

PONARS Eurasia Policy Conference

**Policy Memos Nos. 11-39
Washington, D.C.
September 12, 2008
Eurasian Strategy Project
Georgetown University**

About the Eurasian Strategy Project:

The geopolitical space of Eurasia and the security challenges that arise within it require strategic thinking, as well as specific regional expertise and insight. As we approach the passage of two decades since the end of the Cold War and breakup of the Soviet Union, it becomes apparent how the Eurasian continent is a dynamic space which must be conceptualized, understood, and engaged wisely. The term Eurasia often refers to the post-Soviet states, for lack of a better term, and certainly attention to the states of Central Asia, the Caucasus, and Eastern Europe should be enhanced. The Eurasian Strategy Project, however, aims to do more: to place these states in the context of their development as part of the continent that encompasses Europe, the Middle East, and Asia. The new project will aim to look at issues that are truly Eurasian in scope, and to bring attention to the insights and understanding we can have only by thinking of the region as a linked and interrelated whole.

In particular, through publications, conferences, and meetings, the Eurasian Strategy Project seeks to promote structured interaction between academic, think-tank, and U.S. policy communities. The current core of the project is *PONARS Eurasia*, the Program on New Approaches to Research and Security in Eurasia, an international network of social scientists that seek to promote scholarly work and policy engagement on transnational and cross-border issues, as well as comparative political and public policy topics, within the Eurasian space. The project also convenes meetings with a cohort of former U.S. policymakers and analysts to identify key developments and vital unknowns in Eurasia that will have a significant impact on U.S. national interests in the coming decade. These meetings seek to develop specific policy analysis and strategies for currently serving U.S. policymakers and analysts, and to serve as a nonpartisan expert forum for critically assessing U.S. policy in Eurasia.

About PONARS Eurasia:

PONARS Eurasia, the Program on New Approaches to Research and Security in Eurasia, is an international network of social scientists that seeks to promote scholarly work and policy engagement on transnational and cross-border issues, as well as comparative political and public policy topics, within the Eurasian space.

PONARS Eurasia publications are funded through the International Program of Carnegie Corporation of New York. The views expressed in these publications are those of the author alone; publication does not imply endorsement by PONARS Eurasia, Georgetown University, or the Carnegie Corporation.

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NATO's Role in the Wider Black Sea Area

PONARS Eurasia Policy Memo No. 11

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August 2008

NATO's Current Presence in the Wider Black Sea Area

The scope of actors currently engaged in the Wider Black Sea Area (WBSA) is unparalleled for the region. It includes not only states but a number of international organizations, blocs, and alliances, including the North Atlantic Treaty Organization. NATO arrived at the Black Sea shortly after the alliance's creation, with Turkey's accession in 1952. However, the Black Sea never played a significant role in Cold War conflicts, remaining a peripheral region.

Since the end of the Cold War, much has changed. NATO gained freer access to the WBSA with the dissolution of the USSR, its major adversary. Most of the states in the WBSA rapidly expressed an interest in working with NATO through the framework of its "Partnership for Peace" program, and many followed up with more intensive partnership agendas. NATO-led military exercises have even taken place in the Black Sea.

The terrorist attacks of September 11, 2001, as well as the post-9/11 era, have influenced the WBSA to a certain degree and, arguably, NATO's role in the region. Bulgaria and Romania joined the alliance in 2004, advancing NATO's expansion into the Black Sea. NATO's operations in the Balkans and, even more, in Afghanistan made the WBSA central to the alliance's main concerns. Ukraine's and Georgia's applications for NATO Membership Action Plans (MAPs) have also contributed to the WBSA's significance.

Still, does NATO really have a greater presence in the region now than it did before?

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Even such a simple question can have very different answers. From one point of view, the fact that NATO now has three members in the WBSA instead of just one, by itself indicates a growing presence. Also, as noted, the alliance participates in various military exercises in the region, something that was not possible just a few years ago. Finally, the WBSA now consists entirely of NATO members, NATO aspirants, and NATO partners. This has led some to observe that the Black Sea is becoming a "NATO lake."

From a different standpoint, however, NATO is just one of many influential security actors in the region, some of whom are not necessarily pro-NATO. The security vacuum that emerged in the WBSA with the end of the Cold War and the dissolution of the USSR still exists. While it is being filled by a range of security initiatives, new challenges have emerged. The region is very diverse when it comes to political models, economic levels, ideology, and military capabilities.

One might argue that NATO's Black Sea flank is being constructed neither in its final nor ideal form. It probably remains one of NATO's weakest regional dimensions. The alliance's only outpost in the region for decades, Turkey continues to play a vital role in NATO's Black Sea posture. However, Turkey is reevaluating its role in the region and is seeking a different security identity. While there is nothing to suggest that it will leave NATO or downgrade its participation in the alliance, Turkey is clearly taking a second look at its place in Euro-Atlantic cooperation, specifically its relations with the United States, NATO's greatest power. The set of factors affecting this ongoing debate include Turkey's becoming a stronger player economically and turning into a "regional superpower" militarily; its ambitions with regard to Turkic states and ethnic groups in the region; the U.S. war in Iraq and the influence it has on the Kurdish separatist movement; its being kept at the doorstep of the European Union for too long (with neither the United States nor NATO being able to help in this regard); energy and generally broader cooperation with Russia; and growing Islamism. All these factors contribute to a specific position for Turkey with regard to NATO's presence in the WBSA, with Ankara claiming that regional states are capable of providing enough security for themselves.

This assessment, however, does not seem to correspond to reality. There have been quite a few regional security initiatives in the WBSA in recent years, including two that Turkey has supported: the Black Sea Naval Co-operation Task Group (BLACKSEAFOR) and "Black Sea Harmony." Both of them, though, are far from being efficient and viable tools for enhancing regional security and addressing existing and emerging challenges. The Black Sea Economic Cooperation organization (BSEC) and the GUAM Organization for Democracy and Economic Development are not as active as they could be and, in any case, are poorly equipped to address the broader security concerns of the region. This leaves NATO, with its resources and potential, as the only viable collective security mechanism for the WBSA.

As Turkey reconsiders its regional role, the new Black Sea NATO members, Bulgaria

and Romania, are still learning to be part of NATO's working security arrangement. Moreover, both of them clearly lack the resources to independently promote a Euro-Atlantic presence in the region. As NATO continues to work with and through its three existing Black Sea members, it may want to consider other potential members in the region that could enable the alliance to play a more active regional role.

The Russian Federation has rather ambivalent relations with NATO. On the one hand, it is involved in an unprecedented number of joint activities with NATO. It enjoys special status as a privileged partner of NATO and has a large mission at NATO headquarters. At the 2008 NATO summit in Bucharest, then-Russian president Vladimir Putin attended as a very special guest (a privilege many others have been denied).

On the other hand, many in the Russian political elite, military, and public are deeply suspicious of NATO. They do not see NATO as a partner, let alone as an ally or friend. Moscow has objected to all recent waves of NATO's eastward enlargement and remains an even stauncher opponent of Ukrainian and Georgian membership. The Russian ruling class has initiated a wide-scale and well-organized anti-NATO campaign in both Russia and neighboring states. At the same time, no coherent or clear explanations have ever been given for why Russia sees NATO as a threat and, specifically, why it sees future enlargement as a menace to Russian interests. A rosy scenario for the future of NATO-Russia relations seems unlikely; among other things, Russia remains determined to prevent NATO from playing a more active role in the WBSA.

The Wider Black Sea Area and NATO: Questions for the Immediate Future

Still, there is much NATO could do to address the immediate security concerns of the WBSA. NATO is in a position to provide the right type of security, one that is of high quality and corresponds to most of today's challenges, including "soft security" threats. Based on Euro-Atlantic values and standards, NATO-led security would bring not only physical safety, judged by numbers of tanks and war planes, but also a broader sort of security, which would allow for the protection of human rights, free and fair elections, free press, economic growth, and social development. It would help the states of the WBSA address grave environmental and energy challenges and the illegal trafficking of humans, drugs, and weapons. NATO is also likely to continue serving as an active agent for democracy promotion, a role that should be highly welcomed throughout the region.

Several critical factors and developments will influence NATO's role in the WBSA in the coming years. NATO's transformation, namely its adaptation to the security situation generated by the end of the Cold War, is still far from over. It takes time for an organization like NATO to define its new mission, functions, and methods. We are continuing to witness not only NATO's conceptual search but also its institutional evolution. Discussion within the alliance is often heated, which is natural as each

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member has its own interests and agenda. At the same time, even with all its challenges and difficulties, NATO is not an organization in crisis. In fact, its current problems should lead to an even stronger NATO. As it stands, the alliance is the only effective and reliable mechanism for securing the Euro-Atlantic space.

Second, the future of NATO and its role in the WBSA will be determined by the outcome of the ongoing discussion about the alliance's expansion in the region. NATO members appear to be far from reaching a consensus on this matter. Such a consensus should be found relatively soon, however, as its absence is limiting NATO's potential in the region while halting the security aspirations of the candidate states.

Third, debates on NATO activities lying outside its traditional area of responsibility are of great significance. The eventual result of NATO's mission in Afghanistan will be pivotal. NATO's future role in the WBSA will depend on what sort of lessons the alliance takes away from its experience in Afghanistan. An isolationist attitude will lead to a more limited and restrained NATO stance on the WBSA. On the other hand, if NATO concludes that it should stay the course in reaching outside its traditional area, becoming a more assertive global player, and remaining a security player in the wider Middle East, this would automatically lead to calls for a more active role for the alliance in the WBSA.

Finally, much will depend on NATO's relations with Russia. It will be crucial to see if Russia can become NATO's friendly partner in the Black Sea area or if it will continue to oppose the alliance in the region.

At the moment, NATO does not have a clear strategy or vision for the WBSA. One could speculate why: ongoing internal debates on NATO's mission in today's world; continued adjustment to earlier waves of enlargement; preoccupation with NATO's current mission in Afghanistan; and a desire not to irritate Russia, which still considers much of the WBSA its own backyard. A strategy should emerge sooner rather than later, however. Without one, NATO is doomed to act blindly in the region. The time has come for the alliance to decide on the significance of the WBSA for Euro-Atlantic security, the regional challenges it faces, and the methods that could be used to counter those challenges and bring greater security to the Black Sea.

Russia's New Euro-Atlanticism

PONARS Eurasia Policy Memo No. 12

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August 2008

Russian-U.S. relations in the post-Cold War era have had their ups and downs, but the trend has generally been toward a reduction in spheres of cooperation, already limited just to security matters. Russia's immediate and unquestionable support of the United States after the terrorist attacks of September 11, 2001, has not led to a wider partnership or greater mutual trust.

Nonetheless, the United States, visibly or invisibly, has remained a key factor in Moscow's foreign policy decisionmaking, including in its relations with the European Union and its post-Soviet neighbors. Russian views on the United States' global role differ depending on one's vision of Russia's own future in global politics. Still, the dominant view is that the United States, in spite of the problems in Iraq and Afghanistan and its current financial crisis, will not become isolationist but will continue to pursue a strategy of global leadership. Russian political leaders recognize the global scale of U.S. interests, but argue that it is precisely their global nature that makes it impossible for the United States to address them alone. According to Russian minister of foreign affairs Sergei Lavrov, today's problems and concerns can be "regulated only on a collective basis."

Introduced as a liberal to both the West and Russia, President Dmitry Medvedev arrived onto a relatively smoother international playing field. Then-president Vladimir Putin's February 2007 speech in Munich and the December 2007 moratorium on the Conventional Forces in Europe (CFE) framed a visible deterioration of Russia's relations with the West. Subsequently, however, Putin made a significant effort to "de-Putinize" Russia's relations with the EU and the United States by returning to a more formal and less assertive form of diplomacy. Putin signaled this through the declaration he signed with U.S. President George W. Bush in Sochi on the eve of Dmitry Medvedev's presidential inauguration, as well as the more important Russia-U.S. Agreement for

Cooperation in the Field of Peaceful Uses of Nuclear Energy (still to be passed by the U.S. Congress). In an interview with the French daily *Le Monde* on May 30, Prime Minister Putin said there were more positive elements in Russia's relations with the United States than areas marked by controversy.

A New Beginning?

Other than a change in approach (and even this, not always), Medvedev's presidency has not brought any surprises to Russian foreign policy. Instead, there has largely been continuity in priorities, interests, and levers. The Putin-Medvedev tandem of Russian foreign policymaking has been a main element of this continuity. The geography of their trips (Kazakhstan twice, China, Germany, Azerbaijan, Turkmenistan, France, and the G8 summit in Japan) as well as their public speeches (in Berlin and Paris) demonstrate that both the Commonwealth of Independent States (CIS) and the EU remain key foreign policy priorities. After a rather long period of disarray in Russia-EU relations, a summit in the Russian city of Khanti-Mansiisk marked the start of negotiations on a new Partnership and Cooperation Agreement.

Both Putin and Medvedev also agree on fundamentals. First, the duo stresses the dominance of the domestic socioeconomic agenda – the need to improve living conditions, modernize the economy, and shift Russia to an innovation economy – as a basis for foreign policymaking. Second, they consider independence (*samostoiatel'nost*) in foreign policy decisionmaking both a key principle and one of Russia's main achievements. Third, with Russia having restored its position as one of the key players in global politics, it has a responsibility to promote global stability and peace and is open to cooperation in different international formats, from the United Nations to ad hoc groups for the Middle East, Iran, North Korea, and other diplomatic troublespots. In the new global situation, Russia also needs state-to-state networks, along with traditional international forums, to achieve its goals and defend its interests. Fourth, Russia strongly prefers to use soft power levers; by no means will it invest in an arms race, which would be devastating for its socioeconomic development. Fifth, Russia adheres to a pragmatic and realistic approach to international affairs. While admitting differences of interests, it is ready to engage in a routine game of cooperation and competition with its partners but on the basis of fairness, transparency, equal terms, and its own self-interest.

In addition to these not so new fundamentals, one novel element has been injected into Russian foreign policy discussions. Rejecting the U.S.-European view of Euro-Atlantic cooperation, which Medvedev has deemed "obsolete," the new Russian administration has accepted and developed the concept of a broader Euro-Atlantic civilization which includes both Russia and the United States as the two wings of European civilization. By this understanding, Russia's development adds value to the development of Europe as a whole. At a time when the West has lost control over certain processes of globalization, the Kremlin considers it necessary to restore the unity of the whole European civilization, including Russia, the EU, and the United States, in

order “to strengthen our common competitiveness.”

To some European specialists, this ideological paradigm is something Moscow has begun to invoke in order to obtain an equal position vis-à-vis the West. In fact, Russian Euro-Atlanticism is more of a defensive lever, first against the isolation of Russia in “a regional shell” (in the words of Lavrov); second, against its “Asianization” (*aziatchina*), still a vision of some Russian politicians but rejected by the European-oriented Medvedev and Putin; third, against the imposition of a choice between Europe and the United States; and, only finally, as an instrument to legitimize a continental or even global scale for Russia’s activities. At the same time, the Kremlin wishes to demonstrate that such a paradigm reflects a large segment of popular Russian opinion: according to a June 2008 opinion poll conducted by a polling organization with ties to the administration, more than 30 percent of respondents wished Russia was an EU member.

Because of its non-bloc, non-institutional nature, this new Euro-Atlantic concept could facilitate the non-confrontational management of different national interests. It could also help counter a destabilizing trend of re-nationalization of foreign policy, which challenges and even threatens European integration and transatlantic relations.

Accompanying this search for a new Euro-Atlanticism has been an increase in creative initiatives. Putin’s assertiveness – blaming the West for neglecting Russia and its interests, violating the promises of the 1990s, and so on – has given way to a more proactive and positive kind of Russian foreign policy (such as Medvedev’s proposal for a new pan-European security pact and for a new global financial center in Moscow). After many years of predominantly reactive policy, such initiatives may be a sign that Russia and its leadership are gradually overcoming their inferiority complex and diffidence noted by some Western observers. One element of such a proactive policy has been an attempt to demonstrate that Russia has assets precisely in the areas needed to help overcome today’s global energy, financial, and food crises. The overall goal, even if subconscious and unarticulated, is to underline Russia’s attractiveness as a partner to both Europe and Russia’s post-Soviet neighbors in the CIS. But will it work?

The European Union

Lately, Europe’s divisions can hardly be blamed on Russia. The problems associated with the Lisbon Treaty must be solved through a profound rethinking of the EU’s socioeconomic policy and only after a long process of adaptation by new EU members. The Iraq war and the operations of the North Atlantic Treaty Organization in Afghanistan are what prompted European debates on regional and global security, including the role of the United States. The last and strongest U.S. “bastion” in Europe, Poland, caused a small revolution in July by refusing to unconditionally allow antiballistic missiles on its territory.

In fact, Russia is becoming a prominent factor in European political life – and in a way that could boost the notion of a broader Euro-Atlantic civilization. As German

Foreign Minister Frank-Walter Steinmeier said a day after the Russian presidential election, European *Ostpolitik* involves the construction of a “peace order” encompassing NATO allies and eastern neighbors alike. Russia is and will remain an indispensable strategic partner should such a pan-European peace order become reality.

Meanwhile, while Russia sticks with the rhetoric and diplomacy of state-to-state relations, it in fact desires closer and binding cooperation with the EU as a regional institution. Russia may use its warm bilateral relations with key partners in Europe (like Germany and Italy) to secure its interests in the EU. However, those interests are fundamentally multilateral, including a deepening of economic interdependence, overcoming barriers for Russian investments, and securing EU support for Russian membership in the World Trade Organization (WTO).

At the same time, Russia has no illusions regarding its ability to pressure EU states into supporting its interests, especially if they collide with those of the United States. It understands that such pressure can rapidly prompt transatlantic consolidation based on anti-Russian sentiment.

The CIS

The notion of a broader Euro-Atlantic civilization encounters more challenges closer to home. Even aspirationally, the CIS remains a rather symbolic abbreviation for the post-Soviet space. Putin and Medvedev have not had any plans to reintegrate the post-Soviet states. Officially, the current strategy in this vast region is one of “diverse cooperation.” The Russian leadership stresses that it respects the sovereignty of its neighbors, even on controversial matters like NATO membership. While calling for legitimacy and transparency, Russia also does not oppose the activities of the EU and the United States in the post-Soviet space.

Still, the CIS is split into two distinct regions: the Euro-East (including, among others, Ukraine, Georgia, and Moldova) and Central Asian – Caspian. The Euro-East is following a path that bears a striking resemblance to that of Central and Eastern Europe in the 1990s. The states of the Euro-East long for NATO and EU membership, hyperbolize the “Russian threat” and its imperial ambitions, and appeal to the West (especially to the United States) to contain Russia. In so doing, they nourish anti-Russian feelings and stereotypes.

Moscow has very few positive and no effective negative levers to bring the Euro-East over to its side. A problematic shared past, current controversial and counterproductive immigration policies, and recent nationalist and xenophobic tendencies in Russia have not helped improve Russia's image. Even its more recent “pragmatic” economic approach to CIS states has been perceived by the Euro-East as another imperial attack. Russia has cooperated with the United States and NATO on Afghanistan and Iran, articulated that it does not intend to challenge Georgia's sovereignty (provided that its interests, mainly financial-economic, in Abkhazia and South Ossetia are respected), and compromised with the EU on Transdniestria. While

new humanitarian activities undertaken by Russia might help roll back its neighbors' negative perceptions, they cannot change them overnight. In particular, it is naïve to expect that elites in Kyiv or Tbilisi will divert from their pro-NATO course.

Whether it shares the Euro-East's NATO zeal or not, the United States faces the challenge of estimating whether the risk of alienating Russia is real and significant. A few Western politicians and experts have articulated this risk and called for taking Russian concerns into account, particularly when the EU and the United States require Russia's cooperation on Afghanistan and Iran. Certainly, NATO expansion is a major stumbling block to the promotion of a broader Euro-Atlanticism.

Although the situation around Central Asia and the Caspian is more complex due to the region's huge energy resources, it paradoxically contains less potential for spurring such conflict. The states of the region, including Kazakhstan, Russia's key regional partner, are open to the best commercial offers they can get and publicly declare diversification of their energy policy as a key principle. They are also far more willing to deepen political and security relations in all directions – with the United States, Russia, the EU, and China. In addition, common U.S., European, and Russian security interests make cooperation on Afghanistan, Iran, and Middle East inevitable and, hence, help keep a reasonable balance of interests in this nearby region.

Conclusion

It would be an exaggeration to overestimate Russia's impact on Euro-Atlantic relations solely based on its policy towards the EU or the CIS states. Still, it is undeniable that Russia is becoming a stronger factor in European policy. The Medvedev administration, though stressing its independent foreign policy, is simultaneously looking for a more stable and long-lasting pattern of cooperation with the West. The fact that the new Russian president has put forward the concept of inclusive Euro-Atlanticism suggests that modern Russia can be instrumental not only in solving security issues, but also in strengthening Western civilization in the face of its current crises and uncertainties.

