Sustaining the Transition? Western Efforts to Support Democracy and Prevent Conflict in Russia

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96-03 **May 1996**

Prepared for the Carnegie Commission on Prevent Deadly Conflict.

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This paper may be cited as: Renee de Nevers. "Sustaining the Transition? Western Efforts to Support Democracy and Prevent Conflict in Russia." CSIA Discussion Paper 96-03, Kennedy School of Government, Harvard University, May 1996.

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The end of the Cold War and the disintegration of the Soviet Union in late 1991 created a new international political and security climate. The new states created by the upheavals in Eastern Europe and the Soviet Union have faced substantial obstacles in their efforts to construct -- or reconstruct -- working market economies, democratic political systems, and the basic elements of civil society which undergird them.

These changes have also created new dilemmas for those states which had opposed the Soviet Union and its allies during the Cold War. The most important challenge confronting the established Western democracies in this new environment is the task of shaping new ties with Russia. How can they help Russia move in directions that are perceived to be beneficial, both to Russia and to its former opponents in Europe and North America?[1]

That Russia continues to matter to Western security is clear. Russia is the most important country among the new states in Eurasia, and it inherited the lion's share of the USSR's territory and material resources, as well as being the sole nuclear successor state to the Soviet Union. The task of restructuring has been particularly difficult for Russia both because of its great size and because, as the clearest successor to the Soviet Union, it

[1] By "established democracies" I mean the states which make up the Group of Seven most industrialized countries (G-7), those with the economic strength to invest in the restructuring of Central and Eastern Europe and the former Soviet Union. Though commonly referred to as the "Western" democracies, this group includes Japan by virtue of its strong economy and its political orientation.

experienced a greater sense of loss from the collapse of Soviet power.[2] One would expect, then, that the West would pay special attention to the development and implementation of policies intended to promote democracy and prevent conflict in Russia. Such policies must be designed to address Russia's singular circumstances and history if they are to be effective.

An assessment of the aims and efficacy of Western policies is needed because the success or failure of democracy in Russia will influence the shape of the international system for decades to come. Yet Western efforts may, in some cases, have done more harm than good, both to the process of democratization in Russia, and to Western interests. Notably, the mishandling of some Western efforts to promote "democratization" and market reforms in Russia resulted in a backlash within Russia against Western aid, and may have contributed to the groundswell in support for more nationalistic policies.[3] Moreover, Western policies toward Russia have sometimes worked at cross-purposes, because simultaneous with efforts to encourage democratization and steps toward a market economy in Russia, the West is also searching for new ways to ensure stability and security in Europe and the broader international system. These two goals have not always been compatible .[4]

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[2] This was not necessarily true in 1992, when Russia shared the sense of liberation from Soviet power felt in many other republics. But as it reverted to the mantle of Russia's more traditional "great power" status, Russia also developed the sense that it had "lost" its empire, and status on the world stage.

[3] This increase is noted with caution. Clearly, there is greater support among political actors in Russia, and particularly Moscow, for a more nationalistic policy; yet it is less clear that the general population has become more nationalistic in its concerns. Rather, the average Russian seems most concerned about economic issues affecting job security and quality of life.

[4] The most obvious example is NATO's decision to enlarge, which has exacerbated fears in Russian political circles about Western intentions toward Russia. This decision is logical in terms

It is paramount, therefore, to assess what has been done by the established democracies to promote democracy and conflict prevention in Russia. Which Western policies have worked, and which have not? What can we learn from past experience in shaping policies toward Russia in the future?

This study is an attempt to address these questions. In it, I will examine what policies have been undertaken by United States and the North Atlantic Treaty Organization (NATO) to promote democratization and to prevent conflict in Russia. This is a working draft, and is part of a larger analysis of the policies of the US, Germany, NATO, and the European Union (EU), as, some of the major actors and institutions of the established democracies, to promote democracy and conflict prevention in Russia.

It is widely assumed in government and academic circles in the United States that "democracies" are less likely to fight each other, and that therefore, expanding the reach of democratic governance will expand a concurrent "zone of peace." Moreover, since the closest allies of the United States are democracies, and because no democracies pose serious security threats to the United States, many US government officials conclude that a democratic Russia is bound to be a better international partner for the United States and the international community than a non-democratic Russia. Yet there are many skeptics of the propositions

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of broader European stability, and in good part it is a reaction by the West, and especially the states of Central and Eastern Europe, to the heightened nationalistic tone in Russia. Yet there is an extensive debate in the West about the wisdom of this move. See, for example, Ronald D. Asmus, Richard L. Kugler, and F. Stephen Larrabee, "NATO Expansion: the Next Steps," and Michael E. Brown, "The Flawed Logic of NATO Expansion," both in *Survival*, Vol. 37, No. 1, Spring 1995.

underlying the "democratic peace".[5] And even if democratic states are pacific toward each other, some scholars have suggested that the process of attaining democracy may be particularly risky.[6] Nonetheless, since Russia has already begun to democratize, whether this is risky or not, the best that can be done is to try to manage this process, to make it less dangerous.

What can external actors do? For democracy to become sustainable in Russia, it must be suitable to Russia; a robust system cannot be imposed from outside.[7] Nor can we expect such a system to develop soon; the construction of a healthy democratic system in Russia will

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[5] This is a subject of intense debate in academic circles. See, inter alia, Bruce Russett, *Grasping the Democratic Peace: Principles for a Post-Cold War World*, (Princeton: Princeton University Press, 1993); James Lee Ray, *Democracy and International Conflict: An Evaluation of the Democratic Peace Proposition* (Columbia, SC: University of South Carolina Press, 1995); Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller, ed.s, *Debating the Democratic Peace* (Cambridge, MA: The MIT Press, 1996); Miriam Fendius Elman, ed., *Paths to Peace: Is Democracy the Answer?* (Cambridge, MA: The MIT Press, forthcoming in 1997).

[6] Edward D. Mansfield and Jack Snyder, "Democratization and the Danger of War," *International Security*, Vol. 20, No. 1, Summer 1995, pp. 5-38.

[7] There have certainly been cases of imposed democracy which succeeded spectacularly, notably Germany and Japan. However, the circumstances which made the imposition of democracy possible were utterly different from those in which Russia now fords itself; Germany and Japan were totally defeated in World War II, and had to accept whatever peace terms the Allied Powers demanded; moreover, Germany was compelled to accept the guilt of starting the war in the first place. The newly emerging Soviet threat in the late 1940s and early 1950s also gave these states an incentive to work with the Allied powers in rebuilding their societies, as well as creating the opportunity for them to rejoin the Western community of nations. None of these conditions exist in Russia today: while the Soviet Union may have "lost" the Cold War, it was not defeated militarily; the collapse was peaceful; and the republics of the former Soviet Union retain the material capabilities, albeit divided, of the Soviet Union itself. This includes the USSR's substantial nuclear capability. These differences mean that few, if any, among the Russian leadership or populace would look favorably on Western efforts to impose a democratic form of government; indeed, this has been a significant problem in Western efforts to aid Russia's democratization.

be a very long process. This implies that outside actors can do little to make Russia democratic; and there could be a long period of instability while it strives to create an appropriate system for itself. This is not to suggest that Western ideas or aid cannot help in the process. But Western aid must be carefully crafted if it is to have a positive effect. More importantly, there must be sustained interest in Russia itself if democracy is to succeed in developing strong indigenous roots.

I argue first, that external actors can work to promote stability in Russia, so that its government and population can resolve their own problems without violence or civil war. Second, since the established democracies want to prevent the outbreak of conflict, or at least to lessen its likelihood both on the territory of the former Soviet Union and within the Russian Federation itself, they should also work to sustain stability around Russia, so that Russia's leaders will not feel threatened by either their immediate neighbors or the international community. Third, the international community must stick to its own principles. Russia's leaders want to participate in international organizations and to be treated as a major player in the international arena. Yet inclusion in these institutions carries obligations, both on the international stage and in the way a state treats its own population. If the established democracies want to encourage democracy in Russia, they should not allow for Russian "exceptionalism" or special privileges, but should hold Russia to the same standards which other states must accept. If they do not do so, Russia will have less incentive fully to incorporate the principles of democratic governance in its own evolving system.[8]

[8] On this point see de Nevers, *Russia's Strategic Renovation: Russian Security Strategies and Foreign Policy in the Post-Imperial Era* Adelphi Paper #289 (London: Brassey's for the IISS,

I will first briefly examine internal conditions in Russia, and the external environment within which it is operating. This provides a necessary backdrop for measuring the efficacy of policies intended to encourage democratization or conflict prevention in Russia. Next, I will examine the major initiatives adopted by the United States and NATO toward Russia since the early 1990s. I will provide a concise overview of their efforts, and then will analyze whether these initiatives have succeeded or failed to meet their stated goals. Finally, based on this evaluation, I will make some recommendations for improving policies in the future. As a caveat, since this is a working draft, neither the analysis nor the conclusions presented here should be considered complete.

Russia's Internal Conditions, and the International Environment

Western efforts to promote democracy in Russia are impeded by both the political and economic turmoil in Russia since the Soviet Union collapsed and by Russian perspectives on its changed circumstances. First, Russians are suspicious about what the West is doing and what it has done. The "loss" of first the Cold War with the fall of the Berlin Wall, and then Russia's former empire when the USSR collapsed, left a legacy of resentment and humiliation at Russia's diminished status.[9] Some politicians have encouraged this resentment by arguing

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1994), pp.77-81. This is not meant to imply that democracy in Russia will mirror any Western model; rather, it will have to develop a model appropriate for its own conditions. But this must include the basics of democratic governance, such as respect for human rights.

[9] This is a very brief summary of a series of very complex issues. For a more detailed examination of changing Russian attitudes since the collapse of the Soviet Union, see Sir Rodric Braithwaite, "The Changing Political Landscape of Russia," *Survival*, Vol. 36, no. 3, Autumn 1994; Alexei Arbatov, "Russia's Foreign Policy Alternatives," *International Security*, Vol. 18,

that Russia, like Germany in 1918, was betrayed or deceived by its former leaders or the West. This has resulted in an attempt to bolster "Russian" traditions to prevent further encroachment by the West; arguments that Russia is somehow different and separate from the West have gained greater prominence, accompanied by a corresponding sense that Western ideas, both political and economic are "inappropriate" for Russia. This stands in sharp contrast not only to the early "euphoria" with which Russians greeted the "democratization" of Russia, and the opportunity it presented to join the West, but also to the attitude of most Central and East European countries, which have embraced "Western" ideas and policies as their own, and as proof of their right to inclusion in Western "civilization" and institutions.

Russia today is physically further from the West than it has been for centuries. Its new neighbors to the west and south have little experience with independence, to say nothing of democracy or market economics. [10] More importantly, Russians have had a hard time adjusting to the idea that these states are truly independent, and will not be absorbed into a new union with Russia in the near future.

