector; authoritarian practices by regional elites; and growing informal efforts to muzzle the media. (Less likely but still possible Russian futures include an attempt at brutal authoritarian crackdown, a military coup, chaos and disintegration in the country, and even a topdown revival of reformist politics.)

A mildly authoritarian political evolution in the next few years does not suggest that Russia is forever lost to democratic principles and practices. Even if this gloomy depiction does evolve, at the same time many pluralist trends will also be at work in Russia at all levels. The domestic context of Russian national security policy well into the next century is currently only a matter of conjecture. What can be said with more confidence is that for the next several years at a minimum, Russian domestic politics will be a seriously negative and not a reinforcing factor in attempts to improve the quality of Russia's relations with the West.

II. TRILATERAL STAKES IN RUSSIA'S FUTURE

Only slowly did it dawn on us that the whole world structure and order that we had inherited...was gone....

Dean Acheson, Present at the Creation

Dean Acheson was writing of the second postwar period in this century, to which he and others in Trilateral countries responded with much more foresight and success than had been the case after the First World War. We are now in the midst of the third postwar period and our responses to date do not measure up to the challenges we are facing and the interests we have engaged.

The direction of Russia's external policies is the most important uncertainty in the evolution of international politics in the next decade. Putting aside the unlikely eventualities of the withdrawal of the United States into sustained and petulant unilateralism/isolationism or the angry disintegration of the European Union and especially of the Franco-German relationship, Russia's future foreign policy orientation for better or worse will be the most critical variable affecting national security interests deemed vital or important to Europe and North America. (China's international orientation may eventually become another preeminent variable for Transatlantic governments and is already of greater concern to Japan.)

A largely cooperative Russia would make many of the most crucial regional and global problems easier to manage, from the future of Northeast Asia to the challenge of dealing with new nuclear weapons nations to the prevention or containment of ethnic conflicts in Eurasia, including in the Balkans. A hostile Russia would conversely resist Western efforts to stabilize a democratic East-Central Europe, complicate the search for equitable management of the Israeli-Arab problem, and draw the G-7's resources into significantly increased defense spending instead of domestic renewal.

It is therefore useful to examine systematically our stakes in Russia's future. Abstract and sentimental preferences—including rhetorically charged summit communiqués—regarding Russian

internal developments and foreign policy are not an accurate gauge of the interests Trilateral governments actually have engaged in the content of Russian policies. G-7 governments have a host of international problems to which they can devote their attention and resources. And since they cannot do everything, everywhere, they will be tempted to employ inflated rhetoric where they do not regard their vital interests at issue, or when they are unable to match their perception of their interests with suitable policies. This latter mismatch has mostly characterized Western policies toward Russia since 1991 and drives this essay. So we should first be clear why Russia should be put securely in the first rank of G-7 preoccupations and policies.

The vital interest to which most Americans and many others turn first is the future of the immense nuclear weapons inventory of the former Soviet Union. Tens of thousands of nuclear devices remain on the soil of Russia and Ukraine. To vivify the G-7 interest involved here, any one of these weapons if detonated by terrorists in New York, Paris or Tokyo would kill hundreds of thousands, injure many more, contaminate large areas of the globe, and profoundly worsen the international security situation. Imagine Oklahoma City or the Tokyo gas attacks writ large.

Despite the blessed fact that Russia no longer poses a national nuclear threat to Trilateral countries, the actual danger of a detonation from former Soviet nuclear weapons is probably greater than at any time since the Cuban missile crisis. (The danger of one nuclear weapon exploding on the West is greater; the danger of 1,000 detonating on Western targets is of course enormously less.) This is because the command, control and safe custodianship of these weapons remain in some doubt and will be for at least the immediate future. The territorial integrity of the Russian Federation could yet be ruptured, throwing into danger nuclear weapons scattered across the country in storage sites guarded by small detachments of Russian troops. In addition, as dramatically demonstrated in the Chechen crisis, the leadership of the Russian Armed Forces is riven with internal tensions and rivalries, which, in conditions of acute instability within Russia or a convulsion in the country's political system, could endanger control of the nuclear stockpile. Further, the pervasive degree of corruption within Russia, including in its military establishment, raises the issue of whether one or more of these nuclear devices might be sold, or might already have been sold, to the highest bidder. Moreover, until all the remaining weapons in Ukraine

are returned to Russian territory, fragile and vulnerable Ukraine could decide—including in the context of chaos in Russia—to seek to become a nuclear weapons state, a decision that Moscow would almost certainly contest, with force if necessary. None of these contingencies is beyond imagination. And if any were to occur, G-7 interests would be profoundly and negatively affected.

A related dimension of the nuclear issue is the vital Western interest in maintaining Moscow's cooperation in attempting to slow the spread of weapons of mass destruction. Rogue states from Iraq to Iran to Libya to North Korea already have tried or are currently seeking to build, purchase or steal nuclear, chemical and/or biological weapons capabilities. As we have seen with Moscow's intended nuclear sale to Iran, without intense Russian cooperation, this problem—already intrinsically very difficult—becomes much, much worse. Finally, our countries must be seriously concerned about the safety of Russia's civil nuclear reactors. With dozens of these aging and dangerous facilities now operating within the Russian Federation, the possibility of another Chernobyl-type catastrophe can hardly be dismissed. If there is a next time, the winds could take the nuclear fallout in different and more lethal directions for Trilateral nations. For these reasons, too, the West has nothing less than a vital stake in the nuclear future of Russia.

Another paramount Western interest in Russia's future has to do with European security. There is no security problem on the Continent that is not made more manageable through Russian cooperation, and none that does not become more intractable if Moscow defines its interests in ways that oppose Western objectives. It is difficult to imagine a stable East-Central Europe if Russia were trying to undermine it. The future well-being of the Baltic states would be enormously complicated if Moscow were to mount a determined and hostile approach to those three nations. In the Balkans, including the former Yugoslavia, Russian obstructionism or worse (such as sending arms and "volunteers" to the area) could ignite a regional conflagration. If Russia were aggressively to undermine Ukraine's territorial integrity, three simultaneous crises could ensue: between Russia and Ukraine (with a possible nuclear dimension); between Russia and the West; and between the United States and Western Europe concerning how to deal with the first two crises. In short, no stable European security system is likely to endure without significant Russian involvement and cooperation. Although the West cannot guarantee that Moscow will adopt this collaborative

approach regarding European security over the long term, Trilateral nations have a vital interest in such a benign Russia.

Trilateral interests regarding Russia in East Asia are discussed in Akihiko Tanaka's essay later in this volume. In contrast to Europe, Russian power is not the central problem in East Asia. But there are potential gains from positively engaging Russia in the region.

Russia's stance will have an important impact on the success or failure of efforts to address a number of other issues as well. If Moscow sells modern conventional arms (including ballistic missile technology, combat aircraft, air defense systems, attack helicopters, tanks, artillery, advanced munitions, submarines and surface ships) into the world's hottest trouble spots, those regional disputes will be significantly more difficult to manage and contain so as not to damage Trilateral interests. This holds true for the Middle East and especially Syria, Iran and Iraq; the Maghreb; North Korea; the Indian sub-continent; Southeast Asia; the Balkans; and sub-Saharan Africa. Trilateral counter-terrorism exertions will also be hindered if Moscow does not actively help. If instead, Russia (as in the Soviet period) were in selected instances actually to assist terrorist organizations, say against American domestic targets to draw U. S. attention back home and away from policies in Europe and Asia with which Moscow disagreed, the G-7 would have confounding new international troubles with which to deal.

Think of a Russia that used its resources to promote the export of illegal narcotics to the Trilateral partners, gave up any pretense of working with the outside world to address Russia's huge environmental problems and simply exported as many of these difficulties as possible. Extensive Russian obstructionism in the UN Security Council would confound efforts to improve the quality of UN efforts around the globe, and markedly reduce the likelihood that the Trilateral community could use the United Nations to advance Western interests—from an effective International Atomic Energy Agency, to continuing UN sanctions against Iraq, to possible new Security Council resolutions regarding North Korean behavior, to further efforts to use UN instruments to promote peace in the former Yugoslavia, to UN attempts to help the development of democratic institutions in Haiti, to initiatives to accelerate progress toward democracy in Cuba after the end of the Castro regime.

This is not to say that our countries could not deal with such a malevolent Russia in the period ahead. After all, Trilateral strength and resolve deterred the Soviet Union for nearly fifty years. But this

would be very expensive in increased military and general national security spending, especially for the United States as the leader of the West and the only remaining global superpower, at a time when all our governments and publics are anxious to devote more resources to urgent domestic rejuvenation. In short, neo-containment would be very expensive for the Trilateral community.

It is patently obvious that many vital or important Trilateral interests will be crucially affected by Russia's external policies. And not only foreign activities of the Russian government must be of concern to the West. Although internal democratic practices (such as free and fair elections) do not guarantee favorable Russian external behavior, they do make it more likely over the long term. The end of democratic reform in Russia would heighten dramatically the probability that Moscow would increasingly act in ways that threaten Trilateral interests in Eurasia and elsewhere. Although the West will remain on the margin of the domestic political struggle now going on in Russia, we can make some difference given enough energy, sensitivity, focus and resources. And in view of the immense stakes our countries have in the result of the Russian reform effort, we must try.

III. TRILATERAL POLICIES TOWARD RUSSIA

With profound interests engaged in Russia's future, one would have hoped that Trilateral policies designed to promote a propitious outcome to this latest Russian revolution would have been of a similar intensity and magnitude. Alas, that has not been the case. In general, G-7 governments since 1991 have approached the Russian challenge with distraction, timidity and unrealistic hopes—and largely avoided thinking about the consequences of less than positive developments in the new Russia.

The Bush Administration, exhausted by the end game of the Cold War and the military victory over Saddam Hussein, gave way to a Clinton Presidency that stressed America's domestic agenda and then proceeded to oversee a series of foreign policy reversals that called into question U.S. international leadership and skill. In united Germany, the government was understandably fixated on the problems emerging from the former GDR and thus unwilling to maintain its former position, especially during the long tenure of Foreign Minister Hans-Dietrich Genscher as Western Europe's most energetic and effective influence on Washington's policies vis-à-vis Moscow.

Weak governments in Paris, London, Rome and Tokyo did little to seize the opening for grand Trilateral policy toward the emerging new Russia left by U.S. and German relative inattention and empty rhetoric. There thus transpired bursts of activism organized around approaching summits, followed by months of inactivity by Trilateral leaders who were instead trying to cope with dimming electoral prospects. Domestic audiences were unenthusiastic about a major effort to help Russia; and governmental bureaucracies had little organizational capacity, inadequate resources and weak domestic political support to assist in the transformation of communist regimes to pluralist/market-oriented ones.

The net effect of this G-7 failure was to miss multiple macro- and micro-opportunities to engage with Russia in ways that might have made a more positive difference in Russia's domestic evolution and foreign policies since the end of 1991.

CRUCIAL AXIOMS

An Uncertain Russia, an Engaged and Patient West

But that was then and this is now, the summer of 1995. Some might ask why the Trilateral community should seek to develop a close relationship with Moscow if Russia is unlikely to be an easy interlocutor in the period ahead and might even revert decisively to its authoritarian past. This is a valid question given some of the trends in Russia's external behavior. There certainly is an inner tension in a Western policy of engaging an increasingly problematical Russia. But to exclude Russia now from Trilateral decisionmaking processes because of what might happen in the future would represent an even riskier path, even a self-fulfilling one. It is, of course, true that were Moscow's foreign policies to become sufficiently destructive *vis-à-vis* Western interests, no broad cooperative arrangement could be sustained between Russia and the West. But that is decidedly not the case at the moment. Today, Trilateral governments have to live with the complicated reality that Russia is neither a partner nor an adversary of the West. At this point, it is crucial to try to develop a comprehensive set of incentives for responsible Russian behavior at home and abroad.

So the beginning of understanding regarding the future direction of Trilateral policy toward the Russian Federation is:

1. to recognize that the halcyon Russia of our 1991-93 hopes and dreams—the one with instantly rooted democratic institutions and flourishing (and legal) free market practices—does not now exist, and indeed never existed;
2. to accept that present Russia is not a democracy as we understand the concept and will not be one for many years at the earliest, if at all; and therefore,
3. to grasp that the outcome of the democratic reform process in Russia and the character of its future relations with the industrial democracies at best will continue to be in doubt well into the next century. Trilateral policies must be designed to encourage long-term Russian democratic evolution and benevolent external behavior, both of which remain conceivable at this writing, while hedging against the very real possibility that our countries will be sorely disappointed in both respects.

A related issue involves the balance the West seeks between relations with the Russian Federation and with other nations of the

former Soviet Union. In fact, Trilateral governments have never pursued a "Russia only" policy, not even in the headiest days of 1992. There has always been in G-7 approaches to these countries a particular concern about the Baltic states (for historical reasons), Ukraine (for nuclear and geopolitical reasons) and to a lesser extent Kazakhstan (because of the nuclear issue as well as its rich energy potential), Georgia, Armenia and Azerbaijan. The question is not whether the G-7 should pursue a "Russia only" course, but instead if it should follow a "Russia first" approach. The brief examination in the previous chapter of the many primary interests the Trilateral nations have that can be affected by Russia should quickly answer that question. No other CIS state comes close to Russia in its importance to Western nations.

But a "Russia first" policy does not mean that ties with Moscow will by definition always trump G-7 interests related to other states of the former Soviet Union. For instance, a Russian political and economic assault on Ukraine's independence and/or territorial integrity—or that of the Baltic states—would place in jeopardy Moscow's entire relationship with the West, or at least with the United States. It does, however, suggest that the West should place greatest concentration on relations with Russia, while always measuring individual and concrete interests involved there as against those linked to Kiev, Riga, Almaty, Tbilisi, and so forth.

With so much uncertainty and turbulence surrounding the future of Russia, great steadiness and patience is required on the part of Trilateral governments. Indeed, we need to be thinking of Western policy toward Russia in terms of decades. It will be necessary to separate those Russian actions that irritate us, from those that we abhor but do not affect our vital or important interests, from those that have a damaging impact on matters that mean a good deal to our nations. In addition, we need to distinguish between issues in which we need Russia's short-range cooperation or at least acquiescence (NATO enlargement and sanctions against Iraq) and those on a much longer time line (dealing with Islamic extremism in the next decade or with a looming China in the first quarter of the next century).

Perhaps even more analytically difficult, we should be cautious in routinely discerning long-term trends in any particular Russian action. There is so much chaos at the moment in Russian governance that, despite the general consensus among the Russian national security elite noted earlier, many of Moscow's external actions are driven by immediate events and not tied together at this point by any

necessarily lasting and coordinated strategic concept. Partly because of the quasi-revolutionary situation within the country, permanent patterns have not yet been established in Russia's foreign policy. We still have an opportunity to influence the new Russia in its external policies. The die is not yet cast.

An Active and Coherent Trilateral Approach

The second axiom is that no Trilateral policy toward Russia can be successful over the long term unless it is a consolidated one. Unfortunately, Transatlantic relations are at their lowest ebb in several decades; U.S.-Japan ties have frayed in recent years; and Europe's interaction with Japan remains inadequate. The reasons for this downturn in the quality of cooperation between the nations of the European Union and the United States (and to a somewhat lesser extent between Washington and Tokyo) can be found in, most importantly, the profoundly altered structure of international politics in Europe and Asia, in the pervasive difficulties of the Clinton Administration, and in the domestic preoccupations and political weaknesses of European Union (and Japanese) governments.

It has been routinely observed that the glue of the Cold War that held the Trilateral community together has so weakened that disagreement rather than accord has become the order of the day between the United States and its major allies. There is much to this argument; the end of the Soviet threat has altered fundamentally the nature of U.S.-European and U.S.-Japanese relations. Despite their protestations to the contrary, Europeans often act as if they believe that they need American power and presence on the Continent much less than in the days of the Soviet military threat. From NATO issues to trade problems to Bosnia to UN matters, European allies are simply less willing to bow to Washington's preferences. The same is true to a degree in Tokyo.

This does not mean that Western Europe would prefer to see the withdrawal of the United States from European affairs. The United States continues to play a useful role in providing a residual deterrent in the event of a hostile Russia; in muting historic fears on the part of its neighbors regarding Germany's influence in Europe; in helping to manage the plethora of ethnic disputes and conflicts now raging in many places from the Atlantic to the Urals; and in sustaining one of the European Union's most valuable trading relationships. But EU governments are not willing to pay as much to keep the Americans happy for these purposes since none have the immediacy of thirty

Soviet divisions in Eastern Europe.

What once was an overriding vital interest for West Europeans—maintaining deep American engagement in the affairs of the Continent—has become in everyday Transatlantic interaction an important preference, but one that must compete with many other preoccupations in Union capitals. After all, many Europeans seem to believe, the Russians are not dangerous today, the Germans remain devoted to European construction, the Americans offer too little help in managing ethnic conflicts, and the United States will for its own reasons trade with the European Union in the absence of broader Transatlantic cooperation. Rhetoric from European governments regarding ties with Washington continues as before, but the practical reality is different.

Any U.S. Administration would have faced this alteration in European and Japanese attitudes following the Cold War and had difficulty dealing with it. But the Clinton Administration's decisionmaking processes and policies have made matters much more trying. Entering office with a declared intention to concentrate on domestic matters, an engrossment hardly reassuring to nervous Europeans and Japanese, the Administration has often been sidetracked into peripheral problems like pursuing nation-building in Somalia and changing governments in Haiti, while constantly recasting without adequate consultation its approach toward Bosnia, North Korea, China, Iran, NATO's future, and so forth. Unsteadiness has been the hallmark of this Administration's national security policy. Today, European governments often instinctively doubt that the Clinton team knows what it is doing, and have then to be convinced otherwise. And the new Republican Congress is displaying some tendencies of both unilateralism and isolationism. All this is not conducive to the sort of American authority that has always been required in the last half century for the Transatlantic community to deal effectively with hard problems.

The Europeans share the blame for this loosening of Transatlantic bonds. On trade issues, domestic political priorities have often been allowed to drive EU policy. On Bosnia, American fluctuation has been matched by intra-European confusion and discord. Disputes regarding the internal procedures of the EU, while obviously intrinsically important, continually divert its members from preeminent Transatlantic tests: devising a purposeful future for NATO; restoring adequate Western defense budgets; dealing with global proliferation of weapons of mass destruction; bolstering

democratic governments in East-Central Europe (and meeting the real financial and political costs); containing the war in Bosnia; defending Western interests in the Maghreb and the Middle East; reinforcing effective world trade and financial systems; and—the subject of this volume—supporting reform in Russia while crafting Western policies to deal with Moscow's external behavior.

Every West European government, especially Bonn, fixed its gaze on its internal predicaments—political, economic and social. While these formidable domestic difficulties legitimately preoccupied EU governments that were usually at the same time politically weak, they regrettably produced a new insularity in Western Europe that made Transatlantic relations more arduous and the challenges in the East more formidable to manage.

If these negative trends on all sides do not change, one can only expect a continuing decline in relations between the United States and EU governments, between Washington and Tokyo, and in the Eurasian security situation. That would be exceedingly dangerous for all Trilateral nations. But if the political will can be found, there are grounds for more productive and harmonious Western cooperation, and a more active and coherent Trilateral approach to Russia.

While the Soviet threat is gone, Russia remains a great continental nation—if presently enfeebled—with Europe's largest population and landmass, biggest army, and tens of thousands of nuclear weapons. Western Europe and Japan need the United States to provide the indispensable counterweight to that present and potential Russian power in Eurasia. There are no realistic EU and Japanese alternatives in the foreseeable future to this American balancing role. It would be enormously shortsighted for Western Europe and Japan not to take this encompassing strategic fact into account in their everyday relationships with the United States. However, the problematical impact on Trilateral relations of the altered structure of international relations in the post-Cold War era will be present for a long time, whoever governs in Western capitals.

After a rocky first two years, the Clinton Administration appears now to have accepted that the President cannot avoid involvement in the major international issues of the day. In addition, Administration fixation on human rights problems around the globe and UN activism seems also to be in sharp decline; Washington now looks more inclined to concentrate on the West's central geopolitical challenges. Moreover, if the President insists in a tough-minded way that his Administration must learn from past mistakes, that could produce a

more coherent and consistent set of policies and more accomplished daily diplomacy on issues of special interest to Western Europe and Japan. (This possibility of better news regarding the Clinton Administration requires strong and able White House direction in the period ahead, which is by no means assured. And it is tempered by broad uncertainty concerning whether, with a new Republican Congress, the United States in the next 18 months can avoid a major struggle between the executive and legislative branches regarding America's role in the world.) No cogent and consolidated strategy by the West vis-à-vis Russia is likely to emerge without intense, sustained and competent leadership from the United States and daily involvement by the American President—and that remains quite uncertain at present.

There is reason to be more optimistic about the European side of the equation. (Japan seems unlikely to rise soon from its period of weak governments.) With European Union nations emerging from recession, their governments should have more time, energy and money to devote to the Continent's primary strategic troubles. France's new President will hopefully produce more vigorous and creative policies from Paris. And there are signs that the Kohl government is emerging from its long preoccupation with German unification again to take a primary place among Union members in addressing Europe's instabilities; note the Chancellor's strategic and public perspective on the events in Chechnya. One hopes that the 1996 EU Intergovernmental Conference does not turn Union members inward again and produce another round of bitter intra-European strife that would undermine Transatlantic efforts to deal with regional and global problems.

A special comment on Japan's role in Trilateral engagement with Russia is appropriate. Despite the problems in the Russia-Japan relationship emanating from the dispute over the Northern Territories, Tokyo has moved in the past two years to open up to some degree its relationship with Moscow. That is good news for the West. But American and European instincts with respect to Japan's involvement in the future of Russia tend to begin and end with requests for the Japanese to fund Transatlantic initiatives regarding the former Soviet Union, initiatives Tokyo usually had no part in designing. This needs to change. If Japan is to be asked to contribute substantially in monetary terms to a Trilateral design toward Russia, it should be present and deeply involved in Western strategy sessions from the outset. This will also require a much broader perspective by

Japan with respect to Trilateral stakes in Russian reform.

None of the policy initiatives briefly proposed below will be successful without much closer and more effective Trilateral cooperation than has been the case in the past 30 months. Whether governments in North America, the European Union and Japan will find the will and the means to carry out such an ambitious and cooperative agenda is, at best, deeply uncertain in the middle of 1995. If they do not, the Trilateral future will be decidedly bleaker.

Dealing with the Yeltsin Government

Some have criticized Western governments for concentrating on ties with Boris Yeltsin, rather than preparing the way for his successor, especially since Yeltsin's grip on power seems to be weakening. This is misguided for several reasons. Trilateral embassies in Russia already cultivate contacts with all political factions in Moscow and know all potential presidential candidates being discussed there at the moment, a very large number. Whatever may happen in the future, there is only one Russian President and one Russian government at present with which the West must do business; it should do so with firmness and candor. Blunt talk, especially with President Yeltsin, should be the order of the day. But imagine how many Western policy objectives discussed below could be realized if Boris Yeltsin concluded that we were undermining him and his government. So Western governments must go on preparing on a contingency basis for the next Russian President, while dealing intensively and candidly with this one.

What Sort of Russian Behavior Is Reasonable?

Before examining in detail Western policies with respect to the new Russia, what sort of general Russian external behavior ought the West to anticipate if Moscow's relations with Trilateral nations are to flourish over time? The West cannot reasonably ask Russia always to agree to Trilateral preferences. Russia in some cases has legitimately different interests from the West that it will want to pursue. The United States wishes to maintain sanctions against Baghdad, for valid reasons; Moscow, sharing some of the same concerns, also will factor in that Iraq owes Russia more than \$5 billion that it cannot begin to pay back as long as the sanctions are in place. So Washington can seek to persuade Russia of the primacy of its approach toward Iraq but Moscow's failure to agree should not be grounds for fundamental Western disenchantment, not least because France shares to some

degree Russia's outlook on Iraq. Since nations in the Trilateral community often differ among themselves on individual policy issues, it would hardly be fair to require Russia to follow blindly the lead of the West, and especially that of the United States.

But the industrial democracies can insist that a Russia aspiring to a collaborative relationship with the Trilateral community must abide by four fundamental principles at home and abroad. While there at best will be many bumps along the way, it must continue over time the internal reform process toward democratic institutions and practices. It must respect the independence and territorial integrity of all countries. It must abide by the norms of international law. And, although there will sometimes be policy differences with one Trilateral country or another, it must act in ways that reduce rather than fuel regional tensions. If Moscow generally honors these four elemental tenets, the West should make it welcome in the community of nations. In that case, the broadly cooperative approach sketched out below between Russia and the industrial democracies should be possible if governments demonstrate the requisite will, energy and competence. If not, the West with the greatest reluctance will be driven by Russian behavior toward a policy of neo-containment.

