# "Priorities for U.S. Foreign Policy after the Russian Presidential Elections"

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I would like to thank Blair Ruble and Nancy Popson of the Kennan Institute for inviting me to speak today on this topic. While one would be hard pressed to convince anyone that Russian foreign policy has changed overnight, I do think that today, as the day we can turn our attention to the second term of Russia's President Putin, with a newly installed government, including certain changes in the Presidential administration, is a good opportunity to explore what we know about Russia's capabilities, interests, and intentions in the foreign policy sphere, and how the U.S. should establish its priorities in light of what we know and what we can expect.

I do not want to spend any time talking about the elections, although I do not have much control over your questions and comments. I would just make three points about Russia's elections as important for talking about future foreign policy and the bilateral U.S.-Russian relationship. First, the lack of legitimate and professional dissent and opposition in Russia will prove to harm the country's ability to craft sensible, rational, and effective policy of all types, including foreign policy. The historical record is clear: the full range of functioning institutions of democracy bring the wonderful policy mechanism of self-correction. Policy is better when it is contested, questioned, and shaped with the knowledge that mistakes will be revealed and paid for. It took the Soviet Union 10 years to withdraw from Afghanistan, when it was clear very early on that its military intervention would fail. Hitler's incompetence as a military strategist was apparent even long before the Soviet army so effectively exploited his mistakes and

turned the tide of the war at Stalingrad, but no one could question the dictator's policies. And it was only when American society began to understand and reject the costs of Vietnam and was able to stage peaceful protests and criticism that the American foreign policy leadership began to plan seriously for withdrawal.

Second, there should be no question that the foreign policy of the Russian Federation over the next four years is the foreign policy of its president. In the future, there should be no question that apparent inconsistencies, should they arise, between words and deeds are due to intentions, not incapacity. If President Putin says he intends to cooperate in the programs related to Cooperative Threat Reduction to dismantle and secure Russia's stocks of nuclear, biological and chemical weapons, then the U.S. should be able to expect that the newly structured responsibilities of the Federal Agency for Atomic Energy and Ministry of Defense will be executed as a result. If President Putin says, as he did on Russian television this morning, that Russia's foreign policy interests will be to guarantee Russia's national interests through partnership and flexibility, but that his administration will not "stoop to aggressive methods of defending our interests or to any confrontation" that he means it. In the past few years there has been some debate about whether instances of contradictions between President Putin's stated goals and Russian actions – say in the area of military reform, or in welcoming foreign investors into Russia's energy sector – were due to President Putin's internal weakness in the face of opposition and entrenched interests, or were due to disingenuous statements of goals not genuinely held. Now, given the impressive power and control amassed in the hands of the Russian President, we can expect Russia's foreign and security policy actions to be the real guide to Russian foreign policy intentions.

Third, Russia's leaders and its society appear to be comfortable with the choices that have been made in its political life. Although the absence of political contestation and of a free national media accessible to Russia's society for the airing and discussion of alternative views and for the publishing of information and facts that may contradict government statements prevents us from knowing for certain, it does appear that Russian citizens have chosen their government and president out of a preference for stability, for a sense of control, and as a rejection of the policies of the 1990s. Therefore, I think it reasonable to proceed from the understanding that Russia is not a liberal democracy, and does not share the values of the Transatlantic community. That is regrettable, because it means that the U.S. relationship with Russia cannot be based on a deep partnership, of the kind that the U.S. has had with its European allies and with Japan. But we have to be pragmatic and realistic, and work out what kind of partnership, if limited, or simply bilateral relationship if not even limited partnership, can be built and productively sustained. In that regard, I would re-evaluate Russia's role in the G8, not as punishment or out of pique, but out of a hard-headed and pragmatic assessment of the role Russia itself wishes to play in the international community. I have argued that NATO should have a suspension and even expulsion mechanism for members that do not continue to meet membership standards: certainly the G8 is no less important of an international institution.