Added to this emotional legacy from the recent loss of empire, seventy years of Communist rule distorted the Russian system both intellectually and physically. Intellectually, by emphasizing egalitarianism and punishing initiative or dissent, Communist rule damaged the conception of initiative or entrepreneurship among a broad spectrum of the Russian populace. There remains a strong distrust of individual efforts to "get ahead", which is

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no. 2, Fall 1993, pp. 5-43.

[10] The obvious exceptions to this are the three Baltic republics, which were independent between World War I and World War II.

evidenced in the negative attitude toward business and the tendency to correlate most business ventures with the mafia. Moreover, particularly during Stalin's tenure, the Communist system destroyed the fabric of civil society in Russia (most notably during the purges), and created instead an atomized society in which scant sense of community or popular participation remained.

The fact that Communist rule lasted longer in Russia than it did in Eastern Europe (or China, for that matter) has also meant that virtually no one in Russia remembers either democracy or capitalism. This has hindered the state's efforts to introduce market mechanisms, and to revitalize the political structure. Added to this, even prior to communist rule Russia had little experience with democracy. Before World War I, Russia had almost no middle class and a very small working class base, located in its major cities. The Russian countryside remained in effect a feudal society. Moreover, Russia was isolated from the West throughout much of its history, in spite of conspicuous efforts by rulers from the time of Peter the Great to modernize and "westernize" the empire.

The communist period left Russia and the other former Soviet republics with a distorted material base as well. This included the destruction of private agriculture, and the abolishment of private land ownership; the distortion of the country's industrial base to a system which emphasized centralized planning and production on a massive scale; and the destruction of market mechanisms within the USSR -- except, of course, on the black market.

Finally, communist rule made the Russian people extremely suspicious of political parties and of involvement in the political system per se. Added to this is a visceral antipathy for authority and laws, in reaction to the repressive nature of Soviet society. This has

complicated efforts both to establish a political party system and to inculcate concepts of party loyalty; while the refusal to accept authority has resulted in virtual anarchy, and the subsequent explosion of corruption and crime in Russia.

On the positive side, however, Russia's "democratic" system has survived, to the surprise of most observers. It not only weathered the disbanding of the parliament and the shelling of the White House in 1993, but it has gone through two parliamentary elections since the collapse of the Soviet Union, in December 1993 and December 1995. Though hardly perfect, these elections were perceived to be generally free and fair, and relatively free of violence. Thus, though slightly tarnished and occasionally waylaid, Russia's progress toward a more democratic system has not been suspended. The presidential elections in June 1996 are the next important test of the durability of this emerging political system.

There has also been a growing awareness in Russia that the costs of any attempt to reincorporate the former Soviet republics into an expanded Russian state would be enormous even if this did occur peacefully. This is an indication that in spite of all the problems they confront, Russians may be coming to terms with their changed environment. Some Western analysts also believe that the Russian economy is starting to recover, as a result of the painful measures that have been adopted since 1992; and it should begin to show signs of improvement in the near future. This is contingent, of course, on continuation of the current fiscal policies in Russia.[11]

[11] Some of the promises Yeltsin has made during his election campaign, to raise pensions and subsidies and to remove some tax burdens on industry, already bring into question whether the country's economic recovery will continue.

The United States and Russia

The end of the Cold War and the subsequent collapse of the Soviet Union affected US policies in two ways. The cessation of hostilities raised hopes of greater cooperation and amicable relationship with Russia. Combined with the desire to support Russia's nascent democracy, this led to the initiation of aid programs to the USSR and later the former Soviet republics. Conversely, the Cold War's end led many politicians in the United States to call for a renewed look at America's internal problems, and the desire to find a payoff from "winning" the Cold War through a "peace dividend", or at least a lessening of the US's commitment to defend Europe. One consequence of this has been dwindling support for foreign aid, as well as for military commitments overseas. This inward turn has coincided with calls for a readjustment of the US's external focus, to devote more attention to Asia and the Pacific Basin, instead of Europe and the Soviet Union. These competing priorities have complicated US efforts to support economic and political reforms in Russia and elsewhere.

This section will examine the US government's overall policy toward Russia, which falls within a broader framework of aid to the former Soviet Union. It will then focus on the activities of US Agency for International Development (USAID), the central pillar of the US government's aid program to Russia. Finally, it will assess the effectiveness of US efforts designed to promote economic and political reforms in Russia.

US Assistance To Russia

US efforts to support reform began well before the disintegration of the Soviet Union. In December 1990, the US introduced a program of limited economic assistance to the USSR, intended to show support for Moscow's efforts to implement reforms. The early programs,

especially those prior to the USSR's collapse and immediately thereafter, involved primarily credit agreements and loan guarantees. [12] This indicated American faith in reforming the market structure of Russia in order to establish a working market economy. It also highlighted some of the constraints on government assistance, with the emphasis on loans rather than outright grants to Russia. Credit agreements with the Soviet Union equaled $1,956,298,000 in Fiscal Year (FY) 1991, the first year such grants, were made to the USSR; in 1992, the Russian Federation received $789,997,000, while $1,829,920,000 of credits were still available to the USSR. In FY 1993, Russia received $1,347,889,000 in credit agreements, over two-thirds of the credits allocated throughout the former Soviet Union.

Faced with the impending collapse of the Soviet Union in late 1991, the US expanded its commitment to support reform on the territory of the USSR. The Freedom Support Act, passed in October 1991, is one of four core components of the US's program for aid; it had the broad aim of increasing technical and economic assistance to the countries of the former Soviet Union for political and economic reforms. The other components are the Cooperative Threat Reduction Program run by the Department of Defense (DOD) to help with dismantlement and destruction of weapons of mass destruction; food assistance from the U.S. Department of Agriculture (USDA); and humanitarian assistance from both private and government sources, coordinated by the US government. Total cumulative appropriations for

[12] US credit programs from 1991-93 focused primarily on export market development, with minimal amounts directed toward food aid and private sector development. $5.7 billion was earmarked for export market development and loan guarantees, $591 million for food aid, and $391 million for private sector development. "Former Soviet Union: U.S. Bilateral Program Lacks Effective Coordination," Appendix IV, Table IV.6: Face Value of Credit Agreements by Country, GAO/NSIAD-95-10 Coordinating U.S. Programs for the FSU, February 1995, p. 51.

all of these programs through FY 1994 was $6.44 billion; cumulative expenditures were $4.68 billion. Russia received $2.28 billion of this total.[13] DOD's programs remained separate from the Freedom Support Act funding. Nearly half of the obligations for credits made by the US to the former Soviet Union fall [14]" The Freedom Support Act also called for the appointment of a coordinator, to be based at the State Department, to oversee the assistance programs of most of the government agencies involved in this assistance.

A bilateral aid policy toward Russia thus began at the end of 1991, though it was couched within a broader program of aid to the former Soviet republics, excluding the Baltic states.[15] Overall US aid to the former Soviet Union has gone through three rough phases, moving from one to the next at different speeds depending on the circumstances of the particular republic. The initial phase emphasized humanitarian aid, as a way to help alleviate the shock that the transition was expected to have within the former Soviet Union, and the perceived need to prevent a humanitarian disaster there.[16] While the majority of the resources

[13] *U. S. Assistance and Related Programs for the New Independent States of the Former Soviet Union: 1994 Annual Report,* Submitted pursuant to Section 104 of the FREEDOM Support Act (Public Law 102-511), January 1995, 3-4.

[14] The Cooperative Threat Reduction program will be discussed in the next section. "Former Soviet Union: An Update on Coordination of U.S. Assistance and Economic Cooperation Programs," GAO/NSIAD-96-16, December 1995, p.2.

[15] The Baltic States were re-categorized as part of Central and Eastern Europe.

[16] In FY 1992-93, US assistance therefore included donations of food and excess stocks; $525,424,000 went to the Russian Federation, 43.1% of the overall expenditure for the FSU. "Former Soviet Union: U.S. Bilateral Program Lacks Effective Coordination," Appendix IV, Table IV.5, p. 50.

devoted to aiding the former Soviet Union fell into this category during 1992 and 1993, this phase was relatively short in the case of Russia. In other republics, humanitarian assistance continued into 1995.

Once the urgency of the requirement for humanitarian assistance declined, and it appeared that a commitment to democracy and a market economy had been clearly established in a particular republic, US aid switched to the second phase, with an emphasis on technical assistance, intended to help create the necessary legal and institutional infrastructure to support democracy and a market economy. In Russia US advisors also assisted with efforts to carry out tax reforms and to instill fiscal management concepts, as well as advising efforts to create a civil code and the development of capital markets and a new banking system. The third and final stage of aid was intended to promote the development of the private sector, once economic stabilization was perceived to be firmly established. Russia was the only former Soviet republic thought to have reached this stage by 1994, when aid shifted to increasing direct support for trade and investment in Russia.[17]

By 1994, US assistance to the New Independent States was focused on three main objectives: to support progress toward a competitive market-oriented economy;[18]

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[17] "United States Assistance and Economic Cooperation Strategy for Russia," Update by the Coordinator of U.S. Assistance to the New Independent States, February 3, 1995, pp. 1-2.

[18] Activities to promote move to a market economy were concentrated in eight areas by 1994: creating a legal and regulatory framework for development of the private sector; fiscal and monetary reform, emphasizing tax codes and tax administration; support for creating regulatory bodies to oversee new capital markets and banking; direct support for trade and investment with American firms and for individual commercial ventures; continued privatization and restructuring, including support for plans to hold cash sales for the remaining state enterprises, and training of Russian management consultants to help with enterprise restructuring in the future; the creation

to encourage development of transparent and accountable governments, the "empowerment" of citizens and the rule of law;[19] and to enhance the ability of these states to support the "human dimension" of the transition, by improving social support mechanisms.[20]

Assistance to Russia had by 1994 evolved away from humanitarian assistance, and gave greater attention to technical assistance and support for the private sector, as the elements of a market economy started to emerge. As part of early efforts to encourage movement toward a market economy, US advisors worked with the State Property Commission to help set up the mass privatization program which was implemented in 1993 and concluded in 1994. US

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of business development centers to support and encourage new business development; land privatization and restructuring to create new opportunities for private agriculture; and the promotion of greater efficiency in using natural resources. "United States Assistance and Economic Cooperation Strategy for Russia."

[19] US efforts to promote more democratic governance and strengthen democratic institutions have concentrated in five areas. These include assistance to resolve election-related problems, and training at the grass-roots level to promote political party development; support for independent media; continued education and training programs focusing on legal and judicial institutions; demonstration projects to develop models for future relations between local and federal governments; and support for the training and establishment of non-governmental organizations throughout the state.

[20] To address the "human dimension" of the transition to democracy, US assistance has concentrated in two main areas: the health sector, which was a particular focus of US efforts immediately after the collapse of the Soviet Union; and housing. In health care, the US set up pilot programs to provide cost effective health care, and to shift emphasis to preventive medicine, particularly in the area of family planning. This was meant to encourage a shift away from the widespread use of abortion as a method of birth control in the NIS, due to the non-availability of alternative methods. Similarly, the US has supported model programs for the privatization of housing, and in training to create a real-estate market in Russia. To help soften the impact of privatizing the housing market, the US also supported establishment of programs to provide a safety net for particularly vulnerable groups in society, in particular low-income households, pensioners, and the unemployed. "United States Assistance and Economic Cooperation Strategy for Russia," see also *U. S. Assistance and Related Programs for the New Independent States of the Former Soviet Union: 1994 Annual Report*, pp. 20-23.

assistance also shifted toward direct support for trade and investment in Russia.