NUCLEAR ISSUES

The most vital Trilateral interest regarding Russia relates to the secure command, control and storage of nuclear weapons in Russia and, as long as they are there, in Ukraine. Russian officials have indicated that the high-water mark of the Soviet nuclear inventory was 1986 when it reached 45,000 weapons of all types; today Western estimates range from 20-35,000 devices within the Russian Federation, plus those in Ukraine and Kazakhstan. (No information on this current number is made available by the Russian government.) One should stress at the outset that the United States has made major progress in this regard, working with Moscow and with leaders in Kiev and Almaty. In Budapest at the end of 1994, all the conditions for entry into force of the START I Treaty—whose negotiation began in 1982—were finally completed. (START I was signed by President Bush, but implementation was delayed when the Soviet Union fell apart and Soviet nuclear weapons were left on the soil of Russia, Ukraine, Kazakhstan and Belarus.) The decisive step necessary for the Treaty to come into force was executed a few weeks before the Budapest Summit when the Ukrainian Rada overwhelmingly

approved accession to the Non-Proliferation Treaty. If, as is now agreed, all nuclear weapons leave the soil of Ukraine (where there were about 2,400 at the time of independence) by the end of 1996, as did the nearly 1,800 in Kazakhstan by the spring of 1995, the Clinton and Yeltsin Administrations, working with these other governments, will have registered an extraordinary diplomatic accomplishment. If all goes ahead as planned, these leaders have ensured that only one nuclear weapons state, Russia, will emerge from the collapse of the USSR. This was far from a foregone conclusion, and it is difficult to overstate the historic importance of this feat.

The START I Treaty itself reduces strategic nuclear weapons in the U.S. and Russian arsenals almost forty per cent to about 6,000 "accountable" warheads on each side. And the START II Treaty, whose ratification process can now go forward in the U.S. Senate and the Russian Duma, would cut these strategic weapons on each side to no more than 3,500. (This Agreement may well not be approved by the Duma because of concerns that it leaves Russia at a strategic disadvantage vis-à-vis the United States.) If these two treaties are executed, roughly 14,000 strategic nuclear weapons (a two-thirds reduction from the Cold War peak) would be removed from the active inventories of the United States and the Russian Federation, all through strict and elaborate verification procedures. In addition, earlier pledges by Moscow and Washington eliminated 6,400 U.S. tactical nuclear weapons and 5-12,000 on the Russian side. Finally, one must congratulate the Clinton Administration on its success in purchasing 1,300 pounds of enriched uranium from Kazakhstan, thus eliminating the danger that it could be sold to international outlaws.

Unfortunately, however, removing these weapons from active status in Russia's nuclear inventory does not end the potential threat. *Newsweek* reported in January 1995 that the Kurchatov Institute of Atomic Energy in Moscow, which the United States believes poses the greatest risk of robbery in the former Soviet Union and which houses hundreds of kilos of nuclear material, had no inventory controls, portal-monitoring system or adequate fencing until December 1994 when the United States completed a secret operation to safeguard this most vulnerable nuclear stockpile in Russia. It takes about 33 pounds of weapons-grade uranium or 11 pounds of plutonium to produce a nuclear weapon; the Soviet Union produced hundreds of tons of these materials. Already there have been three major intercepts in the West of bomb-grade material leaking out of Russia.

According to the Russian Department for Protection of Strategic

Objectives, 19 people have been convicted of stealing nuclear materials since 1991 and 16 more are under investigation. Who believes that all or even most of the thieves are being caught? As long as this fissile material has not been permanently disposed of, it will remain vulnerable to Russian domestic instability, susceptible to purchase or theft by rogue regimes or terrorists, and even capable of being reintroduced into Moscow's nuclear forces if Russia's relations with the West sharply deteriorate. Of Trilateral countries, only the United States has taken this danger seriously enough to expend resources, having expressly committed \$1.2 billion to nuclear weapons safety and security in the former Soviet Union, although most of this money has yet to be actually spent.

The Russians indicate that they are currently dismantling warheads at a rate of 2-3,000 per year. (Our countries have no means independently to corroborate this figure and, in any event, it does not address the further and critical steps of securely storing and disposing of the fissile material within these weapons.) The uncertainty regarding the fate of these devices springs from the weakening of the Soviet nuclear custodial system; the remarkable secrecy with which Moscow continues to treat this subject; Russia's lack of resources to devote to the enterprise; corruption within the Russian nuclear establishment; lassitude; inefficiency; and in some national security quarters, a conviction that these warheads represent the great legacy of the Soviet Union. The West needs to make a much larger effort to assist the Russian government in removing these nuclear weapons once and for all from present and prospective temptation.

In particular, G-7 leaders should raise this issue to the top of their agendas with Moscow, with the objective of convincing the Russian national security elite that it is as much in its interest as the West's to prevent the leakage of nuclear weapons and material from the Russian inventory. The United States, Britain and France need to break some of their own habits of strict nuclear secrecy in order to try to persuade Russia to do the same. The current U.S. negotiation with Russia on sharing restricted data is a good beginning in this respect and should be accelerated. In addition, the American Navy's natural preoccupation with keeping its secrets and worry about reciprocity should not prevent a serious discussion with the Russians concerning the many unsafe reactors in the Russian Navy's ships, shipyards and storage and production facilities. In general, Trilateral coordination on ways to address this problem should be improved. Perhaps the IAEA

could be used in an ad hoc way at the expert level to identify areas of duplication, pool information, chart specific actions to be taken and so forth. Three more specific ideas: a global inventory of all nuclear weapons and material, beginning with the United States and Russia; G-7 financed assistance to consolidate Russia's nuclear stockpile in safe facilities; and international monitoring (not control) of U.S. and Russian nuclear weapons/material sites to make theft less likely. In any case, Western Europe and Japan should devote much more money and technical assistance to this issue and the United States should certainly not slack off. Finally, the West must recognize that if Russia becomes hostile, it is nevertheless crucial for the Trilateral community to continue to seek progress on this challenge. Support for Russia in this endeavor is far from an act of charity.

In another somewhat less important nuclear dimension of policy toward the Russian Federation, Trilateral nations—especially the European Union and Japan—should become much more engaged in enhancing the safety of Russia's menacing civil nuclear reactors. (A nuclear reactor accident is not at all comparable with a nuclear explosion.) With dozens of these potential nuclear accidents now waiting to happen inside Russia, the West may be faced at any moment with a repetition of the Chernobyl disaster, or worse. To this point, Transatlantic disagreements and inadequate G-7 attention have hardly made a dent in the danger.

As in the case of the destruction of weapons from the former Soviet nuclear arsenal, this G-7 inactivity is perilously shortsighted, whatever the pressures on the domestic budgets of individual Trilateral countries and competition between their domestic commercial nuclear industries. Trilateral Heads of Government need to become involved on a sustained basis to break down bureaucratic resistance and give a strong push to the effort.

If a nuclear detonation or accident originates in the arsenal or facilities of the Russian Federation, our publics will surely wish to know what their governments sought to do to avert the tragedy. At present, the answer is definitive—not enough. But in the end, no amount of G-7 commitment to these problems can substitute for Russian willingness to cooperate, which has been in short supply. Russia's Ministry of Atomic Energy has been a particular roadblock, opposing virtually all collaboration with the West on this paramount problem. Unless the Russian government and especially Boris Yeltsin clamp down on these nuclear obstructionists, and there is no sign yet of this happening, progress on this affliction will be slow or worse.

EUROPEAN ARCHITECTURE*

Another complex, vexing and important challenge now facing the West regarding Russia—and one Europeans worry a great deal about—relates to Moscow's proper place in the new Europe's developing (at best) or decaying (at worst) security system. This entails in the first instance the relationship between Russia and the North Atlantic Alliance. As early as June 1990, NATO indicated its wish to alter in an elemental sense its association with Moscow. At the London Summit at that time, Alliance leaders made the conceptual leap from considering the Soviet Union as an enduring threat to Western interests in Europe and elsewhere, to engaging Moscow in a sustained cooperative effort to convert Europe from divided to whole, and from densely military to peaceful. Moscow was invited, along with its Warsaw Pact allies, to establish liaison missions at NATO, to begin the effort to redefine fundamentally relations between the Alliance and the East. It is useful to remember that when this NATO initiative was launched nearly five years ago, there was a Warsaw Pact, a militarized and communist Soviet Union, and two dozen Soviet divisions deployed forward in Eastern Europe.

To say that much has happened in Europe since then does not capture adequately the strategic earthquake that has occurred, which is one of the transforming events of the past two centuries. Soviet troops in Eastern Europe have gone home. The Soviet Empire is gone. The Soviet Union is gone, replaced by fifteen separate states. Russia has withdrawn to borders further east than at any time since Peter the Great's conquests nearly 300 years ago. The Soviet global reach is gone. Soviet economic organization is gone. Brute authoritarianism buttressed by the state police is gone. State control of the media is gone.

NATO-Russia Links

And yet despite these unbelievable changes, NATO—which is the only viable hub of a future and more inclusive European security order—has not since 1990 altered fundamentally the conceptual basis of its relationship with Moscow. It is true that the Alliance has for some time publicly stated its willingness to form a “strategic partnership” with the new Russia, one that might be solemnly enshrined in a treaty between the two. However, this NATO offer has

*A discussion of Trilateral policies toward Russia relating to East Asia is to be found in Akihiko Tanaka's essay later in this volume.

been mostly rhetorical in character. It is a fancy but so far nearly empty box, which was not filled by President Clinton at the May 1995 Summit in Moscow and remained insufficient when Foreign Minister Kozyrev signed Russia's consultative agreement with NATO at the end of May 1995. When Moscow wonders what might be the specific components of such a partnership, NATO only takes baby steps in the direction of a more intimate relationship with Moscow, or is evasive. There are many reasons for this hesitation in Brussels and in NATO capitals. Bureaucratic caution finds innumerable excuses to avoid major institutional innovation that would bring Russia closer to Alliance decisionmaking. (How often have dedicated and talented employees within any organization ever proposed radical changes in the mission and operating practices of that organization?) Insufficient and unsteady leadership from Washington complicates the challenge. Weak governments in London and Paris have shrunk from statesmanship. Bonn has been distracted. And as time passes and Moscow poses additional real and potential problems for NATO governments, more reasons to delay involving Russia centrally in the reconstruction of Europe present themselves, including in American Presidential politics.

This is a serious, possibly even historic, blunder. As indicated earlier, there is certainly no guarantee that Russia will play a positive role as Western Europe and the United States struggle to export stability and peace eastward in the new era. Indeed, there are troublesome signs, including in Chechnya, concerning the direction and methods of Russian policies. Nevertheless, it is certain that Russia will make a major difference one way or another in how the new Europe develops. NATO can exclude Moscow entirely from the Alliance's decisions; it cannot ban Russia from European security. Could it be that the West pursued in the 25 years before 1991 an intense consultative relationship with the Soviet Union but does not now wish to do the same with the transformed new Russia, even if its policies are sometimes problematical?

What can be done that would recognize Russia as a great European power with which NATO should engage intensively, and at the same time protect Alliance decisionmaking processes from Russia's de facto veto? NATO should propose to Moscow the creation of three new formal consultative mechanisms between Russia and the Alliance, available to no other non-member of NATO. This would establish weekly sessions between Russian representatives and the North Atlantic Council (NAC), regular gatherings with the Defense

Planning Committee (DPC) and the Nuclear Planning Group (NPG), and corresponding frequent meetings among Ministers.

Since Sixteen plus One (as NATO apparently intends) would not be particularly efficient for these consultations, NATO could be represented by a rotating troika—perhaps with the United States as a permanent member; Britain, Germany and hopefully France as alternating participants; and a third rotating nation drawn from the rest of the Alliance. The purpose of these consultative mechanisms would be twofold. First, through weekly and intense discussions they would ensure that the Alliance explains clearly to the Russian government its evolving conventional and nuclear postures and its views of particular European security issues, and also ensure that Moscow's views are taken entirely into account before NATO makes decisions affecting Russian interests. This, however, is decidedly not meant to give Moscow a *droit de regard* over those internal NATO determinations. Second, these consultative mechanisms would give NATO the routine opportunity to discuss reciprocally with Moscow: in the NAC channel Russian positions regarding security developments from the Atlantic to the Urals, including in the CIS; in the DPC context, Russian conventional force structure, planning, development and deployment; and in the NPG framework, changes in the Russian nuclear arsenal. Thus, these consultations would decidedly be a two-way street. They should be codified in treaty form although that would hardly secure automatic concord between NATO and Russia on all matters, important or otherwise. That will not happen in any event. But such formal mechanisms would make misunderstandings less likely, and would recognize that Europe cannot be made stable without Russian agreement and direct involvement. And if Russia then becomes unfriendly, would NATO wish to exchange views less frequently? That is not one of the more accepted lessons of the Cold War.

Some might argue that such an innovation would in effect give Moscow a veto over Alliance decisions, allowing Russia to become a quasi-member of NATO through the back door. If this turned out to be so, such a change in the Alliance's standard operating procedures would obviously not be a good idea. But could not NATO protect itself from excessive Russian interference in its deliberations? After all, NATO capitals consult with Moscow frequently and routinely without worrying that such bilateral exchanges will compromise the integrity of their own decisionmaking processes. And the Alliance throughout the many years of conventional arms control talks with

the Warsaw Pact (actually Moscow) was capable of acting in a cohesive and disciplined way while having weekly sessions with Soviet representatives. Do we so doubt the current health of NATO that we fear we cannot now deal intensively and systematically with Russia without sacrificing Western interests? If the Alliance is that sick, dealing with the Russians is the least of its problems.

It is possible that Moscow would turn down such a proposition regarding its relationship with NATO. The Alliance is now highly unpopular among the Russian elite, and as we have seen concerning Russia's participation in Partnership for Peace, Russian domestic politics have a significant impact on how the Russian government deals with these NATO issues. Moscow may decide not to expose its policies to weekly systematic scrutiny by NATO representatives. Or Russia, as a result of its internal preoccupations, may largely withdraw from this sort of interaction with Western institutions. Finally, NATO's commitment to enlarge might make Russia reject this idea out of hand. If Moscow were to choose such self-isolation, that would be both its choice and unfortunate. But the Alliance would have made the effort.

NATO Enlargement

This intensification of NATO's relationship with Russia should occur with or without an enlargement of Alliance membership, a subject now discussed in detail. The reasoning on both sides of this issue is now familiar. Nevertheless, since this is the most important NATO decision in decades, it is worth reviewing the respective judgments briefly here. Those who favor early NATO membership for Poland, the Czech Republic and Hungary before the end of the century make these arguments: that history demonstrates that East-Central Europe is inherently unstable; that without secure membership in the West's premier security organization, these nations may nationalize their defense policies, grow unstable, and again become a source of contention between Russia and the West; that the Trilateral community has a moral duty to release these nations from their fifty-year nightmare of Soviet occupation and from a future in a no-man's land between West and East; and that Germany in particular will be put in an untenable position if its preeminent security concern—East-Central Europe—is not urgently addressed by the Alliance.

Proponents go on to argue that this is a noble democratizing mission that NATO is well-equipped to undertake (unlike peacemaking in Europe), that Western publics will understand and

support; that, indeed, the Alliance could die without this new and energizing mission; that expansion by the European Union to fully include these countries will not occur for at least a decade, which is too slow given the situation; that for Washington, Western organizational enlargement to incorporate these three nations must include NATO, a security institution of which the United States is a member; that therefore the "EU/WEU first" option would not promote American interests in Europe and would saddle the United States with backdoor security guarantees to new WEU and even EU members; that this early NATO enlargement would cement the U.S. security commitment to Europe for decades to come; that it would hedge against the possibility of a renewed Russian threat; that NATO expansion should be done with Moscow's cooperation if possible and in the face of Russian opposition if necessary; that if, as likely, Moscow strongly opposes this NATO initiative, it is better for the Alliance to enlarge quickly, both to show Russia that this matter is settled and to do so before Russia becomes strong enough to endanger the outcome; that NATO expansion will not have a decisive impact on prospects for reform in Russia, which will be overwhelmingly driven by internal factors; and that other Eastern European nations which will not be entering NATO before the turn of the century if ever—including the Baltic states—can nevertheless be put informally under the NATO (and the EU/WEU) political, economic and security umbrellas, as Yugoslavia successfully was during the Cold War.

Opponents assert that these three nations are in fact doing relatively well; that historical analogies regarding their futures are misleading, and that there is therefore no hurry whatsoever on the question of NATO expansion; that since Poland and Hungary are reducing military conscription and the Czech Army is cutting its mechanized and infantry forces, these countries are not so worried about their security as they tell the West; that NATO is unlikely to have either the money or the political will seriously to defend these countries; that expansion would make NATO decisionmaking even more cumbersome and difficult; that once started, there would be no good place to end enlargement short of something approaching CSCE membership; that expansion could import into NATO additional ethnic and regional disputes; that enlargement would draw new lines in Europe and potentially replicate the Cold War division of the Continent (three countries would soon come in but nine would be left out, including the Baltic states); that it would invite Moscow to

dominate all nations on the wrong side of the line and especially endanger Ukraine; that it could well tip the balance against reform in Russia and produce a self-fulfilling prophecy—a hostile Russia which, because of NATO expansion, would make Europe less and not more peaceful and stable; and that if despite Western reticence now regarding enlargement, a threatening Russia emerged, it would *only then* be appropriate for the Alliance to take on new members.

With good arguments on both sides of this debate within the Alliance, NATO's future decisions on the matter will be excruciatingly difficult and extraordinarily important. Indeed, it would have been best to study thoroughly the issue before the Clinton Administration launched its enlargement initiative in January 1994. But that was not done. Instead, NATO left the diving board hoping that somehow water would be in the pool when it landed. The Alliance is still in mid-air, with its officials ceaselessly repeating that NATO expansion "is not a matter of if, but when and how," an assertion of decreasing persuasiveness in both East-Central Europe and Russia. For the moment, the Alliance is studying the subject; but sometime in 1995 it is meant to confront again the matter, with elections looming in Russia in December 1995 (Duma) and June 1996 (Presidential) and in the United States next year as well.

What should NATO do? In the first place, the leading members of the Alliance—the United States, Germany, France and Britain—should end the present drift toward an uncertain destination. They should establish a clear sense of strategic direction by conclusively answering together in the second half of 1995 the following specific questions: (1) Should any countries from the East be admitted as NATO members before the turn of the century? (2) If so, which ones? (3) If so, what work needs to be done before these new members are admitted to ensure that they will be complete and active participants in the Alliance's activities and enjoy fully the protection of NATO's defense guarantee? (4) If so, when should the prospective new members and dates of admittance be publicly announced? (5) If so, how can damage to the West's relations with Russia be minimized? (6) If so, how can this be done in ways that limit the dangers to Ukraine's independence and territorial integrity, and that of the Baltic states?

If not, when after the year 2000 should NATO take in new members, if at all? If not, by what means can the Alliance instead best address the security concerns of the nations of East-Central Europe, including through the instruments of the European Union and the

Partnership for Peace? If not, how can NATO avoid the impression (and the reality) that it has backed down on enlargement because of pressure from Moscow?

While strongly endorsing early EU membership for these three countries, I believe that the weight of the argument is on the side of early NATO expansion and that therefore the Alliance should announce in the second half of 1996, after the Russian Presidential elections, that Poland, the Czech Republic and Hungary will be joining NATO as full members on January 1, 1999. This view rests on eight critical judgments which cannot be argued in detail here: (1) NATO can expand to these three countries but to no others in the next decade and at the same time maintain its sense of purpose, cohesion and will to act; in particular, NATO should sever the link between Partnership for Peace and Alliance membership, a dangerous conceptual connection which leaves open the possibility of endless NATO expansion and the end of the Alliance as we have known it, and threatens Russia with rolling encirclement. (2) NATO enlargement to these three countries is a genuinely historic, exalted and energizing mission for the North Atlantic Alliance in the period ahead. (3) NATO parliaments and publics can be persuaded by governments of this strategic and moral conclusion and therefore will support spending the funds required to provide real Article V guarantees to these three countries. (4) This expansion is a critical way to keep the United States deeply involved in the security affairs of the Continent. (5) NATO enlargement to only these three countries in 1999, *five years after the concept was approved at a NATO Summit*, can hardly be called hasty. (6) The Alliance must at the same time make every possible effort to transform its consultative arrangements with Moscow. (7) Enlargement to Poland, the Czech Republic and Hungary is a prudent hedge against the return of a strong and hostile Russia. (8) Reform in Russia will succeed or fail largely independent of this issue, and over a time line so long that the Alliance would be waiting for decades if it allowed the Russian factor to postpone the implementation of NATO's enlargement decision.

The last judgment suggests a further brief elaboration. It is, of course, true that NATO enlargement is universally unpopular in Russia among the elites and that they are unlikely to change their minds on this matter. If NATO enlargement were to be decisive in producing an anti-Western regime in Moscow, that should make all proponents of the notion hesitant to proceed. But that seems unlikely for several reasons. In a situation of extraordinary domestic turmoil,

foreign policy is not the first or even a major preoccupation of most Russian politicians in Moscow and of less political consequence in the regions. As all polls show, ordinary citizens, beset in their everyday lives by this time of troubles, care even less. Instead, Russian politics is determined by internal dynamics having to do with raw power, palace politics and the quality of life for average Russians and their perceptions regarding their futures and those of their children.

The 1993 Parliamentary elections were instructive in this respect. At a time when Western support for Russian reform was at its highest, Russian voters repudiated the reformers at the polls. The reasons for this had nothing to do with the outside world; rather, the outcome was a function of political dynamics and voter dissatisfaction with internal trends. With or without NATO enlargement, that is likely to be the case for the 1995 Duma and the 1996 Presidential races, if one or both are not postponed, and for subsequent elections in the period ahead. And if a foreign policy does intrude into the national political debate, it is far more likely to involve instability beyond Russia's borders to the south and east—and the safety of ethnic Russians residing there—than the expansion of the North Atlantic Alliance. So although Russian opponents of Alliance enlargement argue to the contrary for obvious reasons, serious opposition to NATO expansion has no significant political base in the country at large and is unlikely to be an important variable in affecting Russia's future direction over the medium and long term. In sum, although the Alliance's expansion might give a brief and superficial boost to Russian extremists, enormous societal forces are at work inside Russia today that miniaturize the effect of NATO expansion on the future of Russian reform.

The second issue that arises here concerns whether Russia might seek to damage Trilateral interests if NATO goes ahead. This is a possible option for Moscow but there are powerful constraints against such destructive Russian behavior. To react in this way would end Western economic support for Russia, scheduled to be perhaps as much as \$14 billion in 1995 and more to follow if the state of the Russian economy permits. It would reduce significantly the likelihood of increasing foreign trade and investment in Russia. It would therefore slow significantly Russian economic growth over the long term. It would produce a countervailing reaction by the West which would seek to exclude Russia from involvement in the construction of the new Europe, its institutions and its decisions. In

sum, it would entail a self-isolating set of policies by Moscow at a time when the international system is more open and interactive than ever before. Russia could make such a series of portentous choices in response to NATO expansion to Poland, the Czech Republic and Hungary. It appears improbable. And if Moscow nonetheless decided to commit this serious self-inflicted wound, the Trilateral community could deal with the consequences far better than the Russian Federation.

A special word needs to be said about NATO enlargement and the Baltic states. These three nations obviously are in a special category vis-à-vis the West. For Trilateral nations, they represent the epitome of the "Captive Nations" concern expressed by Western governments throughout the Cold War. Given their history, it is quite understandable why these three countries seek early membership in NATO.

Nevertheless, while not ruling out eventual full Alliance status for the Baltic states, this should not be on the horizon. (1) The Alliance should test for several years its capacity to digest the entry of Poland, the Czech Republic and Hungary before considering adding further new members. (2) Before accepting these nations into the Alliance, serious consideration would have to be given regarding how NATO would defend their borders and make good on its Article V obligations. Given their geographic position, utter vulnerability and the impossibility of defending them with conventional forces, this would seem to entail the stationing of American troops on their soil to try to provide credible deterrence through a nuclear trip wire. For the United States, that is a big idea requiring much serious reflection, including by the U.S. Senate. Therefore, new institutional lines by NATO and the EU are being drawn in Europe and should be. The compelling question is where the new lines will be located. After all, without new lines, the old lines of the Cold War would prevail, which is utterly unacceptable on both geopolitical and moral grounds.

