

Russia's Policy in the Former Soviet Union and the New Challenges to the United States Eurasia Policy

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With Vladimir Putin's presidential inauguration in May 2000, Russian policy toward the newly independent states of the former Soviet Union began to change. By the end of 2001 these changes have become significant enough to require that the United States and NATO rethink their current policies in the region.

Two major issues impacting Russia's policy in the newly independent states (NIS) and U.S.-Russia relations are the presence of U.S. and/or NATO troops in the territories of the NIS, and what might be defined as "new pragmatism" in Russian policy, especially with respect to the relationship between the economic and political components of Russian relations with the NIS. At least one of these issues has surfaced in three crucial regions in the NIS: Central Asia now houses U.S. troops (the insertion of U.S. troops into the NIS has long been one of Russia's most feared scenarios); the Baltic states are likely to be invited to join NATO in the 2002 Prague summit; and Georgia will probably be the first to experience the burden of the "new pragmatism" of Putin's foreign policy on the area.

With regards to the first issue of the U.S. military presence in the NIS, Russian policy is inconsistent. Russia has accepted the presence of U.S. troops in Uzbekistan and Tajikistan and is less clearly concerned than before about the prospect of the Baltic states' membership in NATO, but at the same time continues to be extremely nervous about the Georgian president Eduard Shevardnadze's threats to invite U.S. troops to the breakaway region of Abkhazia. The second issue is the criterion by which Russian policy toward the NIS should be judged. Treating an NIS state as any other foreign state immediately affects economic relations; in particular attempts to collect debts, increase prices for oil and gas, and take other steps that adversely affect these states' economies and that can be—and usually are—interpreted as pressure. On the other hand, "special" relations, including discounted oil and gas prices and credits increase Russia's grip on the policies of these states. Either option is "bad" in that the United States and other Western countries resist both.

Presence of Foreign Troops in the NIS

A closer look suggests that the negative attitude of Russia toward the presence of foreign troops in the NIS has not changed, at least not yet, although certain innovations are clearly underway. The development of new trends is likely to take years however.

The possibility that U.S. troops might appear in Central Asia initially elicited a very strong negative response from the Russian military. Defense Minister Sergei Ivanov declared that such deployment would not be allowed. Putin subsequently overruled the Defense Ministry, but concerns remained. Russia acquiesced to troop deployment with the understanding that deployment would last only for the duration of the antiterrorist operation in Afghanistan. However, even this position was relaxed as U.S.-Russia relations continued to improve and prospects for progress on a number of areas (economic relations, first and foremost) became clearer. Russia now seems unlikely to object to a U.S. presence in Uzbekistan beyond the immediate demands of the operation in Afghanistan provided this presence is limited.

The prospect of the Baltic states' entry into NATO is currently viewed as primarily a political, rather than military, issue. Previously, Russia often viewed the enlargement of NATO as a means for it to acquire forward military bases from which it could threaten limited use of force against Russia, similar to operations in Bosnia and Kosovo, for limited political gain. This alarmist framework no longer seems dominant. New prospects for a rapprochement with, and even limited integration into, NATO created hopes that modifying NATO policy toward Russia might become possible, preventing conflicts instead of deterring them. At the same time, changes in Russian foreign policy should help remove the causes of political conflicts.

The appointment of new military representatives to NATO headquarters was intended to signal this new direction. New representatives were oriented toward becoming part of the "NATO crowd," in line with the recent initiative of British prime minister Tony Blair to treat Russia as part of a "group of 20" instead of "19+1." Whether the new orientation will succeed is still too early to tell: after all, early hopes that were pinned on the Permanent Joint Council, which was created in 1997, did not materialize. Multiple unresolved issues might still derail the new spirit of cooperation, but at least the initial orientation of Russia today is different from that of Russia in 1997: integration instead of negotiations.

The new code phrase in Moscow is "division of responsibility," that is, the expectation that Russia will be assigned responsibility for joint NATO policy in certain areas, first and foremost, of course, in its traditional sphere of influence, the NIS. These statements always caused concern in the West, but it seems that now policy within the NATO context instead of a unilateral context is at issue, and there is a chance that NATO will have a voice ("but not a vote," as the traditional phrase on Russia's role in NATO goes) on what Russia does in the "near abroad."

Within this new context, the membership of one or more Baltic states within NATO does not engender the same concerns: NATO is expected to become friendly to Russia and consequently the anticipated anti-Russian position of new members might be neutralized. This apparently relaxed attitude does not, however, apply to the deployment of NATO military assets in the territories of new members. In this respect, the Russian position seems to be the same as before, even though the gradual development of military infrastructure, standardization of equipment, and other routine NATO activities will probably no longer be viewed as nervously as during the first phase of enlargement.

The issue of Georgia is altogether different for two reasons. First, it is still viewed in a more traditional framework because it is not part of the still relatively limited array of issues and areas of new cooperative relations with the United States and NATO. The problems around Georgia emerged and still remain in the past. Second, this is, to a large extent, the problem of Russia's attitude toward Shevardnadze, who is viewed as hostile to Russia. In Moscow Shevardnadze is almost uniformly viewed as trying to provoke conflict between Russia and the West, especially the United States, hoping that he would be bailed out not only with regard to Abkhazia, but also, and especially, with Georgia's domestic economic and political problems.

Policy toward Georgia continues to be sensitive, however, because the ongoing crisis in Abkhazia and the war in Chechnya fuel multiple small and large conflicts in the area, as well as because of displeasure at Shevardnadze's threats to throw out Russian peacekeepers from Abkhazia and invite troops from other countries to replace them. Particularly worrying are his claims that Washington favorably viewed this request during his recent visit to the United States.