Both because it was more advanced than other republics when the Soviet Union collapsed, and also out of a desire to acknowledge Russia's political standing as the successor to the USSR, US policy has aimed to move rapidly toward establishing a "normal" economic relationship with Russia. As a consequence of this, new US funding for technical assistance is scheduled to end in 1998. It is assumed that Russia will have absorbed what the West has to offer in this regard, and that it will then be ready for "normal" trade and investment relations with the West. In part, this assumption is based on the fact that US assistance through the Freedom Support Act was "front-loaded"; significantly higher amounts were committed through 1994 on programs which are now under way. Money from the US is obligated in six-month tranches, in order to ensure that funds are not wasted on projects that are not working as intended. Few new programs have been initiated since 1994, on the assumption that the main programs needed were already under way.[21] By 1994 US strategy also began to shift more assistance resources to other former Soviet republics, both because it was perceived that programs in Russia had been established by then, and to offset the heavy emphasis on Russia in the first few years of this program.[22] The greater emphasis on support for trade and

[21] For FY 1990-93, nineteen US government agencies committed $10.1 billion for bilateral grants, donations, and credit programs to the FSU. $6.7 billion took the form of direct loans, grants, and insurance (for investment). $1 billion was obligated, and $434 million spend of $1.8 billion which was originally authorized for grants. $1.6 billion was obligated, and $1.22 billion spent, of the among allocation for donations in the form of food assistance, among other things. See "Former Soviet Union: U.S. Bilateral Program Lacks Effective Coordination," p. 2.

[22] *U. S. Assistance and Related Programs for the New Independent States of the Former Soviet Union: 1994 Annual Report*, pp.20-23.

investment in Russia also reflected constraints on US aid due to congressional oversight, and the ongoing effort to get private US corporations involved in aiding Russia's transformation.

Between 1992 and the end of 1994, the US committed almost $2.3 billion in economic assistance to the Russian Federation. The stated goal in early 1995, reiterated in 1996, was to continue the strategy to promote systemic change in two ways; by working with Russian reformers to build and strengthen the laws and institutions necessary for the functioning of democracy and a market economy; and to develop and demonstrate models of successful solutions to particular problems.

The US Agency for International Development

USAID has been the primary implementing agency for aid to the former Soviet Union under the Freedom Support Act, responsible for distributing the majority of funds. USAID had distributed 75% of its funds across 13 broad sectoral projects, reflecting US priorities in the former Soviet Union. These sectors, listed in order of funding, are Privatization (which received 24% of funds allocated by USAID); Special Initiatives and Humanitarian Assistance (13%); Energy Efficiency (11%); Housing Sector Reform (9%); the Enterprise Funds (9%); Democratic Pluralism Initiatives (6%); Exchanges and Training (6%); Health Care Restructuring (5%); Environmental Policy and Technology (4%); Economic Restructuring (4 %); Commodities Import Program (4%); Food Systems Restructuring (3 %); and the Eurasia Foundation (2%).[23] The remaining USAID funds have gone to humanitarian assistance

[23] Nancy Lubin, "Aid to the Former Soviet Union: When Less is More," Draft Preliminary Report for the Project on the Newly Independent States, December 9, 1995, appendix IV, pp. 3-7.

support, transfers to other government agencies, and international disaster assistance. From FY 1990 through 1993, $702 million was available to USAID for the former Soviet Union; $507 million of this went to USAID's own program.[24] An additional $1.6 billion was made available as a supplement to this amount in 1993. For FY 1992-95, the overall appropriation for the former Soviet Union was $3.872 billion, of which $3.629 billion had been obligated by September 30, 1995.

USAID has distributed its funds somewhat unevenly over the thirteen sectors on which it has focused. The highest percentage of funds, 24 %, was allocated to privatization programs, the largest of the thirteen sectors. Of this figure, 53 % went to nine firms, in the form of large omnibus contracts; the majority of this funding, from 1992-95, was spent by private, for-profit US corporations. The smallest of the thirteen categories is the Eurasia Foundation, which received 2% of USAID's funds. Privatization grants were intended to encourage the development of the market economy in Russia and the former Soviet Union, while funds for the Eurasia Foundation were expended on grants to both US and indigenous organizations within the former Soviet Union to start small-scale projects to promote small business and civic organizations. [25]

USAID contracts fall under either section 632(a) or 632(b) of the Foreign Assistance Act. Which section a particular grant falls under determines whether the grant recipient

[24] USAID expended $160 million in its own programs; it transferred $135 million to other agencies, of which $79 million was expended on projects in the FSU. See "Former Soviet Union: U.S. Bilateral Program Lacks Effective Coordination," p. 46.

[25] "New States, New Visions," The Eurasia Foundation, Annual Report 1994.

spends the money itself, or gives it in smaller sums to other organizations, and whether it follows its own or USAID's regulations on who can use the funds, and what they can be spent on. Section 632(b) requires far more detailed control by USAID in terms of audits and evaluation, as well as more stipulations that funds be allocated to US contractors. Prior to September 1993, most of USAID's funds were obligated under section 632(b); while from 1994 on, more funds have been allocated under 632(a).[26]

USAID's 1996 funding proposals for aid to the New Independent States, and presumably Russia, retain the same three broad objectives that have shaped its policies since at least 1994. Economic Restructuring continues to receive the highest priority in funding, with USAID proposing to spend $63,000,000 in this area. Social Sector restructuring gains greater prominence than in the past, with a proposal for $63,000,000 in this area as well, while USAID proposes to spend $33,000,000 on its Building Democracy activities.[27] [check with GAO for recent figures on exact allocation for FY 1996]

An Assessment of IJS Aid to Russia

What is the logic behind US aid to Russia? Expanding the USAID program to Russia followed rationally from the US's effort to support democracy and the move to a market economy in Central and Eastern Europe after the collapse of communist rule there. With the

[26] For example, in FY 1992, 21 section 632(b) agreements obligating $64 million were concluded, while one section 632(a) agreement was signed, expending $40,000. This emphasis shifted in 1994; nine 632(b) agreements allocating $36 million were balanced by thirteen 632(a) agreements covering $208 million. See "Former Soviet Union: U.S. Bilateral Program Lacks Effective Coordination", p. 22.

[27] "FY 1996 Assistance to the NIS Request," New Independent States Regional, Internet copy.

collapse of communism in the Soviet Union, it would then be a natural extension to proffer aid programs intended to promote democracy and market restructuring to the former Soviet Union as well. But this is also one of the problems.

US and other Western aid programs were initiated in haste shortly after the fall of communist regimes in this region, in order to protect these recent gains and to shore up what were perceived to be struggling attempts to establish democracy. Yet little time appears to have been spent ensuring that these efforts would be effective or appropriate to the countries in which they were implemented. US programs aimed to duplicate the institutional structure which exists in the US, rather than considering what forms and institutions might have the best chance of success in the societies and circumstances of the recipient countries in Eastern Europe. Furthermore, they tended to use the existence of similar programs as an indication that "democracy" is succeeding.

Recent studies of aid to Central and Eastern Europe have made clear, however, that trying to install an American version of democracy there will not necessarily guarantee the success of democracy. As Thomas Carothers has pointed out, the American form of democracy evolved over two hundred years, and in unique circumstances. As a model of democracy, it may be the least appropriate choice for the states of Eastern Europe or the former Soviet Union; and there are a variety of other democratic models which might better fit conditions in these states. More importantly, democratizing countries must examine their own conditions to determine what forms are most suitable, and adjust the existing models accordingly.[28] Trying to apply the trappings of democracy, and in particular of the US model

of democracy, is therefore not likely to work in Russia, since it may not be appropriate for the Russian case.

Added to this question of appropriate design, the hyperbole of the period immediately after the disintegration of the Soviet Union created additional problems. The over-inflated rhetoric which accompanied Western promises of substantial aid to, and friendship with Russia in 1992 and 1993 created heightened expectations in Russia both about the amplitude of assistance which the West would provide, and about the degree and pace with which Russia in particular would be welcomed into Western institutions. Not surprisingly, when these expectations failed to be met, they led to greater disappointment as well. This problem was not unique to USAID programs, or even to US policy; the exaggerated rhetoric of international lending institutions induced a similar negative backlash. But US assistance programs came in for particular attack since the most visible of them appeared to be a means to subsidize high-priced Western consultants to do studies in Russia, with little clear benefit for Russians.

USAID's programs to aid the former Soviet republics have also been strongly criticized, both in the US and in Russia itself. Particularly during the first few years of aid to the former Soviet Union, the majority of aid went to Russia. Given Russia's greater size and economy, to say nothing of its weight among the former Soviet republics, this was not surprising. However, this has created a backlash in the last one to two years in the US. The increase in nationalistic rhetoric in Russia has led many US legislators to question the wisdom

[28] Thomas Carothers, *Assessing Democracy Assistance: the Case of Romania* (Washington, DC: Carnegie Endowment for International Peace, 1996).

of funding Russian restructuring, since Russia may present a renewed threat to the US and its allies in the not-so-distant future. Similarly, there is more pressure to support the other newly independent states, given their lower levels of development and restructuring compared with Russia, as well as the potential dangers of instability and the revitalization of Russian power should they collapse -- either with Russia's help, or because of their own economic difficulties.

Finally, some USAID programs made the mistake of treating Russia and the former Soviet Union as if they were the same as other regions in which USAID has worked for decades. This has undoubtedly contributed to the broad consensus in Washington that much of USAID's funding has been badly spent.[29] In particular, large contracts have often been awarded to US consulting firms with no previous experience operating in the former Soviet Union. This meant that both time and money were wasted because of this lack of expertise, since these consulting firms could not rapidly or efficiently set up shop in Russia. Some off-the-cuff estimates place the amount of USAID money that actually found its way to Russia, rather than to US contractors, at 20% of the total allocation.

One of the most highly criticized contractors in this regard was ARD/Checchi, working on the Rule of Law. A contract for $22 million was awarded by USAID in September 1993, but ARD/Checchi did not submit an action plan to USAID or hire local staff and open an office in Russia for another six months. While the project did eventually conduct legal

[29] One should note that proponents can also be found for the view that in some ways, the FSU is quite similar to other developing regions, and much of what AID has learned elsewhere may be helpful there. This is probably less true of Russia than of the broader FSU, however.

training programs in 1995, it has done little to determine whether this training has been utilized effectively.[30]

This stands in sharp contrast to much of the work done by smaller organizations, such as non-governmental organizations (NGOs), which did have previous experience working in Russia and as a result, were able rapidly to establish themselves in country and to begin to implement the projects for which they had been given USAID funding.[31] In these smaller scale projects a greater percentage of US government funds appears to have found its way to Russia, in support of programs on the ground there. By and large, these smaller-scale efforts were funded under the sectors of USAID funding which received the least attention and material support, such as the Eurasia Foundation. One such example is the grass-roots support managed by World Learning, USAID's earliest grant recipient. It used $450,000 to fund a US-Russian partnership that was able as early as the spring of 1993 to begin proposing suggestions on draft legislation during the preparation of a new Russian constitution. In terms of the US goal of strengthening political participation in Russia, such small-scale projects appear more efficient: "the partnership and US assistance ultimately have worked to bring more individuals into the political process to coalesce around public policy issues and press for change -- the essence of the development of any credible rule of law. "[32]

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[30] Lubin, "When Less is More," p. 11-12.