Slowly But Surely?

The European Neighborhood Policy as a New Framework for Transatlantic Integration

PONARS Eurasia Policy Memo No. 13

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August 2008

In the aftermath of the April 2008 North Atlantic Treaty Organization summit, there is a need to conceptually rethink the Euro-Atlantic agenda in post-Soviet Eastern Europe and the Caucasus. The Bucharest summit confirmed NATO's open-door policy yet still refused to extend a Membership Action Plan (MAP) to either aspiring candidate, Ukraine or Georgia. Grand agendas for Euro-Atlantic expansion were admittedly not on the table prior to the summit: due to the European Union's refusal to grant membership prospects to any new aspirants, neither "the Baltic option," a simultaneous enlargement of the EU and NATO, nor "the Polish option," in which NATO expansion precedes and is understood to presage EU expansion, was possible. On the other hand, a "quasi-Turkish option," by which the more advanced Eastern partners could be admitted into the Atlantic security zone in order to postpone *ad infinitum* their entry into the European prosperity zone, was conceivable, even if those partners failed to comply with all the criteria (Georgia) or lacked full popular support (Ukraine).

Now, a double rejection is a more probable mid-term scenario. There are a number of reasons why several key European NATO members did not embrace the applications of Ukraine and Georgia. These include internal problems in both states, an unwillingness to provoke the new Russian leadership, and the recent legacy of controversy between the United States and Europe. These issues will still be relevant in December 2008, when the issue is to be revisited, and possibly afterwards. If Russian behavior toward the area becomes openly aggressive and destabilizing, it is conceivable that these states will change their position. Still, change should not be taken for granted.

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EU negotiations with Russia on a new framework agreement have just begun, while a more general interest in building a so-called “strategic partnership” with Russia still prevails in much of Europe.

Should Euro-Atlantic integration of at least some states in the region be considered a realistic goal? If so, when and how can it be achieved? I argue that the key lies with the EU’s increasing regional involvement at the less ambitious, but practical, level of the European Neighborhood Policy (ENP). European policy in the “Eastern Neighborhood” is becoming more active by design and by default. This process can positively affect the prospects of transformation in the region and create a new platform for transatlantic interaction. Like any palliative, it is not an ideal policy for all parties concerned, but undoubtedly it has potential.

Why Would Europe Care?

It would not be an exaggeration to say that in the years before the enlargement of the EU in 2004, its Eastern policy was largely driven by the motto “Russia first.” This was not only because of European reliance on Russian energy imports. Many Europeans still viewed Russia as a champion of liberal reforms in the post-Soviet space and, having declared its adherence to a “European Choice,” as interested and capable of establishing sustainable cooperation with the EU. It was anticipated that this would have a positive spillover effect for the whole region in terms of stability and transformation.

In 2004, the situation changed. After enlargement, the EU formed a common border with the post-Soviet space, and Europe as a whole learned that its new eastern periphery mattered. First and foremost, protecting itself from soft security risks that emanated from the region would only be possible by bridging the wealth gap. This would require promoting the rule of law, human rights, and democracy in the region; otherwise, all assistance programs would fail. Meanwhile, new member states began pushing the EU to pay greater attention to the East, while bringing to the corridors of Brussels a much more skeptical view of Russia.

In turn, Russia felt increasingly threatened by the policy of democracy promotion and embarked on an assertive course in the common neighborhood aimed at regaining Russia’s predominant geopolitical status. Moscow perceived that the EU was playing a zero-sum game against Russia’s interests. The open controversy between Russia and the EU triggered by Ukraine’s Orange Revolution revealed that the neighborhood had become the single most important conflict-prone issue on the Russia-EU agenda.

Even if most EU members are far from perceiving the region as a bulwark against the resurgence of Russian imperialism, as some of its newer members propose, they do view “sphere of influence” thinking as a challenge to which the EU should respond. At the same time, Europeans are looking for ways to have a positive impact on political processes inside Russia. Europeans place much hope in potential demonstration effects from successes in its vicinity, and nothing could be more promising than success in states with large ethnic Russian populations and/or shared historical experiences.

After the Russian-Ukrainian gas war of 2006 and smaller incidents between Russia, Ukraine, and Belarus, European states have also come to appreciate the fact that their own energy security begins with the energy security of transit states. European energy policy remains incoherent and is often driven by selfish and not fully transparent monopoly interests. However, many Europeans no longer see transit states as spoilers of an otherwise “happy” union of suppliers and consumers but as part of a more complex framework.

European Neighborhood Policy: What’s Next?

This kind of thinking has already had an impact on EU policy and that of its members. The original European Neighborhood Policy (ENP), launched in 2004, does not deserve to be called anything more than a bureaucratic exercise; it offered the same stakes to every EU neighbor from Morocco to Belarus. To post-Soviet European states, the initiative’s vague statements contained no encouragement, while their alleged status as “Europe’s neighbors” offended. Individual action plans signed with Ukraine and Moldova in 2005 were only interim solutions.

The end of 2006, however, was a turning point, ushering in an era of “ENP plus.” New initiatives began to surface regularly. In December 2006 the European Commission tabled a set of specific proposals and financial instruments later endorsed by the European Council. In the spring of 2007, “Black Sea Synergy,” a new regional cooperation program, was launched. In September 2007, the first ENP conference was organized, bringing together 27 member states and 16 partners. In December 2007, the Commission drafted another communication outlining the contours of a stronger ENP. In May 2008 Poland and Sweden unveiled a joint proposal for a new “Eastern Partnership” envisaging a specific forum between the EU-27 and Ukraine, Moldova, Georgia, Armenia, and Azerbaijan. Other important developments included the mushrooming of cooperative mechanisms in the energy sphere and the EU’s more active stance on frozen conflicts, especially through the EU Border Assistance Mission for Moldova and Ukraine. Without going into the details of all these initiatives, it is possible to conclude that they are based on the principle of positive reciprocity. According to the above-mentioned 2007 communication, “the more deeply a partner engages with the Union, the more fully the Union can respond, politically, economically and through financial and technical cooperation.”

All these initiatives serve the old goal: to deny the “Eastern Neighbors” the prospect of membership. Yet it is precisely because the EU now genuinely strives to prove the possibility of successful reform without membership that it is ready to give neighbors much more than before and has come to take the idea of “everything but institutions” quite seriously. Specifically, the EU has declared its readiness to finalize free-trade agreements with partner states, a major breakthrough for this rather protectionist entity. The EU has also launched enhanced partnership agreement talks with Ukraine. More generally, the “ENP plus” is an instrument of incremental integration of partner states into the EU’s economic space and zone of internal security. If utilized in full, this would

give ENP partners, like Ukraine and Georgia, a variation of the same status currently held by Norway, Switzerland, or Iceland, with the exception of a right to full membership.

Talking To Russia, or About It?

Moscow seems to be concerned about the developments it has witnessed in the region. In February 2008 it criticized the final document of the “Black Sea Synergy” meeting in Kyiv. Although all other EU and Black Sea Economic Cooperation states supported the report, Russia disliked it apparently because the document called for increased EU involvement. The media reaction to the regional energy summit in Kyiv in May 2008 was openly agitated.

It is not difficult to understand why Russia would be far from welcoming forums in which it is not a participant of discussions but an object. There is an emerging (albeit weak) circle of solidarity that excludes Russia and blurs boundaries between EU members and non-members. At the same time, it symbolically points to differences between “Wider Europe,” understood as “ENP Europe,” and Russia. It would be wrong to expect this process to result in the transfer of Europe’s frontiers from the Ukrainian-Polish to Ukrainian-Russian border, but it is still a blow against the “line in the sand” thinking of Moscow’s conservative foreign policy establishment.

As recently as the beginning of Vladimir Putin’s second presidential term, Moscow had little reason to worry about sliding toward outsider status. In 2004, Russia was invited to join the ENP, but it saw no reason to do so. Indeed, at that time its individual “strategic partnership” relationship with the EU was much more conceptually developed and relied on a sound legal and institutional basis (the year before, Russia and the EU had agreed to create four common spaces covering economics, security, research, and culture). However, as part of the general alienation between Russia and the West that ensued, bilateral EU-Russian relations stagnated and Moscow’s ability to influence EU decisions became limited.

Conclusions

The ongoing changes in the European approach toward the EU’s Eastern Neighborhood should be taken seriously. Without exaggerating their potential to have immediate positive effects, they should be welcomed both intrinsically and because they help create a new framework for transatlantic policy.

In the current circumstances, the often-criticized slow pace of European policy may do more good than harm. There is no “quick fix” to the internal problems in the region; consistency is needed more than speed. This is already the case for NATO expansion: even if Ukraine and Georgia were to be granted MAPs, it would still take years before full membership would be possible. In this sense, “everything but institutions” will remain a workable EU formula for the foreseeable future.

Europeans should not cling to the illusion that the ENP can somehow be decoupled

from EU-Russian relations or that the latter will view European actions in the region benignly. Instead, they should anticipate a Russian reaction. This, in turn, could help facilitate the emergence of a coordinated Western policy towards Russia.

In conclusion, the goal of both the EU and the United States in the Eastern Neighborhood should be to ensure the region's successful liberal and market transformation, rather than to create specific institutional arrangements. While nothing can yet beat the promise of EU membership for promoting reforms, the ENP can still become a realistic and promising conceptual basis for cooperation.

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An Opening in Uzbekistan

PONARS Eurasia Policy Memo No. 14

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August 2008

May 2008 marked the three-year anniversary of the tragic Andijon events in Uzbekistan's Fergana Valley. My understanding of these events is informed by discussions with Uzbek colleagues both within and outside of President Islam Karimov's government. These confidants have, at considerable risk to themselves and their families, confirmed that the Karimov government applied disproportionate force in suppressing the largely peaceful protest in Andijon on May 13, 2005. If we are to believe this account, rather than the alternative militant Islamist narrative the Karimov regime offers, the question for us is: can the international community influence the Uzbek government to refrain from future political violence? Four recent developments – all profound structural changes in the geopolitics of Central Asia – offer a political opening through which the international community broadly, and the United States in particular, can encourage the Karimov regime to move toward political liberalization:

- North Atlantic Treaty Organization operations in Afghanistan have not been adversely affected by Uzbekistan's rescinding of access to the Karshi-Khanabad airbase;
- Changes in commodity markets, namely Uzbek cotton exports and basic food imports, are weakening the already brittle economic foundations of the Karimov government;
- Generational change coupled with new information communication technologies (ICTs) is creating an Uzbek population more welcoming to the international community;
- The political legacies of two Karimov contemporaries, former Kyrgyz president Askar Akayev and deceased Turkmen president Saparmurat Niyazov are actively,

and literally, being dismantled.

Critically, however, the sense of vulnerability these developments may engender in the Karimov government can equally lead to autocratic retrenchment and political repression. This paradox of political openings makes it all the more important that the United States continues to stress Uzbek political reform and deemphasize military cooperation.

Authoritarianism and the Karshi-Khanabad Airbase

Analysts such as Galima Bukharbaeva and Alexander Cooley find that NATO bases in Uzbekistan encouraged the Karimov government's autocratic leanings. By allowing Western powers access to airstrips close to the Afghan border, President Karimov was able to cultivate a credible image at home and abroad as a partner in fighting transnational terrorism. However, while NATO engaged real terrorist groups like the Taliban and Al Qaeda, Karimov fought imagined terrorists, political oppositionists, human rights defenders, and businessmen, whom the Uzbek president portrayed as homegrown Islamist militants. Calling Karimov on this charade cost the United States access to the Karshi-Khanabad airbase, but rebuking Karimov did not cost the United States and NATO any noticeable decreased military capacity in Afghanistan.

In congressional testimony of March 5, 2008, Admiral William Fallon, then Commander of U.S. Central Command, noted that the United States has "reinstated a security relationship with Uzbekistan after a hiatus of about three years." Our past security relationship with Uzbekistan, albeit short-lived, suggests that pursuing the opposite strategy, deemphasizing military relations with the Karimov government, may prove more fruitful to Uzbek political reform while presenting no limitation to U.S. strategic interests in the region. This relationship between military bases and Uzbek autocracy is a question the U.S. Congress might address as it considers confirmation of the next commander of Central Command.

Challenging Commodity Markets

One relationship Western partners would do well to stress with the Karimov regime is that of international trade. The Uzbek government, similar to governments in other developing states, is vulnerable to the global trend of rising commodity prices. Extended drought in Central Asia and Australia, floods in the American Midwest, and the shifting of cropland in Brazil and the United States from food to ethanol production have produced marked increases in commodity prices in Central Asia just as these environmentally-induced changes have raised commodity prices throughout the world. An April 2008 World Bank study estimates that corn prices increased 80 percent between 2005 and 2007. During this same two-year period, wheat and rice prices increased 70 percent and 25 percent, respectively.

In contrast to Bangladesh, Haiti, Cameroon, and Somalia, countries where price hikes have sparked politically destabilizing and sometimes deadly food riots, Uzbeks

have thus far proven surprisingly tolerant of rising commodity costs. As Central Asia's autumn harvests appear less and less promising, though, there is increasing cause for concern, not so much because of protests, but because of how the Uzbek government might respond to protests. In May 2005 thousands gathered in Andijon to protest, among other things, mounting food and energy costs. Whether the Karimov regime might once again brutally repress such protests is uncertain. Partnering with Uzbekistan now, though, to ensure food supply through the winter, would help preclude hunger and conflict as well as improve strained relations between Tashkent and Western governments.

Rising food costs are not the only commodity challenge the Uzbek government must confront. The Karimov regime's most reliable hard currency source — cotton exports — is also encountering challenges on the global market. Uzbekistan is the world's second largest exporter of cotton. Problematically for this billion dollar state-controlled export, recent media reports exposing the widespread use of child labor in the Uzbek cotton industry have sparked a growing international boycott of Uzbek cotton. Retailers and clothing manufacturers that have pledged not to source Uzbek cotton include H&M, Gap, Tesco, Marks and Spencer, Debenhams, Marimekko, and Krenholm. This dual challenge of more expensive food imports and less secure cotton exports suggests that the Karimov government cannot remain a political island but, rather, must partner with the international community to ensure adequate food supplies and engage Western consumers' child labor concerns.

Generation and Technology Change

Child labor in the cotton industry is only one of several areas where the intersection of Uzbek youth and Western values promises to reshape Tashkent politics. Uzbek society today is younger and more Western-leaning than ever before. The projected 2010 median age in Uzbekistan is 24. To place this figure in context, Uzbekistan's under 24-years-old population, approximately 14.2 million people in total, will be larger than the country populations of Kyrgyzstan, Tajikistan, and Turkmenistan and 1.5 million shy of Kazakhstan's total population in 2010.

A large youth population is not determinative of liberal or illiberal political reform. As Sarah Mendelson and Theodore Gerber demonstrate in the Russian case, younger generations may be as likely to exhibit Stalinist and xenophobic leanings as they are to champion cosmopolitan and democratic values. In the Uzbek case, though, public opinion analysis does suggest that youth are more Western-leaning than their older counterparts. Specifically, surveys colleagues and I conducted in 2007, as part of a larger study on new ICT acquisition, demonstrate that younger Uzbeks are more trusting of international organizations (IOs) and of English-language media than are older Uzbeks. Thus, for example, the predicted probability of a 20 year old trusting the English language media is 65 percent, while the predicted probability for a 70 year old is 36 percent. The probability that a 20 year old will trust international organizations is 80 percent, while the probability that a 70 year old will trust IOs is 63 percent.

These findings may appear intuitive. Youth, be they in Tashkent or Turin, are far more likely to watch *Eurovision* than the over-forty crowd anywhere in Eurasia. What is surprising, however, is that an engagement of Western culture does not translate everywhere into greater trust of the West. Analysis of surveys conducted in Kyrgyzstan, Tajikistan, and Kazakhstan in 2007, for instance, reveals no similar statistically significant pro-West youth effects.

Our 2007 Uzbek survey suggests one further age effect: Uzbek youth are more trusting of the Internet than are older cohorts. This combination of younger generations' trust in new ICTs and pro-Western leanings offers Uzbekistan's international partners a mechanism through which they can assist political reform. However, extreme care is required should Western states attempt to engage Uzbekistan's youth through new ICTs. Here the case of Alisher Saipov, one of Central Asia's most promising journalists, is instructive.

In the spring and summer of 2007, Saipov's newspaper, *Siyosat*, proved an immediate hit. *Siyosat*, a project funded by the U.S.-based National Endowment for Democracy, was a newspaper that employed the latest ICTs (SMS, Internet databases and news digests, instant messaging) in its reporting and provided Uzbek-language news for a population long starved for information. Saipov distributed *Siyosat* outside public gathering points, such as bazaars and mosques, in Kara Suu, Kyrgyzstan. From here, folded copies of *Siyosat* would travel in the pockets of mosque attendees and bazaar traders across the border into nearby Uzbekistan.

Lamentably, *Siyosat's* and Saipov's substantial contributions proved short-lived. In October 2007 assailants shot and killed Saipov, thereby shuttering the region's first uncensored Uzbek-language newspaper. Many sources, including Kyrgyz security services personnel whom I have engaged through intermediaries, attribute Saipov's death to the Karimov regime. Should these sources be correct, Saipov's biography demonstrates that new technologically savvy journalism is subject to the same repression as traditional mass media. In Saipov's case, fifteenth-century technology silenced Central Asia's leading twenty-first century reporter.

Fading Political Legacies

Saipov was perhaps Karimov's most compelling and outspoken critic. This was a role Saipov embraced but also a role that the increasingly embattled Uzbek president could not abide. Karimov is the last of an endangered, if not practically extinct, political generation. The Class of 1991 – the cohort of five Central Asian leaders who became presidents of independent states following the Soviet collapse – has only two members still in power. Since the 2005 Andijon bloodshed, Uzbek President Karimov has watched the legacies of his Kyrgyz and Turkmen counterparts, Presidents Akayev and Niyazov, fade as successor governments build new legitimacy by rejecting old leaders. At the same time, Karimov has witnessed the comparative success of the well-choreographed leadership successions of Boris Yeltsin and Vladimir Putin. Should the Uzbek president now be considering his own legacy, he likely is more attentive today to

potential exit strategies than he was three years earlier.

Robust U.S. political engagement with Uzbekistan at a time when President Karimov is casting a questioning eye toward political (im)mortality can positively influence the nature of potential successor regimes. Even carefully picked successors strike out on new paths. Just as we can imagine Russia's new president, Dmitry Medvedev, pursuing warmer relations with Washington while still celebrating his mentor, so too might Uzbekistan's next president reach out to the West while publicly honoring Karimov's legacy.

Proceeding with Caution

Insecure political legacies, challenging commodity markets, new geopolitical realities, and generation and technology change are all structural reasons why Western states might find increasing influence over the Karimov regime. These structural changes, however, do not guarantee greater influence. As Andijon demonstrates, perceptions of vulnerability can just as easily spark renewed repression as they can political reform in autocratic states.

Regime vulnerability, dissident repression, and political reform paradoxically often share similar causalities. Ultimately, the outcome that emerges in Uzbekistan will depend on complex interactions among the structural changes outlined above and unforeseen developments in the months to come. Critically, though, these structural changes have produced a political opening in Uzbekistan, an opening that the West can positively influence through measured engagement with Tashkent.

Enlarging the Shanghai Cooperation Organization

Is Iran a Viable Member?

PONARS Eurasia Policy Memo No. 15

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August 2008

Shanghai Cooperation Organization

The Shanghai Cooperation Organization (SCO) was established on June 15, 2001, by a declaration adopted by six states: China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan. The SCO evolved from mechanisms of confidence building and conventional force reduction, as well as agreements on trade and border demarcation. According to its Founding Declaration, the SCO aims “to strengthen mutual trust and good neighborly friendship” among member states in a variety of fields and devote itself “to safeguarding regional peace, security, and stability; and establishing a democratic, fair and rational new international political and economic order.” The founding states also placed a special emphasis on fighting against the so-called “three evils” of terrorism, separatism, and extremism.

In the West, the SCO is often portrayed as an alternative to Western institutions and as a group that aims to protect its own nondemocratic regimes. However, the SCO was established several years before the color revolutions erupted in the post-Soviet space and was oriented primarily at neutralizing Islamic fundamentalism rather than maintaining the ruling regimes of member states. Although some provisions of the Founding Declaration could be interpreted as challenging the existing Western-dominated international order, the organization has made very few practical steps in this direction. In fact, the SCO has two other aims: it is a collective security system aimed at maintaining stability in Central Asia by countering new threats, and it provides a multilateral framework to facilitate China’s cooperative economic, political, and security engagement in Central Asia.