So, that is all I want to say about Russia's elections and their implications. I now want to turn to two questions: (1) Where is Russia in its foreign policy capabilities, interests, and intentions? And (2) Given this, and U.S. interests, what should be the reasonable set of priorities the U.S. uses as a basis for its policy toward Russia?

## Russia: Where it is

### *Russia's capabilities*

Russia now has a consolidated, autonomous, unified state. I need not belabor the points I just made: President Putin has the institutional and practical power to decide on policies, and we expect as well that he has the power to see them through. Although ultimately the lack of contestation and accountability will prove, I believe, a source of weakness for a rational and self-interested Russian foreign policy, certainly in the short to medium term Putin's state has to be counted as a capability for his foreign policy.

Russia has a strategic nuclear capability that fulfills the requirements of an effective nuclear strategy. It encompasses a triad of capabilities (land, sea, and air), it is large enough that there is redundancy in the numbers to ensure a secure second strike capability, it is supported by an extensive professional service and early warning system that sends the signal to a possible aggressor that Russia can and will retaliate for attack. Such a capability gives Russia a measure of national security, and a leading role in deciding questions relating to global military issues, conventional as well as strategic.

Although Russia's conventional forces are a pale reflection of the Soviet Armed Forces, in relative terms Russia's military remains far superior to that of most of its neighbors, and comparable to those of other regional powers. Its conventional forces are far larger and better equipped than any of its neighbors, with the exception of China and arguably NATO (as NATO is already a neighbor with borders in Norway and Poland, and soon a longer border after enlargement in 2004). More importantly, Russian conventional forces have proven capabilities in international peacekeeping (the experience of UN missions in the Balkans) and emergency response and rescue. These

capabilities are highly important in international diplomacy and politics, since Russia can bring desirable capabilities to bear on important international problems. In the last year, we have seen evidence of increased defense spending, and more active training and exercises (although far too many mishaps as well, reflecting old equipment and inadequate training throughout the 1990s). Russia's forces are, by global standards, certainly not low in technological capabilities. Soviet arms were highly advanced in many areas important for current missions, including small arms and aircraft, including lift capacity. But it must also be noted that while Soviet military technology met the highest standards of its generation, the capabilities that Russia inherited are now 2 or even 3 generations behind, lacking the capacity in particular to provide Russian soldiers with precision weaponry and information technology integration increasingly important for 21st century missions. In addition, Russia's conventional forces will continue to be crippled in the challenge of meeting new security challenges by the failure to accomplish structural and operational reforms required for lighter, more mobile, and more rapid operations against new threats, rather than massive combined arms operations in the European theater against NATO.

Russia's United Nations Security Council seat, role, and veto are an important source of foreign policy and diplomatic capabilities. Russia has a legitimate and pragmatically important role in the international management of global political, economic, and social issues, as a permanent member of the Security Council, as evidenced in its role in the post-invasion UN decisions on Iraq.

Russia's economy is a source of its capabilities in the foreign policy sphere. The economy has grown at the rate of 5-8% per annum for 5 years now. This growth is a

source of government revenues, reserves, and assets useful in many ways in the conduct of foreign policy. In particular, economic success removes aid and lending programs as a source of foreign leverage and internal weakness in shaping Russia's policies. Russian assets are a source of policy strength vis-a-vis potential investors in Europe, the U.S., and elsewhere, foreign investors who prefer positive relations between their countries and Russia. And Russia's economic might relative to its post-Soviet neighbors gives in clout in political and military issues, in addition to straightforward economic and business issues. Russia can now play the role, if not as easily or broadly as the U.S., Europe, or Japan, of international benefactor, as in negotiations to forgive Iraqi debt. This is a major diplomatic and political resource for Russian policy.