[31] Nancy Lubin's "Aid to the Former Soviet Union: When Less is More" is an extensive study about both the defects of large-scale contracting, and the successes of smaller projects in Russia.

[32] Lubin, "When Less is More, " p.11.

Treating Russia and the former Soviet Union as if their problems were the same as those in other parts of the developing world led in some cases to a patronizing attitude by US contractors toward the Russian would-be recipients, as well as policy recommendations which showed little knowledge of Russia's circumstances and were clearly inappropriate for its problems. This generated bad will among the Russians, and helps explain the view that if all US aid programs disappeared overnight, it would not affect the US-Russian relationship -except, perhaps, by removing an irritant.[33]

Beyond the widespread perception that much of the money it allocated was wasted, particular USAID programs and policies in Russia have been criticized. US support for the recent privatization campaign in Russia has been particularly maligned. This last phase in the three-year effort to privatize Russia's state-owned enterprises was widely perceived as "nomenklatura privatization", since much of the property in the last round ended up in the hands of cronies of the current political bosses or the banks, which in most cases are run by cronies of the current political bosses. Thus, this process was perceived by most Russians to be corrupt.

Officials in the US government offer two perspectives on this apparent debacle. One view agrees that the way this privatization occurred is a big problem, and does not help progress toward democracy. In the alternate view, while the means by which privatization was carried out were clearly flawed, the more important issue was simply to complete the

[33] This is not to imply that all US contractors were bad, or that their efforts elsewhere were ineffective. But problems and bad feeling were definitely created in Russia by insensitivity to such factors as Russia's highly educated population.

process, to get industry out of state control and into the private sector. This is critical, in this view, because for the market process to succeed, there must be. a change in attitude toward who makes economic decisions in Russia: the state; or individual owners. Moreover, getting industry and property into private hands, no matter how corrupt the process, will make it harder to reverse the privatization process. Even if the new owners are members of the former nomenklatura, and therefore perhaps more amenable in principle to state control, they are unlikely willingly to relinquish their personal gains.[34]

The means by which USAID measures "results" is also problematic. Due to congressional oversight and the audit structure of USAID, its grantees are expected rapidly to show proof that their programs are effective. This has lead to measurements of dollars spent or promised as an indication of success, with no evaluation of whether the money has been well-spent.[35] Real progress toward democracy is hard to measure, and not necessarily likely to be obvious in the short run.

What does Russia need to foster democracy and market reforms? To begin with, the Russian part of this equation needs a larger place in planning of any support. Future aid to Russia should be carved into pieces that are of such a size that they can be absorbed by Russia and other former Soviet republics. The large contracts which USAID favored in 1992-93 were far bigger than Russia could swallow, which made the use of US contractors logical; but this

[34] Indeed, one interpretation of what is at stake in the elections scheduled for June 1996 is whose friends will get the opportunity to steal from the country -- the current group, or Zyuganov's cronies. Yet the alternate argument is that so long as they get their money, the current owners will not fight attempts to renationalize.

[35] See Lubin, "When Less is More," and Carothers, *Assessing Democracy Assistance.*

did not prevent waste and misspending. Aid should also be targeted in ways which will have real effects. Sustaining smaller grants which focus on grass roots politics or local business development is probably a wiser investment of money. This is not to suggests that the use of US contractors should stop; they may be a good idea -- if they have country expertise. Russians are slowly learning the tools they need to utilize funds independently in the future, but working through appropriate US organizations has two short-term advantages: it inhibits misuse of funds; and it protects Russian grantees from extortion threats within Russia. Thus, a program using US NGOs or experienced contractors which is effectively tooled to Russia and works in partnership with Russians continues to make sense.

It seems equally clear that nothing the US or the West does will ensure democracy in Russia. Given these constraints, the US government needs to accept that if it wants to aid democracy in Russia, it should commit to be there for the long-term. Democracy will not emerge quickly in Russia, or elsewhere in the former Soviet Union. Aid efforts should emphasize small-scale projects, on the assumption that changing individual attitudes at the grass-roots level may be the most effective use of aid money. Whether such efforts should be managed by government or non-governmental organizations is less clear. Given the kinds of programs that appear to have a positive impact, and the length of time which should be invested in this effort, a mix of both is probably appropriate, but funding should be allocated for the long haul, rather than being put in jeopardy every few years.[36]

[36] Part of the reason AID has been so adamant to state its "exit strategy" of ending AID assistance to Russia in 1998 is because of the criticism AID has received for its extended programs in places such as Africa and Asia, some of which have continued for almost 30 years.

In addition to low-level efforts, the West can have a positive impact at the highest points of contact with Russia. The US and its allies need to exploit the Russian leaderships' desire to be part of the international community, and use this leverage to encourage them to adopt policies that sustain democratization or democratic institutions. For example, President Clinton's friendly relationship with President Yeltsin has enabled him to encourage Yeltsin to sustain at least some aspects of "democratic" governance that matter to the West, such as an independent media. This is not to suggest that the Clinton administration is tied to Yeltsin as the only hope for Russia's future, but that working with the President of Russia, one-on-one, may continue to be a fruitful avenue to encourage democratic institutions in Russia. The election of someone other than Yeltsin in the June elections may test the degree to which other Russian leaders feel predisposed to participate in Western institutions; but so long as they do, this predisposition does give the West some leverage.

Conflict Prevention in Russia

Change in the former Soviet Union significantly lessened the threat to the US, both of nuclear war and of a shooting war in Europe. It is in the US's interests, then, to try to sustain the process of change in Russia and the former Soviet Union, and to ensure to the degree possible that the USSR's breakup does not cause new threats to the US or its allies. Direct US efforts to limit the potential for conflict have concentrated in two main areas (not including economic aid): the Cooperative Threat Reduction program (CTR); and military-to-military contacts. These will be examined and analyzed in tam in this section.

<u>Cooperative Threat Reduction</u>

The logic of CTR is grounded in geopolitical considerations: instability in the former Soviet Union could threaten US security, because of the danger that current nuclear safeguards in the former Soviet Union might fail, or that fissile materials, either weapons grade or otherwise, might fall into the wrong hands. With this consideration the Nunn-Lugar program was initiated in November 1991. Its goal has been to provide funds to help the former Soviet republics in which nuclear weapons remained to dismantle and destroy these weapons; to keep the "chain of custody" of nuclear warheads secure; and to help demilitarize the industrial and scientific infrastructure which supported the USSR's military power.

Much of the most visible CTR aid has focused on the non-Russian republics with nuclear weapons, to ensure that all nuclear materials are dismantled and returned to Russia, as the sole nuclear successor state of the Soviet Union. For fiscal years 1992-95, the CTR program was given authorization to spend $1.236 billion, through signed agreements and other forms of support to Russia, Belarus, Ukraine, and Khazakhstan, the four republics in which nuclear weapons were based when the USSR collapsed. By the end of FY 1995, the DOD had obligated over $866 million to all the former Soviet republics.[37]

The emphasis outside Russia notwithstanding, in April 1995 over half of the funds committed under CTR, $503 million, were earmarked to projects in Russia. This money has been used to assist in the elimination of Russian intercontinental ballistic missiles (ICBMs), submarine-launched ballistic missiles (SLBMs), and bombers; to help upgrade security for the transport of nuclear weapons both among the republics and within Russia; to enhance

[37] On DOD's activities in former Soviet republics, see *Report of the Secretary of Defense to the President and Congress*, February 1995, p. 68.

safeguards for storage of fissile material; for conversion of defense industries to civilian production; and in planning for the destruction of chemical and biological weapons in the future.[38] As with USAID, the US Congress stipulated that US contractors be used for CTR programs to the extent feasible. US contracting laws therefore apply, as well as provisions for audits and examinations of the assistance provided.

That the CTR program got off to a slow start in 1992 is not altogether surprising. When funds were initially allocated in late 1991, no one knew what needed to be done to aid the former Soviet Union, much less how to do it; this was not something DOD or anyone else had experience with. Moreover, 1992 was an election year in the United States; and the normal resistance within different branches of the government and DOD itself to changing priorities and reallocating money undoubtedly slowed progress on the program. The result was that little was accomplished in 1992.

Once the Clinton administration took office the CTR program became, if not a major focus of the DOD, certainly a central one in US relations with Russia and the former Soviet Union. Those who were involved in initiating this process consider that, given the limited resources that the CTR office had to work with, the results were quite good. As one example, from a slow start in the spring of 1993, the Clinton administration succeeded in signing an agreement with Ukraine on CTR assistance in December of 1993, and in January 1994 Ukraine signed the Trilateral Agreement with Russia and the United States, in which Ukraine renounced its nuclear status and agreed to return its nuclear warheads to Russia in return for

[38] *Cooperative Threat Reduction*, Department of Defense, April 1995.

Russia's agreement to compensate Ukraine by providing nuclear reactor fuel, while the US provided both security assurances to Ukraine and economic aid through CTR assistance. This agreement was reached only six months after serious work had begun on this effort.[39]

In spite of such visible successes, a variety of problems have impeded efforts to promote denuclearization programs in Russia. First, the funding for CTR efforts has been either too low, or too slow. Early implementation of the CTR program was frustrated by the form in which its authorization was written by Congress. The initial authorization in FY 1992 and 1993 gave DOD the right to transfer up to $400 million to the CTR program; yet because these funds did not come from a specific "line" in the defense budget, they had to be allocated from other sources within the budget. This created a continual struggle for funds, since other programs were unwilling to relinquish funds, and DOD representatives could not legally sign agreements under CTR until the money had been found to finance them. As a result of this conflict, DOD lost access to $212 million of the funds it was initially allocated, because it could not transfer and spend this money within the mandated time frame.[40]

Moreover, the funds allocated to denuclearization are far too low, given the scope of the problem. This illustrates the second major problem confronting CTR; analysts outside the government argue that the problem of nuclear leakage from Russia and the former Soviet Union is far more serious than many in Washington have recognized, or are willing to acknowledge. They argue that the danger of fissile material falling into the wrong hands

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[39] *Annual Report to the President and the Congress from William J. Perry, Secretary of Defense,* March 1996, p. 68.