24 Enlarging the Shanghai Cooperation Organization

Debates on enlarging the SCO began soon after the organization was founded. However, member states could not agree on the principle or terms of enlargement and so decided to impose a moratorium on enlargement until the SCO had sufficiently strengthened as an organization. Nevertheless, four regional states – Iran, Pakistan, Mongolia, and India – have become official observers of the SCO, and the first three have applied for full membership. The question of expansion presents the SCO with a number of complicated choices, perhaps chief among them whether to bring Iran into the organization – and on what terms.

SCO Observers and Attitudes Toward Expansion

Four states have “observer” status in the SCO: India, Pakistan, Iran, and Mongolia. The question of enlarging the SCO has been discussed since its establishment. China initially opposed the idea, arguing that the institution should establish itself first and only then begin to think about adopting new members. Reportedly, Beijing did not want Mongolia, in particular, on board. At the time, China may have considered the SCO as its gateway into Central Asia and did not want to see Russia use it as a means to return to Mongolia, a landlocked country not far from Beijing and historically the source of numerous invasions into China.

Indeed, enlargement of the SCO is likely to create a more balanced structure vis-à-vis China, undeniably the current dominant state in terms of population and, to a lesser extent, economy. This domination is not overwhelming. Russia’s gross domestic product is more than 40 percent that of China’s. Moscow also enjoys nuclear predominance over Beijing and owns huge energy resources desperately needed by the growing Chinese economy. Still, tremendous Chinese capabilities prevent deepening cooperation inside the SCO. Other members may not be that enthusiastic about increased integration within the organization out of concern that it would make them more economically and politically dependent on Beijing. The vagueness of SCO obligations permits smaller members to maintain more choices and freedom of action. Accession of other significant states would help alleviate the pressure of integration and could even be a necessary precondition for the SCO’s vertical development.

China later compromised on enlargement by agreeing to invite observers and guests, if not new member states. This permitted China to still focus the SCO on the stability of Central Asia and the development of various ties among regional member states. At the same time, having states like India, Pakistan, and Iran as observers promised to greatly increase the visibility of the organization and to help make the 2006 SCO summit in Shanghai a prominent international event. Still, Russia and China were unable to agree initially on whom to invite as observers to the summit. China hesitated to invite India, while Russia had misgivings about inviting Pakistan. Both powers, however, supported inviting Iran. Finally, the decision was made to approve all four applications, including Mongolia’s. The United States also applied for observer status, but its application was declined. Reportedly, the SCO wanted to invite Afghanistan as another observer, considering it a primary source of instability in the region. In response to the rejection of the United States’ application, however, Washington advised the Karzai government to

refrain from attending. Subsequently, Afghanistan participated in the 2007 SCO summit in Bishkek, Kyrgyzstan, as an honored guest, if not an observer. A similar status was provided to neutral Turkmenistan.

With the exception of India, the original observer states have expressed interest in becoming full members of the SCO, but for different reasons. Mongolia is looking for ways to diversify its new dependence on China. Pakistan remains in the shadow of mightier India within South Asian institutions. Moreover, Islamabad would like to develop economic ties with the Central Asian states. During the SCO summit in Bishkek, the Pakistani foreign minister was the most active among representatives of observer states in appealing to the organization to enlarge.

Iran's motivations are similar to those of Pakistan. Iran wants to cement relations with Russia and China to alleviate pressure from the United States. Tehran might believe that an alliance with Moscow and Beijing will help end the escalating sanctions imposed against it by the United Nations Security Council as a result of Iran's refusal to suspend its nuclear program. In addition, Russia and China, with their huge investment capabilities, are very attractive as investors in the Iranian economy, especially at a time when many Western companies and banks have been retreating due to U.S. and European Union sanctions. Undoubtedly, Iran also hopes that as a member of the SCO it would receive a strong political and security umbrella to counter the risk of U.S. and Israeli air strikes and could convince Russia to sell it more advanced weapons. Finally, accession to the SCO likely appeals to Iran as an opportunity to reclaim traditional influence in Central Asia. Thus far, the Iranians have established limited influence in ethnically-similar Tajikistan; their attempts to develop economic and political cooperation with regional Turkic-speaking states have been largely unsuccessful.

Iranian Accession: Pros and Cons

Although some SCO member states reportedly support Iranian accession as a full member, the organization maintains its self-imposed ban on enlargement. This moratorium is expected to last until at least 2009.

It is not difficult to guess that one of the supporters of Iranian membership is Tajikistan, the only Central Asian member state ethnically and linguistically close to Iran and possessing relatively advanced economic and political ties to it. The other Central Asian members, Kazakhstan, Kyrgyzstan, and Uzbekistan, are Turkic-speaking states culturally much closer to Turkey, Iran's long-time geopolitical rival. However, in terms of recent political interests, only Uzbekistan might have reasons to oppose Iranian membership. Uzbekistan has a complicated relationship with Tajikistan, and it could be concerned that Iran's accession would strengthen Tajikistan's position in various disputes. For similar reasons, Tashkent could not permit the 2008 SCO summit in Dushanbe to be marked by a large political success for Tajikistan, like granting membership to Iran. For their part, the Iranians were interested in being invited to Dushanbe but surely realized that membership would be difficult to obtain.

The next SCO summit will take place in Yekaterinburg, Russia, in 2009, with Russia holding the rotating presidency for the organization in 2008-09. The location

of the summit and possession of the presidency play an important role in decisionmaking processes on enlargement. As a diarchy, the SCO is dominated by China and Russia. Only during the presidency of one of the two can a decision be made regarding removal of the ban on enlargement, since the other members are not strong enough to promote such a decision in the face of Chinese opposition. If Russia decides to promote enlargement during its presidency and is able to convince the other members, China above all, then hypothetically Iran could be invited to the SCO as soon as the 2009 summit. If Moscow decides not to challenge the ban, which is more likely, then the ban will survive until at least 2011, the first year of the Chinese presidency. In that case, Tehran could be invited no earlier than the 2012 summit, which will be held in China.

The third possibility is that during its presidency Russia will be able to reach an agreement in principle on the necessity of enlargement, but no decision would be made in Yekaterinburg on particular candidates. In this case, invitations to observers could be issued later, beginning in 2010. In this scenario, Iran could be invited during summits in Kazakhstan, Uzbekistan, or China. Host countries would be rewarded for their support of Iranian accession by greater visibility for their summit.

The key issue for Iranian accession to the SCO is the Russian decision whether to promote it. The decision should be made very soon as Russia's presidency began in late summer 2008, but Moscow has conflicting interests. On the one hand, Russia has a generally positive approach to enlarging organizations where it plays an important role. Furthermore, for Russian President Dmitry Medvedev, the SCO summit in Yekaterinburg will be the first, and possibly only, high-level international gathering on Russian territory during his term; this could promote his personal commitment to the summit's success and visibility. Iranian membership in the SCO would also project Russian (and Chinese) power toward the Gulf and the Indian Ocean more generally. It would enable the SCO to occupy a stronger position in the stabilization of Afghanistan and Iraq. It would integrate Tehran into a better framework to discuss potentially lucrative plans for economic, energy, and security cooperation. Finally, Iran can offer Russia full membership in the Organization of the Islamic Conference (OIC) in exchange for its accession to the SCO. This is important for Russia's domestic relations with Muslim ethnic groups and communities.

On the other hand, unconditionally inviting Iran into the SCO might create the uncomfortable feeling that Moscow and Beijing have decided to provide substantial political support for the controversial Iranian regime despite its challenges to UN Security Council resolutions and its unacceptable policy toward Israel. This could lead to cracks in the great powers' coordinated policy on the Iranian nuclear problem and might be interpreted in Tehran as a green light for its nuclear ambitions. Moreover, Iranian membership could be considered a liability if it obligates Russia and China to provide Iran with political, economic, and security cover to counter Western and Israeli pressure. At the same time, although the SCO is not a military alliance, the organization's role and legitimacy would be greatly undermined if its member states did not receive adequate support in the event of the threat of military attack.

There is also the question of whether Moscow is prepared to accept for Iran the

same status as regional partner it has already granted to China. Though Iranian behavior toward Tajikistan (and, for that matter, Armenia) has been cooperative, a more self-confident Tehran could pursue more ambitious policies in the post-Soviet space. Furthermore, Iranian accession would inevitably raise the question of whether to invite other applicants, namely Pakistan and Mongolia. Although Moscow is unlikely to see any major problem in inviting Mongolia, once one of its closest allies, the level of Russian-Pakistani relations is not mature enough for Russia to accept Pakistan as an SCO member. It also might be damaging for Russian-Indian relations to have Pakistan in the organization without India, despite the fact that New Delhi has not officially expressed an interest in full membership. At the same time, it would be difficult to explain to China why Iran could be invited, and Pakistan, its long-term quasi-ally, could not.

What To Do?

When the Kremlin decides its priorities for the SCO presidency, it will not be doing so in a vacuum. Relations with the United States and major European states could considerably influence any decisions. Besides competition in the post-Soviet states, the implementation of proposals to exclude Russia from the G8 and establish a League of Democracies without Russia and China to take the place of the UN would create a motivation in Moscow and Beijing to build up bilateral cooperation and alternative institutions like the SCO. In that case, the SCO could end up as a vehicle to consolidate major Eurasian and Asian states while countering attempts to exclude these states from international decisionmaking processes. Building up the SCO as the organization to resist such an unprecedented challenge would likely dominate other concerns and disagreements and would require the quick and unconditional incorporation of Iran, as well as Pakistan.

If a calmer international environment prevails, a decision on enlargement will be less straightforward, though Russia still has arguments to try and persuade China that the ban on enlargement should be removed. First, the deteriorating situation in Afghanistan might compel the SCO to become more actively engaged; this will be much easier with Iran and Pakistan on board. Second, as mentioned above, enlargement could be a prerequisite for SCO vertical growth, something Russia and China both say they desire. Third, unpredictable and often unfriendly policies of some extra-regional powers on the Eurasian landmass and the Asian continent in general require keeping all options open, including enhancing the SCO through enlargement. Finally, such a removal would in itself send a powerful message to applicants, allies, and competitors.

At the same time, the organization could elaborate on accession conditions for applicant states on an individual basis. Instead of granting entrance for free, such an approach would establish a price for accession in terms of practical benefits for existing members. The conditions for Iran, for example, might include requirements to align its policy with the interests of other members in order to avoid awkward situations, like the SCO being forced to express solidarity when Iran acts in contradiction to the position of other members. In particular, Tehran might want to take practical steps on the nuclear issue and correct its attitude and tone toward

Israel with the goal of alleviating existing concerns.

Such a strategy would provide synergy for the current international efforts to solve the Iranian nuclear issue by political means, as well as for achieving settlement in the Arab-Israeli conflict. To correct its policies, Tehran would have as motivation the promise of accession to one of the largest international groupings. At the same time, Iran would have to realize that it cannot consider SCO membership as an indulgence for continuing its recent self-damaging policy, and that pursuing a more responsible policy is both a Western and an "Eastern" requirement.

EU-Russian Border Security

Stereotypes and Realities

PONARS Eurasia Memo No. 16

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August 2008

Russia has land borders with five European Union states: Finland, Estonia, Latvia, Lithuania, and Poland. The aggregate length of these borders is more than 2,250 kilometers, roughly one-fifth of all EU land boundaries and one-tenth of Russia's own border. The EU-Russian border is guarded rather strictly by the so-called "Schengen curtain," named for the European visa regime that now allows visa-free travel within 24 European states while hindering such travel across the EU's eastern border. This regime is designed to protect "fortress Europe" against unwanted migration, drug trafficking, other criminal activity, and terrorism.

Is the "Schengen curtain" an appropriate instrument for managing the challenges of EU border security? What role do unsubstantiated fears and stereotypes play in EU border security policy? To answer these questions, I examine the following issues: 1) the psychology of EU-Russian border security; 2) the comparative socioeconomic characteristics of borderland territories; 3) comparative crime rates and transborder criminal activity; and 4) the less tangible costs created by the strict border regime.

Mutual Perceptions and Border Security

In a 2007 Pew Research Center survey, 58 percent of Polish respondents held negative perceptions of Russia, as did 62 percent of Finnish respondents in a 2004 survey conducted by Gallup International. Such negative perceptions of Russia are also common in the Baltic states. At the same time, according to a 2006 survey by the Moscow-based Levada Center, Russians consistently consider their Baltic and Polish EU neighbors to be some of Russia's greatest "enemies."

Border protection is in part a function of such psychological barriers. It is often a defensive action against external environments perceived to be potentially hostile. Opening the EU-Russian border might thus be considered a serious threat to

inhabitants of the EU (and, even perhaps, of Russia). In Russia's smaller neighboring states in particular, the threat of a rapidly growing mass influx of Russians is equated with an invasion, occupation, or "ethnocultural expansion."

Such negative perceptions are widespread among political elites and the mass media. They are rather conservative and can long survive, even after the essential situation has changed. Russia is still sometimes portrayed in the EU as a poor country with a high crime rate, while the Baltic states and Poland are perceived by Russia as outposts of NATO aggression eastwards. The Russian government even appears to fear close regional cross-border cooperation because of the potential for separatism in provinces that engage in it.

Comparative Socioeconomic Characteristics of Borderland Territories

Regardless of their psychological foundations, justifications for a closed EU-Russian border based on objective factors like economic inequality and crime do not withstand scrutiny. First, disparities in per capita economic indicators such as wages do not support the argument that a strict border regime is necessary to stop the flow of population from "poorer" states to wealthier ones.

Various adjacent regions along the EU-Russian border do differ on key social and economic indices such as gross domestic product per capita and average wages, with the EU side coming out on top in virtually all cases. However, over the last decade this advantage has been diminishing and, on the whole, is not that wide. According to official data, average wages on the Finnish side of the border in 2000 were 15 to 25 times greater than on the Russian side. By 2006, this gap decreased dramatically, with the average wage on the Finnish side only six to nine times higher than that on the Russian side. In the same period, the average wage advantage on the Estonian side of the borderland, considerably less to begin with, shrank in half (from 3-6:1 to 1.5-3:1); on the Lithuanian side, it shrank by more than half (4:1 to 1.6:1) and on the Polish side, by more than three times (6.3:1 to 2:1).

Notably, even significant differences in wages and incomes do not necessarily generate uncontrolled massive migration. Although the disparity in salaries between Finnish and Russian borderland areas is no less than that between the United States and Mexico, only dozens of illegal aliens are arrested annually by border guards patrolling Finland's eastern frontier; in the Baltic states and Poland, the number of violators apprehended is no more than several hundred. The vast majority of those caught are inhabitants of borderland areas, not illegal migrants trying to reside in the EU. The relatively tranquil experience of the German-Poland borderland, which in the 1990s resembled the U.S.-Mexico border, also demonstrates that large wage gaps and even high levels of illegal cross-border activity do not necessarily have traumatic effects on states that open their borders.

Transborder Criminal Activities

According to official data, the crime rate in Russian border regions is, in almost all cases, no higher than in neighboring EU borderlands. This can be explained in part by a poorly-functioning official system for tracking crime in Russia. Nonetheless, the

rate of serious crimes in any Russian western border region is still currently two or even three times lower than it was in 2000.

Transborder criminal activities by organized groups, such as the so-called “Russian mafia,” are also not a persuasive argument for maintaining a strict border regime. Many members of such groups (which not only include Russian nationals) have a wide range of possibilities to legally enter the EU in spite of Schengen restrictions. The EU also has non-visa regimes with Mexico and other Latin American states with strong and aggressive criminal groups. Finally, criminals make up only a paltry share (less than one percent) of the total number of cross-border travelers.

As for drug trafficking, it is true that a large volume of heroin is smuggled through Russia’s western frontiers to the EU, while a significant quantity of synthetic drugs is trafficked in the opposite direction. However, the efficiency of national border security systems against drug trafficking is already very low. The 2007 United Nations World Drug Report estimates that there are at least 100,000 heroin addicts in the EU states bordering Russia. An average addict consumes at least 0.25 grams of heroin per day, so at least 9 metric tons (9,000 kilograms) of heroin can be expected to flow into the EU every year. In 2006, however, only 115 kilograms of heroin or its raw opium equivalent were seized at the EU-Russia border. This is no more than 1.3 percent of total opiates smuggled across this border and most likely far less, as a large volume of drugs is trafficked westward through the Baltic states and Poland. Current border restrictions thus do little to discourage drug trafficking. It is hard to imagine a tighter border regime being much more effective, while an open border could hardly make the situation much worse.

Finally, there are no terrorist groups clearly based in Russia or other post-Soviet states that target the EU for attack. If there were, it would in any case be far easier to use extremists who already reside in the EU than ones who have to obtain visas or try to illegally enter.

In the end, crime in Russia cannot be considered a persuasive justification for maintaining the “Schengen curtain” at the Russian border. Strengthening cooperation between Russia and EU states on law enforcement is a more promising alternative. Easing the visa regime could even be an attractive carrot to help obtain such cooperation.

The Less Tangible Costs of the EU-Russian Border Regime

For neighboring EU states, at least, Russia is probably the most attractive economic partner for the EU. In 2007, their trade turnover with Russia was worth more than 250 billion dollars. There are 10 to 15 million border crossings a year at EU-Russian borders, most of them across the Russian-Finnish frontier.

However, the rigid border regime still seriously restricts productive cross-border activity. It is relatively easy for inhabitants of Russia’s borderland regions to obtain a Schengen visa (there are consulates of neighboring EU states in each), as well as of Moscow and a few other cities and regions. Outside these areas, though, the current visa regime is costly and cumbersome. People living far away from consulates have

to spend several hundred euros in addition to their consular fee, and often several days away from home. Extra expenses and inconveniences influence the choice of hundreds of thousands of Russian tourists, who prefer to go to Croatia, Turkey, Egypt, or even Tunisia instead of countries in the Schengen zone. More abstractly, the “Schengen curtain” also hinders many Russians from developing real understandings of the advantages of European democratic models of governance over current Russian political realities, rather than just stereotypes.

It should also be taken into account that even a “mild” visa regime slows down cross-border economic contacts. The time spent obtaining visas is time lost on transborder communication. While there may be 10 to 15 million crossings annually across EU-Russian borders, people cross the Russian-Ukrainian and Russian-Belarusian borders more frequently because there are no visa regimes between Russia and its western post-Soviet neighbors.

Russian border and visa policies are inconvenient for many EU citizens and trade partners as well. The procedure to obtain a Russian visa is cumbersome, further hindering the development of full-fledged bilateral ties. Border control and customs procedures at EU-Russia borders can take several hours to several days. Clearing vehicles takes a dozen times longer than at the U.S.-Canada border, where the procedure takes on average several minutes per vehicle.

Finally, rules of entrance to Russia’s border zone are equivalent in some ways to an internal visa regime. The EU-Russian sector includes the towns of Ivangorod, Gdov, Sovetsk, Neman, Bagratiyovsk, Mamonovo, and Baltiysk. Both foreigners and Russians living outside the border zone are required to get permission from a local branch of the Border Guard Service in advance of their visit, in some cases up to 30 days before. This procedure slows the development of these potentially thriving border towns.

Conclusion

Predominantly negative perceptions between neighboring EU states and Russia need to be addressed. Objectively, however, problems of economic inequality and crime do not pose a serious challenge to EU security or cannot be solved by strict border regimes. There is not a huge difference between salaries or crime rates in adjacent Russian and EU border regions; opening the border between them will not cause social chaos. The number of illegal migrants apprehended along this border is also not large. Drug trafficking and other types of cross-border organized criminal activities are serious problems, but border protection and visa regimes do not effectively prevent these crimes.

Instead of maintaining ineffective barriers, both sides should work on increasing law enforcement cooperation, improving mutual perceptions, easing the visa regime (especially for Russians living far from consulates), and making border control and customs procedures more convenient for travelers. Opening borders could potentially serve as an incentive for Russia to strengthen its collaboration with the EU in law enforcement. It could also indirectly support an increase in democratic sentiment in Russia. Finally, it will make a fundamental contribution to the development of economic cooperation between the EU and its most economically

attractive neighbor.

Ideological Aspects of Georgian-U.S.-Russian Relations

PONARS Eurasia Policy Memo No. 17

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August 2008

This memo deals with the place of ideology in post-Soviet affairs with regard to U.S.-Russian relations. More specifically, it explores possible reasons behind the particularly fierce rivalry between the United States and Russia over Georgia. A tentative answer to what accounts for this rivalry is a clash of ideologies which has resurfaced in U.S.-Russian relations over the last few years. It seems that, separate from strategic and economic considerations, ideological factors play a more prominent role now than in the 1990s. The North Atlantic Treaty Organization summit in Bucharest last April provided additional evidence to support such an argument.

At first glance, ideology seems to have disappeared from U.S.-Russian relations since the end of the Cold War. However, a spectacular showdown between the two powers over Georgian membership in NATO at the Bucharest summit can provide us with insight about the ideological aspects of the U.S.-Russian “strategic” rivalry that exists in the post-Soviet space. “Ideology,” in this context, can be defined as a set of principled beliefs about how states should relate to the outside world, which contributes to decisionmakers’ interpretations of particular international political changes or dispositions of states in various parts of the world. Examples of these principled beliefs are visible in the post-Soviet space where, currently, the United States declares that it supports local regimes that conduct transformations to create more liberal and democratic societies. In contrast, Russia adheres more to the principle of preserving the status quo of regional relations and domestic regimes and calls for nonintervention by powers other than itself. From the Russian perspective, it is understandable that Moscow would assume the role and responsibilities of the sole guarantor of stability in the post-Soviet space.