The West working with these three Baltic countries should, however, construct the densest possible sets of relationships in the political, economic and security areas. This should occur in bilateral channels with the Nordic nations playing a special role, through the European Union which should move with great dispatch to strengthen its ties with the Balts leading to full EU membership, and in the context of the Partnership for Peace program. Cooperation through the Partnership for Peace and the NACC as well as declaratory statements on the part of Western governments regarding

the importance of Baltic independence to them and their publics should also remain a major feature of Trilateral policy toward these states. The same should be true concerning Ukraine and to a lesser degree the other countries of Eastern Europe that will not enter the Alliance in the next ten years, if ever.

In the broadest sense, the current drift within NATO on this historic issue of expansion risks the worst outcome—talking continually about NATO enlargement while not moving forward to actually do it by naming new members and dates for accession. This equivocating approach simultaneously confuses Western parliaments and publics, alienates the East-Central Europeans, and alarms the Russians. NATO should decide definitively in 1995 what it wishes to do on this during the next five years and be done with the internal Alliance debate. Finally, no matter how NATO resolves to proceed on the question of expansion during this period, it would be foolish and misguided to rule out explicitly Russian membership in the Alliance for all time. This would be regarded in Moscow as a hostile act and it would serve no useful purpose, particularly since the issue is entirely theoretical at present and will remain so for decades. Indeed, if Russia were ever to join the Alliance, NATO would be changed so fundamentally that it would no longer be the same organization.

EU-Russia Relations

Quite apart from NATO enlargement, the European Union's relations with Russia need to be vitalized and expanded. Russia is not simply another of the many countries with which the EU wishes to develop healthy political and economic ties over time. Putting aside the United States, Russia is the single most important country anywhere outside the Union that will affect its members' domestic agendas and external environment. A cooperative Russia will make many European problems—political, security, environmental and eventually economic—easier to solve, or at least manage. An antagonistic Russia will divert the Union away from its internal priorities, require more resources from EU members for defense, reduce EU aid to the developing world, trigger divisive debates within the Union regarding how best to deal with Moscow, and risk Transatlantic disagreements on nearly all of the above.

So the European Union has an enormous stake in the future of Russia. And yet, despite the recently signed EU-Russia Partnership and Cooperation Agreement's ambitious objectives, the Union in fact has failed to put Russia anywhere near the top of its agenda, which

instead has been dominated by widening-versus-deepening quarrels and arguments over internal EU arrangements. While these inner EU disputes have real and consequential implications for member states and their citizens, this insularity has led to a too slow opening up of West European markets to Russian goods (a problem exacerbated by the fact that so few Russian products can compete in the West and by national lobbies in EU countries); tardy, inadequate and inefficiently distributed EU economic assistance to Russia; and too little and too low level political consultation with Moscow. To say that this is myopic behavior on the part of the Union does not capture the likely strategic consequences of this insufficient attention being given Russia by *the* political and economic institution of the new Europe. This should change, and change quickly. Much more sustained leadership by EU Heads of Government and the Commission regarding the future of Russia is required.

OSCE Managing Body

The OSCE is another organization in which Russian efforts to gain Western acceptance of its rightful position as a major European player have been frustrated. While the OSCE has many deficiencies born of 53 participants, agreement through consensus, rivalries among individual members and paltry political support from many of its most powerful member states, it does represent the most plausible Eurasian crisis-prevention organization. Moreover, it is an institution where the West can, with minimal threat to its primary interests, recognize Russia as a great European power. Of course, the Transatlantic community cannot accept Moscow's proposal that NATO, EU and WEU (and CIS) activities be subordinated to the OSCE. Indeed, it is difficult to imagine that Russia is serious about this idea since it would certainly not submit its decisions regarding the CIS to review and possible reversal by the OSCE. But Moscow's suggestion that the OSCE create a managing body of a dozen or so members is more promising and the West should take this recommendation much more seriously than it has to date. (A major Russian newspaper called NATO's rejection of this Yeltsin initiative, at the December 1994 Budapest Summit, a "humiliation.")

One can imagine that the permanent members of such a steering group might be Britain, France, Germany, Poland, Ukraine, Russia and the United States, with four or five rotating members from the rest of the OSCE membership. It could, of course, be that OSCE members could not be convinced to agree to such an important

change and improvement in the way the organization does business. But if these seven nations were to put their full diplomatic weight behind such an initiative, it could have at least some chance of success. And if it failed, these seven and other interested countries could then consult together regarding what other institutional arrangements outside the OSCE might be created to achieve the same purposes. Indeed, these seven nations are at the heart of a new and peaceful European security order.

Perhaps one should even consider a more radical and transforming thought—a separate grouping made up of only these core countries which would comprise a new informal managing political directorate for the whole of a new Europe from the Atlantic to the Urals. Along with an indispensable NATO and whatever the OSCE can accomplish, this group would seek to help calm a turbulent Continent. While many will recoil instinctively from such a grand new concept (and they may be right), one should remember how immoderate, indeed a historic, a notion NATO was when it was first proposed and discussed. This may be an idea too far but it does demonstrate that we need to be more conceptually and institutionally inventive as we seek to cope with the post-Cold War world.

In any event, the OSCE can also play a part in trying to reduce the freedom of action of Russian military forces in other states of the former Soviet Union which are the seat of ethnic conflict. This, however, would require that Western nations be willing to put much larger (and more expensive) monitoring and peacekeeping forces on the ground in CIS countries, an idea whose time unfortunately does not seem near. In any case, despite the many frustrations, the West should not give up on the OSCE. That organization has already far surpassed the most ambitious dreams of its Western creators and can do more if Transatlantic governments make it so.

Concluding Thoughts

In short, European organizational architecture has been revised far too little since 1991 and is well behind the huge changes that have occurred on the Continent in these few years. In particular, Russian power (both real and potential) and perspectives have not been adequately associated with the relevant Transatlantic and European institutions. While there will be many excuses offered about why this has not been done, history may find most of them unconvincing given the Trilateral interests that are so vitally engaged vis-à-vis Russia and its future orientation. Unless Western leaders have already

concluded that Russia is becoming an implacable adversary which should be kept far away from the West's councils, a judgment that is surely both premature and dangerous, organizational reforms along the lines of those recommended here should be urgently considered in the closest possible consultation with Moscow.

One final joker in the deck requires emphasis pertaining to the future of European security. That is Russia's continued adherence to the 1990 Conventional Forces in Europe Treaty. Convinced that this Agreement severely discriminates against Russia, Moscow has been seeking changes in the numerical ceilings in the Leningrad and North Caucasus military districts, the so-called flank limits. The Alliance has so far refused, reflecting concerns from Ankara and Oslo and a general worry within NATO that this entire conventional arms regime could come apart if Russia's special needs were met. The war in Chechnya is weakening the hands of those in the West who are sympathetic to Russian concerns on this matter. Were Russia to emerge from the Chechnya disaster to return briskly to the reform trail, the West, as President Clinton indicated at the May 1995 Moscow Summit, might find ways over time to address these Russian CFE preoccupations at the May 1996 CFE Review Conference. If Moscow begins violating the CFE Treaty in November 1995 as Defense Minister Grachev says it will, much of the architectural innovation suggested here would have to be put on hold, unless Russia came back into compliance with the Treaty. This is especially true because Moscow is also not fully complying at present with the verification terms of the 1993 Conventional Weapons Convention and the 1972 Biological Weapons Convention.

UKRAINE

Other than the question of NATO enlargement, no other issue poses as critical a danger to relations between the West and Russia as the future of Ukraine. Until this year when President Kuchma began the reform process, independent Ukraine's evolution has been distressingly familiar: disastrous economic policies by the government until late 1994; severe economic privation throughout the country with seventy-five per cent of the population living in poverty; a fractured and ineffective political system; constant struggles between the executive and legislative branches of government; periodically acute tensions in Crimea; restiveness among the twelve million ethnic Russians in Ukraine; unsettled differences

between Kiev and Moscow on the disposition of the Black Sea Fleet and its future separate home ports; and disputes about Russian energy supplies to Ukraine.

During this period in which Russia has acted with considerable restraint toward Ukraine for reasons noted earlier, tangible support from our countries for Ukrainian independence and territorial integrity has been slow in coming. Naturally preoccupied with the dangers which would emanate from a nuclear Ukraine, the United States for some time concentrated its efforts on trying to avert that hazard. But since 1993 Washington has pursued a much more variegated policy and by the end of 1994 had committed \$900 million to support Ukraine, which makes it the fourth largest recipient of U.S. aid worldwide. In addition, Washington will intensify its bilateral technical assistance to Ukraine, including programs related to economic restructuring, privatization, private sector development, energy sector reform, exchanges and training, the environment and health care delivery, as well as continue efforts related to the development of democratic institutions and the rule of law. Germany, too, has a good record in assisting Ukraine; it is Kiev's largest aid donor with a total of \$1.7 billion in export credits, technical assistance and other projects. Unfortunately, the European Union has been more tardy in demonstrating palpably that major assistance would accompany EU rhetoric concerning the importance of an independent and stable Ukraine. With the EU-Ukraine trade accord signed in early June 1995, this listlessness on the part of the Union seems now to be changing. Still more needs to be done.

It is not difficult to imagine how instability in Ukraine could quickly begin to damage Trilateral interests and infect our countries' interactions with Russia. Chaos in Ukraine would endanger nuclear weapons remaining there; likely spill over into East-Central Europe; leave Moscow with excruciating policy dilemmas; threaten reform in Russia itself; and face Western governments with the most serious European security crisis in many decades. The West, therefore, needs to deliver two clear public and private messages and mean them both. To Kiev the central idea should be that the Trilateral community will provide more political support and more macro- and micro-economic assistance, if Ukrainian economic policies permit. And to Moscow, Western nations should note with approval Russian temperance in dealing with Ukraine thus far and recognize that close economic ties between the two are a prerequisite for Ukraine's economic recovery. If, however, Moscow were to change its policies

and mount a challenge to Ukraine's (and Baltic) independence, Russia's relations with the West would be gravely harmed.

Any Trilateral message to Russia with less force and clarity concerning the future of Ukraine will encourage those in Moscow who wish to turn the general Russian emotional conviction that Ukraine and Russia are inseparable into a political, economic and strategic fact.

THE CAUCASUS AND CENTRAL ASIA

Now that all nuclear weapons have been removed from Kazakhstan, Trilateral nations have no vital interests in either the Caucasus or Central Asia. The only remaining important Western stake in these regions is related to the large energy reserves that are located in the Caspian basin. Foreign companies are already seeking to help develop these reserves and are meeting serious resistance from Russia. Trilateral governments should vigorously support these private commercial efforts, because these reserves may be especially important to Western Europe in the next century as energy supplies from the Middle East begin to decline. (The United States has other energy options in its own hemisphere.)

What about Russian political-military activities in these two areas? While the West will prefer benevolent Russian policies relating to these regions, the real question is whether Trilateral governments should be willing to commit resources (including peacemaking troops) and to risk progress on the vital matters discussed immediately above in order to try decisively to affect actions by Moscow to its south. Apart from energy resources, there seems no reason for the West to rejuvenate the nineteenth-century Great Game between Britain and Russia in Central Asia. The West can hardly hope to exclude Russia from Central Asia nor should it wish to do so lest that area become even more unstable. So the issue is not Russian involvement in Central Asia, which is inevitable and at least theoretically beneficial; rather, it is the nature of Russian policies in this region, which are showing worrisome features. This is a matter that will undoubtedly be influenced in individual Western countries by domestic politics.

Some argue that the West must resist any sign of Russian imperialism wherever it appears, including in these areas. But that remains merely a theoretical proposition since our governments have been unwilling to do anything significant as Russia decisively altered

the outcome of the Georgian civil war through a modest military intervention; took over the conduct of the conflict against the Tajik opposition, deployed 25,000 troops there, and installed a Russian general as Defense Minister; and sought to freeze the OSCE out of the Azeri-Armenian negotiation. Part of the reason for Western caution is generated by the twin realizations that Russia has authentic security problems to its south that are not of its own making, and that the forces Moscow faces in these regions are entirely unfamiliar with the peaceful provisions of the UN charter. (President Clinton's calls during 1994 for Russia to act in these places only when genuinely and voluntarily invited and only in ways consistent with the principles of the United Nations were especially curious, since Moscow has been violating both those criteria in these very regions for some time.)

Despite the modest Trilateral equities involved, two things seem clear. (1) It would be unwise to allow Russian behavior in the Caucasus and Central Asia—except concerning energy—to have equal importance in Western considerations as Moscow's policies regarding nuclear and other weapons of mass destruction, the Baltic states, Ukraine, East-Central Europe, Northeast Asia and the Middle East. This does not mean giving Moscow "a free hand" in these places since the West has no such latitude to offer; rather, it recognizes that cautionary but empty rhetoric aside, strategic choices should be made on the basis of vital or important Trilateral interests. In general, these do not include the Caucasus and Central Asia. We may not care for how the Russians behave in these regions but other than expressing verbal concern, Trilateral governments are unlikely to want to do much about it. (2) Nevertheless, there is considerable likelihood that if Russian behavior in these trouble spots becomes especially and publicly brutal, public opinion in our countries will not permit governments to pursue normally their agenda with Moscow. The Russian national security elite must be made to understand that reality.

In any event, the West's policies toward these new nations on Russia's periphery should be debated internally and agreed before our governments are confronted with unpleasant developments emanating from these regions that could easily divide the Trilateral community.

GLOBAL ISSUES

Although the global influence of the Soviet Union is happily a thing of the past, the new Russia has an impact on issues beyond Eurasia, and as Russia recovers, that leverage will grow. The proliferation of

weapons of mass destruction—nuclear, chemical and biological—is the global problem on which Western interests will be most influenced by Moscow's policies. To this point Russian positions have been generally supportive of Western objectives in this area, but there are signs that this may be changing. At the United Nations, Russia is urging a relaxation of sanctions against Iraq, a course that the United States in particular believes would allow Saddam Hussein to begin husbanding resources to revive his nuclear program.

Iran, too, has been courting Russia's advanced capability in this realm and in January 1995 Moscow finalized an \$800 million deal to complete two nuclear reactors at Iran's Bushehr nuclear facility, a very troubling development. To this point, President Clinton has not been able to persuade President Yeltsin to cancel the deal. In the case of the extended confrontation between Washington and Pyongyang concerning North Korea's nuclear weapons program, Russia took a somewhat reserved position and seemed reluctant to push the North Koreans too hard. This was perhaps because of some Russian domestic political sympathy for an old and close Soviet client and a wish to maintain North Korea as a possible and partial balance against Chinese (and potentially Japanese) power. In any event, the West must engage Russia in the most intense possible fashion in addressing counter-proliferation efforts.

Although Moscow has not had much success thus far, Russian conventional arms transfers over the long term pose another significant test for Trilateral policy. Since Western nations have accomplished little in coordinating among themselves their sales of conventional weapons, persuading Moscow to exhibit some restraint will be no easy task. This is also true because of the intense domestic pressure on the Russian arms industry and the extraordinary benefits that will accrue to Moscow if it can sell large numbers of its conventional weapons abroad: maintaining production lines; supporting research and development; subsidizing the modernization and operations of Russian forces; and keeping entire military-industrial plants from closing, or even whole cities from collapse. (The classic major power objective of increasing regional influence through arms sales necessarily takes a back seat for the time being to these more immediate internal exigencies.)

Russia has sold at cut-rate prices MiG-29 fighters to Malaysia, which is also considering purchase of the T-72 tank. China, India, South Korea and Indonesia have all also shown interest in Russian bargain-basement prices.

Despite the many impediments—including within the West—to mounting a new effort to control the sale of such weapons to the globe's areas of conflict, the attempt should be made. And it cannot be effective unless Moscow can be drawn into the process. This could well mean much more Trilateral understanding for Russia's attempts to garner a fair (and one hopes responsible) share of the international arms market, hopefully in the context of a reduction in overall sales from all suppliers. Simply telling Moscow that Western arms sales are good and stabilizing and Russian sales are bad and destabilizing is not going to produce the desired result.

Many issues importantly involving Russia are addressed in the UN Security Council. The West in general and the United States in particular enjoyed instinctive Russian support at the UN in the years 1991-93, including crucially during the Gulf War. That is no longer true. On issues as diverse as sanctions against Iraq, Bosnia, and support for Russian military activities in the CIS, Moscow is an increasingly difficult interlocutor for Trilateral governments and especially for the Americans. Managing this requires both continued cooperation among the Western Security Council members, and a further willingness to involve Russia at the outset in informal UNSC deliberations. Presenting Moscow with positions already negotiated in detail by the Western members of the Security Council will encourage the Russians to be difficult, even when their primary interests are not engaged.

The international environment is another area in which cooperation with Moscow is important and very hard. With the new Russia—because of irresponsible Soviet policies—now beset by innumerable environmental difficulties from oil spills to toxic rivers and lakes (from which many Russians drink) to thoroughly polluted cities, our countries have reason to worry about the export of these environmental degradations, apart from the horrendous damage they are doing to Russia itself. With too few resources to address these afflictions in a consequential way, Moscow must look to the Trilateral community for assistance, both technical and financial. The West complains that its resources are also limited. While true, such an attitude risks leaving Russia's corrosive environmental tribulations to the next Trilateral generation, and its successors. At a minimum, the West has a major equity in bringing Russia further into international deliberations regarding the global environment, while recognizing that it will not be easy to get Moscow's sustained attention on these matters.

Russia's place in the G-7 process also arises in this global context. Created to allow coordination among the leading Trilateral economies, the G-7 agenda now includes many other issues such as geopolitical developments, regional disputes and environmental policies. The 1994 decision to include Moscow in the group's political deliberations was a sensible step forward and should be continued, even if Russia is sometimes an uneasy associate. Here, as in most other instances, it is better to get opposing Russian perspectives and take them into account before, rather than after, the West decides and acts.

Having been admitted to the political side of G-7 consultations, Moscow now predictably wishes to join the economic discussions as well. This poses a dilemma for G-7 leaders. While not wanting to perpetuate inviting the Russian President into the room only after much of the substance has been discussed, they also properly do not want to hobble the G-7 process and are concerned that integrating Russia fully into the group would do just that. This will not be a simple matter for the G-7 to resolve and it is probably best to delay Russia's participation in the economic side of the G-7's deliberations. Nevertheless, it does remind one that, while each individual Western institution says it believes that Russia should be drawn much closer to the West, each has good reasons why Russia should not be nearer to its own inner processes. And none objects to other organizations moving forward with Moscow in ways that it is hesitant to pursue. The NATOniks do not mind if the G-7 includes Russia in its economic talks; the G-7 Sherpas are relaxed about NATO developing a structural and intense dialogue with Russia; the OSCE purists are flexible with respect to NATO and G-7 steps regarding Moscow. But none are willing to translate their theoretical commitments regarding Russia into fundamental changes in their institutions. This is called NIMBY in London (not in my back yard) and reminds one of the American post-colonial rhyme regarding taxation, "Don't tax you. Don't tax me. Tax that fellow behind the tree." Only Trilateral Heads of Government are capable of breaking down this predictable organizational opposition.

RUSSIA AND THE INTERNATIONAL ECONOMY

Put bluntly, Russia does not matter a great deal for the world economy as a whole. Its GDP is roughly \$300 billion, about the size of that of Brazil. Its exports and imports are each in the range of \$40

billion, which approximates Denmark's trading totals. Trilateral investment in Russia was only about \$1.8 billion in 1994 (only a small fraction of capital flight). While Russia's natural resources and educated population may eventually make it an important international economic player (if its domestic political/economic situation so allows), that time is not yet on the horizon. Nevertheless, vigorous mutually advantageous economic relations between Russia and the Trilateral community serve two broad purposes. They offer a different, more constructive model of international relations from that embodied in Russian foreign policy traditions. And they support modestly the progress of Russia's domestic reform. Moreover, Russian economic progress will facilitate economic advances in Ukraine and other trading partners in Central Europe.

HUMAN AND POLITICAL RIGHTS

With the evolution of interstate relations in Europe since the Helsinki CSCE Agreement in 1975, no OSCE country can assert that the treatment of its own citizens is only its business. Western reaction to the brutality afflicted by the Russian government against Russian nationals in Chechnya demonstrates both this powerful moral principle and its political implications for Russia's relations with the outside world. Moreover, as noted earlier, there is a clear link between the development of Russian democratic pluralism and Moscow's external behavior. Thus, for geopolitical reasons too the West should keep the pressure on the Russian government to protect the human rights of all Russian citizens. And Russian reformers need the tangible and publicly expressed support of the Trilateral community on this issue if they are not to feel abandoned in their monumental task of overcoming centuries of Russian political thought. It is telling in this connection that virtually all Russian reformers favor early membership for Russia in the Council of Europe to educate further the Russian elite in the principles of democracy.

At the same time, the West must also understand that even Russian reformers, particularly in the executive branch, must balance these questions of individual freedom against the requirement to protect the long-term stability of the Russian nation. Here, our governments should routinely take the side of the individual and not the state, not least because the habits growing out of Russian tradition so profoundly err on the other side. Nevertheless, if chaos and national collapse actually endanger the essential fabric of Russia, there may be

rare times when the West should suspend for a period the purity of its commitment to human rights within the Russian Federation. One can only say here that it would be up to Western judgment, and not that of the Russian government, whether such a momentous internal breakdown was really a serious possibility or rather only an excuse for the constriction of Russian human rights.

With respect to political rights, regular, free, fair and frequent elections at all levels are key to the establishment of a stable democracy in Russia. The new Russia needs to imbed in its political culture the concept of its politicians testing their ideas against the will of the people. Given the history of the country, postponing elections because of a fear of the electorate's reaction will be a temptation in Russia for some time. Again, in the absence of a likely national catastrophe, the West should have no sympathy for any Russian government that fears to go to its people through the electoral process. This certainly applies to the December 1995 Duma elections and the June 1996 Presidential vote.

ECONOMIC AND TECHNICAL ASSISTANCE FOR RUSSIAN REFORM

Support from our countries for political and economic reform in Russia has never been anywhere near commensurate with the task, and it is waning. American resources devoted to this effort are diminishing and other Trilateral nations too seem to be losing heart as events in Russia call into question the staying power of Russian reform. It is too soon for the G-7 to lose hope. Only romantics thought that the road to a democratic and market-oriented Russia would be easy and rapid. If reform takes root in Russia and eventually transforms the political and commercial culture there, it will take decades for this to occur. Given the enormous stakes involved, the industrial democracies certainly did too little to buttress Russian pluralist change in the period 1991-94. Because of anti-democratic developments in Russia, everything will be harder to accomplish now. But that should lead the West to redouble its efforts.

This means micro technical assistance on a much greater scale to the budding and prospective institutions of Russian pluralism: political parties, the Duma, the civil service, interest groups, the media, and the judicial system; as well as a new and focused venture to promote democratic institutions on local and regional levels where progress has been insignificant thus far. Some critics have charged

that this is a Western attempt at social engineering within Russia and should be abandoned. This is wrong. While such Trilateral efforts must be sensitively undertaken, they are in the same vein as earlier Western assistance to Portugal, Spain, Greece, Italy and many nations of the developing world. The resources required for this investment in our future are not of the magnitude trumpeted at all those G-7 summits; several billion dollars a year—not ten times that much—would support a major undertaking of this sort. While the Russians cannot be forced to engage in such a cooperative enterprise with Trilateral nations to these pluralist ends, the possibility remains open. For how long this will be so remains uncertain and the West should organize and deploy this assistance urgently. Better late than too late.

A special word needs to be said about Trilateral contacts with the leadership of the Russian Armed Forces. It is difficult to think of a Russian elite more in need of shedding its insular perspective and Soviet legacy. These men are deeply alienated from Russian political life, suspicious of democratic pluralism, outraged at the breakdown of law and order, aghast at the effects of Russia's unmerciful free market, on the defensive after the army's performance in Chechnya, and intent on restoring Russia's greatness. This is a combination that could spell serious trouble for Russian reform. The more Western interaction there is with these Russian general officers on the basis of mutual respect, the better.

Macro-economic support for Russia in the period ahead mostly depends on whether the Russian government can pursue economic policies—and especially control the rate of inflation and the money supply—that are sufficiently responsible to make financial assistance a sensible proposition. As has been the case thus far in 1995, international lending institutions should be ready with necessary aid if Russia's economic policies make that viable.

Of course, it is private investment from our countries that can make the greatest contribution to the Russian economy but that possibility is still bedeviled by an absence of commercial law and a Russian unwillingness to protect fairly these Trilateral infusions.