[40] "Former Soviet Union: U.S. Bilateral Program Lacks Effective Coordination," p. 46.

presents if not the most critical, then certainly an acute national security threat to the United States as well as its allies.[41] Therefore, the CTR program and other government efforts to address the threat of nuclear leakage should be given far greater precedence within the government's programs than they are now, particularly in the level of funds allocated to address this problem.[42]

Third, the design of US funding for the CTR program has hindered its implementation. As with USAID, the CTR legislation stipulates that US contractors should be used whenever possible. This could make cooperation with Russia in particular more difficult, because those responsible for maintaining nuclear security and secrets in Russia are not anxious to have Americans, either from DOD or its contractors, snooping around in very sensitive facilities within Russia. (This is not unique to Russia; the US Navy, for example, has been recalcitrant about allowing reciprocal inspections that might help promote cooperation with the Russians.[43]) Further, Russians (and Ukrainians) question why the US will not give them contacts to carry out CTR provisions. After all, the US claims it is interested in promoting

[41] For some recent examples, see William C. Potter, "Coping with the Deluge? Assessing the Threat of Nuclear Leakage from the Post-Soviet States," *Arms Control Today,* October 1995, pp. 9-16; James Blaker, "Coping with the New 'Clear and Present Danger' from Russia," *Arms Control Today,* April 1995, pp. 13-16; "Management and Disposition of Excess Weapons Plutonium: Reactor-Related Options," Excerpts from the Executive Summary of the National Academy of Sciences Report, *Arms Control Today,* October 1995, pp. 17-20.

[42] On this topic in general and the policies of the US government in particular, see Graham T. Allison, Owen R. Cote, Jr., Richard A. Falkenrath, Steven E. Miller, *Avoiding Nuclear Anarchy: Containing the Threat of Loose Russian Nuclear Weapons and Fissile Material* (Cambridge, MA: The MIT Press, 1996).

[43] William C. Potter, "Before the Deluge?" p. 15.

economic restructuring in the former Soviet Union, so why not hire locals?

DOD argues that allocating money to US contractors makes sense in the CTR program because it is in the US's interests to ensure that this money is spent in the ways in which it is intended to be spent, i.e., ways which help US defense. US tax dollars should not be spent to rearm Russia. Indeed, concern over potential dual applicability of some of the programs proposed for CTR has limited what projects the US has been willing to fund. Nor should CTR funds end up in private bank accounts. Keeping US contractors in control of funding ensures that they do not disappear in to the Ministry of Atomic Energy (MINATOM) to be spent as MINATOM chooses, rather than in ways that are in the US's interests.

An additional obstacle in hiring indigenous contractors is that companies in the former Soviet Union are simply not able to bid competitively for contracts against international competition. Therefore, Russian or Ukrainian contractors can only be awarded contracts if exceptions are made in the oversight of these programs; and this has been done in certain cases. But the DOD has also been careful to stress that the CTR program is not designed to help Russia or the other republics economically; other US programs are designed for this purpose. Rather, CTR is meant to help denuclearize the former Soviet Union; it is not a jobs program.[44]

Critics of the government's policies have argued that the insistence on US contractors implies that the Congress is treating the CTR program as a pork-barrel program to ensure jobs

[44] Given suspicion in Congress, DOD has had to be particularly careful to keep money strictly within the constraints stipulated in the Nunn-Lugar bill.

for their constituents, rather than as a national security issue.[45] Moreover, they suggest that the stipulation on using US contractors in fact exacerbates problems in working with Russia. This has a negative impact on the attitudes of the Russians whose cooperation is necessary if these programs are going to succeed. This is even more problematic than the offense caused by USAID programs, because the stakes in this arena are so much higher.

Moreover, the conditions under which the limited funds available to CTR can be used significantly complicate the CTR program's efforts. CTR's funding falls under the Defense acquisition guidelines set by Congress, which means that they are subject to stringent audit and inspection requirements. This is not unique to CTR; many USAID programs (funded under 632(b)) are equally subject to audit and inspection. But auditing CTR programs would require close perusal by additional US government personnel of Russia's most sensitive nuclear facilities, adding further insult to the injury of demanding US contractors in the first place. Finally, the Congress added the proviso that the Russian behavior must fulfill certain conditions in order to receive any CTR assistance. Notably, the US president must certify that Russia is in compliance with "all relevant arms control agreements".[46] Not only is this demeaning to the Russians, but it ignores the more urgent goal of denuclearization, since the most likely outcome of this stipulation is to engender resistance to US assistance in this critical

[45] That a House staffer could point with pride to the fact that Russia and Ukraine did not see a single dollar of this money is emblematic of this problem. See *Avoiding Nuclear Anarchy, pp.* 132, esp. fn 120.

[46] Other stipulations include investment for dismantlement of nuclear weapons, no defense modernization beyond "legitimate defense requirements", no re-use of fissionable material in new nuclear weapons, facilitating US verification efforts, and observance of international human rights standards. *Avoiding Nuclear Anarchy, p.* 133, fn. 121.

area. But it is also at least somewhat hypocritical, given Congress's current efforts to build and deploy a missile defense system which would bring the 1972 Anti- Ballistic Missile Treaty into question.[47]

Fourth, the DOD has faced a difficult task in trying to sustain Congressional support for this program.[48] Why spend US tax dollars in Russia, after all, when there are so many problems in the US itself? The Congress does not appear to recognize the seriousness of this issue. This is apparent in Congressional efforts to continue limiting funding for the CTR program, and other efforts to promote nuclear safeguards, to say nothing of the restrictions place on the use of US funds. Congress has also questioned why CTR funds are used for particular purposes. It has been especially difficult for DOD to explain why some of the CTR funds have been allocated to building housing for decommissioned officers in the former Soviet Union, though the initial Nunn-Lugar proposal included far broader provisions for such spending than were eventually accepted .[49]

In this respect, the Congress appears determined to view CTR not as a vital national

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[47] Philip Shenon, "G.O.P. to Press Missile Defense As Clinton Test," *New York Times*, May 13, 1996, p. 1.

[48] In part this is due to the changing political climate in Russia, and the increasingly hostile tone taken toward the US by some politicians there. One could argue, of course, that it is even more in the US's interests rapidly to ensure the dismantlement of Russian nuclear weapons if there is concern over the future policies of the Russian government.

[49] DOD publications on CTR stress that this is in fact a cheap way to improve US security, as well as pointing out what a tiny fraction of the US defense budget goes to this program. In FY 1995, for example, the budget for CTR amounted to less than two-tenths of one percent of the total DOD budget. See "Cooperative Threat Reduction", DOD, April 1995; *Report of the Secretary of Defense to the President and Congress*, February 1995, pp. 64-70; *Annual Report to the President and the Congress*, March 1996, p. 70, *Avoiding Nuclear Anarchy*, p. 135.

security issue, but as foreign aid, which is extremely unpopular, at least in Washington.[50] As a result, Congress has been unwilling to create a program which would address the concerns that Russia has about its nuclear security. While the Russian Ministry of Atomic Energy (MINATOM) has clearly resisted US efforts to ensure the safety of Russia's nuclear materials, Congress's attitude has aggravated US attempts to work with MINATOM.[51] As one recent analysis has stated: "Congress must therefore bear much of the responsibility for the fact that American policy has so far been insufficient to produce the necessary nuclear security improvements in Russia."[52]

Critics have also argued that the danger of nuclear leakage is sufficiently critical that it ought to be the Clinton administration's top foreign policy priority. The rash of smuggling incidents in recent years which involved fissile materials is an indication of the potential seriousness of the problem.[53] Yet to date, they argue, the administration simply has not devoted enough attention to this issue, either in terms of shaping its policies toward Russia, or in trying to focus Congressional attention on the seriousness of this issue in order to achieve greater bipartisan support for CTR and related programs. And one consequence of this inattention is that the Administration has pursued policies in other areas of its foreign policy

[50] This in spite of the fact that when polled, Americans suggest that perhaps 4 or 5 % of the US government's budget should go to foreign aid -- far higher than the current allocation.

[51] Potter, "Before the Deluge?" pp. 14-16.

[52] *Avoiding Nuclear Anarchy*, pp. 126-7.

[53] Oleg Bukbarin, William Potter, "Potatoes were Guarded Better," *The Bulletin of the Atomic Scientists*, May/June 1995, pp. 46-50; Potter, "Before the Deluge?"

which make cooperation in this critical area more difficult.

Nonetheless, the biggest problem confronting CTR remains that of gaining Russia's cooperation. MINATOM is a major stumbling bloc in this regard; like the US Congress, it refuses to acknowledge that a grave problem exists. There are obvious bureaucratic reasons for this, since it does not want to open its past record to challenge by acknowledging that its safety standards are insufficient. More importantly, however, some critics charge that US programs to date do little to give MINATOM an incentive to work with the West to improve Russia's nuclear security.[54]

One alternative to trying to work with MINATOM would be to get President Yeltsin to focus on this issue, since MINATOM answers to him. Yet as is to some degree true for the Clinton Administration, there are simply too many issues competing for the attention of Russia's leadership. Since MINATOM has insisted that nuclear safety is not an urgent problem, the Russian leadership has chosen to believe this. This points to the importance of somehow salvaging the US relationship with MINATOM, if greater cooperation is to be achieved in this area.

How well has the CTR program succeeded, in terms of stability and conflict prevention? The program has done well at achieving its task of dismantling nuclear warheads, and in terms of stability this is good -- if these warheads are then stored in secure facilities within Russia. The inability to be sure that dismantled warheads are truly secure raises

[54] For more on the CTR program, see John M. Shields and William C. Potter, eds., *The Nunn-Lugar Cooperative Threat Reduction Program: Donor and Recipient Country Perspectives,* (Cambridge, MA: Center for Science and International Affairs, forthcoming in 1996), esp. the chapter by Oleg Bukharin on Minatom's role.

questions about what the established democracies can or should be doing. If it cannot be sure that they will reach the final stage of fissile material in secure storage facilities, it may not be in the US's interests to pursue weapons dismantlement programs.

DOD argues that the problem does not lie with Russia's nuclear warheads; the Twelfth Main Directorate of the MOD, which is responsible for warhead security, remains reliable, and consists of elite troops who are well paid. Rather, serious problems persist in the security of spent fuel from submarine reactors and other sources. This suggests that the CTR programs for weapons dismantlement are sound; but more attention may be needed concerning other areas of fissile material control.

Other analysts are not so sanguine. There has been substantial criticism of security of the "chain of custody" for nuclear materials in Russia and the former Soviet Union, both warheads and naval fuel.[55] Moreover, it is not clear that the elite troops responsible for guarding nuclear weapons in Russia are as well off as the West would like; one spectacular piece of evidence to the contrary is the claim that an entire contingent of troops responsible for guarding a battery of SS-25 missiles abandoned their posts in order to search for food.[56] If true, Russia's nuclear materials cannot be considered secure. Thus, the West cannot be confident that the control of nuclear warheads in Russia is a given.

With regard to non-weapons fissile materials, the situation is worse. Few, if any

[55] Bukharin and Potter that it is not always clear who is in charge of nuclear weapons and fuel and when responsibility shifts in the process of moving nuclear material. Oleg Bukharin, William Potter, "Potatoes were Guarded Better," p. 50.