Nonetheless, we must also keep in mind that Russia is not an economic powerhouse. Nominal GDP in 2003 was about $350 billion. More important, Russia's economic success in international terms remains based on serving as a producer of raw materials for global trade, and import substituting low technology goods domestically. Russia's economy is not diversified, not anywhere near the technological advance of smaller Asian countries such as South Korea, not integrated, not globalized.

And it is unlikely that this state of affairs will change any time sooner. Russia's very economic success, being based on high global energy prices and exports of oil and gas, is itself a temptation to avoid painful structural reforms and acceptance of foreign ownership and transparency that drive innovation and growth in the leading 21st century economies. I have a rule of thumb: when I have to pay $2/gallon for gas, as I did when I filled my gas tank this morning, I worry about Russia's economic future. Too much

slack creates little incentive to structural reform, and provides assets to those with an interest in preventing reform to leverage policy for the status quo.

Nonetheless, we should also recognize the special importance of energy as a source of Russia's foreign policy capabilities. Energy is not just an economic sector, but a strategic one with foreign policy and power implications. Of course, Russian energy has strategic value as a potential source of diversification of global energy markets. But in addition, energy is not just about selling the resource, but getting the resource to customers, primarily through pipelines, which cross territory, controlled not only by Russia, but often (depending on the route) by one or more of Russia's neighbors. Pipelines are therefore a matter of geopolitics as much as business, and a strategic capability in both senses.

Geopolitics is a source of Russian capabilities in another, broader sense. Russia is a Eurasian country, with the ability to affect economics, politics, and security issues from its borders with Norway and Finland to its near-border with the United States in the Bering Strait. President Putin mentioned this also in his interview this morning: "By virtue of its geography Russia is simultaneously a European and an Asian country."

*Russia's interests*

I want to talk first about what we might call Russia's "objective" national interests: those that arise from its existence, its size, its importance, the broad parameters of its economy, and its location.

The first point is that in Russian foreign policy, it is now not only legitimate to talk about "Russian national interests," it is essential. In the early 1990s when I was interviewing Russian officials about the country's emerging foreign policy and relations

with Germany, I often would meet resistance to answering questions about Russia's national interests, with the answer that Russia's interests were global, common, European, western, and so on, but not national in the sense of uniquely or self-regardingly Russian. Now, it is clear that a less European and more realist or structural approach forms the core of Russian foreign and security interest definitions and understandings.

Beginning, then, with such objectively defined Russian national interests, those that anyone looking at Russian, even from the outside in, would identify, we begin with Russia's national interests in stability in Eurasia, as befits a Eurasian power. In classical, traditional foreign policy terms, this means good relations with neighbors stretching from Europe through the Near East, South Asia, and Far East.

Second, and as a result, Russian Eurasian national interests are to prevent Eurasian-based terrorist networks and actions from operating, and from directing attacks and threats against Russia. This, of course, is largely what we mean when we talk about new, 21$^{st}$ century, military or security threats.

Similarly, there is a Russian national interest in preventing Eurasian ethnic conflicts. Instability and war in regions on Russia's borders create direct threats of armed attack, indirect venues for the movement and influence of transnational terrorists, and threats to Russia's territorial control and well-being, such as refugees and narcotics trade. In principle, therefore, Russia should have a strong national interest in resolving those conflicts or disputes ongoing in Eurasia: Nagorno-Karbakh, Abkhazia, South Ossetia, Transdniestr.

Third, beyond the immediate neighborhood of Eurasia, Russia has a core national interest in constructive relations with global and regional powers: the U.S., Europe/EU, Iran, India, China, and Japan. Since these countries are regional and even global players with their own interests in Eurasia, seeking areas of common interests and managing areas of potential conflict are key to the securing of Russia's interests. This manifests itself in Russia's relations in the areas of trade, technology sales, and arms sales with at least some of these global and regional countries.

Although I have characterized these as Russia's "objective" national interests, all I have outlined is discussed and identified in Russian government statements and analyses, as well as in the Russian press. Thus, you may quibble about whether they are truly "objective" in a philosophical sense, but they form a core consensus area of national interests with little wiggle room for a rational and self-interested Russian foreign policy today.