The new ideological battle differs from, and yet is firmly rooted in, Cold War memories and rhetoric. The United States fights in the name of promoting liberal democracy while Russia acts to secure special influence in its zone of influence. This so-called “near abroad” combines the overtones of the erstwhile Soviet quest for buffer zones with its newly developed economic muscle in a doctrine which Russians sometimes call “liberal imperialism.”

Understandably, this ideological approach has an impact on both great powers’ foreign policy in the region. The United States has tried to entice regional regimes with the attractions of the “wave of the future,” gently pushing them toward political and economic change. In contrast, Russia tends to emphasize the more mundane needs of regional governments, such as the promise of regime stability and security and recognition of their legitimacy under Russian dominance. It is increasingly evident that the two ideological approaches locked in over the question of Georgia’s future, which both the United States and Russia view as a pivotal case for their respective ideological and geostrategic success.

U.S.-Russian “Strategic” Rivalry Over Georgia

A brief, but dramatic, rapprochement between the United States and Russia following the events of September 11, 2001, proved to be rather short-lived. Despite their close cooperation in the “war on terror” and an even closer personal rapport between their leaders, the United States and Russia soon had a falling out over several issues, including the development of post-Soviet politics. By early 2005, observers even started to talk about the “new Cold War” in the post-Soviet space.

Apart from their more significant disagreements, both powers have been particularly keen to defend their perceived strategic interests with respect to Georgia. This is evident from numerous cases of political and diplomatic scuffles between the two sides, over issues such as Russian pressure on Georgia’s breakaway regions, Russian economic embargoes, and Georgia’s membership in international alliances like NATO. However, the striking aspect of this situation is that the United States and Russia have far more important shared interests in the post-Soviet space than, say, membership of a single small country in NATO. These shared interests clearly include regional stability, preventing the proliferation of weapons of mass destruction, fighting terrorism, and dealing with other asymmetrical transnational security threats. Moreover, the new anti-ballistic missile initiative and the exploitation and transportation of Caspian energy resources do not necessarily have to be zero-sum games. In short, the strategic obstacles for disagreement are formidable but not insurmountable.

In order to understand the current strategic stalemate in U.S.-Russian relations in the post-Soviet space, therefore, it is important to examine the ideological component of both states’ foreign policies in this area. I will demonstrate this hypothesis by examining the case of Georgia’s proposed membership in NATO, which caused a diplomatic standoff during the alliance’s recent Bucharest summit. Georgia is a particularly good testing ground for U.S.-Russian relations as it involves many controversial aspects of great power relations, including energy transportation, NATO enlargement, regime change, and democratization.

Georgia as Testing Ground for the U.S.-Russian Ideological Rivalry

Taken out of the context of U.S.-Russian relations, Georgia's economic and political importance in the region is far inferior to that of its neighbors (such as Azerbaijan or the Central Asian states). Yet, Georgia has become the centerpiece of many disagreements between the great powers. This is due to the fact that the Georgian case contains one feature that is very different from that of other states of the region – Georgia professes an ideological foreign policy shared with Americans but vehemently opposed by Russians.

Georgia's ideological rhetoric (if not necessarily behavior) in foreign policy includes the following features: vigorous adherence to democracy promotion; liberal economic and political policies that are open to Western influences, institutions, and cooperation (again, a mainly declarative feature because in many aspects Georgia still shares fundamental characteristics with the southern part of the former USSR); and an emphasis on values in foreign policy formation as opposed to the blatantly pragmatic and anti-ideological approaches of other countries (such as Armenia, Azerbaijan, and Kazakhstan).

The Georgian government's ideological stance strikes a chord in both Washington and Moscow, but in quite different ways. The United States declares that Georgia is a "beacon of liberty," while Russia considers the government in Tbilisi to be a dangerous *agent provocateur* in the post-Soviet space. As a result, both sides see Georgia as the first in a series of geopolitical dominoes. Apparently, both Washington and Moscow assume there are grounds to believe Georgia's success or failure in economic development and political stabilization will seriously affect other regional states, for better or worse. However, this assumption neglects to account for the element of change that has existed in Georgia in the last few years. This change slowly brought Georgia out of its revolutionary path. Indeed, it is possible to argue that, to a certain extent, Georgia has become a rather "normal" post-Soviet state in both domestic and international affairs. Despite this, Georgia still features as a revolutionary image both in U.S. and Russian foreign policies.

The NATO Summit in Bucharest

The question of awarding Georgia, along with Ukraine, a Membership Action Plan (MAP) at the recent NATO summit in Bucharest was yet another "apple of discord" in U.S.-Russian relations. The United States supported MAPs for Georgia and Ukraine while Russia opposed them, and both powers tried to push their own interests in their own ways. Russia employed more expedient political tactics, such as "carrots and sticks," tacit alliances, and vigorous diplomacy, while the United States largely relied on its political weight within the alliance. As a result, Russia scored a relative success, securing at least the temporary, if not ultimate, failure of U.S. efforts at further NATO expansion. Russia's "success" is even more striking as it

is not even a member of the alliance. Preventing the MAP invitations provided a significant ideological victory for Russia, both domestically as well as in other post-Soviet states.

What is most striking about the debate on Ukrainian and Georgian membership, however, is that very little strategic rationale was offered for these countries' admission to NATO, except for the fact that "both nations have made valuable contributions to Alliance operations," as the Summit Declaration had it. This may not be a sufficient argument for accepting into the NATO alliance a country with numerous problems domestically and internationally, including unresolved conflicts. Therefore, U.S. insistence on giving Georgia a MAP at the Bucharest summit can only be explained by the ideological commitment of Washington to its Caucasian "protectorate."

Is this controversy over Georgia really meaningful in strategic terms? It seems that the U.S.-Russian battle over Georgia's geopolitical soul, explicitly presented in strategic terms and implicitly steeped in ideology, is harming all three parties involved in the competition. Indeed, the United States is losing Russian support on other key issues, Russia is reigniting Western fears of a belligerent Moscow, and Georgia is subjected to foreign political pressures at a time of domestic economic and political turmoil.

Conclusion

Ideological aspects should be taken into account, along with traditional strategic and economic considerations, when attempting to understand the new political showdown between the United States and Russia in the post-Soviet space and, more specifically, around the issue of Georgia. Georgia encapsulates the controversy over U.S. democracy promotion efforts and Russian countermeasures against the spread of ideas conducive to "color revolutions."

The remarkable part of this ideological struggle is that neither the United States nor Russia seems to be entirely correct in its assumptions about the impact of Georgia on regional issues. Georgia cannot be thought of as filling the role of the so-called "beacon of liberty" for its neighbors any more, if it ever did. Compared to the other countries of the former Soviet south, Georgia has made only *relative* progress toward an open market and liberal democracy and still suffers from serious economic problems. At the same time, the political crisis of November 2007 and internal discontent with the conduct of elections in 2008 has heavily tarnished the democratic image of its government. For these same reasons, Russia should not be apprehensive about Tbilisi playing an undermining role in Moscow's post-Soviet backyard.

Unfortunately, due to the persistent nature of ideological struggles, it is unlikely that disagreements between the United States and Russia over Georgia can be considerably alleviated in the near future. It is difficult to say what impact the change of leadership in Moscow and Washington will mean for the fate of the strategic and ideological triangle with Georgia. It seems that Georgia's image as an

indispensable ally and the regional beacon of democracy may indeed transcend the administration of George W. Bush, but the real question is whether this bare ideological connection is sufficient to guarantee continued attention to Georgian affairs at the highest levels of U.S. leadership. On the other hand, Russia's need to control Georgia is more immediate and more central to its ideological obsession with the dominance of the "near abroad." Therefore, unless Georgia receives solid security guarantees from the United States and NATO by December 2008, then Tbilisi's ideological gambling may become untenable.

History as an Old-New Political Tool in Eurasia

PONARS Eurasia Policy Memo No. 18

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August 2008

History used to be the major ideological discipline in the USSR. Joseph Stalin's "Short Course on the History of the All-Union Communist Party (Bolsheviks)" was a single-volume version of the dominant ideology that included everything Soviet citizens needed to know about politics and society. During Nikita Khrushchev's "thaw" and Mikhail Gorbachev's *perestroika*, historical publications about the crimes of the previous epoch drove new ideologies further along the road of reform.

By the 1990s, however, history practically disappeared from public debate in Russia, while the entire previously-known histories of most other post-Soviet states were altered by new versions of national pasts, but almost without discussion. Social reformers no longer needed the past to justify their policies, while the globalizing economy rejected specifically national histories. The first decade after the establishment of new states focused on the future, not the painful or heroic past.

The tide has since turned. In the 2000s, gradually strengthening national identities reached the stage where they began to lead to public conflicts. Divergent historical narratives have created many problems in bilateral relations of post-Soviet states and even in their domestic policies. New national histories contradict each other and, in some instances, construct a "historical enemy" out of a neighbor or even create internal tensions. This trend is a challenge for responsible politicians in all post-Soviet states, as well as for historians.

The Russian State Regains Control over History

Beginning in 2004, the Russian state began to try regaining control over history textbooks. The first casualty of this struggle was a textbook by Igor Dolutsky that challenged high school students by including a provocative assessment of Vladimir Putin's regime by two opposition figures. The Russian Ministry of Education

excluded the textbook from a recommended list, and it subsequently disappeared from classrooms.

In 2007, then-president Putin endorsed another school textbook that provided pupils with the emerging “official” view of recent Russian history. The main purpose of the book, *History of Russia, 1945-2007* (by Alexander Filippov, Alexander Danilov, and Anatoly Utkin), was to eliminate from the schools any particularly harsh criticism of the regimes that existed in twentieth-century Russia and the USSR. Critical assessments were “counterbalanced” by a list of positive achievements.

Since then, Putin and his associates have repeatedly insisted that to educate a “patriot” of the country requires the teaching of a heroic history, and that dark pages of the national past are not proper subjects for school textbooks. Many historians and human rights activists have condemned this position and the new textbook, introduced into Russian schools in 2008. Others have been more cautious, stating that while such a view of Russian history is possible, the state’s exclusive role in determining which versions will be taught is problematic.

Russian television also engages the public with quasi-historical constructs aimed at delivering a political message. A prime example of this approach was a “documentary” entitled “Death of an Empire,” filmed by Father Tikhon (Shevkunov), an Orthodox priest and, allegedly, Putin’s spiritual counselor. Built on clear comparisons between Byzantium and contemporary Russia, the main message of the hour-long film was that Russia should be wary of trusting too much in the West. According to the film, it was this mistake, not Turkish conquest, that ruined the Empire.

After the film aired (early in 2008), the British *Economist* noted that “[i]n the minds and language of the ex-spooks who dominate Russia, history is a powerful tool.” While controversial, however, the official Russian approach to history is not unique. There is no direct link between being a “spook” and using history as a political tool. Other leaders in post-Soviet Eurasia have been just as ready to fight neighbors on the battlefield of historical textbooks. Indeed, the processes that occur in Russian history education still tend to arouse less controversy than those that occur in other states that emerged after the collapse of the USSR in 1991.

Ukrainian History and the Russian “Other”

In February 2008, then-president Putin met with his Ukrainian counterpart, Viktor Yushchenko. Contrary to expectations, the main subject of their talk was not natural gas supplies but differences in the teaching of their nations’ common history. Over the course of negotiations, Putin even suggested to Yushchenko that they should jointly celebrate the 300th anniversary of Russia’s victory over Sweden at the Battle of Poltava, as well as the 1020th anniversary of the christening of medieval Rus, the state formation both nations regard as their predecessor.

During the last two decades, Ukraine’s national history has changed dramatically, incorporating as new national heroes formerly negative figures in Russian history like the 17th-18th century Cossack leader Ivan Mazepa or the twentieth century anti-Soviet rebel Stepan Bandera. In Russian texts, both these

figures remain on the negative side of the historical ledger. Ukraine's Stalin-era famine, or *holodomor*, has also been a basis of Ukrainian-Russian historical dispute. A result of state extraction of agricultural production for the sake of industrialization and crop failure, the tragic famine of the early 1930s led to the death of millions of peasants, in Ukraine but also in southern Russia. Authorities and historians in Russia argue that the famine was spread over all peasant regions, that Stalin's regime was cruel but ethnically blind, and that the most ardent executors of the inhuman policies in the region were ethnic Ukrainians. Ukraine, on the other hand, officially insists that the famine was planned and organized as an intentional genocide of the Ukrainian people. This concept is supported by the Ukrainian state, propagated on the international stage, and included in school textbooks. Such an interpretation of historical events results in the deepening of the gap between Ukrainians and Russians.

New national historiographies are present not only in Ukraine, but also in the South Caucasus and the Baltic states. These stand in contradiction to Russian history textbooks that continue to insist, for instance, on a peaceful union of peoples under the Russian imperial scepter. In some states, including in the Baltics and Georgia, historical reinterpretation has included the opening of museums of Russian/Soviet "occupation." Within Russia, these "new histories" of neighboring states are viewed as offensive and unjust.

Why and What For?

While such new historical narratives might appear to have been created specifically to produce conflict between formerly fraternal nations, the initial rationale for them was different.

The states of post-Soviet Eurasia are still in the midst of nation building, a process accomplished in Western Europe by the mid-nineteenth century. This task involves identity construction, which in turn requires the codification of a national language, the invention of national heroes, commemoration of shared tragedies, and, typically, the selection of a "constitutive Other" that helps the nation define itself. All such tasks prescribed by the constructivist theory of national formation force national histories to confront those of their neighbors. National heroes should not be the same as those of neighboring states, as the latter typically fought against each other. National tragedies, in turn, tend to be caused by a neighbor and play a key role in establishing the neighbor as the "Other" that helps the nation gain awareness of itself.

Throughout history, Russia has been an ideal "Other" for most if not all of its neighbors: large, unpredictable, and having a complicated history of relations with all of its neighbors. Thanks in part to new historical education, the national identity of today's generation of youth is defined in terms of alienation and historical hatred. Such a development does not help reconcile peoples or settle political problems. Nonetheless, Russia will retain the role of "Other" until its neighbors have no doubts about their own national identity.

While Russia would seem to be the most suitable "Other" for its neighbors, it is by no means the only one. Abkhazia, for instance, has Georgia (and we may recall

how historical arguments helped propel these two peoples to a bloody split), and Armenia and Azerbaijan have each other. Yet every nation in post-Soviet Eurasia builds itself in approximately the same fashion, which makes history textbooks so divergent.

In Russia, too, the creation of a post-colonial discourse has proven difficult. The history of Russia is taught with just minor alterations from the Soviet period, while whole regions of the former Empire have disappeared from school texts, so children gain knowledge of their history from questionable sources like television series or the statements of politicians (Moscow Mayor Yuri Luzhkov is especially active in this field). Choosing to officially commemorate the 1612 expulsion of Polish occupiers from the Kremlin instead of the Bolshevik Revolution was a flashpoint in the political use of history.

Certainly, Russia is also trying to reinvent its identity, with new meanings of symbols, history, and (re)construction of the Other (in this case, “the West,” NATO, or the United States). However, this identity is more traditional and has aroused less commotion.

The Domestic Dimension

At least in some states, the tension between national identity and history is not only a foreign policy concern but also a domestic one: regional identities are being formed that challenge, for instance, all-Russian and all-Ukrainian myths (like Cossacks or Crimean Tatars). Siberia, Tatarstan, and the North Caucasus have had different relations with the imperial center during various historical epochs, raising questions regarding how they now teach their local histories.

Last winter, for instance, Don Cossack officials demanded the rehabilitation of Pyotr Krasnov, a Cossack leader in the Russian Civil War of 1918-1920 who later allied with Nazi Germany when it invaded the USSR and was hanged in 1946 as a war criminal. Cossack leaders claimed, using the model of rehabilitation Ukrainians used for Stepan Bandera and his peer Roman Shukhevich, that Krasnov fought for the Cossack “nation” against Russian “occupiers.” They also encouraged regional historians to write a history of the Cossack “nation,” which would inevitably have clashed with the nationally distributed textbooks. Nationwide indignation, culminating in Putin’s personal interference, forced Cossack ideologues to repudiate their proposal. However, the idea behind the move was clear, and a scary one for Russian national identity. It also raised questions about the modes of the political usage of history that have persisted since the nation building of the nineteenth century. Does nation building continue to create more and more “Nations,” disintegrating the larger ones, or do we need to rethink all our concepts of “Nation” and “History”?

What to Do, What Not to Do

Some experts call such manipulation of history “historical politics.” Their main recommendation is to leave history to historians and encourage historians from different states to communicate with each other. This much is clear: politicians should not invoke historical arguments if their intent is to resolve international

disputes and not to encourage them.

Yet, nation building demands national heroes, tragedies, and “Others,” which historians can provide. This raises several questions. How should the dark pages of (especially common) history be treated in school texts? Should states appear as pure and noble past victims, even if this alienates Russia, or should responsibility be shared? Especially in states that have moved or seek to move toward Europe and the United States, the construction of anti-Russian images in national histories has helped the current Russian regime employ rhetoric to gain support against the “foreign threat” of the West.

In March 2008, the human rights nongovernmental organization Memorial publicly addressed all states of post-Soviet Eurasia on the issue of “National Images of the Past: The Twentieth Century and War of Memories.” Memorial proposed the organization of an International History Forum, a free association of NGOs, research centers, and educational institutions that would provide a forum for an ongoing exchange of opinions about conflicting historical events of the twentieth century in Eastern and Central Europe. This seems a very important and timely initiative.

Whatever the format, there is an urgent need for the professional collaboration of historians throughout the region. We should understand our responsibility in the face of political demands and agendas. Joint publications, conferences, or at the very least, a dialogue of texts should be pursued in the states of post-Soviet Eurasia, still very much engaged in the building of nations.

NATO and Russia After the Bucharest Summit

Is a New Security Agenda Feasible?

PONARS Eurasia Policy Memo No. 19

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August 2008

Changes of administration in both Russia and the United States provide some ground to anticipate a “fresh start” in U.S.-Russian relations. One of the most troublesome areas on the agenda concerns the size and scope of the North Atlantic Treaty Organization. On the NATO alliance, what can the international community expect from Russia’s new president, Dmitry Medvedev? Will he be willing to tolerate some distance between Russia and the West, as his predecessor Vladimir Putin was, or will he facilitate a more cooperative agenda? Will Russia confront NATO and resist its expansion; acknowledge the inevitability of NATO expansion and, accordingly, restructure and readjust its military strategy; or possibly even consider joining NATO?

The choice of confrontation is not as obvious as it may seem. Within Russian ruling circles there are at least some inconsistencies in attitudes toward NATO. On the operational level, Russian officials recognize the importance of military cooperation with the alliance; a brief video prepared for NATO’s April 2008 Bucharest summit, and approved by both NATO and Russia, portrayed both sides as close allies with common security interests, holding joint military exercises and developing cooperative training programs. Politically, however, Russia’s emphasis is significantly less cooperative: instead of an ally, NATO stands as one of the most important referents to the “unfriendly West.”

It is unlikely, however, that NATO can be upheld as the major source of Russian insecurity in the long run. To most Russians, NATO as an institution is too unfamiliar, and its member states too familiar, to warrant enemy status. Most Russians do not even understand the nature of the organization that hides behind

the acronym. They are even less clear why a group of countries with which Moscow sustains normal working relations, either bilaterally or within international institutions like the G8, are negatively assessed as NATO members.

Moreover, Russian opposition to NATO is premised on two mutually exclusive arguments. On the one hand, NATO is said to be a dangerously strong (even omnipotent) and unfriendly military bloc that threatens Russian interests. On the other hand, it is said to be a relic of the Cold War, incapable of providing security in today's completely altered international environment in which security challenges are not bound to specific territories. For both Putin and Medvedev, "bloc thinking" and, accordingly, territorial expansion are not proper remedies for nonterritorial threats (ironically, on this, the allegedly *realpolitik* Russian government adheres to a line of reasoning propounded by far less hardnosed European schools of peace research and "New Regionalism"). In the end, as Russian Finance Minister Alexei Kudrin said at the St. Petersburg Economic Forum in June, NATO "should become history."