IV. CONCLUSION

The policies recommended above would be unlikely to produce a harmonious relationship between Russia and the Trilateral community in the next several years. Instead, developments in Russia hold the unfortunate promise of even more tough sledding ahead. Consider the sharp differences at the May 1995 Clinton-Yeltsin Summit in Moscow: no agreement on NATO enlargement; no agreement on Russia's nuclear deal with Iran; no agreement on CFE flank limits; no agreement on Chechnya. This was certainly the most prickly U.S.-Russia Summit since the Soviet Union collapsed at the end of 1991; and through at least the end of 1996, Russia's relations with the West are likely to be no better and may be considerably worse.

A combination of reasons—an authoritarian and imperial past; weak or nonexistent democratic institutions and practices; domestic economic turbulence and hardship; political extremism; instability in its border areas; and the growing conviction that Russia's national interests are in important respects sharply different from those of the West—will thus produce many policies from Moscow that will trouble Trilateral governments. And if Russia were decisively to embark on a path hostile to the West, the inclusive, cooperative Trilateral approach to Russia proposed in this volume would have to be abandoned in favor of a set of neo-containment policies that assumes Moscow does not wish the industrial democracies well.

This sobering possibility, however, does not portend a return to the Cold War, or anything approaching it. There are no great power rivalries that threaten Europe or the world. The Soviet Union is in the dustbin of history; its global reach is only a memory. Russian military power is gone from East-Central Europe. Russia poses no military threat to Western Europe, North America or to Japan, and could not do so for many years. For the first time in six decades, there is no hegemonic threat to Europe.

Russia's power projection capabilities have vastly shrunk. Communism and the police state are discredited among millions of Russians. Basic human rights and a considerable degree of freedom of the press have become a central part of Russian life. Although plagued by widespread criminalization, privatization is occurring at a rapid and transforming pace. Millions of Russians seek their country's future within a democratic culture and pluralist institutions. And despite significant disagreements with the West concerning foreign policy issues, the new Russia at the same time may move in fits and starts down the road to democracy, reaching there in the first quarter of the next century—or it may not.

So Russia is in profound transition, with the outcome at best quite unsure for the foreseeable future. Despite this acute uncertainty, the industrial democracies are not simply bystanders in the historic process going on inside the Russian Federation, a process which is simultaneously shaping Moscow's external behavior. Trilateral policies toward the new Russia will have a bearing, even if marginal, on how this extraordinary internal experiment turns out, and an important impact on how Moscow's external behavior affects our nations' interests around the globe. While dealing with a humiliated and collapsed superpower was never going to be easy, the gap between our stakes in the future of Russia and the insufficient attention and resources devoted to this momentous challenge needs to be narrowed, if it is not already too late. If Russia, driven by its history and domestic distress, goes sour and becomes a long-term security problem for the West, let the blame lie entirely with Moscow. If Russia emerges from present problems to take its place among the industrial democracies, let the Trilateral community be in a position because of the magnitude and quality of its engagement with Russia to take a modest part of the credit.

RUSSIA'S FUTURE AND
WESTERN POLICY

by Rodric Braithwaite

I. INTRODUCTION

If you are an optimist, the first failure will paralyze you. If you are a pessimist, you're paralyzed anyway.

—Russian reformer

Russia is going through a political, economic, and above all a psychological and cultural revolution. It was Mikhail Gorbachev who first used the language of revolution rather than reform as he grappled with the process of change in the Soviet Union. But change started under his predecessors, and it will continue under his successors. Gorbachev launched *Perestroika* almost exactly ten years ago. In that brief decade the Communist Party and the Soviet Union were abolished, Gorbachev lost his job, and Russia lost an empire. It should surprise no one that the turbulence continues.

The Soviet Union was the second most powerful nation in the history of the world. Its disintegration discredited the Communist ideology, which had provided a rallying cry and an instrument of coercion, not only for the Soviet Union, but for all those who wished to challenge the status quo and the dominance of liberal political and economic values as represented above all by the United States of America.

We are still coming to terms with the consequences. For all its terrors, the four decades of Cold War which preceded the collapse of the Soviet Union had their own perverse attraction and simplicity. While it lasted the Cold War settlement was a comparatively predictable system. It laid down principles of conduct, of which one of the most important was that the Trilateral countries should set aside their lesser disputes in face of the overwhelming requirement to combine against the Communist threat. And it gave rise to institutions—NATO, the European Union, the U.S.-Japanese alliance, and the G-7 Summit—within which these lesser disputes could be resolved, and the broader strategies of the Cold War forged and implemented. The main outlines of policy were settled within the first two decades after the end of World War Two. Western policymakers needed determination, stamina, and foresight to implement the

political choices thus mapped out. But while the global confrontation continued they rarely felt the need to challenge their basic assumptions of policy, or to ask fundamentally new questions.

But the foundations on which the stability of the Cold War period was built—the global ideological and political ambitions of the Soviet Union, the artificial division of Germany and the enforced unity of the Warsaw Pact countries—were inherently shaky. They were intolerable for the subject peoples of Stalin's empire, and a burden which the Russians themselves were in the end no longer willing to bear.

The end of the Cold War brought with it a natural euphoria, a belief in an uncomplicated future where old sources of conflict had been eliminated and new ones could be avoided. Trilateral countries welcomed the emergence of a new, and potentially liberal Russia, which had abandoned the trappings of empire and the oppressions of Communism. They were free with advice and occasionally with assistance. But they sometimes acted as if they believed that the new Russia would necessarily share the interests of the West, and ally itself with Western policies on almost all occasions. Indeed some Western commentators went further. They assumed that Russia would have no choice in the matter: no longer a superpower, it would simply follow in the wake of Western policy. Should it not do so, it could in all probability be safely ignored.

Thus the ending of the global military threat removed the urgency of policymaking towards Russia. Trilateral policies were often stronger on rhetoric than on content. This was in part because of domestic preoccupations. European countries were concerned with the serious problems arising from the development and enlargement of the European Union. Japan and Canada too were preoccupied with political and economic change. America began to turn inwards ("The economy, stupid!"), and there was a growing concentration in American foreign policy on bilateral issues—NAFTA, Haiti, Cuba. America appeared to be less concerned to exercise effective leadership in its various alliances, and America's allies no longer had the same incentive to follow the American lead.

As far as policy towards Russia is concerned, there are particular reasons why, in the changed circumstances, European policies will inevitably differ in detail from those of North America and Japan. Russia is physically in Europe. Russians and Europeans have been intimately involved with one another for a millennium. Even though Russia only began to impinge substantially on the consciousness of

Western Europe from the time of Peter the Great, the countries of Eastern Europe had to deal with Russia for many centuries before that. There is thus a natural, but perhaps growing, divergence between Europeans and Americans in their perception both of the problems to which change in Russia will give rise, and of the nature of some of the solutions.

These new problems in the relationships of the Trilateral countries among themselves are not simply, or even primarily, the product of weak government in individual countries. They reflect the very real difficulty of managing secular change. They will exercise the imagination and determination of even strong Trilateral governments for many years to come.

Meanwhile the attitude of the Russians towards the outside world has also been changing. The Russians have made it increasingly clear that they intend to decide for themselves what their international interests are; and they have become more assertive over issues such as Bosnia and Iraq in consequence. This new assertiveness was inevitable and should have surprised no one. But it has been widely interpreted as a falling away from the pro-Western policies of Gorbachev and Shevarnadze. The uncertainties of Russian domestic politics have also revived fears of a return to the authoritarianism and expansionism of the past. The mood between Moscow and Washington has become more tetchy. The ghost of the old confrontation has not been fully laid to rest. Russia's closest neighbors, such as Poland and the Baltic states with their bitter memories of the past, continue to view Russia with intense suspicion. They have sought closer links with the West, and especially with NATO and the European Union, as a guarantee that the past would not be repeated. They have thus posed questions which need to be answered.

For these suspicions and fears the Russians have shown little understanding. Where the rest of the world sees a country which throughout its history has always expanded remorselessly to dominate its neighbors, the Russians see themselves as the victims of successive invasions by Tartars, Turks, Swedes, Poles, Frenchmen and Germans. They believe their neighbors should be grateful for liberating many of them from the Germans: they cannot understand that for most of those countries Soviet occupation was a fate little better than occupation by the Wehrmacht. Forgetting the period of Tsarist domination, they argue that Russians suffered as much as non-Russians under the Communist yoke.

The reaction of most Russians to the collapse of the Soviet empire is ambiguous. The withdrawal from Afghanistan came about at least in part because of domestic pressure from a disillusioned public tired of the steady drain of casualties in a war which served no national purpose. There was little enthusiasm for the continued occupation of Central Europe. But the loss of prestige which was the inevitable consequence of the withdrawal is painful to all Russians. The military see it as a barely acceptable humiliation which the politicians have failed to offset by the adoption of a coherent and properly financed national policy compatible with what the soldiers see as Russia's security needs in a changed world.

Sophisticated Russians argue that, although the Soviet Union may have treated some of its neighbors unjustly in the past, the "new Russia" has no hostile or imperial intentions towards them. But even they fear the possibility that Russian politics will once again lurch towards the authoritarian expansionism of the past. And even they fail to understand how large even a peaceloving Russia must loom in the consciousness of its smaller neighbors.

All these issues come to a focus when we look at the future of those countries which for so many centuries have found themselves squeezed between Russia and Germany—Poland and Hungary, the Baltic states and Ukraine, the countries of the Balkans. For centuries the peace of Europe was bedevilled by the ambitions and rivalries of France and Germany. That age-old conflict was laid to rest by the creation of the European Union. Now the challenge is to see whether the age-old rivalry of Germany and Russia in Eastern Europe, and the expansionist urge of Russia herself, can be laid to rest as successfully.

In the first part of this essay, I tackle a fundamental question. Can Russia escape from its historical burden, or is the revolution which started in 1985 bound to end in failure, as earlier attempts to reform Russia have always done? To this question many foreign observers, many of Russia's neighbors, and many people in Russia itself give a hopeless answer. They see only the prospect that Russia will continue to be a menace to the outside world and to her own citizens, as she has been for so many centuries.

In my view that depressing outcome is not inevitable. It is anti-historical to assume that a country and its people have no choice but to repeat the crimes and errors of the past. But a revolution as profound as the one which now grips Russia will inevitably involve serious reverses as well as significant advance. It cannot be completed in years, or even decades. The Russian people will take generations to

rid themselves of the incubus of the autocratic, militarized, and introverted state traditions of the past, and replace them with liberal political and economic habits more suited to the modern world and Russia's place in it. For the next ten, twenty, or fifty years therefore, Russia is likely to be in a state of greater or lesser turmoil. Those who thought, in the euphoria of 1991-92, that Russia would in a short matter of years become a stable political and economic democracy, a willing and above all a docile partner of Western policy, were profoundly wrong.

But the prize remains what it was in that time of euphoria: to engage Russia fully in the family of democratic nations. That is what the Russian reformers want. It is in the interests of Russia herself, of all her neighbors, and of the wider world as well. It is a task which will require stamina and clarity of purpose over many years, and which to succeed will have to be pursued regardless of the setbacks which are bound to occur from time to time. We must of course also devise policies which can cope with the worst case, and which provide Russia's neighbors with genuine guarantees against resurgent Russian expansionism. These tasks will not be easy to combine. They may require us to remodel, or even to transform, our existing institutions to meet a radically new situation. The second part of this essay, which is written from a European point of view, therefore makes suggestions about policies which could provide the insurance while promoting the more hopeful outcome.

As the Russian reformer whom I quote above went on to remark, if you cannot be an optimist or a pessimist, you have only one sensible choice: to go on doing what you think is right, come what may.

II. HISTORICAL PERSPECTIVE

In truth, what is it that has essentially upheld Russian statehood? Not only primarily, but exclusively, the army. Who created the Russian Empire, transforming the semi-Asiatic Muscovite tsardom into the most influential, most dominant, grandest European power? Only the power of the bayonet. The world bowed not to our culture, nor to our bureaucratized church, nor to our wealth and prosperity. It bowed to our might.

—Sergei Witte, Prime Minister of Russia, 1903-1906

RUSSIA'S PAST

Until the collapse of the Soviet Union, Russia was ruled for half a millennium by one form or another of autocracy: a Grand Duke, a Tsar, a First Party Secretary. The autocrat imposed his will by force with the help of the army, the police, and a captive church or Party. He was formally and in practice above the law: whatever he did was by definition legal. Of course he was not all-powerful. He was vulnerable to those who ostensibly supported him: Russian leaders have been deposed through the centuries by palace coup more often than by revolution. His laws and edicts were often ignored, despite the horrendous punishment he could mete out to the disobedient. In such a system, civil society could not flourish. There was no free press, no rule of law, no sense that the rights of the citizen were paramount. Truth and justice were what the autocrat said they were.

Ordinary people got by as best they could. They acquired a proven and unrivaled ability to endure in the face of poverty and adversity, and to absorb brutal punishment from their enemies and from their own government. They became deeply pessimistic about the possibility that things would change for the better, certainly as a consequence of any action they themselves might undertake. They learned to avoid the dangers of public responsibility, and to cheat and lie to the authorities where this was necessary for survival, as it so often was. These attitudes persist. There are few things more depressing, or more irritating, than the standard Russian reaction to political difficulty: "What can we do about it? We are only little people. All we can do is suffer, as Russia has always suffered."

There are many possible explanations for this dismal state of affairs: the rigor of geography and climate, the vulnerability of the frontiers, the backwardness of the people. Whatever the explanation, the unvaried nature of the Russian regime—under Communism as before it—has given rise to the settled view among many Russians and many foreign observers that Russia is historically fated to remain an authoritarian nation, that more democratic political forms are alien to the Russians, and that their repeated attempts at reform—in 1825, in the 1860s, in 1905, in 1917, and after 1985—cannot but fail.

Russia a thousand years ago was not so different from other states on the periphery of Europe. Like most of Germany, much of the Balkans, and the whole of Scandinavia, Russia was never part of the Roman empire, and did not share in the linguistic and institutional traditions which that empire bequeathed to all its former subjects. But Russia's conversion to Christianity in 988 brought the country decisively into the European tradition from which it never subsequently departed. In those early days Russia was not a democracy. Neither were any of the countries of Western Europe.

The Tatar invasion in the thirteenth century cut Russia off from the European Renaissance. This was a serious blow to the development of Russia's European culture. But here again, it was not only Russia which suffered this fate. The other East European countries of the Orthodox Christian rite were also isolated from the surge of innovation in the West of the Continent.

Once the Tatar yoke was overthrown Russia began to build itself an empire. Other European states were doing the same. But their empires were mostly overseas. Russia's empire expanded by land. To the Westwards and the South the Russians found mature states—Sweden, Poland, Lithuania, Turkey—which were at least as technically sophisticated, and were able to give excellent account of themselves in the endless wars which they fought among themselves as well as against the Russians. To the East the Russians found areas for the most part peopled by nomads unable to resist their onward march. By the time Catherine the Great died in 1796 Russia already presided over vast new territories in Asia which dwarfed the country's European heartland.

But the expansion into Asia did not make Russia an Asian country. Russia remained a country whose European roots were undeniable although its major interests outside the continent colored and still color the Russian view of the world. Russian culture, with its Judaeo-Christian beliefs and symbols, its philosophy, its literature, its

painting and its music, is as distinctively European as the cultures of other countries geographically nearer the centre of the continent. Nevertheless, for the last two centuries the Russians have been debating as to whether their country was really "European," whether it was really "Asiatic" by virtue of its despotic tradition and its huge expanse, or whether it was a unique "Euro-Asian" synthesis.

The debate continues today in Russia and beyond. It retains a considerable resonance on the Russian political scene. But it is inadequate as an explanation of the Russian political tradition, or as a concept for helping to predict the Russian future. There was nothing Asiatic about another fearsome despotism of the twentieth century, Hitler's regime in Germany. Indeed, the deterministic view that a country is inescapably condemned by its history and geography to repeat the experience of the past is not borne out by experience. In the past two centuries France, Germany, and Spain have abandoned authoritarian forms of government and turned to democracy. In the last century the landborne and seaborne empires of Central and Western Europe have been dismantled. In the last fifty years the West Europeans have devised institutions which stand a reasonable chance of ensuring that they never again go to war with one another. None of this was easy. But it represents a historical change of immense qualitative proportions.

History has of course placed Russia further from the liberal European tradition than the countries of Western Europe. But there are no secure grounds for the argument that Russia is in principle incapable of making a comparable break with the past. Like other imperial states Russia eventually found the burden of empire more than it could sustain. It too discovered that its traditional political and economic institutions were inadequate to the demands of the modern world. Like any other country, Russia has unique qualities and unique problems. If Russia does finally succeed in breaking with its past, it will do so quite differently from the imperial autocracies which preceded it. And in one very important way, of course, Russia differs from all other European countries. In its immensity it resembles America and Canada, two other huge countries with undeniable European roots. But unlike them Russia is on the same continent as the other European countries, whereas America is separated from Europe by five thousand kilometers of ocean. This geographical fact has had, and will always have, a crucial influence on the fears, aspirations and policies of Russia's continental neighbors.

WHY THE SOVIET UNION COLLAPSED

The Failure of a Tradition

The collapse of the Soviet Union in 1991 was a failure not only of the Communist system, but of something much older: the Russian political and economic tradition evolved over many centuries. It was already clear by the turn of the century that this Russian tradition was no longer adequate. Russia was then beginning to evolve towards something more like the advanced political and economic societies of the West. The Russian tradition was artificially preserved, rather than triumphantly overthrown, by the Bolsheviks.

The Bolsheviks added their own brand of Messianism to what had always been an undercurrent in Russian political thought. They set out to provide an ideological, political and economic model for the whole world. After the Second World War the overriding goal for the Soviet Union, the litmus test of success, became the achievement of strategic parity with the United States. It achieved this goal and broke its own back. The Soviet Union collapsed because it failed the evolutionary test. The one-party state and the centralized and militarized economy, based on a pernicious mixture of the Russian political tradition and the Marxist ideology, were incapable of meeting the political, social, technological and economic challenges of the last part of the twentieth century.

The Militarized Economy

All Russian reformers since Peter I...right up to our day have faced the task of turning Russia into a highly developed power whose might is not just based on the armed forces.

—Prime Minister Chernomyrdin, 18 July 1994

The Russian and later the Soviet economy was developed primarily by the state and primarily in order to provide the sinews of war. Ivan III imported Danish gunsmiths to forge the modern weapons he needed to repel the Tatar invader. Even before Peter the Great, the Tsars had encouraged heavy industrialization for the production of iron, steel, textiles, and weapons. In the eighteenth century they were devoting perhaps as much as three-quarters of the state's finances to the military. By the end of the eighteenth century Russia was Europe's largest producer and exporter of iron. On this economic basis the Russians were able consistently to put huge armies in the field. They maintained the largest standing army in Europe right up until the outbreak of the First World War. In 1829 the *Times* (London) wrote:

"There is no sane mind in Europe that can look with satisfaction at the immense and rapid overgrowth of Russian power."

The crude statist system of economic management on which Russian military strength was based owed very little to the enterprise of individuals. Russia never developed the great merchant cities and financial centers of the Renaissance and the bourgeoisie that went with them. Tsarist merchants, like the mediaeval merchants of pre-Renaissance Europe, traded commodities and simple manufactured goods. But very few of them engaged in industry or banking. Only in the last half century of the Tsarist age did a handful of these people begin to transform themselves into something resembling the capitalists of Western Europe and North America. They were despised both by the ruling class and by the revolutionaries who sought to overthrow them. Meanwhile the vast mass of the population—80 per cent—still depended on a wholly backward agriculture. Even by 1914 less than 2 per cent of the Russian people were engaged in industry. Less than a third of them could read and write. As Paul Kennedy has written in *The Rise and Fall of the Great Powers*, "A general lack of capital, low consumer demand, a miniscule middle class, vast distances and extreme climates, and the heavy hand of an autocratic, suspicious state made the prospects for industrial 'takeoff' in Russia more difficult than in virtually anywhere else in Europe."

Throughout the Tsarist period, economic initiative was stifled in a network of state regulation. The siting of industry and the construction of railways was dominated by strategic, not economic and commercial considerations. At the beginning of the nineteenth century Russia had had the largest GNP in Europe. By the end of the century it had been outstripped by Britain and Germany, and France was close behind. Between 1830 and 1890 Russian GNP per capita fell from one-half to one-quarter that of Britain. Most of what was modern and enterprising was in the hands of foreigners as nineteenth-century Russia became increasingly an exporter of raw materials in exchange for the sophisticated industrial products of the West. At the end of the nineteenth century the Russian economy was growing faster than the American. This merely masked its backwardness.

The Soviet government managed to avoid some of the economic mistakes of its predecessors. They knew that ignorant and unhealthy people were incompetent people, whether as soldiers or as industrial workers. So they launched a successful program of massive education

which reduced the rate of illiteracy practically to zero. They installed a system of public health which for at least a while was superior to what the Tsars had done before them. They abolished primitive peasant agriculture in favor of mechanized and large-scale farming. Above all they made a huge investment in advanced science and technology and the specialized education and training that goes with it. The whole profile of the Russian people was changed in consequence: at the time of the Revolution 90 per cent of them lived in the country. Today 73 per cent of them live in cities.

There were and are those who argued that the ends justified the exceptionally brutal means adopted. They refused (some still refuse) to recognize that the agricultural revolution was a bloody failure from the start. The regime did indeed deliver massive industrial expansion and a military technology which overcame the Germans and was for a while able to compete with the Americans. "Strategic parity" was an achievement of immense pride, even for many Russians who were opposed to the communist system. It appeared to show that their country was at last able to compete with the best.

But the system was bizarrely inadequate to meet the requirements of the modern world. It can hardly be sufficiently emphasized that in the Soviet "economic" system nothing functioned as it would in a real economy. There were no money, no banks, no concept of property, no workable commercial law, no provision for bankruptcy, no market for capital. What passed for banks and money were mere administrative instruments for the distribution of resources according to criteria that were bureaucratic, political, corrupt, or all three. Private enterprise was discouraged by the most effective of means: the death penalty for "speculation." In all the institutions of a modern economy, the Soviet system was even more backward than its Tsarist predecessor.

Even the social benefits by which—apologists used to argue—the system compensated for its obvious faults turned out to be a fraud. Of the many examples of social and ecological depredation which the Soviet regime wreaked upon its people, one will serve: in 1989 the Health Minister revealed that 24 per cent of Soviet hospitals had no drains and 15 per cent had no running water; that 152,000 medical workers received wages below the poverty level; and that the USSR spent less on health care than any other developed country.

Above all the economy remained in thrall to the military. Soviet economic policy, like that of the Tsars, was explicitly designed to strengthen the military might of the state. Russian and foreign economists still quarrel about the figures. But a conservative estimate

is that more than 30 per cent of the economic activity of the Soviet Union was devoted directly or indirectly to defense.

Despite these huge inadequacies the Soviet political and economic system was able to survive in the world bequeathed to it by the Industrial Revolution of the nineteenth century—the world of heavy metallurgy, industrial chemicals, and comparatively simple electromechanical devices. The investment in scientific and technical training, and the diversion of resources on a grossly wasteful scale to programs of the highest priority, enabled the Soviets to score spectacular successes in space and in advanced fields of military technology. But they were increasingly left behind as the industrialized democracies moved towards knowledge-intensive economies, towards the world of the microprocessor, the jet engine, and their practical applications—instant communication, mass travel and the global village. In these new fields the Soviets were consistently behind: their computer hardware was clumsy, their aircraft engines shortlived, their energy and chemical industries wasteful and poisonously dirty.

And from the late 1970s they found themselves falling behind in the area to which they attached the greatest importance of all. Strategic parity was no sooner achieved than it proved to be an unsustainable burden. President Reagan's Strategic Defense Initiative was the final straw. The SDI program could never have delivered the absolute security from nuclear attack for which Reagan hoped. But it stimulated a qualitative leap in military—and civilian—technology which would have required an enormous investment in an area of advanced technology in which the Soviet Union could not hope to compete with the United States.

III. TOWARDS THE NEW RUSSIA

THE BACKGROUND TO REFORM

The person who demands at the outset that everything should be put down point by point...is essentially an opponent of the reform of society....Because no one apart from charlatans, no academy can provide such a program. It is up to society to give the answer.

—Mikhail Gorbachev, 1991

Had the economy been able to sustain the strategic competition with the Americans while giving its people a reasonable and improving standard of living, the Soviet Union might have survived for many years. But as the lethargy of the Brezhnev regime settled upon the Soviet Union in the 1970s, the extent of the crisis became increasingly clear. Some thinking Russians began to conclude—and to say in private—that the experiment begun in October 1917 had failed. By the early 1980s even the most conservative Soviet leaders were beginning to recognize that change was essential. The question was how to break out of the impasse: the Politburo chose Gorbachev to do it.