*Russia's intentions/preferences*

Beyond such overarching national interests, we must also pay attention to national interests defined more in the realm of discretionary choice. They are derived from national interests, but more specific, and also the special interests of those with political and economic power who are able to shape policy, as in any country One might call them "subjective" national interests, or "special" interests. I prefer the more neutral term Russian intentions or preferences: within the parameters of overall national interests, what choice of focus does the Russian leadership make?

There are two pillars to Russian foreign policy discretionary strategic intentions at the start of President Putin's second term. The first is the goal of re-establishing Russia

as a Great Power. This is a goal often expressed by the President and other government leaders and politicians. It involves building Russia's capabilities and status as a global and regional player. It means Russia sits at the table as at least equal with Japan, China, India, Europe, and the United States. It entails Russia with a right to play an active role in security and development issues in the regions that affect its interests in Eurasia. It involves, as well, what President Putin, again this morning, set out as basis for foreign policy in his next term: "We will do everything to ensure favorable external conditions for Russia's development."

The second pillar of Russia's discretionary foreign policy strategic intentions -- Economic Growth and Development – is therefore not wholly separate from the first. In fact, the two pillars – Great Power and Economic Development, are linked, but it is worth noting each separately as they have different dimensions.

Economic growth and development, of course, means developing Russia's economy to engage in internal trade, produce and develop to compete domestically and internationally in the global economy, raise living standards and improve the lives of average Russians, as President Putin committed his government to achieve upon his election victory.

Within these two, however, there are multiple possible directions. That is, there are different kinds of Great Power, and there are different forms of Economic Growth and Development. This is extremely important to understand: a commitment to Great Power status does not require re-building of the Russian empire, nor does a commitment to Economic Growth and Development require liberal economic reform, integration, and globalization.

In the current Russian case, each discretionary strategic foreign policy intention has, broadly speaking, two clear directions. In both cases, both have been apparent in Russian foreign policy over the past few years. The question is now which strategic direction will President Putin choose to pursue, having consolidated extraordinary control over the Russian state and political power?

1. The first is the direction of a Great Power of a traditional, 19th century type, with spheres on influence, reliance on military instruments, balance of power politics, tactical use of international institutions and international law. In the Economic Growth and Development dimension, this matches up with a strategic intention of a mercantilist, state control type, resisting foreign investment (or, foreign ownership, which is the same thing), and transparency and rule of law as the basis for economic and business contracts. It also entails reliance on sectoral growth amenable to state control, particularly, although by no means exclusively, energy
2. The second variant is a Great Power of the 21st Century, with an open, flexible, adaptive highly diversified and highly technologically advanced economy, multi-sector globalized economic development, growth over control as priorities, multilateral approach to security issues, transnational security cooperation and CAPABILITIES It involves a non-exclusivity approach to security and development in its neighborhood, and international involvement in challenges as a solution, not a threat—a modern European approach to Great Power status. I would note, by the way, that I do not associate this with U.S. foreign policy.

Which of these will President Putin choose? I do not know. But, as I suggested, because Russian foreign policy is Putin's foreign policy, and because we can and should assume that Russian foreign policy deeds are President Putin's foreign policy in action, we will soon know. The task for U.S. policy in the near term is to be ready to cope with a Russian foreign policy of either directions.

U.S. Priorities

What should be the handful of U.S. priorities in shaping its relations with Russia over the next 4 years, given where we are with Russian capabilities, interests, and intentions?

First, pragmatically and effectively engage Russia to defend against and defeat al Qaeda and Islamic fundamentalist terrorism. Defeat means also eliminating the sources and causes of the threat they pose, through economic and political as well as military means. This priority also includes a strategy for engaging countries to Russia's south, as Eurasia is an extremely important theater for this policy.

