

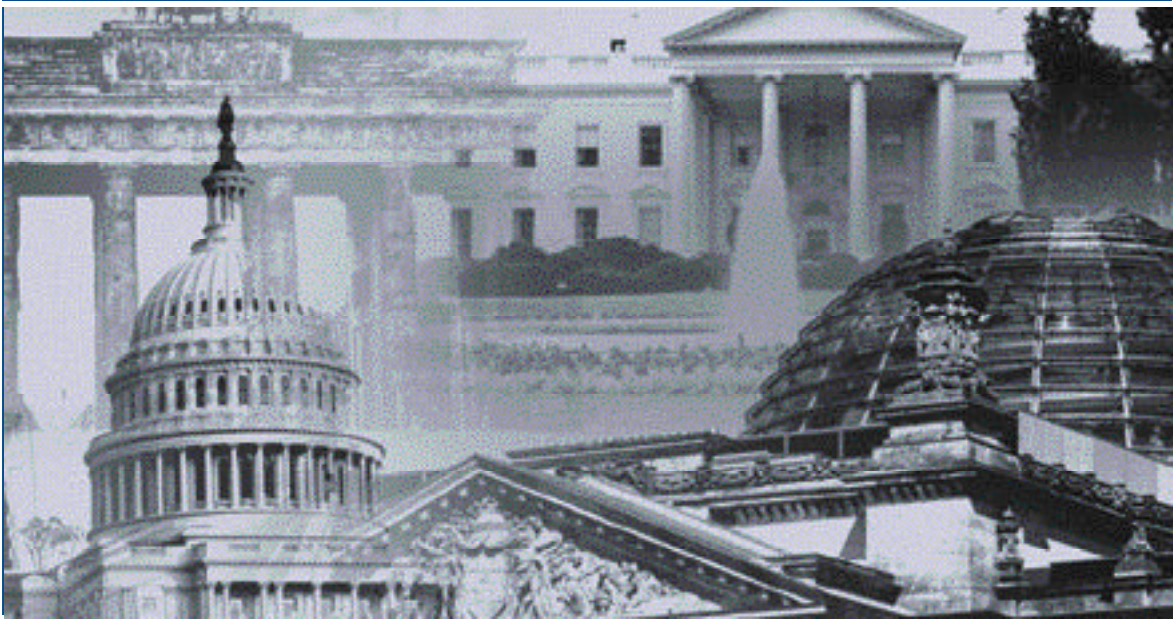


A NEW SECURITY AGENDA FOR  
U.S.-GERMAN-RUSSIAN RELATIONS:  
INTERIM REPORT

Angela Stent

*The American Institute for Contemporary German Studies*

The Johns Hopkins University



***AICGS POLICY REPORT #3***



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## **FOREWORD**

Both together and separately, the United States, Europe, and Russia are confronting a multiplying list of diverse security challenges. Traditional security issues, including nuclear weapons, military conflicts both within and outside Europe, and the proliferation of deadly technologies, continue to absorb significant national resources and energies. At the same time, governments on both sides of the Atlantic find themselves struggling to find effective solutions to a growing list of issues that confound traditional conceptual and policy approaches to security, including terrorism, global environmental degradation, global public health crises, and international crime and migration.

Combating these complex new and old security challenges of the twenty-first century will require creative approaches and new tools – both at the national level and in relations between the United States, Germany, and Russia. To examine both the progress toward a more integrated approach to security and the challenges that still lie ahead, the American Institute for Contemporary German Studies in 2001-2002 organized and hosted a study group devoted to developing a “New Security Agenda for U.S.-German-Russian Relations,” with the generous support of the German Marshall Fund of the United States.

Under the leadership of noted Russia scholar, Professor Angela Stent, Director of the Georgetown Center for Eurasian, Russian and East European Studies, and former member of the Policy Planning Staff of the U.S. State Department, the group compared the focus and scope of American and German policies toward Russia over the past decade and assessed the prospects for integrating traditional and non-traditional security issues into the policy agenda in relations with Russia. During the course of its work, the study group also examined the impact of the U.S.-German relationship on each country’s policy toward Russia and looked at the ways in which U.S.-German cooperation on *Ostpolitik* could enhance both traditional and non-traditional security in Europe.

The Study Group, whose members included respected U.S. and European experts on Russia, met twice—in Washington in December 2001 and in Berlin in 2002.<sup>1</sup> The first workshop assessed the goals and successes of

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American and German policies toward Russia over the past decade. Inevitably, the question of Putin’s support for the U.S. war on terror, amidst what appeared to be a loud anti-American chorus domestically, drew considerable attention, as did the perennial question of what Putin’s longer-term goals are and how the West should deal with him. The second workshop in June 2002 focused on the current and future state of U.S.-Russian and German-Russian relations, placing them in their broader European and Eurasian context. The discussions, six months after the first workshop, had moved from evaluating Putin’s motivation and the prospects for sustained cooperation with the West post-September 11 to broader questions involving the war on terror and U.S.-European disagreements over policy.