Gorbachev was of course a Party bureaucrat, who had made a rapid and successful career within the system. His policies led to the collapse of the Soviet empire, the destruction of the Soviet Union, the eclipse of the Communist Party, and his own loss of office. He has therefore been accused of shortsightedness and of an inability to think strategically.

He himself naturally denies the charge. He argues that his first task was to get at the roots of the crisis which was stifling the country. He identified the burden of the militarized economy as the prime cause of decline. He therefore set out to liquidate the strategic confrontation with America, the conventional confrontation in Europe, and the war in Afghanistan. This aim underlay the policy of cooperation with the West which he and Shevarnadze devised and from which the rest of us benefitted.

But Gorbachev also understood that the Soviet system was responsible for his country's existential crisis in a deeper way. The apparatus of political repression had suffocated the initiative without

which a modern economy cannot function. This led him to political reform: to cautious but genuine experiments in popular democracy and to *Glasnost*, which rapidly developed from a controlled experiment in liberalization to a genuine freedom of speech unprecedented in any period of Russian history.

Gorbachev refused to abandon "Socialism," by which he came to understand something far closer to Western Social Democracy than to the fearsome brutalities of Lenin and Stalin. He did not understand the ethnic tensions which had built up within the Soviet empire until near the end of his tenure of office. By then it was too late for the loose confederation which he eventually proposed. He launched his reforms with courage. But he was haunted by the fate of Khrushchev, who had been summarily ejected from office for attempting far less radical steps. So he moved with a caution and an equivocation which—with the benefit of hindsight and to some observers even at the time—was to prove fatal to his own position. But despite his failures, Gorbachev cleared the ground for those who came afterwards.

Gorbachev was not the first Russian leader to realize that the Soviet economy was on the verge of a systemic crisis. Khrushchev made some muddle-headed attempts at reform in the early 1960s. More serious efforts were made in the late 1960s by Prime Minister Kosygin on the advice of the economist Liberman and others. These tried to improve investment decisions by imposing a (miniscule) rate of return on capital, and to improve incentives by introducing a bureaucratic concept of "profit." They failed because no attempt was made to break the grip of centralizing politicians and bureaucrats who were defending entrenched political, ideological, and personal interests or to create real instruments of macroeconomic management or a genuine banking system. Under Brezhnev all efforts at economic reform were set aside in the prevailing atmosphere of torpor and corruption.

Gorbachev started where Kosygin had left off, and with many of the same advisers. His first moves were exceedingly naive, and were little more than an attempt to update the nostrums which had failed in the past. He tried to strengthen discipline in the workplace. He attempted to wean Russians from their age-old addiction to vodka, which cost him much popularity and the exchequer much revenue. He introduced the slogans of "acceleration" and "intensification" to designate a speeding up of planned economic activity and the allocation of even larger state

investments to advanced sectors of the economy.

These old-fashioned measures soon demonstrated their inadequacy. A new wave of economists—men like Abalkin and Bogomolov, who had been considered “radicals” in the 1960s—came forward with seemingly more far-reaching ideas for a “socialist” market: limited freeing of prices, timid experiments with cooperatives and joint enterprises with foreigners. A draft “Law on the Enterprise,” intended to give more scope to factory managers, aroused great (and with the benefit of hindsight inexplicable) enthusiasm both within the Soviet Union and in the West. All these measures were stifled by the need, as Gorbachev saw it, to conciliate party and industrial opinion. So he merely tinkered with the fundamental issues: the lack of private property and of a genuine banking system; the continued grip of the bureaucratic planners; the huge sums that were still going into defense.

Gorbachev’s tinkering could not solve the problem. But it further undermined the confidence of the Communist planners and industrial managers in their ability to manage the economy. In the course of 1990 the economy began to nosedive. A new wave of economic reformers began to argue that the gradualist approach was doomed to fail, and that only radical measures would meet the case. The young economist Yavlinski and the elderly professor Shatalin combined to propose a “Five Hundred Days” plan for rapidly moving to the market: a crash program of privatization followed by rapid liberalization of prices. This plan was designed to encompass the whole of the Soviet Union. But it was embraced by Yeltsin, already at the head of the “Russian Soviet Federative Socialist Republic” (RSFSR). Yeltsin may have believed in the importance of the market. But he certainly saw the economic issue as an instrument against his old rival Gorbachev.

The new ideas were resolutely opposed by Gorbachev’s conservative Prime Minister Ryzhkov, who produced his own (very old-fashioned) plan. Gorbachev characteristically went for a compromise. He asked his advisers to combine the Yavlinski and the Ryzhkov plans. This scheme was sarcastically and rightly dismissed by Yeltsin as an attempt to “mate a hedgehog with a snake.” No further attempts at economic reform were made during Gorbachev’s last year.

YELTSIN'S BREAKTHROUGH

Radical economic reform in Russia only became possible with the defeat suffered in August 1991 by the old party apparatus and the industrial and agricultural interests associated with it. Yeltsin's great achievement was to grasp his courage with both hands, to back the radical young reformers under Gaidar, to complete the destruction of the old economic system, and to start to build a market economy in the wreckage. No one in the East or the West had any practical experience of transforming the crumbling Marxist administration of a whole continent into an effective market economy. The market had to be created in Russia practically from scratch. Economic instruments and the financial and commercial skills were almost entirely lacking. Despite seventy years of "Socialism" there were none of the social safety nets which in a developed capitalist economy protect ordinary people against the worst ravages of change.

Gaidar assumed that he would not last long in office. So he decided to do the most unpopular things first. He liberalized most prices. He cut the military procurement budget by over two-thirds, and subsidies to other parts of industry by more than a half. He reformed the tax system by introducing a high rate of VAT. He prevailed on the Central Bank to increase the reserve requirement and the interest rate. For the first time since the revolution, a Russian government was using the classic instruments of macroeconomic policy.

Major disagreements over policy continued. Some insisted that only the most rigorous budgetary and monetary controls could beat inflation and put the Russian economy on its feet. Others believed that the social and industrial consequences of economic decline had to be tackled more directly. But despite the conflicting pressures the Russian government did on the whole stick to its strategic objectives: to stabilize the economy and to restructure industry and agriculture. Some of the original reformers left office as a result of successive political crises. There were recurrent fears that the government would be reconstructed to bring in "centrists" and opponents of reform even further to the right. But reformers retained an influential place in the government.

And at first the reform policies met with significant success. The budget deficit fell almost to zero in the first months of 1992. Inflation rocketed upwards as prices were freed in January 1992. Thereafter the trend was uneven but for some months it was consistently

downwards. But then, despite the efforts of Gaidar and his successor Chernomyrdin, inflation started to rise again as both the Central Bank and the Government itself began to come under increasing pressure for renewed subsidies from the military, agriculture, construction, and the energy sector. For a few months the (monthly) inflation rate was in single figures; but—according to the Deutsche Bank—the yearly rate in 1992 was nevertheless as high as 2300 per cent. In 1993 the yearly rate fell to 900 per cent; in 1994 to 240 per cent; and in 1995 it is forecast to be 180 per cent. The spectre of hyperinflation has faded. But it has still not finally been laid to rest.

But despite the lack of macroeconomic stability, the pressure of budgetary stringency began almost from the beginning to change the structure of the economy, above all in sectors associated with defense, space, and heavy industry. Enterprises which had been the flagships of the Soviet economy went on short time, shedding workers, seeking new customers, changing their product lines, and in some cases closing down. Following Gaidar's assault on defense expenditure, their most important client of all, the military, were themselves desperately short of cash. They were barely able to cover current expenditure, let alone spare money for any but the most essential procurement. And surprisingly, they found less support in parliament than they might have hoped for. It looked as though the problem which had baffled all previous Russian reformers was at last being successfully addressed: the militarization of the economy was being reversed.

THE NEW ECONOMY

Mass privatization has helped to create a private sector which will produce nearly 60 per cent of Russia's income this year. Russia now has a smaller state-owned sector than Italy.

—*The Economist*, 12 November 1994

These painful changes gave rise to dire predictions by the opposition that the Russian economy was in terminal decline. They quoted catastrophic figures for the decline in industrial production and in GNP. The official figures were more sober: the Russian Statistical Committee reported in January 1995 that GNP had declined 15 per cent from 1993, and 39 per cent in total since 1991.

None of these figures can be relied upon. In the Soviet period enterprise managers were rewarded for overfulfilling the state plan.

They had every incentive to exaggerate their achievements. In the changed circumstances they had an equally strong (and from a Western viewpoint more normal) incentive to limit their tax liability by under-reporting. And it makes good economic sense to close down factories whose function was to produce useless weapons and reduce the value of scarce raw materials to zero, provided the political and social cost of change can be contained. Moreover the decline in the traditional industrial sector is offset by the growth of the private sector. This too is under-reported for a variety of reasons, including fear of the tax inspector.

Even so the Russian Statistical Committee reported that over 60 per cent of GDP in 1994 came from the private sector. This is a remarkable achievement. Four years ago, after all, there was—apart from the private plots of the peasantry—to all intents and purposes no private enterprise in the Soviet Union. The privatization program launched by Yeltsin in July 1992 is only in its third year. Yet more than two-thirds of Soviet industrial enterprises have been privatized and more than forty million Russians now hold shares. These figures, and those quoted by *The Economist*, may well be misleading if not positively suspect. Much of the privatization that has taken place in Russia so far is privatization in name only. Factories may now be nominally independent of the state. But because of the structure of the Soviet economic system, many of them were and remain monopolies, with no competitors to force them to operate more efficiently than in the past. And many are still under the effective control of their original managers, who have been doing their best to preserve their authority by persuading those of their workers who hold shares not to trade them, and by making it as difficult as possible for outsiders either to acquire shares or to exercise their shareholders' rights.

Nevertheless a secondary market in shares is developing. The first Russian stock exchanges opened in the summer of 1991. There are now some 70 authorized exchanges, which deal in a widening range of traded paper. Outside the organized share market there is significant trading in shares over the counter. Both markets are largely unregulated. There are certain to be more scandals on the scale of the MMM affair in 1994, as a result of which tens of thousands of small investors lost their savings or went seriously into debt. The arrangements for registering shares are primitive and often manipulated by managements wishing to retain control of their enterprises. Presidential decrees designed to remedy the situation have so far had little effect.

But these weaknesses have not deterred domestic or foreign investors. Funds are still moving into Russia, despite the political uncertainties. Some foreigners hope to make a quick killing by buying and selling undervalued shares in Russian utilities. But others believe that there is money to be made in the longer term by buying equity in promising enterprises—especially in the extractive industries—which can be modernized under the influence of their foreign shareholders. These people are continuing to invest in Russia, despite xenophobic resistance from those who object to foreign penetration of the national economy, and despite the shock of the brief civil war in October 1993, the outcome of the election in December of that year, the fall of the ruble in October 1994 and, as far as it is possible to tell at this stage, despite the war in Chechnya. But the absolute sums are of course small, compared to those regularly invested in the “emerging markets” of the developing world, or even in the more dynamic post-Communist economies of Eastern Europe. And apart from the period in autumn 1994 when there was a net inflow of foreign capital to Russia, most of the limited benefits have been offset by capital flight. Though even a small amount of foreign investment may carry with it a useful transfer of knowledge, neither foreign nor domestic investment yet matches the task of reequipping obsolete industrial enterprises or providing the infrastructure without which agriculture will be unable to modernize.

The comparative success of the privatization program in industry and small business has not been matched on the land. In agriculture the entrepreneurial tradition has even shallower roots than in industry and commerce: the Russian peasant tradition was inimical to progressive farming practice, and this began to change only in the last years of the Tsarist regime. Many presidential decrees have been issued, and much expensive foreign advice has been given. But change in the countryside has been severely hampered by the inadequate physical infrastructure, the absence of suitable financial institutions and cooperative marketing arrangements for small farmers, the preference of most peasants for the collective system they know, and the opposition of the state and collective farm managers and their supporters in Moscow. Nevertheless one important consequence of the market reforms is that Russia now feeds itself from domestic production and foreign imports. There is no longer panic talk of famine as winter approaches.

At least as important as the privatization program is the development of a genuine banking system. The first “commercial”

banks were set up under Gorbachev, mostly on the basis of branches of the state bank which acted as mere accounting bureaus for the major sectors of Soviet industry. Others were created from scratch to launder the funds of the Communist party as the system collapsed. A few were either in origin or rapidly became genuine commercial banks.

Yeltsin's new government gave the green light for commercial banking. The number of new commercial banks exploded. By the middle of 1994 there were well over 2,000 of them. Many are small, under-capitalized, and of dubious professional competence and morality. Others are cosy institutions set up in the last days of the Soviet system by the dinosaurs of industry to provide themselves with cheap credit. Bank supervision is lax, and only a few banks have so far been closed down by the authorities. It seems inevitable that there will be a series of bank scandals, with damaging political implications for the reform process. Nevertheless the Russian banking system is maturing, helped by the European Bank for Reconstruction and Development (EBRD), the Bank of England, and others. A recent reform program aims at creating a core group of 30-40 banks which will be capable of complying with international prudential standards and which would in return become eligible for certain privileges. According to the EBRD, the best Russian banks are as good as any of the new commercial banks in the more advanced economies of Eastern Europe.

Of course, much remains to be done before Russia has legal, commercial, and economic institutions capable of meeting the requirements of a sophisticated market economy. The lack of clear property rights and an effective system of commercial law inhibits enterprise and encourages crime. The tax system is still primitive. The nominal tax burden is high and regulatory changes are frequent. But tax exemptions are widespread and the machinery for collection and enforcement is inadequate. So tax evasion is rampant and perhaps half of the budgeted revenue fails to be collected. Moreover there is no clear system for dividing revenue between the central government and the regions, which still negotiate their individual budgets with the Ministry of Finance, and have only weak incentives to raise local revenue and allocate resources efficiently.

In the end the success of economic reform depends on the willingness of ordinary people to take risks to enrich themselves and their families: John Maynard Keynes insisted that economic systems are driven forward above all by the animal spirits of the entrepreneur.

There is a persistent belief that the Russians—unlike the Chinese—lack the entrepreneurial sense. The Tsarist regime did not encourage entrepreneurship. During the Soviet period there was no place for commercial enterprise at all. Ambitious and able people went into the Party, the government apparatus, the army or the security services. Those who found these alternatives unattractive went into the academic and scientific institutions which proliferated like mushrooms under the Soviet system. Even the best of these were overstaffed. The people who worked in them were often underemployed and frustrated. But the institutes both protected and nurtured their talents.

But with the collapse of the Soviet system opportunities for the enterprising opened up. Among the new entrepreneurs were not only those who had their origin in the Soviet system itself: the so-called “Soviet Mafia,” government and party officials whose bureaucratic careers were collapsing, and factory directors who managed to gain control of their enterprises in the first wave of voucher privatization. An increasing number of able young people from the academic and scientific world also went into business. Their calibre was high, they were untainted by the prejudices, experiences, and fears of their elders, and they were eagerly employed by foreign as well as by the new Russian businesses.

And by no means all the industrial managers were incapable of change or opposed the move to a market economy. The very able men who rose to the top of Soviet industry had run the second most effective defense industry in the history of the world. They now understood that the old methods would work no longer. Anyone who clung to them would condemn his enterprise to eventual extinction and would do himself out of a job sooner rather than later. As the real value of government subsidies declined—as a result of policy or as a consequence of inflation—the pressures upon these people grew. A growing number moved into new and more profitable lines of production, looked for new customers, cut back on their inflated workforce, and sought mutually advantageous partnerships with technologically advanced foreign firms.

But the managers also understood the practical obstacles which reform had to overcome. They had severely conflicting responsibilities: in addition to keeping their factories open, they had to look after the interests of their inflated workforces and the social welfare institutions which they and the trade unions, not the state, provided under the Soviet system. If they failed in this secondary but

vital task, the risk of a social upheaval setting back the process of reform would become much greater.

All these people—even the Mafia whose grip on commercial life was increasing to a dangerous extent—were driven by the desire to become rich and powerful. Many have already succeeded. The question is whether these narrow motives can be mobilized for the wider good, as they are in mature capitalist systems.

THE NEW POLITICS

Today's Russia has moved significantly towards democracy. There is freedom of opinion, assembly and the press. In 1989, for the first time since 1917, most citizens of the Soviet Union were able to exercise a genuine choice in an election. Since December 1993 Russia has had a constitution which was—at least ostensibly—adopted by popular vote. It has a president and a parliament who were elected by universal adult suffrage. The previous president was the first ex-leader of Russia who survived to go—though not quite by due process—into private life rather than into disgrace, oblivion, exile or worse.

These democratic institutions represent a qualitative advance of great historical significance. They are still developing, they are not yet securely rooted, and they still have a long way to go before the malign heritage of the Russian political tradition is overcome. In the following sections I examine more closely the present state of the new institutions: the role of the president and his entourage, the law and the constitution, the parliament and the political parties, and the workings of the government. Thereafter I look at some of the forces which will affect, and could disrupt, the development of Russian democracy over the next few years: the armed forces, the police and the intelligence services, and the menacing spectre of organized crime. Finally I look at the new factors which are pushing in the opposite direction: the electoral process, the press and the media, and the attitudes of the Russian people, whose actions—or inaction—will in the end be the deciding factor.

The President and his Apparatus

Nicholas II and his predecessors governed Russia under God. They believed that they were answerable to no one else. In practice they surrounded themselves with a close-knit and shadowy entourage of unelected officials, many of them from the police or the military, who

advised them and executed their decisions. In the name of History, the leaders of the Communist Party of the Soviet Union governed in the same way through the secretive deliberations of the Politburo. All deliberately by-passed even the flimsy constitutional arrangements which they had conceded either under pressure or in order to lend a spurious respectability to their actions.

Gorbachev tried to break with the tradition by opening up the process of government and laying the foundations of a law-based state (*Rechtsstaat*). He appeared regularly before the Supreme Soviet to defend his actions, and allowed that body to have some say in the appointment of his ministers. He was surprised to discover that this exposed him to unwelcome criticism and made him less popular, not more.

After 1991, the process of government in the new Russia was for a while fairly transparent. In the last year, since the shift of power from parliament to president under the new constitution, it has once again become more opaque. Decisions on a wide variety of domestic and security issues are increasingly taken by the Security Council. This unelected body was set up by presidential decree in June 1992 but has not yet received the formal endorsement of the Parliament as required by the new constitution. The members include the Prime Minister, the Foreign Minister, and the Chairmen of the two houses of parliament. The Ministers of Defense and Internal Affairs and the Head of the Federal Counterintelligence (i.e. security) Service are also members: the "Power Ministries" which were the mainstay of the Communist regime and whose predecessors were always in the close entourage of the Tsar.

The Security Council deliberates in secret, often without taking advice from the responsible ministries: it gave the go-ahead for the military operation in Chechnya. Rather than the Government, it—and the President's own inner circle of personal advisers—are the source of policy, and of a confusing torrent of presidential decrees which are often contradictory and almost as often ignored by the people and institutions to whom they are addressed. It is in the Presidential entourage, rather than in the new democratic institution of the parliament, that the struggle for power and influence primarily occurs.

The Security Council is increasingly described in the Russian press as a new version of the Politburo or the court camarilla of the Tsars. It appears to reflect a reversion to an older form of autocratic government which is not easily compatible with the development of a healthy democracy in Russia.

The consequence is that the President's leadership over the past year has been increasingly uncertain. When the conflict between reformists and conservatives has become acute, he has usually backed the former. In March 1995 his willingness to issue tough decrees on budgetary discipline and the foreign trade regime materially assisted the government in reaching agreement with the IMF. But he has not always identified himself personally with a coherent long-term program of reform, preferring to keep his distance in order to preserve his freedom of maneuver. This lack of commitment—together with persistent worries about his health—has in itself made the process of reform less certain.

The Law and the Constitution

Gorbachev's attempt to establish a *Rechtsstaat* in Russia was not the first: it had been tried at least twice in the nineteenth century. But these earlier attempts failed in the absence of any rooted tradition of respect for law, or any sense that the ruler—the Tsar or the Party—was answerable to it. Law for the rulers was an instrument of government and a lever of power. It was often savagely punitive and subject to arbitrary change at the convenience of the bureaucracy and the autocrat. This led not only to injustice but to uncertainty and to administrative confusion: as one Russian observer remarked at the end of the nineteenth century, the severity of Russian laws was mitigated only by the impossibility of putting them into general effect.

Gorbachev's attempts to embody his concept of the *Rechtsstaat* in a revised constitutional order were unsuccessful, not least because they were usually undertaken as a tactical response to the latest twist in a rapidly deteriorating political situation. The new constitution adopted at the election of December 1993 was intended to be a more coherent and durable formulation of the relationship between the executive and the legislature, and between the state and the citizen. Drawing on the French model, it gave considerable power to the presidency at the expense of the Duma. This was a natural response to the deadlock which had occurred under the old constitution between the President and the Supreme Soviet. But it was criticized for opening the possibility of a new dictatorship under one of Yeltsin's successors.

So far the experience of the new constitution is mixed. For much of 1994 the parliament worked to produce new legislation in a reasonably businesslike way, and its relationship with the President

was more constructive than at any time in the recent past. Since then things have deteriorated. The growth in power of the Presidential entourage, the flouting by President and government of numerous provisions of the new constitution, and the failure of the Parliament to exercise any effective influence in the Chechen crisis, have led many to conclude that the new constitution is unlikely in practice to constrain the executive any more effectively than its Soviet and Tsarist predecessors.

Thus the old traditions persist. A recent Council of Europe report remarked that the rule of law had not yet been established: "the concept that it should in the first place be for the judiciary to protect the individual has not yet become a reality in Russia."

Parliament and the Parties

Russian parliamentarians today consciously trace their current institutions back to the Duma which was set up after the Revolution of 1905, and its successors which were eventually extinguished by the Bolsheviks in 1917.

It is not an entirely happy tradition. In the decade after he was forced to set up parliamentary institutions against his will, the Tsar made a series of changes in the constitution and the electoral law designed to limit the power of the Duma and to secure a majority for the throne. These moves—supported even by progressive politicians who feared the disorder which they thought democracy would bring—were initially successful, though they did not prevent the Fourth Duma from voting to depose the Tsar in March 1917.

Recent events have paralleled that earlier history. The rise of presidential power, the inadequacy of legal and constitutional constraints, and the impact of the Chechen crisis have also highlighted the parliament's lack of real power to control the executive.

And there is another factor. Earlier Russian attempts at democracy were disfigured by factional strife. The parties in the Tsarist Dumas were unable to organize their own affairs or to form effective coalitions with one another. This weakness has been repeated in the new Duma. Russians understand that they need a coherent party system, which can organize popular support in the pursuit of policy. The law which governed the election in December 1993 was designed to encourage the formation of coherent political groupings. There is now a plethora of pseudo-parties and parliamentary factions. Some Russian politicians believe that these

will eventually settle down into something more like a Western party system, with a liberal/conservative strand on the right; a social democratic strand in the centre; and the remains of the Communists on the left. Economic change would drive the process: for example as land ownership spreads, the agrarians would become social democrats or even liberals.

Such a grand simplification would represent a major advance towards a stable democracy. At present there is little sign of it happening. Most of the parties are weak, with inadequate membership, discipline, or representation in the country as a whole. The democratic groups are particularly badly split: at recent local elections they have been better at attacking each other than at combining against the extremists of right and left. Though they have been vocal in their criticism of the war in Chechnya, they have failed to combine effectively in Parliament, or to mount a serious attack on the policy of the President. They are weakened by conflicting personal ambitions among their leaders, by fear that they would lose their parliamentary seats if the President counterattacked by dissolving Parliament, and by the continuing sense that Yeltsin remains the best guarantee for political stability in Russia. For the time being at least the democrats have lost the courage and élan which distinguished them during the last years of the Soviet Union.

The extremist groupings are themselves split. Some claim legitimacy from the Soviet period, some from nationalist and proto-fascist traditions of the more distant past. But the only parties of significance are the Communist Party and the Agrarian Party on the left, and Zhirinovskiy's Liberal Democratic Party on the Right.

The Communists under Ziuganov are reasonably well-organized. More than the democratic parties, they can call on an effective and longstanding network of regional contacts. They believe that Russia should be a centralized state, and that the central direction of the economy should be revived. They share these views with the Agrarian Party. They are Russian nationalists, and some of them believe in the recreation of the old Russian empire. They are not as sophisticated or as modern in their views as some of the "Communists" who have recently regained power in Eastern Europe. But they are not Marxists with a belief in the worldwide triumph of their ideology. To this extent they are very different from their Soviet predecessors.