[56] *Avoiding Nuclear Anarchy*, p. 8.

security measures existed at the nuclear installations throughout the USSR; the Soviet police state relied on strict domestic control and the isolation of the "nuclear cities" from the rest of society, rather than substantial physical protection at nuclear sites. Moreover, fissile materials were poorly measured during production, so it is not even clear now exactly how much fissile material Russia has, since no proper accounting exists. And in contrast to Western practice, the fuel for some of Russia's nuclear submarines was made of weapons-grade material.[57] Finally, to the degree that physical security measures do exist at Russia's nuclear installations, these do not address the danger that insiders within the nuclear archipelago might try to steal fissile materials. Yet most of the cases of nuclear smuggling which have been reported have involved individuals or groups working within the nuclear complex.[58]

Other potential problems may emerge, but in areas which are hard for outside actors to resolve. As one example, the severe housing shortage for decommissioned troops in Russia and the former Soviet Union has meant that many decommissioned officers continue to live on military bases, including those where nuclear weapons are housed or stored. This creates the potential for fraternization between decommissioned and possibly disaffected officers, and those actively responsible for nuclear security, which may not be wise. In spite of the domestic political hurdles involved, the West may want to strengthen its efforts to provide housing and job training for officers, in order to get these decommissioned troops off military

[57] Bukharin and Potter, "Potatoes were Guarded Better," pp. 46-7.

[58] Potter, "Before the Deluge?" pp.9-13. DOE is overseeing a lab-to-lab program which is specifically designed to address the enormous problem of providing physical security at Russia's nuclear laboratories and other parts of the vast nuclear complex.

bases.

Yet ultimately, Russia's internal stability is critical to the success of any efforts to control nuclear leakage from its territory, and external actors can do little to influence internal stability in Russia. At the margins, the West can discourage states which might be interested in destabilizing Russia or the states on its periphery.[59] They can also try to bolster both the stability and cohesiveness of Russia's army and its loyalty to the state, to lessen the danger of coups or fragmentation. This will be discussed next.

The Logic of Military Contacts

DOD's military-to-military program is based on the assumption that the spread of democracy enhances US security, and that a civilian-managed military is a key component of successful democratic reform. The military cannot be an independent actor in a democracy, but needs to be held accountable to government and to society for its actions.

The US and Russia jointly committed themselves to pursue cooperative defense efforts in April 1993. DOD considers this effort important because it views the Russian military as a key player in Russia's efforts to consolidate the democratic transformation of the state. If each army better understands the signals and assumptions of its counterparts, then tensions and misunderstandings between the two armed forces can be limited; and reducing such tensions will lessen the likelihood that the Russian military will feel the need to interfere in the process of democratization in order to ensure the state's security. Thus, military-to-military contacts

[59] Few external powers are working actively to exploit potential instability. The obvious exception is the border conflict in Tajikistan. Yet it is unlikely that the Afghan government is fomenting conflict there, though Afghan territory is clearly being used by different factions in the fighting.

can play an important role in enhancing understanding and lessening the enemy image on both sides.

Actual cooperation between the two militaries has focused on two main areas: combined peace-keeping training; and seeking ways to ease Russia's economic transition from a war footing to civilian-oriented industry through defense conversion efforts. In this second area, there is some overlap with the CTR program. Other areas in which the two defense departments have agreed in principle to cooperate are the International Military Exchange and Training Program (IMET), and in establishing more regular contacts between the two armed forces. At the highest levels, such as between the two Defense Ministers, contacts have been frequent. The US had approximately 600 military-to-military contacts with the Russian military in 1995, and a similar number of activities are planned for 1996.[60] Yet it must be kept in mind that this figure includes everything from full-scale peace-keeping training to courtesy visits by individual officers.

The actual success of these activities, with the exception of the defense conversion program, has been marginal.[61] This is primarily because the Russian military and Ministry of Defense (MOD) have been resistant to efforts to expand military-to-military cooperation with the US. The MOD has been more forthcoming on CTR, but this kind of contact appears to be

[60] Based on interviews in Washington and Germany, February-March 1996.

[61] The defense conversion program has worked well, and has support on both the US and Russian sides. Yet the program remains quite small, with a few specific factories targeted as pilot programs to show the feasibility of joint conversion activities.

different matter, involving different segments of the military command.[62] Several factors affect their reluctance. First, the Russian military and MOD remain suspicious of the US and its intentions regarding joint training, and other cooperative activities. This is in good part a vestige of the Cold War, during which the US and Russia were enemies; but it has proven to be a hard attitude to break. As a result, the MOD has been unwilling to expose the whole Russian Army to Western, and particularly US influences. Instead, the MOD has set aside two divisions that are tasked to peace-keeping activities in cooperation with Western armies; and they are, in effect, isolated from the Russian Army proper.[63] Similarly, to the degree that any Russian officers have been allowed to participate in training programs through IMET or other mechanisms, they appear to have been sidelined when they returned to Russia.

Second, it appears that the MOD does not want to expose the Russian military to scrutiny by Western armies, due to its miserable condition. While conditions in the Red Army were always brutal and primitive in comparison to Western standards for troops, the military has suffered recently because of Russia's financial straits. The military budget has been curtailed in recent years and as in other economic sectors, money simply has not always been

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[62] See "Top Guns," by Alexander Golovkov and Sergei Leskov in *The Bulletin of the Atomic Scientists,* May/June 1995, pp.51-54.

[63] The two divisions assigned to peace-keeping are the 27th Motorized Rifle Division of the Volga Military District, and the 45th Motorized Division from the Leningrad Military District, which are assigned "exclusively" to peace-keeping duties. An airborne battalion has also been assigned to peace-keeping. Yeltsin also announced recently that the MOD was forming a "special military contingent to participate in maintaining and restoring international peace and security." See Kevin O'Prey, "Keeping Peace in the Borderlands of Russia," Henry L. Stimson Center Occasional Paper 23, July 1995, p. 6.; Doug Clarke, *OMRI Daily Digest,* No. 88, Part 1, 6 May 1996.

provided for payment of troops or provision of necessary supplies.[64] One consequence of this is that the Army is being "privatized", in that commanders are increasingly dependent on local officials where they are based for material support. This is not entirely new, but prior to the USSR's collapse, officers could count on central backing in the event that they could not get what they needed locally.[65] Another is that the army has become increasingly demoralized, both because of the lack of financial support, and its diminished position within society. [66] The army's pitiful performance in Chechnya is both an indication of its declining circumstances, and an additional source of demoralization. But the fact that its troops are no longer well disciplined or well-trained, to say nothing of well-fed, may have made the MOD reluctant to let the West see their condition.[67]

Third, the US military has found it difficult to get their Russian counterparts to regularize contacts between the two militaries. The Russians have tolerated visits by Western generals or other delegations over recent years, but they have not been willing to put such

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[64] This has led to claims that army troops are starving, and that troops posted in Chechnya have asked journalists and aid workers for food.

[65] Such privatization could be dangerous, should Russia's central government become less stable, since if they are dependent on local leaders, Russian military commanders may not remain loyal to central authority in a crisis within the state.

[66] During the Soviet period the army commanded great respect, both because it was perceived to be defending the country against the West, and because of its victory over Germany in World War II.

[67] In anecdotal evidence, some NATO officers describe being taken to observe Russian exercises in which one or two infantrymen follow tank brigades; the rest of the troops are said to be training "elsewhere", and so not present. Another indication of this is that Russia has sent elite units to participate in the IFOR mission. This is partly probably because they are loyal, but it is also a hint that the regular army might not be up to the task.

visits on a regular footing, or to accept this as a "normal" part of the US-Russian military relationship. The same is true for other NATO states.

In terms of utility, these difficulties have lessened any immediate influence that military-to-military contacts were initially hoped to have in 1992. Moreover, US-Russian military contacts do not seem to have had an effect on the way Russians view civil-military relations, at least in the short run. Russian officers who visit the Pentagon view a lot of what is done there as odd, and certainly not relevant to them.

Nonetheless, the larger aim of these exchanges is more to improve ties between the two formerly opposing militaries in the short run, and to mitigate the high level of suspicion and hostility that existed in the past. On an individual level, this is probably having some effect. If over time some Russians come around to the view that some of the methods they see practiced in Western militaries might be good for them too, then so much the better. But in the interim, the short-term reduction in tension of itself makes this effort worth continuing.

Finally, as in the broader US-Russian relationship, it does appear that at least at the highest level, bilateral exchanges have been quite fruitful. Secretary of Defense Perry and Defense Minister Grachev appear to have a good working relationship, and Grachev seems to value the contacts which have been established between the two militaries, in spite of initial suspicion. This is one hopeful indication of change, which may have a very slow snowball effect elsewhere in the Russian military.

It does not appear that the US has completely achieved its goals with regard to either safeguarding against nuclear leakage or establishing relations based on trust with the Russian military. While limited accomplishment in these areas does not imply failure, in the realm of

nuclear security measures more needs to be done, and quickly. On the military-to-military side, the current approach is probably sufficient; significant changes in attitude are only likely with generational change, and small-scale, low level contacts may be the most effective for this end, while simultaneously the least threatening to the Russian military command. Yet this assumes that the US will sustain a long-term commitment to this goal.

NATO and Russia

NATO's relationship with Russia remains complex, for a variety of reasons. Most critically, Russia does not trust NATO. Moscow still sees NATO as an instrument of the Cold War, and an implacable opponent to the USSR and hence Russia. Given this obstacle, establishing trust continues to be difficult.

Russia also does not think that NATO has adjusted sufficiently in response to recent changes in the international system. From Russia's perspective, there has been little obvious change in NATO's structure. The three most common Russian arguments between 1991 and 1996 were first, that since the Warsaw Pact had dissolved, NATO should as well, since they were both instruments of the Cold War. Second, Russia has proposed that the Organization for Security and Cooperation in Europe (OSCE) be restructured and that a European version of the UN's security council be created; other security structures in Europe should then be subordinated to this body. This would give Russia veto-power over NATO actions. Third, Russia has argued that rather than expanding NATO to the east, NATO and Russia should

jointly guarantee the security of the Central and East European states between them.[68]

NATO members conclude that Russian proposals for ways that they would like to see NATO change are, in essence, intended to destroy NATO, or to give Russia a say over its decision-making. Whether closer cooperation between NATO and Russia is possible, given the current climate, remains unclear. This section will examine NATO's changing policies toward Russia since 1990, focusing in particular on the Partnership for Peace (PFP) program. It will give a general assessment of the efficacy of the PFP program, and will then examine the current status of NATO-Russian relations. Finally it will analyze the efficacy of current efforts to prevent conflict in Russia and its environs, and make suggestions for Western policy.

Changes in NATO's policy toward Eastern Europe and the former Soviet Union

From NATO's perspective, the organization has worked hard to adjust to the political changes in Europe. Though some would argue that it was slow to respond to Gorbachev's initiation of perestroika in the Soviet Union in the 1980s, NATO began to change its policies toward the USSR in 1990. In the London Declaration in July 1990, NATO formally stated that in its view the Cold War had ended, and that it no longer regarded the Soviet Union as an adversary. It proposed a joint peace declaration with the members of the Warsaw Pact, and promised to adopt a new strategy which would make nuclear forces truly weapons of last resort. This Declaration was symbolically important, and it helped persuade Soviet President

[68] On the issue of a joint guarantee instead of NATO expansion, Russians also argue that NATO explicitly promised not to expand to the East in the agreements signed with Soviet President Mikhail Gorbachev on German unification in 1990.