Thus, the U.S.needs to re-commit to serious, closer cooperation and dialogue with Russia on al Qaeda, and not on the vague goal of a "war on terrorism." Terrorism, as Zbigniew Brzezinski reminds us, is not a threat, it is merely a means. The states that support or facilitate it and transnational groups that use it are the threat. An appropriate U.S. priority in relations with Russia will focus on being clear and honest on that as a common threat.

Central to effectively pursuing this priority is to closely and regularly discuss growing U.S. military presence in and engagement with countries of the Caucasus and Central Asia with Russia. The U.S. has the right to assist and engage with the countries

of the region that seek to develop their own military, political, and economic capacity for stability and security in general, as well as in particular against al Qaeda and associates such as the Taliban regime and others. But to do so without engaging Russia in discussions of the intentions behind and implications of U.S. presence would be counterproductive and self-defeating.

Second, the catastrophic threat posed by the availability of weapons of mass destruction to such states and transnational groups must be a greater priority of the U.S.-Russia relationship than it has been for the last decade. The first dimension of such a priority has to be a reinvigorated, much expanded, much more ambitious, and hopefully even more cooperative development of the Cooperative Threat Reduction programs. Problems in fully developing and implementing these programs lie on the U.S. and Russian sides. With President Putin fully in control of the Russian state, it is time for Russia to eliminate obstacles and objections to cooperative programs, and it is time for the U.S. to face that CTR is the single most important program for homeland security available to it.

But in addition, the U.S. should make it a priority to engage with Russia (and other leading global powers) to either adapt or newly create a global system for nonproliferation that truly effectively addresses the sources of WMD proliferation in the 21$^{st}$ century, on both the demand and supply side. The current nonproliferation system is broken: it does not work, and it must be fixed. Russia has historically had a strong interest in nonproliferation, and it has enormous capacities for cooperative efforts to succeed in preventing WMD proliferation.

Third, it is time for the U.S. re-engage Russia on arms control. No one believes that the U.S. and Russia do not have concerns about the military capabilities of one another. Both countries continue to target one another's military forces and to plan for military conflict under a variety of scenarios and contingencies, despite nice declarations at summits. Arms control is the best means to address and manage these ongoing areas of uncertainty and contingency worst-case scenario planning. The premise of U.S. rejection of arms control by the current administration was that we are past the Cold War. We are, but the reasons for arms control and the value of an arms control engagement system and process extend beyond the Cold War, because they were not rooted purely or solely in U.S.-Soviet global confrontation. We do not need to eliminate arms control, we need to create 21st century arms control to meet 21st century security needs.

Fourth, the US must make it a priority to engage Russia on the importance, implications, and issues of energy in foreign policy. The U.S. needs to clarify with Russia that this is about getting Russian energy to international markets, but also about developing Russia's expensive reserves, and with new advanced technology. That is not going to happen with autarkic development policies, so it is also potentially about foreign investment if that is welcome by Russian political and commercial interests, including foreign investment if that is welcome by Russian political and commercial interests. Also, pipelines matter and are intrinsic to the energy issue, so it should be integrated into a U.S.-Russian Energy Dialogue, not ancillary. Geopolitics matter in energy, not just the oil and gas itself.

Fifth, the U.S. needs to make a priority in the relationship with Russia our long term stability concerns in relation to the Russian Federation. That is, to put it simply, the

U.S. has an extremely important national security interest in the future integrity and success of the Russian Federation as a territorial, political, economic, and social entity. The U.S. has an interest in a Russia that can provide for the economic needs of its people through growth and development, that can meet and solve the looming health and demographic crises that threaten Russia's future well-being, and existence.

In short and in summary, the priority of U.S. policy beginning in 2004 with President Putin's second terms is to engage Russia as it is on a pragmatic basis, and without apologies for U.S. capabilities, interests, and intentions, on the same basis as we recognize and take into account Russia's.