Finally, while Russia's arguments against NATO expansion have increased in frequency and number since the Bucharest summit, they are based on a number of shaky premises. First, by linking the matter of NATO expansion to warnings it has made in the past about the "Kosovo precedent," Russia makes a political point, but not a very convincing one. It claims that Ukrainian and Georgian applications to NATO are a perfect justification for the secession of Crimea from Ukraine and the permanent separation from Georgia of the breakaway autonomies of Abkhazia and South Ossetia. Dmitry Rogozin, Russia's representative to NATO, has said that it is unlikely Ukraine will be able to maintain its current borders if it joined the alliance. The same argument is made with regard to Georgia: that since neither Abkhazia nor South Ossetia support NATO membership, they have the right to refrain from going with Georgia into NATO. In the end, Russia is trying to force Kyiv and Tbilisi to make an unpalatable choice between territorial integrity and NATO membership – a controversial strategy, to say the least, especially in light of Russia's continued opposition to Kosovo's independence.

Second, Russia is employing normative links between democracy and security to oppose NATO expansion that it otherwise disavows. It argues that Ukraine should not join NATO since most Ukrainians are against membership in the alliance. In Georgia's case, where popular support for NATO is unquestioned, Russia pushes the democratic dimension by asserting that Georgia does not meet Western standards of democracy and should therefore be unwelcome as a NATO member. However, Putin himself has taken aim against the linkage between democracy and NATO membership, remarking at the Bucharest summit that it would be absurd to consider membership as proof of a country's democratic credentials. In other remarks as well, Putin seems to reject any overall relationship between democracy and security.

Third, Russia appeals to the economic interests of Ukraine and Georgia but unconvincingly puts NATO in the role of spoiler. According to Deputy Prime Minister Sergei Ivanov, NATO will force Ukraine to introduce a visa regime for Russia, causing a decline in both Russian tourism to Ukraine's Black Sea resorts and

opportunities for Ukrainian migrant labor in Russia. In contrast, Russia claims to want to defend the principle of open borders with its near neighbors. Given Russia's own introduction of a visa regime for Georgia and the severing of economic links with it, however, such a claim lacks credibility. In addition, Prime Minister Putin warned that Ukrainian industry will not be able to produce military equipment in accordance with NATO standards and will thus face hard times as a NATO member. At the same time, he noted that Russia itself will not be interested in investing in joint hi-tech projects with Ukraine if the latter becomes a NATO member.

Finally, Russia threatens purely military roadblocks to NATO expansion. According to Rogozin, Russia is not going to remove its naval base from Sevastopol. For Georgia, Russia's military argument has an added twist. While asserting plans for a long-term military presence in Abkhazia and South Ossetia, the Russian government accuses Tbilisi of applying military pressure against the breakaway autonomies. It does this aware of the fact that Georgia's chances for NATO membership are dependent on peaceful relations with them.

Despite all this, a glimmer of promise in Russian discourse on NATO expansion can be discerned: meeting with President George W. Bush in Sochi, Russia, after the Bucharest summit, Putin hinted that should NATO focus on cultivating an in-depth strategic partnership with Russia, in time Moscow might not react so negatively toward the involvement of neighboring states in alliance activities. Another positive sign within the Russian discourse has been President Medvedev's openness to the idea of a common Euro-Atlantic security framework based on a trilateral U.S.-EU-Russia partnership.

How might we explain the above inconsistencies in the Russian position? First, Russia's flawed attitude toward NATO is partly grounded in the dilemma Russia has faced in constructing its international identity. Russia is trying to rebrand itself as a pragmatic, individualistic, and depoliticized international actor that plays by the rules and reacts essentially to financial-economic challenges and incentives. At the same time, a strong imperial legacy occasionally reasserts itself, constraining Russia's depoliticized moves. This helps explain why Russia's self-understanding is based upon historical narratives and closely tied to the glorified and cherished past. Putin's emotionally charged remarks expressing the impossibility of "even thinking" about NATO vessels in Sevastopol were one of many expressions of this imperial legacy.

Second, Russia has had difficulty understanding certain of NATO's security concepts. In particular, Moscow has been irritated by NATO's inclusion of energy transportation on its security agenda. Russian suspicions have been further exacerbated by remarks from Georgian leaders like Interior Minister Vano Merabishvili, who said in May that Georgia's NATO membership would lead to new routes for energy transport that would bypass Russian territory.

In conclusion, a number of practical suggestions for easing the NATO-Russian relationship can be considered. First, more creative thinking is required on both sides. In particular, the status of the NATO-Russia partnership could be elevated to the "strategic" level, equal in significance to the NATO-EU partnership. This gesture

could both alleviate Russia's fears and strengthen its self-confidence; it would also fully correspond to the above-mentioned idea of trilateral "Euro-Atlantic" cooperation between the EU, the United States, and Russia. In such a partnership, Russia and NATO could give priority to areas of common interest, such as nonproliferation of weapons of mass destruction, prevention of drug trafficking, and stabilization in Iraq and Darfur. Issues like climate change and the safety of sea routes could also eventually become important components of a joint NATO-Russia agenda. Against this background, the idea of issuing a joint NATO-Russia Declaration, which failed in Bucharest, could be revived for the sake of a better conceptual framing of NATO-Russia relations.

Second, NATO could identify a number of specific projects on which it could consider the Russian position a legitimate one. In particular, Putin's idea of jointly operating the Gabala radar station in Azerbaijan could be given a second chance.

Third, as the number of NATO "Contact Countries" grows, so do areas of overlapping interest with Russia. In particular, gradually growing interest in cooperation with NATO on the part of states like Japan, Australia, and New Zealand creates preconditions for increasing the involvement of Russia in Asia-Pacific security relations.

Fourth, more reciprocity is needed. For example, NATO could facilitate transit to the Russian "exclave" region of Kaliningrad through Lithuania as a gesture of appreciation for Russia's willingness to approve NATO transit to Afghanistan through Russian territory.

Finally, new spheres of NATO interest, such as defending against cyber-terrorism, should be divorced from anti-Russian criticism. Considering Estonian complaints accusing Russia of waging a "cyber-war" against it, Russia may already perceive NATO's new initiatives in this area to be anti-Russian in origin. Additional communicative efforts on NATO's part could help engage Russia to implement a joint agenda in this sphere.

Should Russia and NATO truly wish to become global security actors and partners, they should begin thinking seriously about cooperating on the global level and, accordingly, disentangle themselves from those regional pitfalls that hinder and misdirect this cooperation. This is one of those times when differentiating the global from the local makes practical sense. Paradoxically, Russia today almost always tries to demonstrate its alleged great power status only on a regional level, while NATO increasingly invests its efforts and resources in not only territorial expansion but the extension of its overall security concept. As a result, Russia seems to act as a classical regional power, overwhelmingly concentrated on its immediate neighborhood at the expense of exploring the possibilities of diversifying its security agenda both territorially (by fostering relations with countries like China, India, and Brazil) and in terms of tackling issues like climate change and global warming, environmental degradation, scarcity of resources, terrorism, and transnational crime. Too deep a concentration on regional security matters prevents both Russia and NATO from developing inclusive global policies and reduces Moscow's status in the international community.

On A Collision Course

The EU and Russia Revisit Europe's Recent Past

PONARS Eurasia Policy Memo No. 20

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August 2008

Recent studies have pointed to a fundamental transformation of the way in which the European Union imagines itself and establishes legitimacy in the eyes of its citizens and external audience. Since its inception in the aftermath of the Second World War, the cornerstone of the European integration project was the idea of redemption (i.e., that we integrate because we do not want our past to repeat itself). Now, the EU's identity is increasingly based on a feeling of moral superiority and the resulting desire to expand its own normative order past its current boundaries (i.e., we are better than our neighbors and we want them to be, for security reasons, like us). After summarizing recent findings on EU identity, I focus on the consequences of this transformation for EU-Russia relations. I argue that the new assertiveness of the EU puts it on a collision course with Russia. In particular, Russia has recently come to reappropriate its Soviet history in a way that jars with Europeans' now settled views of their own past. Far from being just about "images," this conflict has already had an effect on many aspects of international relations in wider Europe. The U.S. foreign policy community should at least be aware of the reality of this controversy. The United States could also try to engage in a dialogue with Europeans by, inter alia, bringing in its own historical experience, even though this could prove to be painful for Americans themselves.

The New EU as a *Finalité Politique*

Throughout the early decades of its existence, the European Community was a unique political entity because of the centrality of temporal, rather than spatial,

aspects to its identity and legitimacy. Even though the USSR posed an external threat to the existence of the West, the EC was created first and foremost to deal with Europe's own past. Integration was the West European response to the enormous moral challenge posed by the fact that the two World Wars, concentration camps, and totalitarian dictatorships had their origins in European civilization. While economic considerations played a role, the benefits of a single market were less important in themselves than as a means to make certain that Europeans would never again butcher each other for the sake of "nation" or "race."

As pointed out by a number of scholars, most notably Thomas Diez, this identity of "Never Again" has been replaced in the post-Cold War era by a new and much more self-confident "European Self." The new European identity is based on the premise that Europeans have managed to leave their totalitarian past behind, and that their main security challenges are now located on the other side of the Union's borders. Thus, as Pertti Joenniemi of the Danish Institute for International Studies has pointed out, only external threats were dealt with in the 2003 European Security Strategy, while the once central theme of a possible clash between member states was not mentioned. According to Thomas Christiansen of the European Institute for Public Administration, the new European image of political reality includes the EU as a *finalité politique* – a completed project, a utopia made reality.

One consequence of this is that the temporal and spatial dimensions of European identity have exchanged places. The past, which used to be within the EU and set the system of coordinates for European political thinking, is now relevant outside of it. EU member states perceive that they (with the partial and temporary exception of a few less disciplined ones) have already reached the end of history, while the Union's neighbors are still far from the democratic ideal. The EU's mission and identity are no longer rooted in critical self-reflection but amount to criticizing others (their neighbors in particular) and to trying to bring them closer to the idealized image of the EU "self." This is the key rationale behind the European Neighborhood Policy, which addresses external security concerns by putting the democratization imperative on the agenda of EU relations with neighboring states. Much like the classical model of the modern nation-state, the new European identity implies a community of values that has to be defended against external threats. Unfortunately, this identity is also much less inclined than the old "Never Again" model to tolerate difference.

History and Security in EU-Russia Relations

The debate about the recent deterioration of EU-Russian relations has highlighted the fact that the new EU includes a number of states that, due to their historical experience, are much more critical of Russia than the states of "old" Europe. This argument, however, does not take into account the shift in approach within "old" Europe itself. Whereas the previous rounds of

enlargement were negotiated as deals between more or less equal partners, the eastern enlargement was premised on the Union's right to set conditions of membership and, thus, of "Europeanness." In addition, enlargement was conceptualized as a security endeavor, an approach later extended even to those neighboring states not seen as prospective members. In this way, the EU project was joined to the American project of democracy promotion.

Russia is not alone in its unhappiness with what it sees as a Western democratic crusade. A number of studies, focused on different regions from the Middle East to Africa, have argued that a formal approach to democracy promotion, a propensity to opt for simple institutional solutions, and a lack of respect for local political processes have caused general discontent and often put pro-Western local political activists in awkward positions. However, Russia has been among the most vocal critics of the Western project, mostly because it considers itself a great power. This self-description, by definition, necessitates an insistence on one's sovereign right to political autonomy in both domestic affairs and the setting of foreign policy priorities.

Yet what really singles Russia out from a wide circle of disgruntled non-Westerners and puts it on a direct collision course with the EU are interpretations of twentieth-century history. Victory over Nazi Germany occupied a key place in Soviet ideology, which interpreted it, broadly speaking, as proof of the superiority of socialism over capitalism. In achieving his declared aim of restoring the Russian state from the ruins of Soviet collapse, Vladimir Putin elevated the Second World War to the rank of a foundational event in the history of the new Russia. The official story, reproduced in official statements and school textbooks, holds that Russia has always been a European power that has contributed a great deal to the development of European civilization. The defeat of Nazism – an evil originating in the very heart of Europe – was one of the most decisive contributions establishing Russia as a proud member of the European family of sovereign nations.

This story, of course, is completely unacceptable to most "new" Europeans, in particular the Baltic states and Poland, who insist on their own image of Russia as an aggressive barbarian power and the exact opposite of Europe. However, the official Russian interpretation of the Second World War is also hardly at home with the majority of Europeans, for whom these events continue to provide a basis for critical reflection about the nature of their own civilization. The Russian black-and-white interpretation looks flawed to them, if only because it was a war *within* Europe and thus the dividing lines often run through their own families and national histories. Most Russians, on the other hand, are firmly opposed to attempts at drawing parallels between Nazism and Stalinism. Not without reason, they see these as attempts to exclude today's Russia from Europe by making it responsible for the crimes of the Soviet dictatorship.

Competing interpretations of the end of the Cold War and collapse of the

USSR almost exactly mirror those of the Second World War. The EU claim to moral superiority is anchored in the story of the end of the Cold War as a triumph of the Western model and the moment when Europe became whole and free again. Putin, on the other hand, has repeatedly insisted that the USSR, its leaders, and its citizens played a crucial role in ending the division of Europe. At the same time, Soviet collapse and the painful reforms of the following decade remain for Russians a theme of constant critical introspection about past illusions and mistakes. According to this account, the end of the Cold War was not a capitulation, but it was not a triumph of democracy either. Too many hopes were ruined in the process of “democratic transition,” and too many promises broken, to make it possible for Russians to see this period as marking their country’s unproblematic return to European civilization.

Identity politics, rooted in conflicting interpretations of history, are at the core of the political disagreement which currently defines EU-Russia relations. While both sides recognize their “objective” interdependence, the benefits of that interdependence can only be reaped if the other’s actions are predictable. Predictability, in turn, depends on the availability of shared stories we can refer to and project into the future. When the stories about the past are radically different, interdependence is a problem rather than a solution. In the current setting, the benefits and potential benefits of EU-Russia cooperation carry less weight than mutually exclusive security concerns.

Any Role for the United States?

As a confrontational pattern between the EU and Russia has taken shape, the United States has not been a neutral observer. On the contrary, U.S. security policy, based on the idea of democracy promotion, has contributed to the construction of the new European divide, and that between Russia and the Euro-Atlantic community more broadly. However, the post-Cold War experience of the United States has been very different from that not only of Russia but of the EU. Even the shock from the terrorist attacks of September 11, 2001, has not led to such a deep structural transformation of identity as has happened in the EU. The first lesson the U.S. foreign policy community could draw from the analysis of current EU-Russian relations is that it is necessary to understand how each side’s perspective on contemporary affairs is colored by the stories they tell about their recent past.

Second, one is tempted to speculate about a possible third story the United States might tell at this particular moment in its history. On the one hand, the image of the “city upon a hill,” of an exceptional country whose mission is to spread democracy throughout the world, is likely to remain the foundation of U.S. foreign policy. On the other hand, the mixed results of the wars in Afghanistan and Iraq have been interpreted by parts of the American public as an indication that the United States’ role in global affairs needs to be reconsidered. This could lead to a return to isolationism or, on the contrary, to a search for new terms of engagement with the outside world.

What will probably be crucial for the success of this quest is a willingness to treat different interpretations of past and present as rooted in the unique historical experience of each political community, rather than as caused by “distortions,” “misperceptions,” or “manipulation.” One does not have to endorse, or even to tolerate, certain political positions one finds unacceptable. However, as the story of Russia’s relations with the West demonstrates, being self-righteous is not the best way to persuade someone whose experience is very much unlike one’s own to accept a new set of values. Far from being a sign of weakness, recognizing its own mistakes could give the United States an edge over the EU in dealing with Russia, as well a new sense of moral leadership. It may be a radical suggestion to say that the world’s only superpower must admit to its own imperfections, but this is in the end what the West expects from Russia. Judging by Barack Obama’s July 2008 speech in Berlin, it seems that at least one candidate in this year’s presidential race is ready to try and take this risky path.

What's Wrong with Security Cooperation in Eurasia?

PONARS Eurasia Policy Memo No. 21

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August 2008

Because national security outlooks are determined by objective factors such as geography, resources, and historical and cultural traditions, different understandings and meanings of the term and concept of “security” exist among states. This has an impact on security cooperation in Eurasia. Contemporary Russia is ready for the “economization” of security; Western partners and some states in the Commonwealth of Independent States (CIS) are reluctant to move in the same direction. Many CIS states prefer a realist approach to security and pay more attention to military and security matters.

National security policy is a policy of the elite. The elites in Russia, its CIS neighbors, and the United States have different experiences and educational backgrounds and, hence, different values and traditions. To comprehend their approach to security policy, therefore, it is very important to know what and how they think about the world. The contemporary Russian elite may be more pro-European than pro-American, but this does not mean they are anti-Western. The current elite in most CIS states are pro-European, pro-American, and, unfortunately, anti-Russian.

Rhetoric in democratic societies plays a very important role. Anti-Russian rhetoric in the United States is more destructive than anti-American rhetoric in Russia. Anti-Russian rhetoric in some CIS states does not play a significant role in the short-term.

Evolution of the Term “National Security” in Russia

Why is it always so difficult to talk about national security? Security may be a “hot topic” for public discussion, but few pay attention to its theoretical aspects. There are two philosophical categories that make up the term “security”: the first includes safekeeping and stability, while the second encompasses development and change. These two categories are related: to provide security, one should provide both stability and development. What happened in the late USSR and during the first years of democratic Russia was that there was too much development and not enough stability.

The concept of national security has gone through several phases in Russia (and the USSR). Before the 1917 Revolution, security was understood to mean the safeguarding of the interests of individuals, society, and state in a variety of realms, including foreign policy, public safety, and the safety of property. Between 1917 and 1985, "national security" meant state security. Security had two dimensions: domestic security, including political and military security, and external or international security. The main priorities for Soviet authorities were to provide safety and security for state institutions and borders. Values, a national way of life, and human security were not considered priorities. Around 1986, a "romantic period" began which ended abruptly at the start of the 1990s. This was a time when leading Soviet scholars and academic institutions published several books and materials elaborating on a new "softer" approach to security and began to talk about the economic, humanitarian, ecological, and informational dimensions of security.

After 1992, a new meaning of security developed. In March 1992, the new law "On Security" was signed by former Russian president Boris Yeltsin. This was the first time Russia officially adopted the term "national security." In December 1997 the first Russian national security concept was released, and in January 2000 a new edition of the national security concept was issued. The term "national security" has lost its narrow meaning, today comprising all different types: military, political, economic, cultural, health, humanitarian, and human.

Different Roles for the Concept of Security

The concept of national security plays an important role in the United States. It is an instrument for creating bipartisan support and the mobilization of a population traditionally hostile to foreign policy issues. The U.S. administration needs public support for an expanded foreign policy agenda. As political scientist Barry Buzan has noted, securitization legitimates the use of force.

While this may be the case for other Western democracies as well, the situation is different in Russia and most of its CIS neighbors. Russia (like the USSR) does not need such justifications to take exceptional measures or utilize force. It has another kind of foreign policy decisionmaking process, based on its own strategic culture. It is well known that traditionally Russia is a collectivistic society and that Russians consider their obligations to the state a priority. The first priority is to serve one's homeland – to protect the interests of the state and society. Unlimited discipline and self-sacrifice are important characteristics of Russian (as well as other Slavic and Caucasian) political cultures. It is easier in Russia to mobilize public support to promote state interests and well-being than in the United States.

"Security" for Russia today means stability, economic prosperity, and predictability. Russia is in the best financial, political, and military position it has been in since the end of the Cold War. All post-Soviet conflicts are well past their critical phases. Russia's borderlands have settled. Terrorism may be very much alive, but it is not really a strategic threat. Put simply, the era of the "post-Soviet space" is coming to a close and a new era is dawning in Eurasia. However, the players have different weights, interests, and resources. For states like Ukraine, Georgia, Armenia, and Azerbaijan, security means survival (with regard to territory), whereas for Russia security means stability. So far, the United States plays a "hard security game" in Eurasia by helping those states

and not Russia. This is why Russia views the European Union as a more reliable and preferable partner. The EU and Russia have “economized” their bilateral security agenda while the United States and Russia have not.

Different Decisionmaking Processes

From the formal point of view, Russia’s national security structure looks like that of the United States with one exception. The National Security Council (NSC) plays a limited role in Russia. It has become a “comfortable institution for former politicians” who have lost their influence and importance.

The president and members of the presidential administration are responsible for developing foreign policy and the security agenda. That is why it is important to understand how they think and feel. The humiliation they experienced in the 1980s has likely had an impact on the evolution of national security policy. By his own confession, “the destruction of the USSR broke [Vladimir Putin’s] heart.” In addition, everywhere outside Russia, new national elites share an anti-Russian mood.

Russia is still making its way through its leadership “transition.” Various power clans are still waiting for the “final battle.” Wars among these power clans for the control of defense and energy industries are ongoing, while wars for the control of the justice and legal systems are only now beginning to rage. This means that in the short term, Russia might have new elites who are responsible for developing its security agenda, and the influence of the former KGB officers is likely to decrease. As a result, Russia will be looking for security more through stability than will some of the other CIS states, who still seek change and development.