The vote for Zhirinovskiy in the 1993 election was a genuine expression of anger by ordinary people disoriented by the torrent of

change which has engulfed them in the last ten years. Zhirinovskiy appealed with great skill to the popular sense of betrayal and humiliation which (as in Weimar Germany) finds expression in a hunt for scapegoats and a heightened nationalism. By contrast the democrats appeared distant, intellectual, theoretical and out of touch. Zhirinovskiy's policies are incoherent, his party organization inadequate, and his personal behavior erratic. His success in future elections, including the presidential election in 1996, cannot be entirely ruled out. But it is unlikely. A Zhirinovskiy in power would find that his policies did not meet the requirements of Russian reality. He and his policies would be unlikely long to survive the unpleasant confusion they would certainly create.

The Electoral Process

In 1989 Gorbachev offered the Russians, for one of the few times in their history and for the first time since 1917, the opportunity to exercise a genuine choice in an election. The system under which the elections were conducted was designed to allow local bosses to manipulate the selection of candidates and promote the victory of the traditional ruling classes. To everyone's surprise, the electorate exercised their new rights with great maturity and tactical skill both in the selection stage and at the vote itself. Communist Party bosses were humiliatingly defeated in Moscow and in other big cities. Yeltsin—still in official disfavor—received the largest popular vote of all. The Supreme Soviet which was elected became the setting for a storm of protest against the Communist system which was a major factor in its downfall.

This promising beginning was not followed up. Subsequent national and local elections, though conducted on the basis of a more genuinely democratic system, have attracted a steadily decreasing involvement by an electorate impatient with the antics of the Moscow politicians and preoccupied with the difficulties of adapting to daunting changes in its everyday circumstances. The elections of 1993, which elected the present parliament and approved the new constitution, had a very low turnout. The final results have still not been published, and it is possible that even the low threshold needed to endorse the constitution was not achieved.

However understandable, this is a worrying development. If the Russians now revert to their traditional apathy ("We are only little people") it does not bode well for the future development of Russian democracy. But the electoral institutions are still there if the people

wish to use them as they did in 1989. I examine the question of the popular temper more fully below.

The next two dates in the electoral calendar are the parliamentary elections at present scheduled for December 1995 and the Presidential election due in June 1996. There have been suggestions that either or both might be postponed in the interests of stability. Such a postponement would in itself be a setback to the consolidation of democratic institutions. There is a further real risk that if the democratic and reforming parties do not overcome their internal divisions, they could be swept aside at the elections by better organized or more appealing groupings to the left and the right.

In his address to the Federal Council in February 1995 President Yeltsin confirmed that he intended to hold the forthcoming parliamentary and presidential elections on time. Speculation to the contrary is based on the thought that Yeltsin needs more time to make his reforms stick, that he remains the best available guarantee of some kind of political stability, or that he knows he cannot win a fair election. He has not yet confirmed that he will run again, and it is not clear that either his political or his physical health will permit him to do so. Many names have been suggested for those who might contest the election, including politicians from the democratic centre, from the extreme right and even from the military. But none of these is as yet a front-runner. We are a long way from the comparative simplicities of 1990 and 1991, when Yeltsin was the obvious alternative to Gorbachev.

The Press

The emergence of a genuinely free press, radio, and television in the later years of *Perestroika* was, together with the radical curbing of the secret police, arguably the most important of Gorbachev's domestic political achievements. The media in Russia today are more free than at any previous time in Russian history. These freedoms did not come easily. Attempts were made to curb the press in the spring of 1988, and again after the shootings in Vilnius in January 1991. Further attempts were made by the leaders of the coup in August 1991, and by Yeltsin immediately thereafter and again in October 1993. All these attempts were half-hearted, they aroused a storm of protest from the liberal public and from the journalists themselves, and they failed.

Despite political and commercial ups and downs, the media have retained their freedom today. Independent commercial television and the liberal press have been outspoken in their editorial criticism of the

military operation in Chechnya. Several Russian journalists have been killed as they covered the events on the ground. The extent of the criticism has gone well beyond what might have been expected, and has predictably aroused the fury of the military and others. But no attempt has yet been made to impose a curb.

A more authoritarian government might make a more effective attempt to cut that freedom back. But in the information age they would find it harder than their predecessors did to keep Russians in ignorance of what is going on abroad and even in their own country. While they remain free the media are both a guarantee and a symptom of the continued progress of democratic change in Russia.

The Government

Against this background of political, institutional and legal confusion, the government under Prime Minister Chernomyrdin has had to struggle to maintain its authority. It has done so with some success, and has retained a commitment to reform despite changes of personnel, the departure of many of the original reformers, and persistent pressures to relax the budgetary process, to reintroduce government regulation of the economy and to slow down or even reverse the process of privatization. Some of these pressures have come from the President or his entourage. The government is certain to face further challenges in parliament over its economic policies, over social issues, over law and order, and over foreign policy. A successful attempt by the president or the parliament to force it to resign cannot be ruled out. But the present economic team is widely regarded as the best Russia has yet had.

Centre versus Provinces

Because the Russian empire grew by slow accretion over three hundred years, its boundaries have never been clear. Russians who were born and grew up in the fifteen republics of the Soviet Union, but outside Russia itself, are not used to thinking of themselves as living abroad. And the Russian Federation itself consists of 89 subdivisions. Twenty-one are republics: Tatarstan, Bashkortostan, and others. The rest are ordinary provinces, some of which are geographically very far removed from the centre. Moscow and St Petersburg have equal status with the republics and the provinces as "subjects of the Federation." After the breakup of the Soviet Union many foreigners, and not a few Russians, thought that this complex structure—devised for his own reason by Stalin—might itself break

up into its constituent parts.

This was never likely. Russians make up over 80 per cent of the population of the federation. There are over a hundred other ethnic groupings, and they are usually in a minority even in the republics which are named after them. The real questions are different. Russia has always been run as a ruthlessly centralized state in which economic as well as political activity was controlled from Moscow. How in the new circumstances should power be distributed between Moscow and the provinces? How far should the provinces be able to set up their own electoral and fiscal systems independently of Moscow? Are local bosses and businessmen to profit from the rich resources of Siberia regardless of the interests of the country as a whole?

As the economy of the country becomes increasingly oriented towards the market, some of these problems could well solve themselves. But political, constitutional and legal solutions are also essential. At present the division of powers and responsibilities between the centre and the regions is confused. Attempts by the central government to impose its policies and its people in the provinces have been only patchily successful. As often as not, local administrations adopt old-fashioned methods of economic and political management in contrast to the comparative liberalism of Yeltsin and his government. If relations between the provinces and the centre continue to deteriorate, and the gap between rich and poor regions continues to grow, it could become hard to talk about a united "Russia" even if the state did not break up into formally independent pieces.

The "Power Ministries"

One of the abiding emotions among Russians, whatever their political persuasion, is pride in the victory over Germany in 1945. As the instrument of that victory, the Soviet armed forces after the war enjoyed immense popular prestige and considerable privilege—on the condition of course that they rigidly subordinated themselves to the Party.

That prestige began to diminish in the 1980s as a result of the war in Afghanistan, and the increasing public discussion by non-military experts of the size, competence and purposes of the armed forces themselves. Even the victory of 1945 began to be tarnished as critics increasingly questioned whether the price in blood had not been far too high as a result of the reckless profligacy of Stalin and his generals.

The decline in the army's prestige coincided with the growing failure of the economy to deliver the modern weapons necessary to sustain strategic parity. By the late 1980s the army had lost most of its popularity among ordinary Russians. Young men were avoiding the draft in rapidly increasing numbers—a very serious matter for a mass army which relies on conscripts not only for its rank and file, but even for its NCOs. By the eve of the 1991 coup the military leadership was at loggerheads with the government of Gorbachev and Shevarnadze, on whom it blamed what it regarded as the “defeats” of successive arms control agreements with the Americans, the humiliation of the withdrawal from Central Europe, and the personal privations for many officers and their families returning to grossly inadequate bases at home. The wonder is not that some of them joined the coup, but that so many of them refused to move against the people on the streets and the democratic reforms for which they stood.

Since then the decline of the armed forces has accelerated. The force which in 1985 stood at about 5.2 million men has now been run down to somewhere between 1.5 and 2 million. Its budget has been savagely cut, and a substantial part even of that reduced budget has not been paid. The consequences for equipment levels, training, pay, accommodation, and morale have been devastating. Thus Russian pilots now average little more than a tenth of the flight training deemed essential in Western airforces; they have been able to procure barely one-tenth of the new aircraft they need; and roughly half of existing jets are grounded because of a shortage of spare parts and fuel.

Against this background and these traditions, the combination of brutality and professional incompetence which has characterized the operations in Chechnya is not surprising. Despite the “new military doctrine” advanced in autumn 1993, there has been no change in the Russian military tradition which makes no provision for the minimum and proportionate use of force to achieve limited military or political ends. And young Russian conscripts who in earlier wars have shown time and again that even untrained they will fight fiercely against a foreign invader have surrendered or deserted rather than fight against civilians at home. Responsible generals who were not consulted about the decision, and who greatly dislike the use of the army in internal security operations, are in practice in a state of mutiny.

The other two power ministries—the Ministry of the Interior with 180,000 troops, and the Federal Counterintelligence Service (the FSK,

i.e. the successor to the KGB) with its 140,000 operatives—are also available for use in support of the civil power to put down public disorder, for counter-espionage, and for the fight against crime and corruption. They have not resumed the menacing image that they had under the Communists, and people are not at present afraid of them. But the Minister in charge of the FSK has repeatedly made clear that there is no question of running it down as Gorbachev attempted to do in the last months of his Presidency. There are already signs that the surveillance of opposition politicians is on the increase. The FSK is once again appealing to the paranoia which is never far from the surface in Russia by blaming many of the country's ills on foreign intrigue. It is an instrument of political control which remains a standing temptation even to a democratic president.

Crime

What worries ordinary Russians more than these constitutional and political niceties is the growth of crime. Crime threatens their everyday lives, the integrity of the government machine, and the future of political reform. But its destructive effect is most immediately evident in the reforming economy. It is for example widely claimed, naturally enough on the basis of anecdotal evidence, that the extractive industries (which are best able to earn foreign currency) and all but a few of the new commercial banks are in the hands of the "Mafia": a recent official Russian report said that organized crime now controls 70-80 per cent of all private business and banks. Government departments responsible for issuing licenses for any kind of economic activity are generally assumed to be almost wholly corrupt.

Many Russians believe that if nothing else, the Communists brought law and order. This nostalgia is not entirely justified. The city streets were indeed much safer in the olden days. Crime did of course exist. But its extent was deliberately concealed by the censorship. Violent crime, prostitution, drug abuse and trade, were officially regarded as a product of capitalism. As the Soviet Union entered the stage of "developed Socialism" under Brezhnev, the statisticians were encouraged to demonstrate that crime was declining proportionately. "Economic" crime—engaging, for example, in private business or "speculation"—was widely reported. Political crimes, such as "anti-Soviet agitation," were also severely punished and publicized accordingly. But there is little reliable evidence by which one might gauge the extent in the Soviet period

of what would be regarded as crimes in the West.

And other kinds of crime were rampant in the Soviet Union. Over the whole Soviet period the state's violence against the citizens claimed far more lives than the present outbreak of violent crime. In addition there was a network of bribery and corruption, backed where necessary by judicial murder: a "Soviet Mafia" intimately bound up with the Communist Party of the Soviet Union, the Soviet government and the governments of the constituent republics of the Union.

Whatever parallels there may be with other countries and other regimes, this is little comfort to the average Russian citizen facing a growing wave of crime on the streets and reading regularly about corruption in central and local government. The matter is particularly serious in the great cities.

Much of this is "ordinary" crime, which has increased because of the general demoralization of society. This could be tackled by normal police methods, were police budgets, training, and morale sufficient.

Even more serious is the organized crime which is flourishing on the back of the unbridled commercial activity which now characterizes the Russian economy; and the growing corruption of the local and central government machine. These have given rise to a kind of crime which was rarely seen in the Soviet Union: armed robbery, street battles between rival gangs, and an epidemic of contract killings which has claimed the lives of over a dozen senior bankers, and is beginning to move into the political sphere as well.

The growth of crime in Russia, so far unstopped, raises serious questions about the future. Will reform and democracy be threatened by demands for strong action—the extension of the death penalty, death squads for eliminating notorious gangsters (as advocated by some Russian businessmen), a return to authoritarianism? Or will the country descend into a swamp of endemic crime and corruption, as some Latin American countries have done at certain stages of their history?

Optimists argue that the situation in Russia resembles the "jungle capitalism" of America at the end of the nineteenth century. There was bound to be a scramble for the assets left ownerless by the collapse of Communism. In a country with no experience of the rule of law and no accepted machinery for the enforcement of contracts the resort to violence was all but inevitable. But when this period of "jungle capitalism" is over, so the argument goes, the victors will have an overwhelming interest in ensuring that the law

and the enforcement authorities of the state protect them in their new status as respectable owners of property. The new businessmen will prefer to settle their disagreements through the courts rather than on the streets.

This argument cannot be dismissed. Some such development may be the way out of the present quagmire. But the analogy with America is false. Russia has none of the legal, political, or institutional traditions which enabled the Americans to temper the activities of big business and organized crime. Even if this is the more probable outcome, it cannot come quickly. The alternative—a descent into a quagmire of government incompetence and a criminalized market system—could produce a diseased and slow-moving form of capitalism which the country would find it hard to shake off.

The Popular Temper

Finally, there is the most important and unanswerable question of all. Will the Russian people be prepared to put up indefinitely with the chaos and hardship which rapid and massive change, even if it is in the right direction, has inflicted and will inflict upon them?

The dour and passive stoicism of the Russian people has always been a boon to rulers who cared little about the burdens they placed on their subjects. But the Russians have also demonstrated on many occasions that there is a limit to what they are prepared to tolerate. Time and again they have broken out into savage violence: what Pushkin called “Russian revolt, mindless and pitiless.” One of the main motives behind the popular call in Russia today for a strong hand in government has been the fear that change will lead to the unleashing of the elemental forces of popular rebellion.

Popular attitudes in Russia as elsewhere feed on myths. One of the myths is that goods in the shops were cheaper and more plentiful under Brezhnev (or even under Stalin). This is not true. But what is true is that immediately after the price liberalization in January 1992 goods disappeared from the shops, which became literally empty almost overnight. Kiosks sprang up on the streets of the big cities, in which elderly ladies sold their last possessions to supplement pensions devalued by inflation. Russia became a country of beggars.

Since then the shops have filled up again. The queues have disappeared. There is a wide variety of foodstuffs and consumer durables, both foreign and imported, not only in Moscow and St Petersburg, but in the provincial cities as well. The problem now is the cost. In the past goods were rationed by quantity and quality.

Now they are rationed by price. The shops are crowded by those who are adapting to changing times. But the number of beggars on the streets is not diminishing. The number of Russians living in extreme poverty increased nearly ten times between 1991 and 1992. From 1989 the death rate soared, especially among men, and especially due to alcoholic poisoning, the pollution of the environment, and violent death in various forms.

The poverty is greatest among those who have been most affected by economic change: pensioners, large families, and those unable to adapt to change. But as factories fall increasingly behind with wage payments, or lay off increasing numbers of workers as part of the necessary process of restructuring, unemployment is rising among the young and fit. Official figures for unemployment are absurdly low; and they do not distinguish the increasing numbers of factory workers who are not being paid by their employers. Some recent reports indicate that unemployment may already be more than 15 per cent. But this is only part of the picture. The Russian Statistical Agency reported in January 1995 that real income for the population as a whole rose by 14 per cent in 1994. Many families exist at least in part on the food they produce on their own plots of land, which according to one estimate may now amount to 36 per cent of the country's total output of food. But whatever the figures say, the mood of the people cannot be relied upon if the government bungles both the politics and the economics of the country.

This is not the whole story. I have already spoken of the way in which an increasing number of Russians are taking to the market. The same is true of public life. The Russian people today are not the ignorant countrydwellers of Tsarist days. They are not even the educated but terrorized people of the Communist period. And there is a highly significant change of generation in progress. People over sixty—those who were young adults when Stalin died—remember what it was to fear for their lives. Those who are over forty remember the time when an incautious word could lose you your job. But the educated young people who are now embarking on their professional careers are of a quite different temper. Unlike their fathers and grandfathers, they know what is going on both at home and abroad. They watch domestic television and (in the major cities) CNN. They travel abroad in large numbers. They communicate freely on the telephone and (a significant and rapidly growing innovation) by E-mail and fax with one another and with foreigners. The new openness is firmly grounded in the technology of the information age. For these

technical reasons it would be hard (though perhaps not impossible if there is another twist in the technological cycle) to return Russia to the intellectual isolation of the Soviet era, even with the application of a considerable degree of repression.

And this change in Russian political attitudes is not confined to the elite, despite the low turnout of the ordinary voter in recent elections. With successive elections the number increases of Russians who have participated either as voters or candidates in the democratic process. Ordinary people have shown themselves willing to engage in peaceful political action of a kind unseen before. The massive and orderly demonstrations of 1989-91 may for the time being be a thing of the past. But the popular revulsion against the war in Chechnya has already given rise to a new grass-roots movement. The authorities have incompetently or callously failed even to inform the families of the young conscripts who have been killed and wounded (the government appears at least in the first weeks to have published no casualty lists, which it did in both world wars). So the mothers of the young soldiers have organized an increasingly effective organization—widely covered in the media—to press the military leadership to account. Despite the poor turnout in recent elections, it is too early to conclude that the Russian people have relapsed into their secular apathy.

IV. PROSPECTS FOR STABILITY AND REFORM

It is of course impossible to predict with certainty how the present profound upheaval in Russian society will work itself out. But some paths are no longer open to Russia, whatever the future may hold. The Soviet Union and its empire fell apart because they were no longer viable. The Soviet economy could not sustain the military burden of empire or the confrontation with the United States. The Soviet political system was no longer capable of cordoning off the Soviet people from the outside world. The centralized methods of control and administration could not cope with the complexities of a modern economy. Moscow could no longer impose its unifying will on the non-Russian republics or even on the Russian provinces. Whatever nostalgic dreams there may be on the extreme right and left of the Russian political spectrum, the Soviet system failed comprehensively while the Soviet Union was still apparently at the height of its powers. It cannot be resurrected in today's diminished Russia.

Most Russian politicians know this well enough. Even conservative economists believe that the move towards the market is now irreversible. But there is intense controversy about the rate of change, the quality of the new market institutions, and the extent to which the state should still play a role.

The policies of the Russian reformers have been attacked from both sides. Some argue that the Russian reform is not the "shock therapy" that apparently worked so well in Poland, but a half-hearted affair that has left in place crucial elements of the old system. These people argue that you cannot cross a chasm in two bounds, and that half-hearted reform is bound to fail. Others believe that excessively rapid and radical reforms risk social unrest, the destruction of Russia's industrial and technological capacity, and the opening of the country to domination by foreign capital. It is not only factory managers with an axe to grind who demand that industrial employment be preserved, and that valuable technological and industrial skills be maintained. The moderate opposition, too,

wants the government to pursue a more coherent industrial policy, of the kind that has been successful in East Asia. These demands are not intrinsically unreasonable. Trilateral governments regularly bow to the same political and industrial logic. All governments try to get the best of both worlds as they maneuver between incompatible policy objectives.

But in Russia today the central dilemma is far more dramatic. Economic stabilization is essential if the economy is not to collapse in a welter of hyperinflation. Social and political stabilization are essential if popular discontent is not to reach violent proportions. If the tension between the two cannot be managed, then neither economic nor political reform can be sustained. But it is no good pretending that the tension is not there, or that it can be resolved rapidly. Nor is it much use—especially at this point in the process—arguing that Russia should have tackled reform in a different sequence: restructuring its economic institutions and enterprises before liberalizing prices, for example; or following the Chinese example of tackling economic reform before indulging in the luxury of democracy. In real life nothing can be so tidy.

While the debate rages the economic reformers continue their dogged course. Contrary to precedent, the Duma has already passed a reasonably respectable budget for 1995. In March the government reached a satisfactory agreement with the International Monetary Fund whose assistance is essential if inflation is to be brought to manageable levels in the course of the year. The rocks ahead are obvious—to the usual pressures for industrial and agricultural subsidies is now added the hole in the country's finances which has been torn by the Chechen war. The economic prospect for the next few years is of considerable turbulence. Even a reformist government is likely to lurch between the two horns of the dilemma outlined above. If the latest stabilization policy is not implemented in full (and the pressures to depart from it will be strong), inflation rates are likely to remain high, hovering on the brink of hyperinflation if tax revenue remains uncollected, subsidies to dying industry are uncurbed, and capital flight continues at its present rate. The early economic boom which *The Economist* promised in its annual review ("The World in 1995") is now unlikely to be forthcoming in that timescale: the Russian government itself is currently predicting a year-on-year (1994/1995) fall in real GDP of 8 per cent. But as long as Chernomyrdin, Chubais and their team remain in charge, and as long as they are backed by Yeltsin, the likelihood is that the process of

economic reform will continue.

Much will depend on political developments. If the elections in 1995 and 1996 led to a defeat of the reformers, a new team might attempt to reimpose central control of the economy; and there would be no prospect either for the stabilization or for the restructuring of the economy. But such an outcome would itself have so little prospect of success that it would collapse sooner rather than later.

The prospects for political democracy are more uncertain. The institutional arrangements which have evolved since 1989 are still fragile, as the storming of the Parliament in October 1993 demonstrated. Even among the moderate opposition there are those who are not opposed to democracy, but believe that Russia is not yet ready for it. They favor a regime of "mild authoritarianism" that can hold the ring and keep order while the market economy develops and becomes sufficiently deeply rooted to sustain in due course the luxury of democracy. This argument is likely to gain more adherents if the political and social situation deteriorates further, and if the crime wave continues to grow. But it suffers from a major weakness. Among the Asian "tigers," the social discipline, the psychology and many of the institutions of the market were already strongly entrenched when the process of economic reform and growth began. In Russia they are still being created. Authoritarian but pro-market rulers would still need the technical competence and political courage to drive forward the process of economic change. Without that competence they might well condemn Russia, with its collectivist tradition, to what one reformer has called "the politics of Pinochet with the economics of Allende." That would not be a formula for success.

A more extreme authoritarian regime would be even more likely to fail. It might be put in place by a military leadership driven beyond endurance by the humiliations and failure heaped upon it by the "treachery" of successive civilians. It might be installed for more short-term reasons, to prevent or to master an outbreak of elemental violence by people driven past endurance by the suffering which change has imposed upon them. A "Red/Brown" regime—an alliance of Fascists, nationalists and extreme Communists—might come to power in circumstances of political or economic collapse. But neither the extreme right, nor the military, have put forward any coherent policies, or shown any sign that they understand the requirements of a modern state and a modern economy. They would inherit no durable economic institutions. They would frighten off—by accident or design—both domestic and foreign entrepreneurs. And if the right-wing extremists followed their own rhetoric, they would engage in

foreign adventures for which Russia does not at present have the resources, and for which the Russian people probably no longer have the will. In these ways the parallel between Weimar Germany and Russia today is weak. Hitler was able to call on Germany's established economic strengths and experience. Neither a military nor a Red/Brown regime could begin to address effectively the deep-seated Russian crisis which underlay the collapse of the Soviet Union.

There are good reasons for believing that the more extreme authoritarian scenario is unlikely. The Russian people are educated and informed as never before. Despite their current disillusion, their political attitudes are evolving fast. The new democratic institutions are gaining experience however painfully. Above all Russia is now an open society in ways previously unknown. It would be hard to return Russia to the intellectual and physical isolation of the Soviet era, even with the application of a considerable degree of repression. Moreover many Russians are profiting from change—not only the new millionaires but also the increasing number of people engaged in private industry and commerce, the hundreds of thousands who travel abroad, and the millions who have no desire to see a return to the repression of the past. The army of the poor and the unemployed is also growing. Much will depend on the way in which the balance between the two evolves over the next few years.

In spite of the uncertainties, I conclude that on balance, and certainly in the medium to longer term, the process of reform which began in 1985 has a greater prospect of success than those which preceded it in Russian history.

In particular the reforms of the last two years have given the Russian economy a hefty push in the right direction. Some of the essential institutions of a modern economy are in place; others are coming into being. So far the government has been comparatively successful in maintaining momentum and managing its conflicting objectives. Above all, the upsurge of entrepreneurial energy among a growing number of Russians is an unprecedented but essential factor. The critical mass for economic success may already have been achieved.