In this report, Angela Stent presents the central themes, analyses and conclusions of the Study Group’s discussions during this first phase of the Institute’s project on a “New Security Agenda for U.S.-German-Russian Relations.” This report reflects the consensus of the group and not necessarily the views of the author. Although the conclusions drawn in this report are preliminary, they underscore the critical importance of intensified joint efforts of both the United States and Europe to find a more effective framework that integrates both “new” and traditional security issues in their respective relations with Russia.

AICGS would like to thank Angela Stent for bringing together and leading the study group, and the group members for their insightful contributions to the project. AICGS is also grateful to the German Marshall Fund of the United States for its generous support of this project and the Institute.

Cathleen Fisher  
Associate Director  
AICGS

October 2002

<sup>1</sup> Members of the study group are: Angela Stent, Georgetown University; Robert Legvold, Columbia University; Eugene Rumer, National Defense University; Celeste Wallander, Center for Strategic and International Studies; Mark Medish, Akin, Gump Strauss; Tobi Gati, Akin, Gump, Strauss; Cliff Kupchan, Eurasia Foundation; Heinrich Vogel, Stiftung Wissenschaft und Politik; Heinz Timmermann, Stiftung Wissenschaft und Politik; Alexander Rahr, Deutsche Gesellschaft fuer Auswärtige Politik; Manfred Hueterer, Auswaertiges Amt. Several of them—Stent, Rumer, Medish, Gati, and Kupchan—served in the Clinton administration.

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## ***ABOUT THE AUTHOR***

**Angela Stent** is Professor of Government and Foreign Service and Director of the Center for Eurasian, Russian and East European Studies at Georgetown University. Professor Stent is a specialist on Soviet and post-Soviet foreign policy, focusing on Europe and the Russian-German relationship. She has served as a consultant to government agencies and departments as well as the private sector. From 1999-2001, she served on the Policy Planning Staff of the U.S. Department of State. Professor Stent is a member of the Advisory Board of Women in International Security, and is on the Academic Advisory Council of AICGS. She is on the Executive Board of the U.S. - Russia Business Forum, and is a member of the Council on Foreign Relations.





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## INTRODUCTION

The September 11 2001 terrorist attacks on the United States led to a re-evaluation of American and German relations with Russia. Indeed, these events may ultimately have a transformative effect on Russia's relations with its major partners that rival the changes following the collapse of the Soviet Union. For the first time since the end of the Cold War—and in sharp contrast to Russia's behavior during the Kosovo war—Russia joined the United States, Germany and other allied states in combating terrorism by supporting a U.S. military presence in Central Asia, sharing an unprecedented amount of intelligence on terrorist groups, and cooperating with the war effort in a number of visible and less visible ways. Russia, Europe and the United States are now allied against a common enemy. Moscow has chosen partnership with the West over the elusive pursuit of “multipolarity” or alliances with countries opposed to Euro-Atlantic interests. This, in turn, has encouraged the United States and Germany to pursue more systematically the integration of Russia into Euro-Atlantic structures following the first post-communist decade of ambivalence from Russia and NATO about the desirability and modalities of redesigning European security architecture to include, rather than contain, Russia.

For the past decade, the United States and Germany—Russia's two most important Western political and economic partners—have agreed on the basic premise of encouraging Russia's integration into the West. However, for historical and geographic reasons, the political leadership in Washington and Berlin has assigned differing levels of priority to relations with Russia and have emphasized different aspects of their respective relationships with Russia. As a global power, the United States views Russia in a global context, whereas for Germany Russia's role as a regional European power is of greatest salience. Since the September 11 terrorist attacks, the United States has primarily formulated its relationship with Russia in terms of Russia's contribution to the anti-terrorist campaign, including its relations with states that have been termed part of the “axis of evil” by the Bush administration. German interests in Russia are different—they center less squarely on the anti-terrorist campaign and more on Russia's role in Europe and its emerging ties with the European Union as the EU proceeds with enlargement. Putin has repeatedly stressed his desire that Russia join Europe, but he has also made the pragmatic choice to support the United States in its anti-terrorism campaign. On some issues—particularly

the use of military force—Russian and American views are closer than those of Europe and the United States.

The reality for both the United States and Europe is that “old” security challenges—nuclear weapons, conventional wars, and nuclear proliferation—now exist alongside emerging “new” security challenges—terrorism, organized crime, drug trafficking, tuberculosis and HIV-AIDS epidemics, and illegal immigration—in ways that confound conventional security assumptions and approaches on both sides of the former East-West divide. These contradictions expose the need for creative solutions on both bilateral and multilateral levels. Even as the United States, Germany and Russia cooperate today, analysts must ask how the joint need to combat terrorism will affect the longer-term relations between Russia and its two major Western partners, particularly if the campaign continues for a long time and if its outcome remains unclear.