Meanwhile, leaders of most CIS states, including Russia, are using nationalism to fill the gap left by the disappearance of Marxist-Leninist ideology. Nationalism in Eurasia has been a reliable tool for mobilizing the population. As a result, the role of religion has been increasing in Eurasia, and immigration has become a new security issue.

A new group of political elites led by President Dmitry Medvedev believes that Russia should rely primarily on itself for security and for securing its place in the international community. They believe that Russia has the potential to revive as a regional power. They argue that Russia will not be incorporated into Western structures and that it should focus on protecting its interests, especially in the “near abroad.” A notable phenomenon in Russian society and among the Russian elite in particular is a rise in pro-European attitudes, rather than pro-American ones. This does not mean they are against liberal and democratic values, however.

The Different Roles of Rhetoric

Rhetoric plays an important role in contemporary political processes. Exaggerated expectations among some American scholars, experts, and politicians concerning democratic development in Russia and some other CIS states have had an impact on their analyses and assessments.

Rising anti-Americanism in Russia and an anti-Russian mood in the United States and some CIS states (including Georgia and, to some extent, Ukraine) are worrisome. There is a difference, however, between these trends. Anti-American rhetoric in Russia may change overnight because there are no historical, cultural, or institutional roots for it. The situation in the United States and (for example) Georgia is different.

Unfortunately, many scholars, experts, and journalists are expanding the anti-Russian agenda. For several years ahead, it is likely that we will observe more anti-Russian initiatives in the United States and Eurasia.

What's Wrong With Security Cooperation in Eurasia?

- The honeymoon is over.
- We have realized that we have different understandings of security.
- Anti-“somebody” rhetoric plays a destructive role.

So what? Does this make Russia a less predictable and reliable country? Does it make security cooperation in Eurasia impossible? Does it give the United States a privileged position? The answer is no.

The United States, as a leading power in the world, has experience working with different kinds of regimes and states. Russia, as a key player in Eurasia, is ready for cooperation based on economic interests, unless that means interference in Russia's domestic affairs. There is no real nostalgia for empire and great power status in Russia. While some experts and politicians harbor such sentiments, Eurasia has changed and Russia has no resources available to achieve such status.

The honeymoon period in U.S.-Russian relations was not based on common values and principles, but it was a period when some very important agreements were reached. As always happens after a honeymoon, however, real life has begun. We moved too fast in the last fifteen years. Russia adopted some liberal principles, like human security, but it was too early to do so. The political elite has since corrected the agenda.

As some specialists have mentioned, both states seem to “require” tension. The next three to four years of U.S.-Russian relations will be characterized by friction and intense competition in Eurasia (mainly on economic matters). Neither state seems able to mobilize without having an “image of the enemy” in front of it, though the United States needs this type of rhetoric more than Russia. Still, we are at the start of a great new era of international negotiations on various weapons treaties, national missile defense, nonproliferation, Georgia, the Azerbaijani-Armenian conflict, and new pipelines. Perhaps Russia and the United States will work better in a hostile environment, as they did in the 1970s.

Still, Russia has changed. A stronger Russia might be a predictable partner for the United States. Rising Russian investments in the U.S. economy would change the attitude toward Russia among Americans. In the end, rhetoric matters.

Medvedev and the Military

Reshuffling as a Preamble for Reform?

PONARS Eurasia Policy Memo No. 22

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August 2008

Russian President Dmitry Medvedev insists that the somewhat softer style of his foreign and security policy makes no difference in their substance. Key policy guidelines continue to support the goals previously set by Vladimir Putin, who has kept a demonstratively low profile in these matters in his current position as prime minister. Explaining this steadfastness, Medvedev emphasizes his adherence to “national interests stripped bare of any distorting ideological motivations.” As far as the pivotal role of energy interests and the centrality of Gazprom in Russia’s foreign policy are concerned, the continuity from the Putin era to the current period of “tandemocracy” is indeed seamless. In “hard security” matters, however, small stylistic changes have already added up to a visible deviation that may or may not signify a change of course.

While Medvedev refrained from any populist exploitation of security themes during the election campaign, once he became president he rushed to confirm Russia’s unwavering opposition to two potential developments in European security: the expansion of the North Atlantic Treaty Organization to Ukraine and Georgia and the deployment of the so-called “third echelon” of the U.S. strategic defense system in Poland and the Czech Republic. Gone, however, were the threats to target Ukraine with missiles and the invective about the “colonial provisions” of the Treaty on Conventional Forces in Europe (CFE) (even if promises of “military-technical responses” still appear in Foreign Ministry statements). It was not only the tone of his debut speech in Berlin on June 5, 2008, that differed strikingly from Putin’s famous Munich speech of February 2007. Medvedev also spelled out a proposition that appeared to come straight from the

notes of the last Soviet leader Mikhail Gorbachev: "In my view, the main thing is that unless we cut back on military spending we will not be able to find the resources needed to respond to the real challenges we face."

These words barely registered in Russian domestic debates that focused on the probability of a liberal "thaw" and the stability of the duumvirate; there are hardly any expectations that Medvedev is a "closet" military reformer. Nevertheless, there is both a great necessity and significant opportunity to transform the core structures of the Russian armed forces. As paradoxical as it may seem, such reform might involve fewer political risks than, for instance, strengthening the independence of the courts to reinvigorate the judicial system, Medvedev's declared priority.

Innovations and Military Hardware

In contrast to the symbolism of the military parade that occurred right after his inauguration, Medvedev has shown little interest in the "heavy metal" that makes up the vast Russian arsenal. This indifference might reflect his senior partner's disappointment in the usefulness of these assets. During his presidency, Putin developed a pronounced fondness for a number of extra-powerful arms, but all of his "pet projects," without exception, encountered setbacks and delays, and he had nothing to show for them by the conclusion of his term. The Bulava missile for the new generation of strategic submarines has failed several test launches, the hypersonic maneuverable warhead has shown poor accuracy, the Global Navigation Satellite System (GLONASS) has turned out to be too unreliable and expensive to compete with the U.S.-controlled Global Positioning System (GPS), and the "fifth generation" fighter is still not ready for deployment.

These embarrassing reality checks did not prevent Putin from announcing a plan to build an "innovative army" in his non-farewell speech. This plan generally fits nicely into the theme of "innovations" that Medvedev has chosen as his trademark discourse (perhaps because the term "modernization" has already been badly abused). The new commander-in-chief, who happens to be computer literate, probably understands that the only piece of modern equipment that a soldier in a Russian combat unit can rely upon in the battlefield is his privately-owned mobile phone. Insofar as Medvedev's early rhetoric provides clues about the administration's priorities in resource allocation, however, it seems that he has no intention of cutting down on funding for much-advertised "national projects" in such socially-sensitive areas as health care, education, and communal housing. At the same time, in the government's economic "wing," there is increasing recognition of the risks and limits of growth driven by expanding state expenditures. Thus, in the near term, a significant increase in budget allocations for the defense sector appears rather improbable.

Blind to these political imperatives and economic realities, generals keep

fantasizing about dozens of Iskander tactical missiles (that slip just below the range limit set by the Intermediate-Range Nuclear Forces Treaty) and hundreds of new tanks, while admirals talk about the “blue water” navy with at least six aircraft carriers. It is possible to continue making sweeping promises for a while, but in his first year Medvedev will have to make some choices that will inevitably be unpopular among the top brass. Too many components of the old Soviet arsenal are simultaneously coming to the end of their lifecycle, so these choices might involve the complete loss of certain military capabilities. Industrial lobbies organized by state corporations are poised to fight for their bloated programs; only direct and determined support from Putin can provide Medvedev with sufficient leverage to resist this pressure. The appointment of Viktor Popovkin, former commander of the Space Forces, to the position of deputy defense minister and chief of armament might indicate that the main priority in acquisitions will be strategic weapons. Meanwhile, the massive rearmament of conventional forces could be postponed until the middle of the next decade, even if some weapon systems, such as the fleet of attack and transport helicopters, are seriously worn out. One important possible change would be an end to the old Soviet taboo on importing military equipment; only large-scale purchases on the international market could help in upgrading command, control, and communication systems that are still based on outdated technologies.

The Top Brass and the Rank-and-File

For all the money and prestige involved in major weapon projects, the key problem for the Russian armed forces, and the main motivation for their reform, is a lack of manpower, which essentially makes it impossible to maintain the old Soviet model on a smaller scale. The demographic crisis in the country is worsening despite efforts at stimulating fertility; that pulls the plug on the well-developed theory (if rather nasty practice) of a large conscript army. Always attuned to social protest, Putin ordered a reduction in the length of the draft period. In spring 2008, some 130,000 young men were drafted into the army for only twelve months. These conscripts will be discharged in spring 2009 together with those drafted in spring 2007 and in autumn 2007, which inevitably will lead to a sharp decline in number of soldiers.

During the politically delicate electoral period, it was possible to deny this problem and to pretend that tightening draft legislation would secure a greater number of conscripts, but some meaningful decisions on the realistic numerical strength of the armed forces must occur before the end of 2008. The Ministry of Defense has announced a plan to decrease the total number of military personnel from 1,135,000 to exactly one million by 2013, but this appears to be more of a trial balloon, since any realistic cuts will need to be more drastic and occur sooner. A lot of attention is currently focused on an arrangement to draft more

graduates from colleges and universities, but that would only go into effect by 2012 and is certain to generate social tension. The only real solution to the manpower problem is to increase the number of contract service members, but here achievements fall far short of the goals: the total number of contracts for rank-and-file positions is currently below 100,000, and less than 20 percent of servicemen opt for a second contract, which means that real professionalization remains elusive, particularly in the sergeant corps. The budget of the program for expanding contract service will need to increase by more than 30 percent per year just to keep numbers at their present-day level, since the armed forces have to compete for recruits in a very tight labor market.

Similar problems affect the officer corps, where salary increases lag behind inflation and a lack of housing remains a permanent problem. Seeking to reduce the unnaturally high officer-to-soldier ratio (currently close to 1:1), the Ministry of Defense proposed to fill a few thousand officer positions (like journalists and lawyers) with civilians but this provoked discontent among the top brass. Anatoly Serdyukov, appointed minister of defense in February 2007 and re-confirmed by Putin in the new cabinet, has scored some success in regulating financial flows within the huge bureaucracy. However, the tasks ahead are far more difficult and will require a team of loyalists, something Serdyukov's predecessor Sergei Ivanov never attempted. The replacement of Chief of the General Staff Yuri Baluevsky and two of his key deputies might signify the beginning of this team building, but it remains to be seen whether his successor, Nikolai Makarov, can gear the general staff toward planning for far-reaching reform. As for the Ministry of Defense, its structure is being transformed in two different ways: the administrative part is becoming more civilian (including the appointment of deputy ministers Lyubov Kudelina and Oleg Eskin), while the command part is being strengthened with senior officers who have significant combat experience (such as First Deputy Defense Minister General Aleksandr Kolpakov and head of the General Directorate on Combat Training General Vladimir Shamanov). Swift reshuffling of the top brass during the spring and summer of 2008 has changed the configuration of clans and lobbies. However, Medvedev's authority as commander-in-chief has hardly strengthened while Putin's role still remains crucial if diminished (as he is absent from formal command structures).

Assessing Risks and Threats

The Russian military might take pride in the estimate of the U.S. Director of National Intelligence that it "has begun to reverse a long, deep deterioration in its capabilities," but the high command can hardly comprehend the fact that the "sharp rise in Russia's investment abroad" generates more concerns in the U.S. intelligence community than its strategic muscle-building. Since mid-2007, the armed forces have gone to great lengths to demonstrate their political usefulness:

strategic bombers patrol the North Atlantic and Pacific Oceans on a monthly basis; the aircraft carrier *Kuznetsov* performed a Mediterranean cruise; and joint military exercises with China were followed by several high-intensity unilateral exercises in the North Caucasus. However, a realistic assessment of these deployments and exercises reveals only an incremental increase in power projection capacity.

Medvedev has yet to discover any real returns on the steadily growing investments in modernizing the armed forces. That the Foreign Policy Concept approved in July 2008 does not mention military might as a useful instrument of policy may not be that significant (it does not mention energy either, despite the centrality of energy in Russia's external relations). What is significant, however, is that even the most optimistic plan for building up Russia's own defensive (or, perhaps, offensive) capabilities does not provide any extra leverage for resolving key current foreign policy problems that include bitter quarrels with the Baltic states, polite bargaining with China, dissuading Ukraine from embracing NATO, and convincing Turkmenistan to export all of its gas to Russia. Military activity hardly adds any persuasive power to Russia's claim for extending control over the Arctic sea shelf, while the increasingly obvious impossibility of withdrawing its naval base from Sevastopol adds a major complication to already-strained relations with Ukraine. Sustained de-escalation of tensions in the North Caucasus leaves idle the newly-strengthened forces in this region, which in turn adds a dangerous dimension to the oscillating Russian-Georgian conflict, something that might become the first security test of Medvedev's presidency.

The likely choice of advancing several programs in the strategic forces would not reverse the trend of their reduction but merely preserve key elements from disintegration. At the same time, such a priority would seriously exacerbate the long accumulated imbalances in the conventional forces, of which the sheer lack of soldiers is the most significant. As long as the Medvedev-Putin "tandem" prevails, this structural crisis can be transformed into an opportunity for enforcing a military reform project which might be welcomed by the public. It is not enough, however, to catch the top brass off-guard and to make sure they remain isolated in the Kremlin clan wars. The project needs careful preparation, sufficient funding, and a team of committed reformers that, so far, are not in sight.

Has the Russian Navy Turned a Corner?

Recent Trends in Russian Shipbuilding and Naval Deployments

PONARS Eurasia Policy Memo No. 23

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August 2008

In recent years, Russia's foreign policy and behavior have become increasingly self-assertive and the rhetoric of its leaders increasingly hostile. Accordingly, some in the West have viewed with trepidation recent Russian military actions, such as bomber flyovers of U.S. ships at sea and last winter's deployment of the *Admiral Kuznetsov* to the Mediterranean. Many Western analysts are concerned that the Russian military, and especially the Russian Navy (RFN), is about to enter a period of expansion that could even portend a new arms race with the United States.

In this memo, I argue that the capabilities of the RFN are in reality only slightly stronger than they were at the start of Vladimir Putin's presidency and nowhere near the levels of the late Soviet period. The recent attention paid to the Russian military, and particularly to naval deployment, is more the result of a campaign orchestrated by the Russian government to convince both Russians and foreigners that the Russian military has returned, despite very modest actual progress in rebuilding.

Order of Battle and Current Deployments

As Table 1 shows (see end of memo), most of the Russian navy's current combat ships and submarines were built either before the collapse of the USSR or in the two years that followed. Since 1994, only seven new ships have been commissioned, and construction began on all of them in Soviet times. As of 2008, ten new ships are under construction (UC), but at least three of these have been under construction since the early 1990s. As the table reveals, of the 115 ships listed, 39 are not operational. In short, all the combat ships of the RFN are aging Soviet-era ships, and none are scheduled for replacement. In particular, no surface ships larger than a frigate are currently under construction. As a result, the RFN will shrink drastically in coming years.

During the 1990s, the Russian navy rarely sent ships far from their home ports. There were no deployments to the Pacific Ocean after 1994, and none to the Atlantic after 1996. The navy's turnaround after 2000 resulted in a substantial increase in deployments in Putin's first term, though this was followed by a modest decline and then a smaller rise in 2006-2007. Figure 1 shows the pattern from 1999 to 2007.

The increase in naval deployments since 2000 more reflects an increase in the Russian navy's budget than a major shift in intentions or capabilities. Figure 2 shows the patterns of deployment by fleet. Ships from the Black Sea Fleet deployed about twice as often as ships from the other three fleets, primarily because of their participation in numerous multilateral operations and exercises, such as Active Endeavor and BlackSeaFor. The December 2007 deployment of the *Admiral Kuznetsov*, Russia's sole aircraft carrier, to lead a task group to the Mediterranean Sea may have been the first major deployment for Russia's Northern Fleet to the Mediterranean since 1996. However, the Northern Fleet actually deployed task groups to the North Atlantic for exercises in four of the last five years. The main difference between earlier deployments and the most recent one was the publicity accompanying it.

Recent economic progress has allowed the Russian government to give the Russian Navy enough of a budget increase to begin a partial revival. Due to the long lead times required for building new ships, together with the cumulative effect of years of deferred maintenance and limited training for personnel, the Russian Navy is still far less capable than the navies of even most mid-size NATO states, not to mention the Soviet Navy at its height. Across all of the Russian fleets, there are only 17-18 surface combatants that can deploy with any consistency.

The main purpose of deployments is to increase cooperation with other navies. The Putin administration found the RFN to be a useful tool for engagement because it allows Russian military forces to travel outside Russian territory without alarming neighboring states. Through its navy, Russia has been

able to tout its credentials as a world power while participating in bilateral and multilateral exercises designed to reassure neighbors and more distant powers that its military is working cooperatively to solve regional problems, such as smuggling and piracy.

Figure 1: Russian Naval Deployments

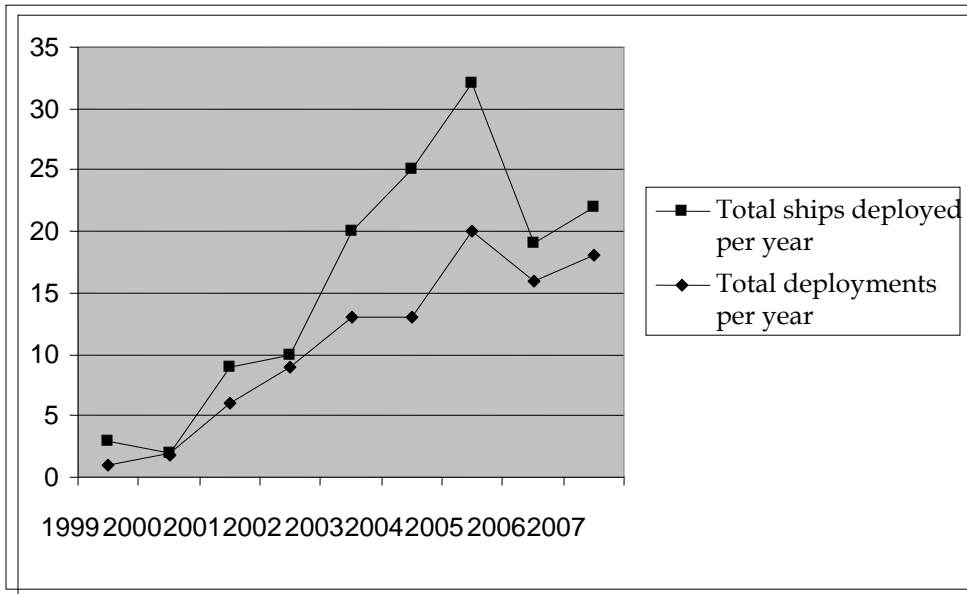
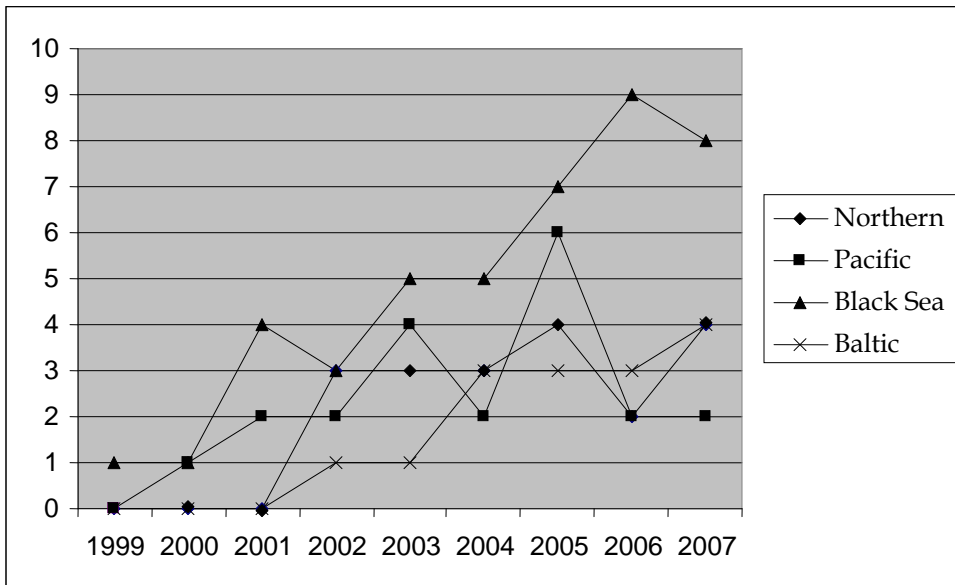


Figure 2: Russian Naval Deployments by Fleet



Shipbuilding Plans

As part of its modest revival, the Russian Navy has launched a shipbuilding program, unveiling several new designs for submarines and smaller surface

ships. This program is small compared to the Soviet shipbuilding of the Cold War, but it shows that the Russian government realizes that significant capital investment in new ships is necessary if the Russian navy is to remain a viable seagoing force.