To summarize, Russian attitudes toward the prospect of greater Western involvement in the NIS is slowly changing, but the broader context of Russia's relations with the United States and NATO caused and conditioned this change. Gradually, Russia might accept NATO's presence in the "near abroad" without serious security concerns, but there is still a long way to go. Cooperation in Afghanistan is but a first step, a precondition for such acceptance, but is certainly not enough to generate a long-term, stable change in traditional Russian policy preferences.

Challenge of "New Pragmatism"

This challenge stems from two interrelated phenomena. First, the Putin administration is concerned first and foremost with Russia's economic development. Broadly defined, often theoretical and emotional security concerns, as well as traditional friendships no longer occupy a high place on its list of priorities. Previously, some from the NIS could rather easily win economic concessions, such as credits or subsidized prices on oil, gas, or electric power by appealing to a history of friendship or a common Soviet background when they talked to then-President Boris Yeltsin and members of his team. These arguments carry less weight in the present-day Kremlin.

Moscow still grants economic and political favors, but now requires matching concessions. The contrast is sometimes difficult to see, but it is nevertheless drastic: for example, in the early 1990s, when Russia itself was experiencing a major crisis, it continued to grant credits to practically all of the NIS. Today, when Russia's economy does better than most of the NIS, the Russian government has become more choosy and, instead of using its relatively newfound wealth in the NIS, it prefers to amass even more wealth or use it for tangible ends.

Second, corporate interests that enjoy support of the government increasingly influence Russian foreign policy. Of course, the Russian business scene remains in a state of flux. Especially because a new round in the redistribution of property and other assets is occurring, the government is still intimately involved in the business world and strongly affects developments in the corporate scene. Still, corporate profits play an increasingly visible role in foreign policy decisionmaking: who exactly enjoys these profits might depend on the peculiarities of the Russian political scene, but overall private corporations enjoy political support.

Georgia has fallen the first victim to Russia's new policy of pragmatism. Russia implemented a visa regime for Georgian citizens, meaning that the flow of Georgians into Russia was significantly reduced. Given the dire condition of Georgia's economy, a job in Russia was the only way many families in Georgia could survive. Formally, the new policy was introduced because Georgia refused to cooperate with Russia on issues related to Chechnya. Russia views Georgia as a safe haven and a transit point for Chechen guerillas and has pressured Shevardnadze to seal off Georgia's border with Chechnya. Shevardnadze's predicament is easy to appreciate: the Georgian government does not control the situation in the Pankisi Gorge, but as the same time could not easily afford, for political reasons, to allow Russian troops into its territory. For Putin, however, Shevardnadze's problems are of little concern: the attitude was "pay or deliver," and Georgia had to pay. The "special status" for the border with Abkhazia underscored the price for Georgia. Similarly, Russia continues to demand that Georgia pay its energy debt (which is miniscule by Russian standards—something like \$250 million outstanding, but significant for Georgia) and prevents the export of cheap energy from Russia to Georgia until the price and debt issues have been resolved.

Ukraine and the Baltic states periodically experience similar problems, although, of course, not at the same scale. Russian government and Russian oil and gas producers consistently try to circumvent these countries to avoid paying for the transit of natural resources. If all plans bear fruit, economic losses for these countries will be enormous.

Even as Ukraine tries, not without success, to mend its relations with Russia to preserve at least part of its present role as the main transit route, the Baltic states probably stand to lose in the end as Russia keeps constructing the Baltic Pipeline System and the underwater gas pipeline via Finnish territorial waters. Of course, accusations of political pressure can be heard from both Ukraine and the Baltics, and these accusations might be partially true because the Russian government probably can influence its oil and gas companies, forcing them to keep to the present export routes. The new routes are likely to bring additional revenues to the state budget and revenues now seem more important for the government than a positive atmosphere or friendly gestures. Tangible gains seem to be the slogan of the day in Moscow.

The dilemma for U.S. foreign policy seems rather difficult. Indeed, one cannot demand that Russia keep subsidizing the NIS by charging low prices for its exports and maintaining high transit payments for oil and gas (in Ukraine's case, the illegal siphoning of oil remains a problem as well). By insisting that debts and outstanding payments are honored, Russia only honors standard business practices. Asking it to behave differently would be tantamount to inviting Russian political pressure and possibly even control over many governments in the NIS.

Even worse, clearly differentiating between political pressure and legitimate economic demands is difficult. The absence of clear-cut criteria creates a challenge for U.S. policymakers: should one resist Russian demands to Georgia for payment of its energy debt or treat it as normal business practice? Depending on the assessment, policy should vary quite considerably, but a choice will be difficult until economic and political aspects can be separated (i.e., if pressure continues after Georgia pays its debts and can pay, in full and on time, for energy, detecting political pressure and doing something about it would be easy).

The situation will remain without change until the NIS improve their economies and are able to pay full price for energy and survive the loss of income from energy transit through their territories. In fact, as U.S.-Russia and NATO-Russia relations improve and Russia needs fewer

political concessions from its neighbors, economic pressure will increase simply because relations among NIS will normalize.

One temporary solution for the West is partial economic relief for the NIS. The recent proposal to exchange part of the Soviet debt to the West for the debts of Ukraine and some other states to Russia seems very promising because it will satisfy the Russian yearning for cash and reduce economic pressures on the NIS, giving them greater political flexibility.

Conclusion

Probably the most interesting aspect of this difficult and often misleading situation is the absence of a major political crisis. The challenges do not amount to historic proportions and do not require containment or similar tough responses. The increasing routinization of the United States' Russian and NIS policy is refreshing. Challenges generated by new features of Russia's NIS policy are serious but manageable. They cannot be resolved quickly, but the prospect of Russia's integration into NATO (although certainly not membership) creates a positive context within which these problems and challenges could be managed in a sensible and positive manner.

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