Gorbachev to accept that Germany should remain in NATO if it chose to do so.[69]

At the Rome summit in November 1991 as the Soviet Union was disintegrating, the Alliance adopted a new Strategic Concept, in which emphasis shifted to crisis management, and to expanded efforts to cooperate with other organizations, to ensure that Europe's institutions would be "mutually reinforcing", rather than working at cross purposes.[70] NATO also took an additional step to address the security concerns of the former members of the Warsaw Pact; it invited the East European countries to join a North Atlantic Cooperation Council (NACC). The NACC was officially created in December 1991, and with the dissolution of the Soviet Union all member-states of the CIS joined, as well as Georgia and Albania.[71] The aim of the NACC was to encourage multi-lateral consultations and cooperation on political and security issues of interest to its member states, as well as to disseminate information about NATO.

The upheavals in Europe following the USSR's collapse, and the dramatic shifts in Russian foreign policy behavior which ensued in 1992 and 1993 led many states in Eastern Europe to feel that their security needs were not sufficiently met by the NACC. This was a

[69] This was one of the main aims of the Declaration at the time. *Strategic Survey, 1990-1991* (London: IISS, 1991), pp. 174, 262.

[70] NATO's forces in Europe, and in particular the US presence there, were being steadily reduced during this period as well. *The Military Balance, 1992-1993* (London: IISS, 1993), pp. 29-31.

[71] The Baltic republics had been invited to join at the same time as the Central and Eastern European states. "North Atlantic Cooperation Council Statement on Dialogue, Partnership and Cooperation," 20 December 1991, Press Communique M-NACC-1(91)111; Manfred Worner, "NATO Transformed: the Significance of the Rome Summit", *NATO Review,* Vol. 39, no. 6, December 1991, pp. 3-8; *Strategic Survey, 1991-1992,* (London: IISS, 1992), pp.31-2, 237.

discussion forum, and it did not involve active cooperation between NATO and the former East bloc countries, or any security guarantees. In an effort to assuage their fears without simultaneously exciting new ones in Russia, NATO invited the members of NACC to join in a "Partnership for Peace" (PFP) program in January 1994.[72] The stated aim of this partnership was to expand and intensify political and military cooperation with non-NATO states on a bilateral basis, so as to enhance European stability. Twenty-six states within NACC joined the PFP, as well as Austria, Finland, Malta, Sweden, and Slovenia.[73]

The PFP program aims to establish an individual relationship between each participating country and NATO. Each partner country is meant to design its own PFP program, to ensure that it fits its particular needs. In theory, each country can pick from the overall list of options in which NATO is willing to engage, and can do as much or as little as it wants in terms of cooperation with NATO. The partners are to provide the necessary personnel and equipment to carry out the programs they propose, and they are also responsible for financing their participation, as well as sharing the costs of mounting joint exercises.[74] The range of options available within the PFP is quite extensive; virtually anything related to

[72] "Partnership for Peace Invitation," Issued by the Heads of State and Government Participating in the Meeting of the North Atlantic Council held at NATO Headquarters, Brussels, 10-11 January 1994.

[73] Given that not all PFP partners are likely at any point to be invited to join NATO, it is quite useful to have several states participating in the PFP program who clearly have no interest in joining the Alliance, in particular Sweden and Finland.

[74] In practice, some assistance is available from NATO if necessary, in recognition of the limited financial resources of many of the partner states. "Basic Fact Sheet: Partnership for Peace (PFP)," NATO Office of Information and Press, November 1995, No. 9.

the issues of training, peace-keeping, interoperability, defense planning, and civil-military relations can be included. NATO is particularly interested in cooperation in the areas of defense planning, democratic control of the armed forces, airspace coordination, and peacekeeping. A planning and review process was introduced into the program in January 1995; under this review process, PFP partners are meant to evaluate their own programs annually, to determine whether they are meeting the goals that they have set for themselves.

The Partnership for Peace has become one of the central pillars of NATO's hopes for a better relationship with Russia. Indeed, the unstated goal when it was created was that PFP should be a holding operation, to put off any decision about NATO enlargement until after the next round of presidential elections in both Russia and the United States .[75] Russia originally praised this program, and it signed the initial framework document declaring its intention to join PFP in June 1994.[76] Yet in December 1994, Foreign Minister Andrei Kozyrev refused to sign the final cooperation agreements for participation. The main reason was that in the interim, the discussion of NATO enlargement had significantly shifted. In June and July 1994 President Clinton publicly stated that expansion was "no longer a question of if, but when;" and by December 1994 NATO announced its decision to study the implications of enlargement.

General Assessment

[75] The only enthusiasm expressed for NATO expansion in late 1993 was from the Republican Party in the US, and from Germany's Defense Minister Volker Rube. *Strategic Survey 1994-95*, p. 114.

[76] See for example Alexei Pushkov, "Russia and the West: An Endangered Relationship?", *NATO Review*, Vol. 42, no. 1, February 1994; Web Edition, pp. 5-7.

While overall the PFP program has functioned smoothly, a central problem has been that too many partner states, especially in Eastern Europe, are looking simply for a "checklist"; they want to know exactly what they must do to ensure that they will be eligible to join NATO. Alliance representatives have had to explain that no such checklist exists; nor could one, since no one "model" of a NATO country exists. Instead, they stress that countries wishing to join NATO should restructure their militaries in ways which are appropriate for their particular background.[77] This stands in contrast to the policies of both the US and Germany in their bilateral military relations with East European states, in which each country has tried to encourage a particular system of civilian control.

Given their difficult economic conditions, some countries in Eastern Europe and the former Soviet Union have been severely constrained in what kind of participation they can afford. One important example is Ukraine, which has been able to conduct only minimal PFP activities because of the state's severe budget difficulties and the pressure the military' has faced to address more pressing issues such as fording jobs and housing for decommissioned officers.

Budgetary problems will also have an impact on states' ability to join NATO, should enlargement proceed. One of the potential problems which states wishing to join NATO will have to face is that the Alliance expects, quite reasonably, that any new members must be able to pull their weight in the Alliance. New members should not just gain security by joining

[77] To the degree that there are "conditions" for membership, an open debate on national security, and an open defense budget are probably important steps along the way. From interviews at NATO Headquarters, March 1996.

NATO, but they should add to NATO's overall security as well. This could be a problem for many of the East European states both in determining whether they can afford to join NATO, and at least in the short run, to understand that they will face substantial military and financial obligations should they wish to do so.[78]

The Current Status of NATO-Russian Relations

NATO's efforts to improve relations with Russia have had mixed success. Russia has shown interest in working with NATO in some areas, such as NATO's Science Program, and in Civil Emergency Planning. Yet cooperation with Russia's military organization has been less successful.

NATO intended to utilize two main channels for improving links with Russia; its participation in the PFP program, and the separate "strategic partnership" between NATO and Russia. The latter was designed after Russia's objections to NATO enlargement became obvious, and was meant as a way to recognize Russia's special status in Europe without giving it veto power over enlargement. NATO's aim was to have the two processes of enlargement and its strategic relationship with Russia proceed in parallel, but not simultaneously, since aiming for simultaneity might provide Russia with a means to obstruct the process of enlargement. However, Russia has simply been unwilling to formalize the idea of a strategic partnership, because it does not want to do anything which would make it look like Russia is

[78] Financially, a new member's "ability to pay" can be taken into account when setting its contribution, but NATO has been careful to point out there are significant financial obligations when joining the Alliance. *Study on NATO Enlargement*, September 1995, pp. 22-23.

willing to accept NATO expansion.[79]

Nor has it been willing to participate actively in many aspects of PFP. Moscow has made clear that, as far as Russia is concerned the PFP is absurd, since it treats Russia, a great power, and tiny states like Albania as equal participants. Moreover, some Russians argue that the PFP is merely a way for the imperialist West to move east, at the expense of Russia's security.

Russia is also resistant to the basic tenets of PFP, for some understandable reasons. First, since it does not expect to be invited to join NATO, why should it try to improve interoperability with the Alliance?[80] There are few benefits to Russian or its defense industry in this. Second, both the Russian military and most Russian politicians have not been not interested in learning about how civil-military relations work in democracies. NATO has run seminars for parliamentarians to discuss the ways in which parliaments can ensure oversight of the military. While this has been quite successful in Central and Eastern Europe, the Russians have not chosen to participate. To be sure, since the most recent seminars were scheduled in the fall of 1995, just prior to the Russian Parliamentary election of December 1995, Duma members may have considered this a low priority; they may be more interested at a later date. Nonetheless, the Russian military has made clear that it does not think it needs to learn about civil-military relations from the West; Russians argue that the USSR, and hence Russia, has

[79] This of course ignores the larger question of what such a strategic partnership would look like in the first place.

[80] Russians are also unhappy about the fact that if its former allies in Eastern Europe are serious about trying to achieve interoperability with the West, then it could lose its share of the arms market in this region, which is not inconsiderable.

long had civil control of the military through Communist Party oversight.

Third, the Russian Army has resisted participation in joint training exercises and exchanges under the PFP. The reasons parallel their opposition to such joint programs with the US or other Western armies; they seem unwilling to expose their military forces to the West. And as with bilateral exchanges, Russians seem to be suspicious of their own officers who do get involved in joint activities with NATO. Thus, Russia has sent only one military officer, and only very recently, to be liaison officer at NATO, while it has yet to send a permanent delegation to SHAPE headquarters at Mons. These are things which all PFP countries have the right to do, and which most, especially in Eastern Europe, have done.

The one exception has been Russia's decision to send a six-man delegation, including a General, Colonel General Leontey Shevtsov, to SHAPE to first negotiate, and later coordinate Russia's participation in the Implementation Force (IFOR) monitoring the implementation of the Dayton peace agreement in Bosnia. NATO cooperation with Russia in IFOR has worked well, because by being at NATO headquarters General Shevtsov gained a greater understanding of what NATO is about and has been willing to negotiate a working relationship with NATO, or at least the US. Yet it remains to be seen whether General Shevtsov will be "tainted" by this association with NATO. Indeed, some have suggested that his very success will be held against him in the long run; he may be seen in Moscow to have been co-opted by NATO.