During Putin's presidency, Russian naval design and shipbuilding focused on the Borei-class ballistic missile submarine (SSBN). Construction of the *Yuri Dolgorukiy*, the first submarine in this class, began in 1996. After years of delay caused by financing and construction problems, it was finally launched in 2007. Two more units are now under construction, and construction will start on another one in late 2008. Plans call for a total of eight new SSBNs to be built by 2015, split evenly between the Northern and Pacific Fleets. However, these new SSBNs will be useless until the navy can work out the problems plaguing the submarine's Bulava missile, which has suffered from repeated test flight failures. Naval commanders insist that an accelerated testing schedule will ensure that the Bulava will be ready this year, but independent Russian observers and even the Head of the General Staff have said it will not enter service until as late as 2012.

The RFN is also building a new nuclear-powered attack submarine (SSN), the *Severodvinsk*, designed for both anti-submarine and anti-ship warfare. Plans from 2001 called for a total of seven to be built, though construction has not started on any beyond the initial hull of one. Finally, the RFN is building a new diesel-powered attack submarine (SS) to replace its aging Kilo-class boats. The *St. Petersburg* was the first of this class to be completed (in late 2006), though it is still undergoing final sea trials, and three additional units are currently under construction. There are plans to construct as many as 24 submarines of this class.

Plans for new surface ships have been even less ambitious. Currently, only relatively small frigates or corvettes and minesweepers are under construction, though RFN planners have discussed plans to build much larger ships in the future. These include aircraft carriers, for which no construction facilities are available at present; previous Soviet construction of such large naval ships took place at Nikolayev in Ukraine.

The first of the new surface ships to enter the oceangoing fleet is the *Steregushchy*-class corvette. It is the first RFN ship to be designed entirely in the post-Soviet period. Construction of the first ship of this class began in 2001 and, though it was scheduled to be completed in 2004, entered active service only in February 2008. This class of ships is designed primarily for multi-purpose coastal defense against surface ships, submarines, and aircraft, but it can also provide support for amphibious landing forces. In addition to the *Steregushchy*, now serving in the Northern Fleet, four more ships of this class are currently under construction. Current plans call for around 20 of these ships to be built in order to replace the *Grisha*-class corvettes currently used in all the fleets.

The RFN is also developing a larger frigate, capable of deepwater operations.

Construction on the first of these ships, the *Admiral Gorshkov*, began in 2006 and is scheduled to be completed in 2009 at the earliest. A total of 20 units of this type are planned, to be distributed among all four fleets. It will become the main deepwater surface ship of the Navy, eventually replacing the Udaloy- and Sovremennyi-class destroyers.

Finally, the RFN is developing a new amphibious landing ship, the *Ivan Gren*, which will be able to transport containers and use floating pontoons to transfer armored vehicles to landing areas. The lead ship is planned to be completed in 2008 and a total of five are to be built by 2015. Several smaller ships are also in various stages of planning or construction, including the Tatarstan-class corvettes and Astrakhan-class patrol boats for the Caspian Flotilla, as well as new coastal minesweepers.

Despite these figures, recent developments in the Russian shipbuilding program may be more impressive on paper than in practice. 520 million dollars of budgeted funding is insufficient for current shipbuilding projects. In 2007, 80 percent of the shipbuilding budget was consumed by the Borei-class SSBNs, leaving little for the surface ships. Only 8 million dollars were allocated to the *Admiral Gorshkov* frigate. Given its total price tag of approximately 500 million dollars, it will take many years to complete even one of these frigates at this spending rate. Funding for shipbuilding may also need to be diverted to the relocation of the main Black Sea Fleet base to Novorossiisk, if Ukraine follows through on its intention to ask the Russian navy to leave Sevastopol when the current basing agreement expires in 2017. Unless there is a very large increase in the RFN's budget, we should expect completion targets for all the shipbuilding projects discussed in this section to be delayed significantly.

Future Deployments

Over the next 10 to 15 years, deployment patterns of the RFN appear unlikely to vary much from patterns set in the last five years. The recent deployment of the *Admiral Kuznetsov* in the Mediterranean does not appear to represent a dramatic shift in either frequency or purpose of Russian navy deployments. As funding gradually increases, the RFN appears willing to execute more deployments, perhaps including a semi-permanent presence in the Mediterranean and more frequent forays into the Atlantic. This desire is evident in statements made by Admiral Vladimir Vysotsky, the Naval Commander-in-Chief, who said that he would like to see semi-annual deployments of the Northern Fleet to the Mediterranean.

However, funding (e.g., for fuel) and equipment limitations will almost certainly prevent the realization of this goal in the near future. The Northern Fleet has only seven surface combatants capable of deploying outside the Barents Sea. Several of these ships will approach the end of their useful lives in the next five to ten years. Given the long lead times needed to develop and build new

ships, overall numbers of surface combatants will not increase before 2015 and probably not until after 2020. Furthermore, the RFN will be challenged to deploy for an extended period of time because of its practice of bringing all its own fuel with it on deployments. Even with the use of refueling tankers, this practice inevitably limits the number of days a ship group can be at sea before having to return to a Russian port.

A second constraint on increases in Russian naval deployments has to do with the RFN's training cycle. The RFN has a relatively rigid training year, which begins with the arrival of new conscripts in December and concludes with fleet-wide assessments in the fall. Given this cycle, Russian ships generally do not deploy until the RFN is several months into the training year. This may change in the future as the military gradually completes its transition away from conscription, but for the moment such changes are still several years away.

Given these constraints, I expect the RFN to continue its current practice of annually deploying the Northern Fleet to the Atlantic and the Mediterranean. It will also deploy ships from other fleets for regular exercises with neighboring navies. These deployments should be treated as routine, not as threatening to the United States or any of its allies. Similar deployments have occurred over the last five years. The *Kuznetsov* deployment, for example, did not represent a real change in the pattern of naval deployments. The main difference is that the Russian government has recently decided to start publicizing such deployments in order to bolster Russia's image on the world stage.

Table 1: Russian Naval Ships (by type and year put into commission)										
* Denotes ships listed in repair, reserve, or conservation. Each * equals one ship.										
	Surface Ships						Submarines			
	CV	CG	DD	DD-ASW	FF	Amphib	SSBN	SSGN	SSN	SS
1966						1				
1968						1*				
1969			1							
1973				1*						
1974				1		1*				
1975						1				
1976						2*				
1977					1		1*			
1978					1	1*	1			
1979							2			
1980					1		1			
1981				1*	1	1				1
1982		1				2**	2			1*
1983						1				1
1984		1*				2*	1			2
1985				1		1	1			
1986		1	1*	1		1		1*		1
1987				1		1	2*		2**	
1988		1*	1*	2		1	1	1*	2*	3
1989		1	1	1*		1*	2**	1*	1*	1*
1990	1		1*			1	1	2	5*	5
1991			2*	1		1*			1*	2*
1992			1			1		2**	3*	1
1993			1		1			1	2*	
1994										1
1995									2	
1996		1						1		
1997										
1998										
1999				1						
2000										
2001									1*	
2002										
2003										
2004										
2005										
2006										
2007										
2008					(1 UC)	(1 UC)	(3 UC)		(1 UC)	(4 UC)
Total	1	6	9	11	5	21	15	9	19	19
	(Kuz)	(3 Kirov 3 Slava)	(8 Sov 1 Kash)	(2 Kara 9 Udal)	(4 Kriv 1 Neutr)	(2 Rog 4 All 15 Rop)	(3 Typh 6 DIV 6 DIII)	(Oscar)	(4 VIII 3 Sier 12 Aku)	(18 Kilo 1 Tango)

An End to Russian Military Bases in Georgia?

The Implications of Past Withdrawals

PONARS Eurasia Policy Memo No. 24

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August 2008

Introduction

The Russian military presence in the South Caucasus continues to remain a challenge for the newly independent states of the region. Russia's policy towards the South Caucasus has undergone significant changes and can hardly be characterized as consistent. Still, while the concentration of Russian forces in the region was in decline through 2007, Russia still remains the sole external state with the readily available power to shape developments in the region.

The USSR maintained a substantial military presence in Georgia. The geopolitical position of Georgia made it strategically important and warranted locating several Soviet military bases within its territory. In mid-1993 an estimated 15,000 Russian troops and border guards remained on Georgian territory. Russia, as the successor state of the USSR, inherited its geopolitical interest in the South Caucasus and particularly in Georgia.

After the collapse of the USSR, Georgia initially did not press for Russian troop withdrawal as vigorously as did other former Soviet republics because it did not have enough personnel to protect its entire border. However, after defeat in a civil war with Abkhaz separatists (allegedly backed by Russian military circles), most Georgians saw Russia as an aggressor country that threatened Georgia's vital interests and territorial integrity. This image of Russia prevailed in Georgian public opinion.

Over the past five years, relations between the two countries were characterized by tension, threats, recriminations, and mutual suspicion. President Saakashvili's unequivocally pro-Western orientation, particularly Georgia's ambition to join the North

Atlantic Treaty Organization, and promises that he would integrate Abkhazia and South Ossetia into Georgia by the end of his presidency, caused outrage in Moscow.

In the context of Russian-Georgian relations, perhaps the most sensitive issue was the status of Russian bases in Georgia. The presence of Russian troops became one of the major problems in the countries' bilateral relations after Russia agreed to the withdrawal of its bases under the provisions set forth in an agreement concluded at the 1999 Istanbul summit of the Organization for Security and Cooperation in Europe (OSCE).

The Russian military presence in conflict zones is still a major challenge for Georgia as Russia retains a far more powerful presence in the country than any other foreign state, none of which have sought to challenge its position as they are aware of their limitations to project power.

Preparing for Withdrawal

Russia's main military bases in Georgia were near the cities of Akhalkalaki and Batumi. Their positions on the Turkish border, on a natural route from Turkey into the South Caucasus, and, in the case of Batumi, on the Black Sea long made these areas a strategic prize. After the collapse of the USSR, the issue of the withdrawal of the Russian military bases became a matter of principle for the Georgian government and the main issue in Russian-Georgian relations. For the Georgian government and the majority of the population the presence of the military bases was a remnant of Russian rule and one of the linchpins of unwanted Russian influence over Georgia.

From 1991 through 2005, Russia stonewalled the negotiations on troop withdrawal, attempting to prolong its presence at Akhalkalaki and Batumi indefinitely. Even after the signing of the 1999 Istanbul agreement, Russia wanted at least another decade to close these two bases and demanded hundreds of millions of dollars as compensation for relocating troops and material back to Russia.

However, the 2003 regime change in Georgia and the reestablishment of effective Georgian sovereignty in Adjara, the region in which Batumi is located, fundamentally altered the negotiations. Moscow understood that because both regions were located deep within Georgian territory, and under Georgian central control, the bases could be isolated and even blockaded if Russia refused to honor its obligation to close them down. This realization, as well as the loss of real military value of these bases, led Moscow to agree to evacuate them.

The Akhalkalaki Military Base

On June 27, 2007, Russia formally handed over its military base at Akhalkalaki to the Georgian government. The last 150 Russian troops left on the eve of the official handover. The Russians thus completed their withdrawal three months ahead of the December 2007 deadline. Fixed assets given to the Georgians reportedly included 196 buildings on an area of 128 hectares as well as a nearby combat training range.

The local Armenian population in the nearby regions (known collectively as Javakheti) was painfully affected by the Russian withdrawal from the Akhalkalaki base for economic

and political reasons. In addition to its purely military function, the base also played a social role as it was the largest economic entity in Akhalkalaki. According to different sources, 1,000-1,500 local residents were employed there and were relatively well paid. Moreover, Russian servicemen spent part of their income locally, and the base was involved in different economic transactions.

The political motive was no less important. Fear of neighboring Turkey is still very strong among the local Armenian population, as the conflicts that took place in the early twentieth century are still vivid in their memory. The Armenian community in Javakheti strongly believed that only Russia could protect them from the imagined Turkish aggression.

Today, the Georgian government conducts programs for the integration of the Armenian-speaking population of Javakheti into the Georgian state. To replace the base, the government has created various programs to provide alternative jobs to members of the population who became unemployed after the Russian withdrawal.

However, these promises notwithstanding, the population has remained skeptical and acts of protest have occurred in the region. This proves that the aftermath of the Russian military base withdrawal is not painless, and the Georgian government faces serious problems in the social integration of unemployed workers.

The Batumi Military Base

Russia hoped to retain the Batumi base by relabeling it an “antiterrorist center.” The Georgian government originally came up with this idea in 2004 in order to restart Russian-blocked negotiations and to provide Moscow with a face-saving way to withdraw its troops. Tbilisi had envisaged the formation of one joint Georgian-Russian analytical antiterrorist center. The center would be under Georgian sovereign control and not located at any existing military base. It would be created in the wake of the garrisons’ departure and include several scores of Russian officers without troops or armaments.

Even at the time, however, some observers and politicians in Georgia worried that the accord contained loopholes that could potentially enable Russia to maintain a military presence in Georgia. Thus, public opinion indicated that citizens were uneasy about the project. Ultimately, due to their strained relations, it seems that neither Georgia nor Russia even theoretically considered the establishment of such a center in Batumi or elsewhere.

On November 13, 2007, the evacuation process ended for the 12th Russian military base in Batumi, and as a result it was also officially handed over to Georgia ahead of schedule. The withdrawal from Batumi meant that no Russian troops remained in Georgia except for peacekeepers in the breakaway regions of Abkhazia and South Ossetia. The Georgian government gave a positive assessment to the completion of the withdrawal of the military base and expressed hope that soon no Russian troops would be left in the conflict zones in the country’s territory.

Georgian government officials recognized that Russia’s withdrawal would have a broad economic impact on the region. As a result, the government subsequently promised new roads, social welfare support, and military food procurement contracts for local

inhabitants. However, unanswered questions have surrounded the work prospects for the Georgians who were employed as military personnel at the Batumi base.

The Gudauta Base in Abkhazia

Along with the Batumi and Akhalkalaki bases, the issue of the Russian military base in Gudauta, which is located in Georgia's breakaway region of Abkhazia, also stirred debate. The base has always been a significant factor in the Abkhazian conflict. The Georgian side and many Western independent observers claim that the Gudauta base provided principal military support to Abkhaz rebels during the war in 1992–1993. At the OSCE's 1999 Istanbul summit, Russia agreed to shut down its base at Gudauta and to withdraw troops and equipment. Subsequently, Russia pledged that, pursuant to the provisions of the OSCE agreement, military equipment had been completely removed from the base and the facility was to be used by Russian peacekeepers deployed in the Abkhazian conflict zone under the auspices of the Commonwealth of Independent States (CIS). However, the Georgian authorities doubted the veracity of this statement and encouraged international monitoring of the military base with the participation of Georgian experts.

Russia later blocked OSCE inspections, although such inspections are mandatory under the Treaty on Conventional Forces in Europe. Moscow argued that Tbilisi must ensure the safety of the international monitoring mission. Both sides knew that Georgia could not undertake such responsibility for the territory, which is not under its control, and thus officials in Tbilisi believed that Russia used this circumstance in order to delay the process as long as possible.

Meanwhile, Tbilisi has sought to end the Russian peacekeepers' mandate in Abkhazia. Georgian politicians warned Russia against formally recognizing Abkhazia's independence after Tbilisi claimed that Moscow had stepped up its military presence in the conflict zone. In response, in a statement issued on November 21, 2007, the Russian Foreign Ministry pointed out that although Russian troops have withdrawn from bases in Georgia, Russian servicemen remain in the Abkhaz and South Ossetian conflict zones as peacekeepers. The Russian Foreign Ministry also criticized what it referred to as Tbilisi's habit of raising spurious complaints against Russia.

Conclusion

The new Georgian state and its leaders faced a number of objective obstacles that suggested that the full withdrawal of Russian troops from Georgia would be inherently difficult, especially from conflict regions like Abkhazia and South Ossetia. These two small unresolved territorial conflicts remain legacies of the USSR's demise and have long been considered serious challenges for Georgia.

In recent years, the Georgian government pledged to establish "very good" relations with Russia, despite the fact that some political and military forces in Russia believed that the Georgian state-building project opposes Russian national interests. Russia has felt threatened by the sudden move of NATO and other Western military structures into an area which is very much part of its own backyard.

Through 2007, the situation regarding Russian military bases in Georgia appeared to be

changing for the better. Russia had almost fulfilled its 1999 OSCE Istanbul commitments to withdraw from Georgia's military bases, though it still needed to reach an agreement with Georgia on the status or withdrawal of the Russian presence at the Gudauta base. Russia's decision to withdraw from the Conventional Armed Forces in Europe treaty limiting military forces in Europe promised to affect the nearly completed process of withdrawal of Russian troops from Gudauta. Russian officials stated that the suspension of its participation in the treaty meant that Moscow would also stop providing information and allowing inspections of its heavy weapons. They also said that Moscow would decide unilaterally on how many tanks and/or aircraft to deploy.

At the same time, the Georgian parliament continued to discuss the issue of who would replace Russian peacekeepers in the Georgian-Abkhaz conflict zone, seeking some kind of international peacekeeping force.

All these developments demonstrate the seriousness of the situation in the Caucasus until today and create new challenges and options in the region. While Russian troop withdrawal is clearly in Georgia's interest, the procedures associated with the planned antiterrorist agreement and its legal implications pose some risks. The Georgian side would never agree to create such a center, even under Georgian sovereignty. Georgia's desire for NATO membership is another factor influencing Tbilisi's position on withdrawal.

Notwithstanding all the factors mentioned above, Georgia needs to pursue a coherent approach in order to solve its current problems and to advance democratic changes. In order to assist Georgia, the international community should be focused on several points:

- Georgia has managed to dramatically transform into a stronger democracy in a very short period of time. Despite existing problems, the country's course towards democracy and integration into NATO is evident. Russia needs to recognize that a Western-integrated Georgia would pose no threat. On the contrary, a Western-integrated Georgia would be a source of regional security and stability.
- Bringing Georgia into NATO would not be dangerous vis-à-vis Russia. Rather, it would stabilize the relationship between Russia and Georgia, much as it did the Baltic-Russian relationship. Moreover, it is necessary to convince Russia that Georgian progress and rapprochement with the West is irreversible.
- Moscow could do much more to normalize relations. Russia maintains economic and transportation sanctions against Georgia. Likewise, it continues to take actions that call into question its professed support for Georgia's territorial integrity by supporting separatist regimes in South Ossetia and Abkhazia. Russia should play a more constructive role and use its influence with the separatists to advance a peaceful resolution of each conflict in Georgia.
- Joint peacekeeping forces operate under terms established in 1992-1993, but this framework may not be sufficient to build a contemporary lasting peace. Without substantial changes to the current peacekeeping framework, it is hard to imagine how the parties will arrive at a comprehensive solution.

80 An End to Russian Military Bases in Georgia?

- Due to the unhelpful stance of the Russian side, it has been impossible to carry out inspections of the Gudauta base that would verify its closure. At the same time, a one-time inspection is not good enough to prove closure of the military base. It is essential to take specific measures aimed at guaranteeing permanent transparency in terms of further usage of certain facilities on the base.

Although it remains to be seen whether Georgia will be able to negotiate the best deal for itself, one thing is certain, Georgia's place in the region and its relations with both Russia and the West are entering a crucial new phase. Simply put, it's make-or-break time for Georgia.

This memo is based on a more detailed study, "End of Russian Military Bases in Georgia: Social, Political, and Security Implications of Withdrawal," prepared for the NATO Advanced Research Seminar in Lisbon, Portugal, December 13-15, 2007, and published in *Central Asia and the Caucasus*, no. 2 (50), 2008.

Russia's New "State Corporations"

Locomotives of Modernization or Covert Privatization Schemes?

PONARS Eurasia Policy Memo No. 25

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August 2008

At the end of 2007, just a few months before the end of his presidency, Vladimir Putin exercised Russia's largest one-time public investment. To this end, he signed statutes creating several nonprofit nongovernmental organizations dubbed *goskorporatsii*, or "state corporations." Four newly created entities received over 36 billion dollars cash from the state budget. Around the same time, two more state corporations came into being. Subsequently, they were entitled to own about 80 billion dollars worth of former state assets in the atomic and defense industry. The significance of these last-minute decisions is hard to overestimate. Apart from being the first massive investment of oil export revenues in the domestic economy, this was also the most significant redistribution of state property in post-Soviet Russia; critically-minded Minister of Finance Alexei Kudrin referred to it as a "covert form of privatization." Was the creation of state corporations and their generous endowment a way for Putin to reward his cronies as he left the presidential office? Or was this an original institutional solution for investing oil revenues and boosting Russia's infrastructural modernization and technological competitiveness?

What Are State Corporations?