If that is so, then there is a reasonable prospect that over the next generation or so Russia will also establish viable and durable democratic institutions and practices. The resulting polity will draw on the principles of Western economic and political liberalism. But it will differ substantially in detail from the models of America or Western Europe both in its institutions and its practices. A Russian

market system would probably allow for a greater degree of state welfare and state involvement in industry than is currently fashionable in North America and much of Western Europe. Russia's new democratic institutions, when they finally settle down, will also differ from Western models as much as Western models already differ from one another. But the new institutions would be far more effective, far more capable of satisfying the political and economic aspirations of the Russian people, and far more able to interact with the world economy, than the regime which existed in the Soviet or even in the pre-Soviet period.

As for the short term, the present Russian government is publicly committed to continue the present progress towards political and economic liberalism. In his February 1995 address to the Federal Council, Yeltsin restated his determination to implant the rule of law and the democratic institutions to match it. He and Chubais, the first deputy prime minister for economic reform, have publicly restated their commitment to economic reform. For his part, Foreign Minister Kozyrev rarely loses the opportunity to emphasize that Russia wants a cooperative partnership with the West, and wishes to observe the accepted norms of international behavior, while preserving the right to defend its interests as it sees them. Governments do not always do what they say they are going to do. But despite the fears of some outside observers, Russia has not yet left the path of democratic and economic reform. I myself believe that there is a reasonable chance that the reform process in Russia will continue to lurch forward, despite all the risk and pain which the country will encounter over the next few years.

The most likely alternative would be a move towards "mild authoritarianism": some version of the "Pinochet solution." Elements of this scenario are already present. It would involve a further concentration of power in the hands of the presidency, a further diminution in the powers of parliament, an attempt to increase the state's direct control over the economy, and doubtless some curb on the freedom of the press. The "power ministries"—the military and the secret police—would acquire a greater voice. Money would be diverted to rebuilding the armed forces. There would be more politico-military adventures in the former countries of the Soviet Union. Unacceptable methods—imprisonment without trial or even death squads—might be adopted in the fight against crime, and they might well be popular. But there would not be a massive reduction in the scope for ordinary people to say what

they think, to pursue their private commercial interests, or to travel abroad. Such a regime would no doubt remain committed, at least in theory, to some version of market economics. It would not preclude a resumption—perhaps quite rapidly—of progress towards political democracy. But in the meanwhile Trilateral countries would find it much harder to treat such a regime as an acceptable equal partner.

Under either of these two scenarios, further attempts by bits of the Federation to secede will be met by force, although the provinces will continue to insist on an increasing say in their own affairs and the central government will have to tolerate this.

Other less optimistic scenarios include a growing lack of coherence between the centre and the provinces which falls short of fragmentation; and a decline of both government and commerce into a swamp of corruption from which the country would find it hard to recover. I do not rule out the more extreme scenarios of chaos or severe authoritarianism. But a military coup or an extreme authoritarian regime could not tackle Russia's fundamental problems. It would be solitary, poor, nasty, brutish, and probably short. It would cause immense suffering to the Russian people and perhaps to their neighbors. But it would fail, and the process of economic and political reform would then have to be resumed.

In the end people get the government they deserve. There is plenty of scope for Trilateral countries to support the positive trends in Russian domestic and foreign policy. But whatever sympathy and assistance the Russian people get from outside, it is for them to decide what kind of a state they wish to live in, and for them to act to bring such a state into being. Many of them fear the burden of that responsibility. But in the last analysis they cannot avoid it.

V. THE ASPIRATION TO PARTNERSHIP

In the short to medium term Russia will continue to present us with surprises, many of them unpleasant. Trilateral policy towards Russia will have to be robust enough to accommodate these. But the thrust of the preceding argument is that the underlying trend in Russia towards a form of liberal political and economic system is sufficiently secure to justify a Trilateral strategy of “engaging Russia.” We should try not to live from one headline to the next.

In formulating policy, Trilateral countries have not always avoided rhetoric which raises expectations which we have neither the will nor the resources to back with action. In his recent book on Russian foreign policy, Kozyrev asks how long the Russians will have to wait before their critics in countries “which are situated thousands of kilometers away from Abkhazia, Nagorny Karabakh, Tadjikistan, will be ready to assume the burden of peacemaking there?” It is a fair question.

The major policy aims of Trilateral countries include the following:

- i. To support the development of liberal economic and political institutions in Russia as the best guarantee that Russia will be a cooperative partner in the future.
- ii. To bring the Russians into a genuinely close and cooperative relationship with Trilateral and international organizations, including those of which they are unlikely to become full members.
- iii. To secure the safety of nuclear weapons and civil nuclear installations in the former Soviet Union.
- iv. To stabilize the new democracies in Central and Eastern Europe, and bring them into a closer relationship with the European Union and NATO.
- v. To provide them (and the other Europeans) with a convincing—in effect a U.S.—insurance against the possibility of a renewed Russian threat.
- vi. To persuade the Russians that the developments at (iv) and (v) do not menace them.

What follows is not a comprehensive set of recommendations, but a brief commentary on the issues which most directly affect Europe. It concludes that, for all its inadequacy, the concept of "partnership" between Russia and the Trilateral countries remains useful, practical, and better than its alternatives.

SUPPORTING REFORM IN RUSSIA

The Economic Relationship

The aid which the Trilateral countries have given to Russia arouses much controversy. Some argue that the amounts are too small. Others—including many Russians—argue that aid in its traditional forms is unnecessary. For political reasons donor governments inflate aid figures or engage in double counting. They tie their aid to their own consultancies or to exports by their own firms. The procedures of their aid agencies are bureaucratic and protracted. Much of the advice they give seems either irrelevant or self-serving. All this has given rise to a good deal of cynicism amongst Russians, the more extreme of whom regard Western aid as part of an overall plot to emasculate and plunder the Russian economy. Whatever the economic effect, the political effect of Trilateral aid has been largely nullified. Not all this cynicism is justified. The IMF's careful negotiations with the Russian government, the supply of a standby loan on highly conditional terms in spring 1995, and the prospects of similar arrangements in the future, have all strengthened the hands of the economic reformers in government.

But the economic relationship between Russia and Trilateral countries goes far beyond the simple relationship between donors and receivers of aid. Even in the short run, the commercial relationship is at least as important. That is precisely because commercial business is not a matter of real or assumed altruism: if it is to prosper, commercial business must reflect the interest of both parties. The growing activity of European and American firms is having an observable effect on the attitudes and practices of Russian enterprises, who find that they have to adopt Western business standards if they are to attract the Western finance and partnership they increasingly know that they need. This activity is not something over which governments can have much direct influence, though they can streamline their export credit procedures, help the Russian government to improve the climate for foreign business through legislation and in other ways, and provide direct training in

management and financial skills to the new Russian businessmen. But the deepening commercial relationship is in itself a major contribution to the process of economic and even political reform in Russia.

Meanwhile Russia's economic relationship with Europe is developing fast. The European Commission claims that the Union has been providing the lion's share of aid to the countries of the former Soviet Union. Aid from all sources amounted in July 1994 to some \$110 billion. Of this 59 per cent came from the European Union (4%) and its members (55%); 15 per cent from the United States; 5 per cent from Japan; 2 per cent from Canada; and 10 per cent from the World Bank and the International Monetary Fund. The Union's program for Technical Assistance to the CIS—TACIS—is the largest non-reimbursable program of its kind. Potentially far more important than these aid figures is the fact that in 1995 the European Union will account for about half of Russia's external trade. If the Visegrad countries join the Union, this figure could rise to over two-thirds. Because of their makeup, Russia's exports to the European Union are less exposed to anti-dumping and other restrictions than those of the East European countries. Meanwhile the Partnership and Cooperation Agreement signed in 1994 at the Corfu Summit (and currently suspended because of Chechnya) provides for regular ministerial meetings, and two summit meetings a year between the Russian President, the President of the European Council, and the President of the Commission. There is to be a review in 1998 to consider the creation of a free trade agreement between Russia and the Union. The shift in trade patterns and the new institutional links have considerable political as well as economic implications. Together they are a powerful instrument for anchoring Russia in the democratic European mainstream.

The Political Relationship

The political system in Russia will evolve according to its own dynamic: it may draw on Trilateral models; but it will resemble none of them exactly. The Russians will pick and choose between the very different solutions which Trilateral countries have devised to meet democratic criteria such as those laid down by the Council of Europe: the rule of law and an independent judiciary; representative institutions and free elections; the freedoms of speech, religion, political and private association and assembly; the legal protection of the right to private property; the protection of human and minority rights; the freedom of the press.

The Russians have shown that they are willing to accept advice in all these areas, provided it is not forced upon them. Some of Yeltsin's advisers are particularly interested in getting assistance on legal matters, the rule of law, and "civil society"; others in the provision of financial training and expertise. Trilateral countries are already active in these areas and others. Results will be slow to come. That merely means that Trilateral countries must sustain or expand their present programs, despite the ups and downs of politics.

Equally important is the ordinary interchange of professionals at all levels. This now takes place on a scale inconceivable even five years ago. It involves people not only in Moscow and St Petersburg, but also in the newly open cities of Siberia and the Urals. Some of it involves cooperation between professionals on schemes (some of them funded by TACIS and other Trilateral agencies) to strengthen the social infrastructure and cushion the impact of change on ordinary people. These cooperative enterprises have the same transforming effect as the exchanges between businessmen to which I refer above. More than anything else they will strengthen the voluntary and non-governmental organizations which are springing up all over Russia, which will be the bedrock of an eventual civil society there, and for which there is so little precedent in Russian history. This is an area in which much more could be done by Trilateral governments: by helping to finance exchanges between universities and professional bodies, foreign study by Russian students, and the twinning of cities and provinces.

It goes without saying that the most obvious form of political support in the short term is the maintenance of close and equal relations between parliaments, between the political leaders of Russia and the Trilateral countries, in bilateral exchanges, in international institutions such as the United Nations and the G-7, and in the regular ministerial and summit meetings which the European Union is to hold with Russian leaders under its Partnership Agreement. These exchanges should not be interrupted even when the relationship is under strain. As Russians are quick to point out, Brezhnev was willing to receive Nixon in Moscow even as American aircraft were bombarding Hanoi. It would have been a massive blunder—and felt as a deep personal blow by every Russian who remembers the sacrifices of the war—if President Clinton had refused to participate in the Moscow victory celebrations in May 1995 because of his entirely justified distaste for Russian policy in Chechnya.

Keeping the Place Open

Russia today is more open, both to its own people and to the outside world, than at any time in its history. This openness is probably the most profound catalyst for change of all. It is reflected in the access which ordinary Russians now have to information from their own media and from abroad, and in their massively increased freedom to travel. As long as this openness is preserved (and it is not currently under threat) the process of democratization is alive and well, and will continue to evolve.

This means that Trilateral countries should be particularly alert to moves by the Russian government to limit press freedom, and should do all that they can to encourage openness to develop still further by keeping the door open to Russian visitors, by maintaining professional contacts with Russian journalists and the Russian media, and by continuing their own broadcasting to Russia, especially of news and of educational programs such as the BBC's Marshall Plan of the Mind.

THE DOUBLE ENLARGEMENT

Both NATO and the European Union are now committed to bring in new members from Central and Eastern Europe. In what follows, I assume that the double enlargement will go ahead. That is not a foregone conclusion. So far the debate about policy has been confined to the policymakers, bureaucracies, and opinion formers of the countries concerned. Parliaments and taxpayers have not yet been seriously consulted. When they are, they could well balk at the extra costs and commitments that enlargement will entail. The domestic interests of important lobbies within the Union would be directly affected by the membership of the countries of Central and Eastern Europe. Voters in the United States may wonder why American boys and American treasure should be put at risk—even if the risk is minimal now the Cold War is over—in order to defend Poland. It is by no means certain that all the parliaments of the member states will ratify the treaties that will eventually have to be presented to them. Nor is it clear that strong U.S. leadership—even if it were to be forthcoming—would overcome uncertainties among the Europeans. The disarray that would be caused by the collapse of the whole enterprise into a welter of disappointed expectations is unpleasant to contemplate.

Even success in the double enlargement could be damaging. Ill-considered, over-hasty, or over-ambitious expansion could fail to

meet the aspirations of the new members, denature the existing organizations, and reduce rather than increase the security of Europe. There is a limit to the extent to which either NATO or the European Union can enlarge without altering their fundamental nature. Both institutions will need to ensure that new members import no extraneous problems into their affairs, whether these are border disputes, ethnic conflicts, or insufficiently democratic political systems. They will also need to ensure that new members can meet the legal, economic and (in the case of NATO) military requirements for effective membership. Neither institution can afford to carry passengers. So we will have to be sensibly modest about both the speed and the extent of the double enlargement.

NATO

During the Cold War NATO was the answer to the geopolitical problem that one superpower was in Europe and the other was three thousand miles away across the ocean. The presence of American forces was also a reassurance to the Europeans, the Russians, and indeed the Germans themselves, that Germany would not again succumb to the temptations of the past. Geography has not changed. But NATO's unprecedented effectiveness depended on its members' willingness to make the necessary sacrifices of sovereignty, manpower and resources. That readiness has greatly diminished with the end of the Cold War. It will not be revived (as some argue) merely by the process of enlargement, or by adopting some romantic idea of a democratizing *mission civilisatrice* in the Balkans. Beware the false analogy of the bicycle that falls over if it is not ridden forward.

Some argue that NATO must enlarge in the next few years while its members still have the will and the Russians do not yet have the strength to oppose. The argument is exaggerated. NATO took the hard decisions when the Soviet Union was at the height of its powers. Provided the organization remains intact, it should be able to regenerate the determination to face down a resurgent Russia if it needs to. The argument that we must not consult with the Russians on security matters lest they gain a *droit de regard* over our actions is equally exaggerated. Of course they must have no veto: that too is a matter of will. But unwillingness to engage with the Russians can also damage our interests. For many years we refused to accept their idea for a European Security Conference which, in the event, played a significant part in the collapse of the Soviet empire. Today we can have more self-confidence.

The European Union

Unlike NATO, the European Union was not primarily designed to counter an external threat, but to settle once and for all the European civil war, to promote the economic prosperity of its members, and also (increasingly as the Community expanded to the South and the East) to underpin democratic institutions.

In these tasks the Union has had remarkable success. But its further enlargement involves delicate negotiation about the detailed economic interests of the aspirant members. It has substantial financial implications for the Union's present members. It raises fundamental problems for the Union's existing agricultural and regional policies. The institutional issues—monetary and economic cooperation, the decisionmaking process in Brussels—which appear so irritatingly obscure to outsiders, are of fundamental importance to the future of the organization itself. These problems have to be tackled. They will complicate the enlargement process, which will certainly be protracted even if in the end it is successful.

The Russian Reaction

Enlargement especially of NATO will impinge directly on Russian interests. The Russians believe (as we do) that NATO is a serious military institution. Not many of them believe that it is purely defensive; nor do they understand why it remains in being now the Cold War is over. Only the most sophisticated are likely to accept that NATO enlargement serves the Russian interest because it will stabilize Central and Eastern Europe. Russian reformers argue that enlargement will be a political gift to the Russian neo-imperialists in the run-up to their parliamentary and Presidential elections. The reformers were prepared to acquiesce in the notion that NATO's Partnership for Peace program was a practical way of bringing former members of the Warsaw Pact closer to NATO without at this stage having to confront the ticklish issue of enlargement. They believe that they were ambushed by NATO's clumsy decision at the end of 1994—at least partly motivated by U.S. domestic considerations—to accelerate its study of enlargement, apparently regardless of their sensibilities and interests. The more extravagant Russian nationalists affect to believe that NATO's long-term aim is to hem Russia in by incorporating Belarus, Ukraine, and the Baltic States: they are unmoved by the obvious impracticability of such a grandiose plan.

These are not reasons to rule out enlargement. But it would be foolish simply to dismiss them. Some argue that nothing the West

does will affect the outcome of the Russian domestic struggle, and that we should not be blackmailed into thinking the opposite. This ignores the lessons of history, and the rules of successful negotiation even as they were practiced at the height of the Cold War. The treaty imposed at Versailles, and the way in which it was implemented by the victorious allies, did affect Germany's domestic affairs for the worse. Kennedy did allow Khrushchev a ladder down which he could climb after the Cuban missile crisis. Trilateral policy cannot be driven by Russian domestic considerations. But it cannot ignore them if it is not to create new problems in the attempt to solve some old ones.

A Balance of Interest

So there is good reason to slow down the process. No decision about NATO enlargement should be taken, let alone announced, until the Russian elections. Thereafter it should be our major aim to persuade the Russians to acquiesce in the process of NATO enlargement. It will be in no one's interest for an enlarged NATO to have a resentful Russia on its flank.

The task will not be easy. We shall need to convince the Russians that enlargement does not directly threaten their interests, that its scope is limited, and that NATO is prepared to make them a convincing offer as a balance. This means that we should take seriously their worries about the forward stationing of troops and nuclear weapons. Polish officials have said that they would be satisfied with a minimal military commitment by the Alliance, which could be expanded in the case of future need. Some Russians have begun to hint that they could live with that. It is an avenue which can be explored without giving the Russians any final say in decisions which must properly remain the prerogative of NATO and of its present and future members.

We shall also have to give real substance to current proposals for a "Treaty" between Russia and NATO commensurate with Russia's great power status and its position in Europe. There has been much talk, but the substance has fallen well behind the timetable for enlargement. We must accelerate our thinking; and make clear to the Russians that we mean what we say. Despite Chechnya, we should keep up and expand practical exchanges with the Russian military, especially on peacekeeping. The Russians' agreement to activate their Partnership program is an important step towards a more formal bilateral arrangement.

To respond to the ideas of the Russians and others that Europe needs a more comprehensive security arrangement than NATO alone can provide, we need to examine much more seriously Russian ideas for strengthening European bodies such as the Organization for Security and Cooperation in Europe. Even if these ideas are unacceptable in their original form, they could well serve as the basis for negotiation.

And Russia's relationships with other European bodies such as the Council of Europe and the European Union, which have been frozen because of Chechnya, should be reactivated and developed as soon as this is politically feasible. Isolating Russia may be necessary as a short-term gesture of disapproval. It is a very bad basis for the long-term conduct of policy.

Taken together, all these measures could help to reassure the Russians that the double enlargement is not intended simply to push them beyond the margins of Europe. But managing the Russian reaction to even a modest expansion of NATO will require a great deal of diplomatic stamina and skill. There is a risk that Western bureaucracies and Western politicians, preoccupied by more immediate matters, will fail to deploy either to a sufficient extent. There will be a natural temptation to blame the difficulties on the unreasonableness of the Russians rather than, at least in part, on our own incompetence or shortsightedness. Because the task is daunting, there are those in NATO who argue that we should stop messing around: we should simply deploy our current advantage to impose our will, as we did during the negotiations on the reunification of Germany and the deployment of Cruise and Pershing missiles. The historical analogy is false, and the approach would be a negation of statesmanship.

The Double Enlargement: Next Steps

Central and Eastern Europe face no current threat from the Russians. The immediate risks of instability in the area come instead from the stress of domestic change, and from ethnic disputes both within and between countries. The prospect of enlargement is already having a calming effect on these as countries seek to demonstrate that they are capable of becoming eligible for membership of the two institutions.

This would point to giving a priority to the enlargement of the Union, which is better adapted than NATO to promote economic and political stability. But because the enlargement of the Union will inevitably take time, and because of the need to engage the United

States, it will not be possible to postpone the issue of NATO enlargement meanwhile.

But for all the foregoing reasons, the initial enlargement of NATO should be limited so that neither the adaptive capacity of the institution nor the tolerance of the Russians are overstrained. From the geo-strategic point of view, Poland is the key—the age-old route for armies marching Eastwards as well as Westwards. Polish membership of NATO would underline, as nothing else, that Central and Eastern Europe is no longer to be the plaything of its neighbors. Poland could be made a full member of NATO without undermining the Alliance's resources or its reserves of will. The Russians would not like it. But they could not deploy respectable arguments against it: after all, their President himself told the Poles that he had no objection (a statement he later seems to have regretted). And as East Europeans regularly point out, the Russians themselves are promoting a common military organization of which Belarus is already a member (the so-called Tashkent Agreement, which is still largely a dead letter).

Drawing the Line

Beyond that NATO enlargement should proceed at much the same rate as the enlargement of the European Union, and should be subject to the same criteria: new members should be democratic, market-oriented, import no new political or territorial disputes, and be capable of shouldering the obligations of membership. Managing the resentments of those countries which do not enter the two organizations in the first wave will be another major test of our diplomatic and political skills.

Whatever decisions are taken about enlargement, and over whatever timescale, the problem of the countries destined to remain outside NATO and the European Union is serious and difficult. So far the Trilateral countries have given it far too little practical thought. One overriding principle will need to be established beyond doubt in the minds of all concerned, and above all of the Russians. This is that traditional spheres of interest in Europe are no longer acceptable. Whatever the institutional arrangements, the countries of Central and Eastern Europe, and of the former Soviet Union, are entitled to choose their own domestic arrangements and their own international relationships as they see fit. Some may eventually join NATO, the Union, or both. Others may choose to remain free of foreign entanglements. Still others may seek a closer relationship with Russia.

Trilateral countries have no grounds for objecting to reintegration if—but only if—it is clear beyond a doubt that Russia is not attempting thereby to reconstitute a system of imperial domination. A neo-imperial Russia could expect to see a rapid deterioration of its relationships with Trilateral countries, and a greatly increased determination to incorporate as many of the countries of Central and Eastern Europe as possible into the Western security system.

To match the developing relationship with Russia, Europe and North American countries will need to strengthen their ties with those countries of the former Warsaw Pact and Soviet Union which have little realistic chance of becoming members of either of the two organizations.

Of these the test case is Ukraine. Ukraine is slowly establishing its independent statehood. After a shaky start the prospects for economic reform have improved. Many Ukrainians believe that their future lies in a cooperative—but independent—political and economic relationship with Russia. It is for the Ukrainians (and no one else) to decide how far they wish that process of cooperation to go. Western efforts to reinforce Ukrainian independence should be intensified, bilaterally, through cooperation with the World Bank and the International Monetary Fund (whose mediation between Russian and Ukraine has been particularly valuable), and by strengthening Ukraine's relations with European institutions. Ukraine's participation in the Partnership for Peace should be further deepened. The objections to Ukraine joining the Council of Europe should be overcome. So should objections by some Trilateral countries to participation in current plans for financial support for the Ukrainian economy.

The Baltic States are also in a special case. They have a very particular claim on the support of their Nordic neighbors and of the other countries of Europe and North America. It is difficult to imagine anything that could more rapidly destroy any prospect of a cooperative relationship with the Trilateral countries than a Russian incursion into the Baltics, whatever the justification claimed. On the other hand, the existence of very large Russian minorities in Estonia and Latvia seems bound to create political problems from time to time, however wise the policy and practice of the Baltic and Russian governments. But Baltic membership of NATO would be a particular provocation to the Russians, and a nightmare for Western military planners. The way forward seems to be to bring the Baltic States as rapidly as possible into a close relationship with the Union and the

other Nordic and European institutions, to help them and the Russians to manage their relationship where we can, and to underline where necessary the very great political price Russia would pay if it attempted to impose its will on the Baltic States by political, economic, or military means.

Unless Trilateral countries are prepared to give a positive answer to Kozyrev's question, it will not be easy to devise an effective policy for the rest of the former Soviet Union. The Russians may feel that they are justified in "helping" the unstable new states on their borders to preserve stability, or that they have no choice but to succour Russians abroad in time of need. It would be unacceptable, not only to our domestic opinion, to indicate that the Russians had a free hand there. But it is useless to pretend that the Russians do not have real problems, or that we can properly evade responsibility for helping with solutions in so far as we are able. We should make a much more determined effort to help in keeping the peace, for example in Nagorny Karabakh, if we do not want the Russians successfully to call our bluff. We should when necessary underline that there will be political consequences if the Russians fail to observe the standards of behavior which they themselves have accepted. And we should develop our relations with the individual countries, especially those that are making a real attempt to observe the same principles as we demand of the Russians.

THE WEB OF MUTUAL OBLIGATION

In the first euphoric months after the collapse of the Soviet Union there was much talk of "partnership" between the West and the new Russia. The gloss has since worn off. There are those on both sides who would like to abandon the term altogether. For many Russians, "partnership" means that they are lectured to and condescended to, but that when it comes to the point they are ignored and forgotten. The wilder nationalists even believe that "partnership" is no more than a coded term for a Western conspiracy to deny Russia its rightful place as a great power in the world. Some of this is characteristic Russian paranoia, magnified by the humiliations which the country has suffered in recent years. Some of it is unsupported by fact. But some of it is justified.