While the Russians claim that they cannot afford a wider program of activities under PFP, their unwillingness to conduct joint training exercises again is probably related to the state of the Russian military itself. Russia has participated in only one multilateral exercise

since the PFP program began, a naval exercise in the North Sea in 1994, and it is scheduled to participate in a multilateral exercise to be held in Ukraine in the summer of 1996. Yet Russia's refusal to participate in PFP exercises touches on another matter; the Russians choose not to recognize that NATO is not dominated by the United States in the way that the USSR dominated the Warsaw Pact. This results from the residual suspicion of NATO which persists from the Cold War, during which the United States was Russia's major opponent; and to Russia's desire to protect its own status as equivalent to the United States. The consequence has been that Russia does not want to participate in multilateral exercises. From their perspective, if the US and Russia, the major players, have a joint exercise and a few smaller countries are allowed to join in, this is acceptable, but they are not willing to equate NATO with Russia. Indeed, IFOR is the clearest example of this. The Russian military agreed to accept orders from General Joulwan as an American General, not as the allied commander of NATO; and they have insisted on at least the fiction of a separate command chain.[81]

Russia's unwillingness to participate in multilateral exercises also reflects Russia's continued inability to comprehend that countries such as Poland are independent, and have the right to make their own alliance choices, and to participate as full members in such combined exercises. The Russians disdain the other PFP countries, and also dislike the fact that other members of the Commonwealth of Independent States (CIS) participate individually in PFP activities. Russia has volunteered to "coordinate" some of the PFP activities for other CIS states, since their location so far from NATO makes it comparatively difficult for NATO

[81] There is an ironic contrast between its suspicion of the US, and its insistence that within PFP it wants only to train, etc. with the US, as the other superpower.

members to contact or visit them directly, especially the Central Asian states. This indicates Russia's disquiet with independent NATO ties to these states, and an ongoing desire to insulate the CIS from NATO influence, to safeguard Russia's sway in the region? But both NATO and the other CIS states have declined to accept Russia's offer, preferring to maintain direct contacts.[83]

One area of clear success in relations between NATO and Russia has been in the area of Civilian Emergency Planning (CEP). CEP accounts for 12% of the efforts made with all partner countries in the PFP, though it receives at most 1 % of the PFP budget.[84] It is even more significant in NATO's relationship with Russia; when NATO Secretary General Javier Solana visited Moscow in March 1996, this was the one area which NATO could point to as a concrete success in cooperation between NATO and Russia (other than IFOR, in which Russia does not recognize its participation as specifically with NATO). Solana and Minister Sergei K. Shoigu, the head of the Ministry of the Russian Federation for Civil Defense, Emergencies and Elimination of the Consequences of Natural Disasters (EMERCOM), signed a formal agreement in Moscow developing cooperation in disaster preparedness between Russia and NATO member states.[85]

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[82] Notwithstanding the fact that any threat to Russia's influence in Central Asia is likely to come from sources other than NATO, such as China and Iran. Turkey is the only NATO member with any substantial interest in the territory of the FSU, and it is neither likely to dislodge Russia's hold, nor to gain NATO's support for any effort to do so, it wanted to.

[83] Based on interviews at NATO headquarters, Brussels, March 1996.

[84] Based on Interviews at NATO Headquarters, March 1996

[85] On NATO's cooperation with EMERCOM, see "Memorandum of Understanding on Civil Emergency Planning and Disaster Preparedness Between Ministry of Russian Federation for

NATO has been careful to place CEP cooperation with Russia within the framework of PFP, both because it falls within the broad range of options available under PFP, and so as to have some evidence of success in NATO's PFP contacts with Russia. The Russians, however, are less enthusiastic about regarding this cooperation as part of PFP, though they do not categorically reject this interpretation. Success in this area has been achieved largely because Minister Shoigu, the head of Russia's ministry responsible for civil defense and disaster relief, has been very enthusiastic about expanding cooperation with NATO. Shoigu appears to be intent on building up his ministry; and he recognized that cooperation with NATO was a good way to do so. Between 65,000 and 100,000 troops now appear to be under EMERCOM's control. This might be seen as a means by which Russia can get around some of the troop limits stipulated by the Treaty on Conventional Armed Forces in Europe (CFE). Yet an alternate perspective is that may be prudent for Yeltsin to spread troops out; putting troops under different commands, rather than having troops only under the MOD's control, may give Yeltsin alternate sources of "military" support if a particular ministry with troops at its disposal (such as the MOD or the Ministry of the Interior) tries to defy him.

In practice, its interest in CEP was one of the factors that NATO was able to use to coax Russia to accede to PFP. As part of his effort to expand CEP cooperation with NATO, Minister Shoigu wanted NATO to participate in a disaster preparedness exercise on the Kola peninsula in May 1995. This gave NATO some leverage because it could argue that such

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Civil Defense, Emergencies and Elimination of Consequences of Natural Disasters (EMERCOM of Russia) and the North Atlantic Treaty Organization," signed on 20 March 1996; see also "NATO Secretary General Signs Memorandum of Understanding on Civil Emergency Planning and Disaster Preparedness with Russia," NATO Press Release (96)44, 20 March 1996.

participation was infeasible until Russia had signed its Individual Partnership Program (IPP) to formalize PFP activities. This had the desired effect; Russian signature of its IPP coincided with the Kola peninsula exercise, which went ahead with NATO involvement.

Russia has proposed a major expansion of CEP activities for 1996, including an exercise to practice airdropping humanitarian aid on the Kamchatka peninsula in September 1996.[86] Moreover, NATO and Russia plan to hold, a meeting of NATO's Senior Civil Emergency Planning Committee (SCEPC) with all PFP partner countries in the Russian Federation in 1997.[87]

CEP is one of the areas in which Russia has offered to "coordinate" with neighboring countries. Given Russia's attitude toward the other former Soviet republics, EMERCOM would probably like to be more involved in this kind of disaster relief planning within the CIS, since this would sustain the dependence of other CIS states on Russia, and potentially the Baltic states as well. None of the former Soviet republics have expressed interest in receiving this kind of aid from Russia.

Other areas of the PFP in which Russia has shown some interest are the Defense Industrialists' Group, which is a forum for business leaders in the defense industry to share their expertise on bidding for contracts and cooperation with other producers; and NATO's

[86] Some NATO officials are uncomfortable expanding pseudo-military operations of this sort with Russia when there has been such limited success persuading the Russian army to participate in PFP exercises. Based on interviews in Brussels, March 1996.

[87] NATO "Background NOTE for the Russia/Ukraine SCEPC," CEPD(96)05 1, January 31, 1996; "NATO Secretary General Signs Memorandum of Understanding on Civil Emergency Planning and Disaster Preparedness with Russia."

Science Program. Nonetheless, NATO has been frustrated in its efforts to establish stronger military ties with Russia. The PFP cannot be seen as a success without this element of cooperation. IFOR is the only small sign of progress in this direction. Even with the difficulties involved in reaching an agreement for Russian participation, this still gives at least those Russians involved in IFOR a glimpse of how NATO works, and how civil-military relations work in Western armies.

Conflict Prevention and Russia

NATO is constrained in what it can effectively do to prevent conflict in Russia or the former Soviet Union both by the limits of reaching agreement among its members and by its history with the USSR. Moreover, some of NATO's actions will have a profound impact on Russia's perception of its security environment; notably, NATO enlargement, which the Russians certainly see as incompatible with a good relationship between Russia and the West. Yet NATO must do what it can to encourage conflict prevention in Russia and between Russia and its neighbors.

As with other elements of Western policy toward Russia, approaches at the highest and lowest levels are mostly likely to achieve positive results, particularly while NATO remains unable to establish regular contacts with the Russian military. On the macro level, Russia should be made to feel secure and included, as far as is possible. First, NATO and the West should do everything possible to preserve a stable environment outside Russia. When it looks abroad, Russia should see no cause for concern about its security. NATO expansion again is the big problem in this regard. But it is still plausible to argue that stabilizing Central and Eastern Europe by incorporating them within NATO is to Russia's benefit, since this would

significantly lessen the danger of instability or conflicts between states in what is currently a no-man's land.[88]

Second, NATO needs to make clear to Russia that there will be consequences should it decide to interfere in the independence of neighboring states.[89] NATO members are not likely to be willing to participate in peace-keeping activities somewhere in the former Soviet Union; moreover, this probably would not be a good idea, given the fears such ventures could excite in Russia. NATO is also unlikely to be actively involved in protecting other former Soviet republics from Russia, should that become necessary, with the possible exception of the Baltics.[90] If NATO and other members of the international community are not willing to risk active defense of these states, then they must make clear that international condemnation and economic or political sanctions will follow aggression by Russia; moreover, they must follow through on this warning if necessary. Russia must respect international norms such as territorial integrity if it wants to participate in international fora or receive international financial assistance. Such norms could be tested soon, which means that NATO should be

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[88] NATO has made clear that states are unlikely to be admitted if they are perceived to be threatening or in conflict with their neighbors. It does not want unwittingly to incorporate more Greece-Turkey disputes within the alliance; nor does it want any new member to try to veto the entry of another state out of personal grievances between them. See *Study on NATO Enlargement.*

[89] This is of course made complicated by the fact that Russia already has, or is intervening in several states along its periphery, with different degrees of consent in different places.

[90] Of course, the biggest obstacle to Baltic aspirations to join NATO is just this fact; NATO is unlikely to commit itself to defend them from Russia, because of the difficulty of doing so.

thinking now about how it will respond to a variety of contingencies, short of force.[91]

Third, NATO should encourage efforts to incorporate Russia into Western or European institutions such as the Council of Europe. Russia should be made to feel welcome and comfortable -- a full and equal member -- without being granted undue privileges. There is obviously a fine line to be walked here. Since other great powers throw their weight around on the international stage, Russia is likely to try to do so too. Yet involvement in such fora is one way to induce Russia to incorporate international standards of human rights and legal norms into its domestic system.

NATO should also lower the level of rhetoric about the rapid benefits to cooperation with Russia; instead, it should acknowledge that this cooperation, though vital, could remain rocky for quite a while. It will be difficult to give substance to the strategic partnership with Russia in the near future, for example, due to Russia's condemnation of NATO's discussion of enlargement. Therefore, Western leaders should try to lower expectations about what is actually possible in this relationship, and the likelihood that the West can significantly improve ties with Russia any time soon.

On a smaller scale, NATO's efforts to increase military-to-military ties should be continued in spite of Russian reluctance. Getting the Russians to work more closely with NATO may help over time to break down the stereotypes about NATO which exist in Russia. Indeed, the Alliance ought to expend more effort to this end. NATO currently has one person

[91] Of course, NATO's record in the Balkans gives little cause to hope that the Alliance would either agree on some form of response to a Russian intervention, much less to see it through.

representing NATO in Moscow. If explaining to Russians what NATO is about is something that the Alliance considers important, then this effort should be expanded.' In this respect, even though Russia has been unwilling to participate in PFP, efforts to gain their participation in PFP exercises or exchanges should be continued, since the Russians may then be forced to concede that the West is serious about its efforts to work together with Russia across a wide variety of areas.' Clearly, changing Russia's attitude toward NATO will not be easy. Yet the Alliance should continue trying to chip away at Russian suspicions of NATO, so that in the long run, new leaders in Russia will have a different view of it.

[92] The NATO handbook was also published in Russian in 1996, which is a useful step in this direction.

[93] At the same time, to the degree that the NATO organization is involved in shaping Alliance policy, it should expand its own expertise on Russia. The number of specialists on Russia working at NATO headquarters is far lower than seems warranted, given Russia's importance to the Alliance.