In 2006, Russian state officials invented two basic frameworks for investing public funds and restructuring state enterprises. The first was the formation of an open joint-stock company with majority state ownership, a fairly conventional solution for managing the public sector in many countries. Advocated by then first deputy prime minister Sergei Ivanov, it resulted in the creation, first, of the United

Aircraftbuilding Corporation and, later, of the United Shipbuilding Corporation. Each concentrated all major aircraft or shipbuilding production facilities under consolidated management and state ownership. The creation of these two monopolies was intended to boost Russia's stagnant civil aviation and shipbuilding sectors by placing state orders, stimulating private companies to buy Russian-made civil planes and ships, and advancing them to world markets alongside defense products (such as the much advertised Sukhoi Super Jet). These ambitions were backed by the increased capacity of the Russian state. With the airspace and shipbuilding sectors consolidated, the state could start investing in their modernization. Sergei Ivanov and Igor Sechin, two deputy prime ministers and Putin's colleagues from the intelligence service, were appointed chairmen of the board of directors of the aircraft and the shipbuilding corporation, respectively.

The second framework was invented by Sergei Chemezov, another of Putin's close colleagues and friends, who at the time was head of the Russian arms export trader Rosoboronexport. This second framework represents a truly innovative solution. The idea is to use the legal shell of a nonprofit NGO to create a statutory corporation and delegating to it the power of managing investment funds and enterprises. The 1999 version of the Law on Non-Commercial Organizations contains a peculiar legal form, *goskorporatsiya*, or "state corporation," a noncommercial organization created by a donation of state funds or property to advance the public interest or create public goods. Before 2007 this format had not been used, except to create the Agency for the Restructuring of Credit Organizations, established in 1999 to rescue insolvent banks. In 2007 this legal provision spawned six large resourceful projects. The first, the Bank of Development, was set up as a successor to the formerly state owned Vneshekonombank. It received the latter's assets plus a 7 billion dollar donation from the state. The aim of the Bank of Development is to invest in infrastructural development (roads, communications, ports, and other long-term, low-profit public projects). This type of solution was quickly replicated for other objectives, resulting in five more state corporations in the same year. The Russian Corporation for Nanotechnologies received 5.4 billion dollars in order to allocate grants for advancing cutting-edge research and development. The Communal Services Reform Fund was created with no less than 10 billion dollars for the task of renovating water and sewage pipelines and old houses in Russian cities by 2016. The state corporation Olympstroi became the organizational solution for fulfilling the promise of building infrastructure and facilities for the 2014 Winter Olympics in Sochi.

Finally, at the very end of 2007, the two most powerful state corporations came into being. Russian Technologies became the owner of defense industry assets formerly owned by Rosoboronexport, as well as of dozens of automotive, chemical, and other industrial enterprises. All civil nuclear power plants and construction companies as well as nuclear enrichment facilities were transferred to the newly created NGO Rosatom. The basic information on the new state corporations is shown in the table below.

Name	Date Established	Funds, \$ billion	Production assets, \$ billion	Chief Executive Officer (CEO)	Supervisor
Bank of Development	17.05.07	7.5		V. Dmitriev	A. Zubkov
Russian Corporation for Nanotechnologies	19.07.07	5.4		L. Melamed	V. Fursenko
Communal Services Reform Fund	21.07.07	10		G. Tsitsyn	D. Kozak
Olympstroi	30.09.07	13		V. Kolodiazhnyi	D. Kozak
Russian Technologies	26.11.07		30	S. Chemezov	A. Serdiukov
Rosatom	1.12.07		50	S. Kireenko	S. Sobianin
United Shipbuilding Corporation	21.03.07	1.1	2	V. Pakhomov	I. Sechin
United Aircraftbuilding Corporation	20.11.06	0.25	3.9	A. Fedorov	S. Ivanov
		Total 37	Total 86		

Why State Corporations?

According to estimates by Uralsib Bank, in 2000-2007 the state budget received about 700 billion dollars in revenue from oil and gas exports. Not all of this money went to public spending, however. A large amount of oil revenue was sterilized by means of external payments and transfers to the stabilization fund in order to prevent the strengthening of the national currency and to avoid inflation. Of the 340 billion dollars which, according to Kudrin, constituted the "super-profit," 116 billion dollars went to foreign debt payments and 122 billion dollars were secured in the stabilization fund. The remaining 102 billion dollars were eventually destined for public spending, but that happened only at the end of 2007.

Despite the pressing need for rapid modernization of the economy and growing pressure from state industrial lobbies, Duma deputies, and regional authorities, all eager to get a piece of the petrodollar pie, the "super-profit" remained intact. This was not only due to the tough and consistent policy of the Ministry of Finance to resist public expenditure growth, but also because of the lack of efficient institutional solutions for public investments. In other words, it remained unclear which agency should manage public investments, who should control and supervise its proper use, and how to avoid inefficiency and theft. In 2005-2006 Russian state authorities experimented with public-private partnerships, federal investment programs, and so-called "national projects," but none appeared to be successful.

Having defined national developmental priorities and accumulated large capital resources, the Russian leadership needed an easily manageable modernization scheme that would yield quick results. Public-private partnerships stalled because of mutual distrust and availability of capital resources on international financial

markets for private businesses (so they became less dependent upon public funds). Federal investment programs were subject to high bureaucratic costs and corruption risks, since several ministries and hundreds of officials had to be involved in managing budget funds and state enterprises. Subjecting modernization and innovation projects to multiple government procedures and regulations would have dispersed responsibility and slowed down the process.

This led to the decision to transfer budget funds and assets to specially created NGOs and to appoint compact executive management teams and supervision boards responsible for achieving set objectives. What was good for Mr. Chemezov also turned out to be good for Russia. The idea of creating state corporations outside government authority was largely justified by the low efficiency of the latter and testifies to the failure of state reform. To secure direct state control over large funds, the architects of state corporations gave the president the right to appoint CEOs and members of the supervision boards. As a result, about fifteen top government officials were appointed to high positions in state corporations. For example, the minister of regional policy, Dmitry Kozak, heads two state corporations and sits on the boards of another two. The top management of state corporations is outside of the government, as public authority, but it is accountable to selected individual members of the government and to the administration of the president.

This is a double-edged solution. On the one hand, it indeed reduces bureaucratic costs, gives management freedom and speed in decisionmaking, and introduces personal responsibility. On the other hand, the absence of transparency and public accountability creates vast opportunities for arbitrary and self-interested decisions, especially with regard to companies for which no clear efficiency criteria apply.

Organizational and Legal Contradictions

What becomes immediately apparent is that the eight new state corporations include two different types of content, cash funds (four) and industrial assets (four), as well as two different legal forms, non-commercial NGO (six) and open joint-stock company (two). That cash funds were legally structured into non-commercial NGOs assigned to invest into low- or deferred-profit projects of public significance, such as transport infrastructure, sports, urban communications, and research and development, is economically justified. The big question is why Russian Technologies and Rosatom, which are not funds but industrial holdings, have also been constituted as NGOs. From the standpoint of economic logic, they should have been organized as open joint-stock companies with majority state ownership, as United Aircraftbuilding and United Shipbuilding Corporations were. The solutions for Russian Technologies and Rosatom suggest an implicit noneconomic agenda.

The creation of NGO-type state corporations is regulated by the Law on Non-Profit Organizations, and a separate statute exists for each of them. The combined application of both regulations has created a truly unique status for these entities. The label "state corporation" denotes an NGO that has been created by the state rather than by private companies or individuals. But it does not mean state ownership. Once state property is donated to a state corporation, it becomes legal property of the latter. Thus, about 400 former state enterprises and companies that

were transferred to Russian Technologies are now the legal property of this state corporation. Moreover, presidential statutes made state corporations exempt from the control of the State Audit Chamber and from government interference. Thus, in addition to the managerial control that the Chemezov group had over the defense enterprises which formerly belonged to Rosoboronexport, it has now added legal ownership. As a result of the lobbyist effort, the Chemezov group has also claimed state shares in automobile, machine-building plants, and air companies for Russian Technologies. Thus, the choice of NGO framework for Chemezov's conglomerate becomes more justified if covert privatization was indeed its aim. The reason for shaping the country's nuclear industrial complex as an NGO remains unclear.

De jure and de facto status of state corporations is fuzzy. Their ownership is separated from control. In the six corporations that are NGOs, the state has preserved control through its selected representatives but given up formal property rights. In the two state corporations that are joint-stock holdings, the state has retained ownership rights through controlling majority interest but maintained a much softer line with regard to operational control, hoping to attract foreign investors. Whatever the economic performance of this new combined form of property, this bold experiment carries potential legal problems. It does not correspond to any of the three forms of property specified in the Russian constitution (public, private, and municipal).

Conclusion

By creating state corporations the Russian authorities intend to achieve several objectives simultaneously. First, they seek to create new instruments for investing capital resources into the domestic economy, bypassing the state bureaucracy in order to accelerate modernization and infrastructural development. Second, state corporations serve to restructure selected high-tech industries by increasing concentration, as well as consolidating ownership and management. They result in large integrated companies that could potentially meet the challenges of global competition. Third, Russian authorities have invented a new formula for the independent management of large state assets without fully privatizing them. Powerful industrial lobbies and Putin's cronies have now received formal rights to control several sectors of the economy, but in exchange they are expected to deliver tangible results and global competitiveness. The whole project, nonetheless, faces the risk of inefficient use of funds and depends upon personified mechanisms of control.

The role of the state tends to increase in times of crisis, reconstruction, or rapid modernization in the West as well as in the East. However, each country creates its own institutional arrangement for investing public resources. State corporations (or statutory corporations) are well known in the United States, the United Kingdom, and Canada. The United States, for example, created the Federal Deposit Insurance Corporation in 1933, while the United Kingdom set up the National Coal Board in 1946 to rescue the national energy sector. In Southeast Asia, states accumulated capital resources and loaned them to select business tycoons. Russia seems to have combined the patterns of both, charging state corporations with long-term developmental tasks but substituting state officials for business tycoons.

Russia and the Nanotechnology Revolution

Looking Beyond the Hype

PONARS Eurasia Policy Memo No. 26

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August 2008

In April 2007, then Russian president Vladimir Putin extolled nanotechnology research as the key to establishing Russia's competitive advantage in the high-tech world economy and the next round of the arms race. Ever since, the Kremlin has embraced nanotechnology as a strategic linchpin to its long-term global resurgence, asserting state stewardship and pouring billions into boosting the sector. Inside Russia, the prospects for being at the forefront of the unfolding technological revolution are a source of national pride and presumed to augur well for diversifying the economy beyond the energy crutch and for establishing more favorable foreign ties. By contrast, outside commentators typically regard the bravado as a harbinger of more difficult times ahead, emblematic of a statist-nativist turn in the new Russia with neo-imperialist implications for forceful reintegration across Eurasia and mounting geostrategic competition.

Upon closer inspection, there seems to be both less and more to Russia's nanotechnology exuberance. There is "less" in that there are real technological uncertainties surrounding the significance of the nanotechnology revolution, as well as deep-seated institutional constraints on the Russian leadership's capacity to realize its grand visions. Yet, there is "more" in terms of greater potential for stimulating political transparency and decentralization within Russia and for advancing constructive engagement than is commonly appreciated. Accordingly, the next U.S. administration would be well advised to temper reaction to

Moscow's goading while forging rules of the road that encourage mutually beneficial innovation and foreign investment and that avoid precipitating an intense security dilemma.

Russia's Nano-Hubris

Uncertainty surrounds the nanotechnology revolution—the study, creation, and manipulation of matter at the nano-scale, ranging between approximately one and 100 nanometers (1000 times smaller than the next largest unit, the micron). Although in its infancy and with the line between science and fiction blurred by futuristic hyperbole over self-replicating “nano-bots” and “grey goo,” an increasing number of nanotechnology-enabled commercial and military applications have begun to appear, ranging from enhanced sunscreen protection to biomedical imaging, novel power sources, artificial intelligence, and smart sensor devices. With scientists already pushing convergence of engineered systems with basic physical, chemical, biological, and human processes, there is growing confidence among researchers, industrialists, and policymakers that nanotechnology represents the “next frontier” of technological advancement. Yet, the enthusiasm for mushrooming opportunities for economic development and defense is matched by concerns for unprecedented environmental, ethical/legal, public health, and security risks unleashed by nanotechnology research and development. Uncertainty over technical substance and direction notwithstanding, global sales of nanotechnology-related products are widely expected to climb to one trillion dollars by 2015, with players such as the United States, Japan, China, the European Union, India, and Iran scrambling to implement respective national strategies to spearhead the revolution on commercial and military fronts.

The potential has not been lost on Russia with its long tradition as a leader in basic science, including early research on nanostructures in the 1970s. The current Russian government has seized upon this legacy, as well as the promise of the nascent nanotechnology revolution to project Russia's new self-image as a great power and its visions for strategic opportunism. The Kremlin now frames the leap into nanotechnology as integral to a high stakes global race, with potential for yielding payoffs greater than those in the nuclear and space fields combined for defining Russia's future as a superior “innovative” economy and military. Breakthroughs offer not only to erase the humiliation associated with the protracted post-Soviet transition and Russia's disappointing performance in the computer and biotechnology sectors, but to secure the country's emergence as one of the world's leading economies with conspicuous competitive advantages. Inextricably linked to the restoration of national self-confidence, the nanotechnology revolution has become a beacon for the Kremlin's claims to global leadership for the foreseeable future.

Moscow's visions are backed by action. With its sights set on jumpstarting a

national nanotechnology program that will lay claim to 3-4 percent (over 20 billion dollars) of the market by 2015, the Kremlin has pledged nearly eight billion dollars in state support for related research and production, with annual outlays slated to exceed those in China and on par with the United States. As distinguished from the private sector-driven approach to research and development adopted by others, Russian authorities have again looked to the state to be the locomotive for its national nanotechnology strategy and development. This is embodied by the formation of a government council for nanotechnologies, headed by First Deputy Prime Minister Sergei Ivanov, as well as by the creation of the tax-exempt state corporation Rosnanotekh. The latter, supervised by state appointees with pledged government holdings of six billion dollars for future investment, is authorized to set national priorities, identify and coordinate “promising” research and development, and commercialize specific nanotechnology projects. Intent on spreading the magic of the energy sector to nanotechnology, the government enlisted managerial and financial wizards from the electrical power administration, designated the Kurchatov Institute as a national lab to oversee related scientific research, allocated funds derived from the forced sale of Yukos assets, and identified the fuel and energy complex as the main customer for initial products. By employing financial and administrative incentives to attract private capital, Rosnanotekh is expected to sustain and guide the country’s research and industry towards meeting national objectives, while earning profits for the state in the process.

Similarly, Moscow has seemingly staked out a competitive and ambitious trajectory for its strategic nanotechnology pursuits. While other states have generally downplayed prospective military applications (or trumpeted development of “defensive” human sensor and protective gear), Russian scientists and officials have proclaimed that future warfare will be premised on an offensive-dominated, nanotechnology-driven arms race. Putin has struck an especially ominous tone by declaring that Russia will “spare no expense” at developing “super-effective” offensive military applications. This rhetoric took on new meaning in September 2007 with the testing of the “father of all bombs.” Notwithstanding the crude nano-link to this fuel air explosive, Russian officials and the high command heralded the device as comparable to a nuclear bomb (without the same environmental impact), marking the onset of the nanotech revolution in military affairs.

At the same time, Moscow actively seeks opportunities to corral international pursuits. Reminiscent of calls for a Russian-dominated “gas OPEC,” President Dmitry Medvedev champions the creation of an “integrated nano-industry” of the Commonwealth of Independent States (CIS) to avert unnecessary rivalry, restore valuable regional scientific ties, and reclaim the rightful place of Eurasia atop the global high-tech economy. To date, Russia has inked deals with Astana to jointly sponsor Kazakh nanotechnology projects, and with Ukraine to develop

a joint “seed corporation” to help shepherd Kyiv’s long-term nanotech aspirations. Moscow’s “nano-pursuits” are not confined to the post-Soviet space, as it openly covets cooperative national ventures with China, South Korea, and Hungary, among others.

Gaps Between Centralization and Control

Notwithstanding the promise for reviving Russian science and industry, the nanotechnology revolution presents fundamental challenges that both render questionable the appropriateness of state centralization and spotlight the government’s institutional weakness. Since nanotechnology represents a revolution “at the bottom” of matter that holds out advances for numerous fields, applications, and techniques, its properties inherently assume an intersectoral dimension that places a premium on the cross-fertilization of information and knowledge among a wide range of small, medium, and large-sized research institutions. This poses acute problems for hierarchical systems of innovation, especially in states (such as Russia) with a legacy of imposing self-contained, secretive, risk-averse, and sector-specific R&D silos. Given repeated problems with interdepartmental coordination within the government and preferential designation of the nuclear-centric Kurchatov Institute as the technical gatekeeper to state-sponsored research, it seems that old habits may die hard in the new Russia. This is compounded by the appointment of state administrators with little experience at managing diffuse scientific research, let alone with expertise in nano-science and -engineering.

The retrenchment towards statism also inflates structural disincentives to pushing the frontiers of the nanotechnology revolution. The expressed objectives of Rosnanotekh including facilitating R&D and converting such advances into strategically important production—two hallmark problems with the Soviet system of vertically integrated science and production associations. At this stage, most scientists agree that material behavior that takes place on the nano-scale is more accurately captured by quantum, not classical, mechanics, and the real payoffs rest with invention and molecular manipulation, leaving tremendous uncertainty over specific applications. Accordingly, with the current emphasis placed on commercialization and production, Rosnanotekh risks diverting qualified scientific cadres from making their mark on innovative research. By targeting three times more spending to nanotechnology than to other areas of research, the state is poised to crowd out traditional sponsors of basic research and to exacerbate Russia’s brain drain from research to production in this growing field of science. Moreover, as a state corporation, Rosnanotekh has a strong motive to earn profits on government money via successful commercialization of specific nano-based projects and other avenues of financial investment, both of which can come at the expense of cultivating innovative research with unpredictable or indirect profit streams. There is a similar dynamic

in the military sphere, as aggregate shares of expenditures for basic and applied R&D are projected to decline through 2010 relative to the increase in procurement. With rising prices of new weapons, this trend may understate the real constraints on fielding cutting-edge nanotechnology systems in the future, thus hampering the military's role as a prospective steward of the national effort.

By the same token, the nanotechnology revolution threatens to hit Russia's institutions of vertical control where they are weakest. As Russian officials openly acknowledge, the keys to both sustaining nanotechnology and earning state profits will rest with attracting private sector investment. However, the persistence of opaque and selectively enforced property rights is likely to frustrate these objectives. In particular, weak patent laws and the precedents set by the state's discretionary revision of the rules of the game in other sectors not only damage the general business climate, but especially discourage the venture capitalism needed to advance Russia's nanotechnology ambitions. Not surprisingly, and potentially a harbinger of things to come, the first project funded by Rosnanotekh was awarded to a company with Dutch jurisdiction of ownership. Similarly, the pervasive corruption throughout the Russian government has discouraged many scientists, who are highly skeptical that state earmarks and budgetary promises will trickle down to support "true" research and projects. That there are questions about how leaders of Rosnanotekh made their riches and that the state corporation's six billion dollar holdings will be deposited with eight banks seems to feed this anxiety.

Strategic Implications

Russia's grandiose aspirations for nanotechnology present both challenges and opportunities for the United States. On the one hand, the intrinsic scientific and technical uncertainty of the field makes it difficult to predict constructive avenues for competition, cooperation, and/or regulation. This is especially challenging in the military sphere, as we are only at the edge of appreciating the range of prospective applications and with little understanding of how nanotechnology is likely to affect either the distinguishability or the relative advantages of future offensive or defensive systems. Furthermore, this uncertainty creates a situation ripe for states, such as Russia, that are in the course of projecting their self-image on the unfolding landscape and can elevate certain directions of research at the expense of other equally promising directions. By allowing Moscow's rhetoric and ambitions to drive external reaction, Washington risks misperceiving its intentions and prematurely locking in on strategic competition, thus converting the promise of nanotechnology into a new realm of costly commercial rivalry and arms racing.

On the other hand, political enthusiasm and deep-seated constraints on Russia's capacity to embrace the nanotechnology revolution create new openings for reviving the U.S.-Russian strategic partnership. As the fruits of the

nanotechnology revolution are uncertain and diffuse, the risks are global, and each state brings comparative advantages to related research and production, there are both common interests and aversions that impel states to establish international best practices. Russia's commitment to the field will require that it play a constructive role in this process. Yet, as the realization of Moscow's lofty ambitions and future geostrategic identity are constrained by self-imposed structural features, Russia also has a strong stake in making hard choices to decentralize decisionmaking and to strengthen political and economic transparency without active international prodding. As such, the nanotechnology revolution will likely introduce a new playing field for engaging a Russia stripped of the defensiveness and insecurity that imbued the asymmetrical relationship of the early post-Soviet agenda, and ripe for forging mutually beneficial and reciprocal interaction. In this respect, nanotechnology's very nature will likely present new opportunities "at the bottom" for re-grounding the U.S.-Russian strategic partnership.