Western critics believe that "partnership" is a term which should be reserved to describe the relationship between countries whose long history of common action has a reasonable prospect of continuing

into the future. They believe that there is no such prospect for the relationship between Trilateral countries and a Russia whose domestic prospects are uncertain and whose international interests remain in many cases antagonistic to our own.

For all that, the concept of "partnership" between Russia and the Trilateral countries is useful. Partners have obligations as well as rights towards one another. They seek common action where it is feasible; and a reasonable composition of their differences where it is not. This is precisely the relationship for which we look between Russia and the Trilateral countries. It may not be possible to achieve a full partnership between Russia and the West for many years. But partnership should remain as the long-term goal for a policy of engaging Russia, and as a desirable norm for behavior in the meanwhile.

But if partnership is to be given substance, Trilateral countries will have to accept two things. First, the Russians are determined that their country should be treated as a great and equal power. Second, Russia's interests will not always coincide with those of Trilateral countries, any more than Western countries will always agree amongst themselves. A "partnership" that continues to insist that Russia must always follow where Trilateral countries lead is bound to fail.

In return the Russians will have to accept that there are certain kinds of Russian behavior—both domestic and international—which Trilateral countries will find unacceptable, and against which they will have to insure themselves. Western security institutions will remain intact for the foreseeable future. Trilateral countries will not condone departures from the Helsinki principles within the Russian Federation. They will react critically to Russian departures from accepted norms, such as the wholly disproportionate brutality displayed in suppressing the Chechnya rebellion; though they will, if they are wise, be discriminating in their reaction, lest it penalize just those people and institutions in Russia with which the democratic future lies.

Trilateral countries must also accept that Russia is fully entitled to strengthen economic and other links with its neighbors. But the Russians must in turn concede that these neighbors do not constitute a sphere of influence in which they are entitled to exercise diplomatic, economic, or military pressure to enforce their will.

On the basis of some such bargain, it should be possible to construct a real partnership between Russia and the Trilateral countries. That will depend not only on Russia, but on the Trilateral countries as well.

THE ASIA-PACIFIC REGION
AND RUSSIA

by Akihiko Tanaka

THE ASIA-PACIFIC REGION AND RUSSIA

After the Cold War ended and the Soviet Union collapsed, the presence and the significance of Russia in the Asia-Pacific region rapidly declined. The first concern for the Russians in the post-Soviet era has been their domestic affairs. Among their foreign relations, what the Russians call the "near abroad" and the West (meaning Western Europe and the United States) has dominated their thinking. East Asia has been marginal in their attention. The lack of interest on the Russian part has been reciprocated by an equally conspicuous lack of interest in Russia on the part of the peoples in East Asia. In most international gatherings dealing with East Asian or Asia-Pacific issues, both economic and political-military, few mentions are now made of Russia at all. With the disappearance of the Soviet threat, it seems as if Russia has simply disappeared from the map of East Asia. I argue in the following that this state of mutual indifference between Russia and the other countries in East Asia is unhealthy and contrary to the interests of the Trilateral countries. But before examining Trilateral interests and recommending policies, let us examine, first, the recent Russian posture toward East Asia and the broader Asia-Pacific region, and, second, the basic political and economic context in the region, the backdrop against which Trilateral interests should be defined and policies developed.

RUSSIA AND EAST ASIA

As the Cold War ended in Europe and the Soviet Union collapsed, circumstances were more favorable in Europe than in East Asia for a fresh start in Russian external policy. Communist regimes remained in power in China and North Korea, outside the euphoria generated in Europe by Soviet Communism's collapse. With respect to relations with Japan, the disappearance of the Soviet Union still left unresolved the painful legacy of the Second World War represented by the territorial dispute over a few islands off Hokkaido.

China

Russia's number one priority in its East Asian diplomacy is clearly the Chinese leviathan. The sheer size of the Chinese population just south of the very lightly populated Russian Far East arouses unavoidable fears, fears strengthened by China's economic dynamism. In their heart of hearts, some Russians must wonder if their position in the Russian Far East is tenable over the long term. The recent illegal influx of Chinese merchants and workers into Russia tends to strengthen such fears. The sense of potential threat from Japan being so much weaker (in the Russian mind, Japan is technologically advanced and modern but after all a small country), Russia's natural diplomatic emphasis is placed on China.

Despite Beijing's initial skepticism about the Russian Federation, Moscow has also found China a willing negotiator on practical matters and a fruitful economic partner. In 1993 China became Russia's second largest trading partner (after Germany)—total bilateral trade reaching \$7.7 billion. Border trade is increasing and China is an important market for Russian military sales. Prime Minister Chernomyrdin visited Beijing in May 1994 and Chinese President Jiang Zemin visited Moscow in September 1994. Military exchanges have increased. The Chinese navy made a port call at Vladivostok in May 1994 for the first time in history.

Japan

With the collapse of the Soviet empire in Central Europe and then of the Soviet Union itself, some Japanese politicians, abetted by some Japan hands in Moscow, miscalculated that Russia's interest in economic assistance from Japan was strong enough to bring concessions on the Northern Territories. These Japanese politicians spread the impression that the territorial issue might be resolved in Japan's favor soon, and the Japanese government pressed the Russian government too hard. With nationalistic sentiment on the rise against what some Russians argued would be a humiliating sellout, President Yeltsin in September 1992 abruptly cancelled his planned visit to Japan.

An official Yeltsin visit to Tokyo finally took place in November 1993, when the Russian President and Japanese Prime Minister Hosokawa concluded a "Tokyo Declaration." This declaration is significant in the sense that the head of the Russian Federation virtually promised to adhere to the 1956 Joint Declaration in which the Soviet Union had promised to return at least the Habomai and

Shikotan islands.* President Yeltsin also apologized for Soviet brutality against Japanese prisoners of war taken when the Soviet Union entered the war against Japan in mid-1945. But the December 1993 Duma elections in Russia brought a further rise in nationalistic sentiment, and few in Russia have dared talk since then about territorial concessions to the Japanese.

The Russian interest in economic assistance from Japan has been disappointed in a bilateral framework. Moscow hears Tokyo talk about not only the Northern Territories but also how massive economic assistance would be a simple waste of money. At the same time, Japan is willing to contribute funds in a G-7 framework. The Russian interest in economic assistance from Japan, Moscow concludes, is better pursued by pushing the G-7 process than by useless concessions in a bilateral framework.

The Korean Peninsula

What are Russia's interests on the Korean Peninsula? Interest in economic relations with and economic assistance from a booming South Korea must have driven the normalization of relations with South Korea in 1990, sweetened by Seoul's promise to extend a \$3 billion loan. At the same time Moscow almost abandoned its traditional North Korean client in the final days of the Soviet Union, stopping the sale of oil at a discount price at a time when the North Korean economy was already in precarious circumstances. Russia's own economic weakness has limited the subsequent expansion of economic ties with South Korea and brought delays in servicing the South Korean loan.

Russia recognizes the threat of a crisis on the Korean peninsula, from an aggressive North Korea or from an imploding North Korea.

*The Tokyo declaration says: "The Prime Minister of Japan and the President of the Russian Federation, sharing the recognition that the difficult legacies of the past in the relations between the two countries must be overcome, have undertaken serious negotiations on the issue of where Etorofu, Kunashiri, Shikotan and the Habomai Islands belong. They agree that negotiations towards an early conclusion of a peace treaty through the solution of this issue on the basis of historical and legal facts and based on the documents produced with the two countries' agreement as well as on the principles of law and justice should continue, and that the relations between the two countries should continue, and that the relations between the two countries should thus be normalized. In this regard, the Government of Japan and the Government of the Russian Federation confirm that the Russian Federation is the State retaining continuing identity with the Soviet Union and that *all treaties and other international agreements between Japan the Soviet Union continue to be applied between Japan and the Russian Federation.*" (italics added)

But Moscow has not yet contributed much to resolving the North Korean nuclear issue, and seems to have only very limited residual influence in Pyongyang. Moscow has indicated frustration with Washington's near domination of the negotiations with North Korea over the nuclear issue. In March 1994, when U.S.-North Korean negotiations were extremely tense, Foreign Minister Kozyrev, without consulting either the United States or Japan, abruptly proposed an "eight-party conference" including North and South Korea, Russia, China, Japan, the United States, the IAEA and the United Nations.

The Asia-Pacific Region

With regard to the rest of East Asia, Russian diplomacy is almost exclusively a diplomacy of military sales. For instance, with intense sales efforts, the Russians were successful in selling 18 MiG-29s to Malaysia in 1994 (for about \$550 million). Southeast Asian arms markets are still dominated, nevertheless, by Western European suppliers and the United States.

There is a sense among Russian specialists on the region that Russia needs to establish footholds in the dynamic Asia-Pacific economy. But no clear initiatives have been made by the Russian government to, for instance, become involved in the APEC process.

THE BASIC REGIONAL CONTEXT

Except for Sino-Russian relations, Russia's relations with East Asia and the broader Asia-Pacific region have been inactive, if not entirely dormant. From a certain perspective, this state of affairs is welcome. The only reason that the countries in East Asia regarded the Soviet Union as significant was because it posed a military threat to them. According to this logic, why bother about a Russia that does not pose a military threat? I think this is shortsighted logic. To see why this is shortsighted, we need to examine the basic political and economic context in the region after the end of the Cold War.

Simply put, the Asia-Pacific region in the post-Cold War era has two faces: the face of peace and prosperity and the face of potential instability. The face of peace and prosperity is apparent. No new wars have occurred in East Asia since 1979, when China invaded Vietnam. The ongoing wars have largely been terminated or brought under control. The Cambodian civil war ended in 1992. Insurgencies in the Philippines are largely under control. The only

country still suffering from an ongoing war is Myanmar (if Myanmar is included in the region). The prevalence of peace in East Asia now is a remarkable achievement given the region's contemporary history. Remember that the Cold War did not mean "the long peace" in East Asia, but involved a series of "hot" and actual wars. Therefore, the current peace is quite significant. The prosperity of East Asia is also obvious and significant; few doubt the dynamic nature of East Asian economies. With this tremendous economic growth, economic interdependence among the countries in the region has deepened.

The outlook for the Asia-Pacific region is not completely rosy, however. The region has various potential sources of mainly political-security instability. The most immediate is North Korea. Despite the agreement between North Korea and the United States concluded in October 1994, the problem of the North Korean nuclear weapons program has not yet been completely resolved. Even if the U.S.-North Korean agreement is completely observed, doubts remain about what North Korea did in the past. It may already possess a few nuclear bombs, however crude. The current impasse over the implementation of the agreement—about the type of nuclear reactors to be installed—indicates the tremendously difficult nature of negotiations with Pyongyang.

Even if the nuclear issue is completely resolved, problems of the essential viability and stability of the North Korean polity and economy remain. A sudden collapse of North Korea's polity, with the currently disastrous condition of its economy, could create a terrible mess, whatever form that collapse may take. Even the most benign possibility of peaceful unification with South Korea could be much more confusing than German unification. North Korea's population is roughly half of the South Korean population, while the population of East Germany was about one-fourth of the West German population; North Korea's economy is much worse than East Germany's in 1989. No one can be sure that turmoil in North Korea would be resolved in such a benign form. If military hostilities take place, Seoul—where one-fourth the South Korean population lives—is just 40 kilometers from the border with North Korea.

In the long-term, however, the most significant potential instability in the region relates to China's future. In a way, China symbolizes the two faces of Asia-Pacific politics and economics. China is at peace now and very dynamic economically. But China is also the greatest potential source of instability in the region.

There are three possible scenarios for China. First is *a hegemonic China*, the possibility of China becoming a militarily dominant power in the 21st century if the current rate of economic growth continues, if China keeps modernizing its military at the current rate, and if China adopts an expansionist and military-oriented foreign policy. The emergence of such a hegemonic China would be a major global challenge not only to the countries in East Asia but to the Trilateral countries generally. Second is the possibility of acute domestic instability, *a chaotic China*. If China's current economic boom collapses into a sudden depression and the government is paralyzed by internal power struggles, a situation similar to China in the early 20th century might emerge. China has many territorial disputes with its neighbors—in addition to the problems of Taiwan and Hong Kong—which might flare up in either scenario of a dominant China or a chaotic China. There is nothing inevitable about the future of China, however. The third scenario we could envision is of *an internationally interdependent China whose international behavior is restrained*. It is difficult to envisage full-scale democratization in China, at least in the foreseeable future. But despite gross violations of human rights, Chinese society is becoming more open. Deepening interdependence with the rest of the Asia-Pacific region could encourage Chinese international behavior that is more restrained and acceptable. The crux of the uncertainty surrounding China at this moment is that one cannot exclude any of the three scenarios. The third, optimistic scenario is obviously in the interest of the Trilateral countries as well as the other countries in the region. But responsible policies should guard against the first two scenarios as well.

A third potential source of instability is the general increase of military procurements in East Asia. This has not yet turned into the vicious circle of an arms race; but there is that danger.

As the above indicates, in contrast to Europe, Russian power is not the central problem in the Asia-Pacific region. Russia is no longer a military threat to either Japan or the United States in the region. The threats that might come directly from Russia now are of a different nature. They include nuclear waste dumping in the Sea of Japan, potential accidents in civil nuclear plants, and internal disorder in the Russian Far East that might aggravate other problems. The resurgence of a militarily strong and expansionist Russia is a possibility but given the current condition of the Russian military and the state of the Russian economy, it is not as immediate a threat as North Korean instability or as large a long-term threat as a hegemonic China.

TRILATERAL INTERESTS IN RUSSIA IN
THE ASIA-PACIFIC REGION

Potential gains from positively engaging Russia in the region are sometimes neglected in Trilateral calculations. One is in managing a crisis on the Korean peninsula, the most worrying of current challenges. If the Trilateral countries engage Russia consistently on the general issues of Northeast Asia's security, at the maximum the Trilateral countries may be able to build a constructive multilateral framework to cope with a crisis on the Korean peninsula—and at the minimum they could reduce the temptation for Russian obstruction at a sensitive moment, a temptation which grows if Russia is not sufficiently engaged.

Another potential gain from engaging Russia—a stable Russia with an effective capability of governance—is in coping with uncertainties surrounding China, the most likely source of instability in the region over the long term. If China becomes a hegemonic power, it is in the interest of the Trilateral countries to have reasonably good relations with Russia. If, on the other hand, China falls into the scenario of acute internal instability, a close engagement with Russia is beneficial to the Trilateral countries, for similar reasons as in the case of a Korean crisis.

A close alliance between a hegemonic China and an aggressive Russia, both hostile to Trilateral countries, is logically conceivable—but unlikely. Among the worst scenarios, the most likely is a combination of a hegemonic China and a weak, disintegrating Russia, especially in the Far East. Therefore, it is in the interest of the Trilateral countries to help Russia maintain effective governance in its Far East region. The reestablishment of large-scale and offensive Russian military might in the Far East is not desirable, especially for Japan. But the decline of morale among the Russian military, the decrease of effectiveness of the police, and the spread of corruption in the Russian Far East would make Russia a less constructive and effective partner. It is in the interest of the Trilateral countries for the Russian Far East to maintain effective governance.

The previous paragraphs have justified positive engagement with Russia from the viewpoint of coping with the sources of potential instability. But Russia could also be helpful in accelerating the positive tendencies in the region. The best scenario for the Trilateral countries is that both China and Russia become economically integrated with the rest of the region and that their behavior,

constrained by increasing economic interdependence, becomes more responsible and cooperative.

It is true that Russian participation in the Asia-Pacific economy is not essential for East Asia in the short term. But in the longer term Russia can be an important supplier of energy and other natural resources for a dynamic East Asian economy that tends to be strongest in other factors of production. Potential gains from economic cooperation among Russia, China, the Koreas and Japan could be quite significant. Russia with its huge natural resources, China and North Korea with their inexpensive labor, South Korea and Japan with capital and technology could constitute a near ideal economic mix if their political differences and difficulties are resolved. North America and Europe could also participate in such economic cooperation around the Sea of Japan. It is wrong and even dangerous to entertain excessively rosy notions of such economic cooperation. There could be political pitfalls, unless the Korean Peninsula stabilizes in particular. But such economic cooperation could increase interdependence among the regional countries and help improve the effective governance of the Russian Far East. As long as effective governance in the Russian Far East is maintained, economic interdependence between Russia and China is a stabilizing factor.

To repeat, the major characteristics of the Asia-Pacific region are that it is both economically dynamic and politically unstable. The interests of the Trilateral countries are to accelerate the prospect of economic prosperity while minimizing the political and military instability. Russia can make a positive contribution to both tasks. It is obviously desirable for the Trilateral countries that Russia's nascent democracy take root and be stabilized, to the extent that a stable democracy is more restrained and less prone to resort to arms. But given the context in the region, democratization is not necessary to justify Trilateral engagement of Russia on the Asia-Pacific front. Democratic or not, Russia should be engaged more actively both to cope with potential instabilities and to reinforce long-term economic dynamism.

TRILATERAL POLICY TOWARD RUSSIA

The issues facing Trilateral policymakers in East Asia are different from the issues confronted in Europe. First, the significance of Russian power is very different in East Asia, where Chinese power

and Chinese uncertainties are at the top of the long-term regional agenda. Second, the existing level and approach of multilateral institution-building are different. The ASEAN Regional Forum is still only a one-day annual conference and even such a rudimentary framework does not exist in Northeast Asia.

The approach that most Asia-Pacific countries prefer is a slow but steady one emphasizing the necessity of dialogue rather than rule-formation. This approach is justifiable given the different nature of current international politics in the region. On the one hand, as stated above, East Asia is enjoying the luxury of no ongoing wars, which allows countries in the region to proceed slowly at the multilateral level. On the other hand, the potential sources of security instability are multiple and very complex. Almost all countries have territorial disputes with others. Threat perception varies from country to country, and even within a single country. In such a context, hasty rule-making could easily disrupt and derail the nascent institution-building. The emphasis needs to be on dialogue and communication.

East Asians were passive regarding suggestions from Moscow in the last years of the Cold War for regional security arrangements. Until the Clinton Administration took power in the United States, Washington was antagonistic to regional security arrangements, seeing them as an intended eventual replacement for U.S. bilateral alliances with Japan, South Korea and others. The multilateral approaches now developing in the Asia-Pacific region are of a very different, much looser character. They simply cannot replace existing alliances, but usefully supplement them.

Given such limitations and conditions on institution-building in the Asia-Pacific region, there is no reason to be reluctant to engage Russia in such approaches. Indeed it is shortsighted to leave Russia out. The Trilateral countries should encourage Russia to pay more attention to developments in the region. The United States, Japan and Canada should encourage APEC to invite Russia as an observer to the 1995 meeting in Osaka and work toward eventual Russian membership. It would be desirable to have some Russian participation in the "informal leadership conference" attached to the annual APEC meeting. The ASEAN Regional Forum already includes Russia. Now is the time to consider the possibility of creating a forum for security issues in Northeast Asia, particularly if the new Korean Energy Development Organization (KEDO) intended to oversee the smooth transformation of the North Korean nuclear program begins to operate effectively. Such a forum for security issues in Northeast

Asia would include the two Koreas and the surrounding powers—the United States, Japan, Canada, China and Russia—with ASEAN and the European Union as observers.

Political leaders in Tokyo, mainly because of their focus on internal political changes in Japan, have not paid sufficient attention to relations with Russia. It is time for Japan to create a new framework for its policy toward Moscow that would put the territorial issue in a longer-term perspective. The Japanese government should make it clear that the current focus of Japan's Russia policy will be the promotion of constructive economic relations between the two countries. Japan should continue to attach needed conditions to assistance, since there are many areas of inadequacy in effectively utilizing foreign economic assistance in Russia. But Tokyo should also create an aid package that is more substantive than before. The aid package should emphasize export-oriented industries in Russia, manufacturing as well as energy and resource-related industries. Furthermore, Tokyo should emphasize its natural interest in assistance that could help stabilize the Russian Far East.

The idea of a free trade area covering the four islands, proposed by First Deputy Prime Minister Oleg Soskovets in November 1994, should not be dismissed as simply a ploy to have the Japanese accept Russian sovereignty over these islands. The Japanese government should consider the possibility of creating a joint, cooperative economic area encompassing clear Russian territory and clear Japanese territory as well as the four "northern territories." The primary aim of such a joint framework should be to stabilize and reinvigorate the economy of the Russian Far East. But it could also improve the psychology of relations between the Japanese and the Russians, hence contributing in the long run to the change in atmosphere needed for the eventual resolution of the territorial issue. Other Trilateral countries should encourage Russia to be more forthcoming in improving relations with Japan, as part of increased attention to the Asia-Pacific region.

JOINT NOTE

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We have entitled this report "Engaging Russia." The intended contrast is not only with the "containment" of the Cold War years, but also with what we see as the inadequate and intermittent commitment of much Trilateral policy towards Russia and the other countries of the former Soviet Union since 1991.

The importance of engaging Russia rests on a two-part foundation: the possibilities for political and economic reform in Russia, and the deep interests of our countries in Russia's external behavior. Especially for Europe and North America, the direction of Russia's external policies is probably the most important uncertainty in the evolution of international politics in the next decade. There are different views among the authors about the likelihood of fundamental success for Russian reform over the long term, and about continued progress in the 3-5 years immediately ahead. There are differences about some of the policy prescriptions. But we believe that the positive trends in Russia are sufficiently strong to justify the strategy of engagement that we propose, and we share the judgment that the broad aim of Trilateral policies should be to reinforce these positive trends, while hedging against major reverses.

Four broad elements of the long agenda for engaging Russia have received the most attention in this report:

European Architecture. The Transatlantic and European institutions, especially NATO and the European Union, have not yet found effective ways of associating the new Russia with their activities which recognize the importance of that country without giving it a disproportionate influence in their counsels. This report makes proposals for greatly intensified NATO-Russia links and suggests a managing body drawn from OSCE members. There are differences among the authors about the rationale for NATO enlargement and the pace at which it should take place. But we agree that the enlargement of both NATO and the European Union is inevitable, that only a small number of new members are foreseeable for some years, and that NATO and EU enlargement are part of the same broad process. We

believe that Trilateral governments will need to pay particular attention to those countries which are unlikely to join NATO in the foreseeable future: Ukraine and the Baltic states are of special importance to the West.

Nuclear Issues. Tens of thousands of nuclear devices remain in Russia and Ukraine, with command, control and safe custodianship in some doubt. Arms control agreements removing these weapons from active status (and to Russia from Ukraine and Kazakhstan) are not enough. As long as the fissile material has not been permanently disposed of, it will remain vulnerable to domestic instability, susceptible to purchase or theft by rogue regimes or terrorists, and capable of reintroduction into Moscow's nuclear forces if relations with the West deteriorate greatly. The West needs to make a much larger effort to assist the Russian government in removing these weapons and materials from present and prospective temptation. Trilateral technical and financial assistance is also required, on a larger scale and with greater urgency, if the safety problems of Russia's civil nuclear reactors are to be adequately addressed. Another Chernobyl disaster is possible at any moment.

Northeast Asia. In contrast to Europe, Russian power is not the central problem in East Asia. Indeed, the potential gains from engaging Russia in this region—in relations with China, in managing a crisis on the Korean peninsula, in providing energy and other natural resources for a dynamic regional economy rich in other factors of production, in restraining arms sales—are sometimes overlooked. The Trilateral countries should encourage APEC to invite Russia to the 1995 Osaka meeting as an observer. The Trilateral countries should encourage Russian participation in multilateral security dialogues in the Asia-Pacific, including possibly creating a new forum for security issues in Northeast Asia. Resolution of the issue of Japan's Northern Territories, an issue which remains on the agenda, is more likely over time in the context of broad-based Japan-Russia relations.

Support for Political and Economic Reform in Russia. Given the stakes involved, our countries have done too little since 1991 to support political and economic reform in Russia and other former Soviet republics. The aid packages for Russia announced at successive G-7 summits contained less than was claimed for them, and aroused expectations in Russia which they could not meet. Aside from macroeconomic support through the IMF, properly conditioned on Russian economic policy and performance, we stress the importance

of lowering Trilateral barriers to Russian trade, developing political, commercial and personal links at all levels, and giving technical assistance on a much larger scale to the institutions and social forces that carry forward reform in the lives of the Russian people.

Russia may become a more difficult partner in the years ahead. If the Russian government acts in ways which do not accord with the democratic norms to which it is committed, Trilateral countries will be bound to react critically, not least to support the advocates of reform inside Russia itself. But unless Russia returns decisively to a path hostile to the West, the depth of our countries' interests in this great power will call for an inclusive Trilateral approach on the lines set out in this report.

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