With regard to the evolution of Western policies and the Russian response, the following questions are critical:

- How can the United States and Germany engage more productively a Russia that remains ambivalent about its participation in structures and initiatives tied closely to NATO and the EU?
- What would it take for Russia to become the European power to which President Putin aspires and what would Russia “joining” Europe mean for both Germany and the United States?
- Is it possible to deal with Russia in such a way that encourages its Europeanization while disabusing it of its lingering imperial aspirations and frames of reference?
- How might the alliance’s anti-terrorist campaign affect Russia’s self-image as a European power and its continuing challenge to secure a viable post-communist identity?
- How might emerging German-American differences on key aspects of the anti-terrorist campaign (notably the disagreements on policy toward countries labeled by President Bush as the “axis of evil”) impact on ties with Russia? On what issues in this campaign are Russian views closer to those of the United States, on the one hand, or closer to those of Germany?

In answering these questions, it is necessary to integrate two aspects of foreign policy research that rarely intersect—“hard” and “soft” security issues.

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Most traditional and current research on Western security relations with Russia focuses on traditional security concerns—nuclear weapons, arms control, national missile defense, NATO enlargement, NATO-Russian relations and proliferation of weapons of mass destruction. In the past decade, a new literature on “new” security issues has developed, but these two research communities rarely interact. Neither do those experts who study political and economic security, subjects that have become increasingly related as globalization spreads.

A better understanding of the linkages between the traditional and the “new” security agenda, both over the past decade and in the future, is important to an understanding of the evolving relations among the United States, Russia, and Germany. Both the United States and Germany, for example, have an important stake in the political and economic stability of Russia, but at times they have taken different approaches to reach these goals, with the United States convinced that it could have an immediate and major impact on post-1990 Russia, and Germany embarking on its relations with Russia with more modest ambitions.

### **Russian relations with the United States and Germany**

For the first post-communist decade, Russia’s relations with both the United States and Germany focused on the legacy of the Cold War, on traditional security issues, particularly the disposition of the old Soviet nuclear arsenal. The U.S., backed by Germany, was above all concerned that Russia remain the only nuclear power in the post-Soviet space. It achieved this objective in 1994, when Ukraine and Kazakhstan signed agreements transferring their nuclear weapons to Russia. The signing and ratification of START II were also major American objectives, as were programs to stem the proliferation of weapons of mass destruction and nuclear materials from Russia and other post-Soviet states to states attempting to acquire their own nuclear weapons, particularly Iraq, Iran, and North Korea. In the latter part of the Clinton administration, U.S. policy also focused on missile defense and on the attempt to secure Russian agreement to amending or dispensing with the ABM treaty.

When the Bush administration came into office, it intensified the focus on missile defense and superseding the ABM Treaty, and it also initially conducted a wide-ranging review of all assistance programs of the past decade—including

Comprehensive Threat Reduction programs.<sup>1</sup> At the same time, Secretary of State Powell made a commitment to injecting new dynamism into American programs targeted against the spread of HIV-AIDS, including those states in the former Soviet space, now on the brink of an epidemic. The Bush administration continued to review policy toward the NIS in terms of Russia's role there, Caspian energy issues, and NATO activities through the Partnership for Peace program. It also continued to support Russian-American cooperation on organized crime and money-laundering, which have become major security issues in the past decade. However, after September 11, U.S. attention was increasingly focused on those aspects of Russia policy that are directly linked to the anti-terrorist war, including the military presence in Central Asia, the situation in Georgia, particularly in the Pankisi Gorge, and the relationship of the war in Chechnya to the broader situation in the region.

Traditional military security issues have played a smaller role in German-Russian relations since the fall of communism. Germany is not a nuclear power and does not have a global political or economic reach. While Germany has backed U.S. efforts to minimize those aspects of Russian policy that could potentially destabilize Europe since the withdrawal of Soviet troops from East Germany in 1994, it has largely focused on less traditional security threats that affect it more directly than the United States. Organized crime, money-laundering, trafficking in people and drugs, and the spread of refugees and disease from the post-Soviet space have had a more direct impact on Germany than on the United States because it shares a continent with Russia. While Germany has supported NATO activities in the area and has backed U.S. efforts at nuclear/WMD threat reduction in Russia, it has continued to focus on regional, rather than global, questions.

The German stake in a stable, peaceful relationship with Russia is self-evident and is grounded in history, geography, military and economic concerns. In light of Germany's economic importance and its growing political weight in the international arena, particularly within the EU, the potential for closer bilateral cooperation (or, conversely, bilateral disagreement) between Washington and Berlin on Russia policy bears closer examination. These differences of perspective on ties with Russia have always been latent, but have become more overt as Germany's growing voice and influence within Europe has become more pronounced. Moreover, as Europe grows both in institutional capacity and political self-confidence on the foreign policy stage,

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Germany's central role in this process will increase; as such, the key to understanding the potential and limits of joint U.S.-European approaches to Russia lies in Germany.

### **U.S. AND GERMAN STRATEGIES AND GOALS: SUCCESS OR FAILURE?**

In the early 1990s, faced with real threats to Russia's political and economic instability, the United States and Germany pursued a strategy of risk reduction and management, with the long-term goal of promoting peace, prosperity, democracy, and the integration of Russia into Western economic and political institutions. Overall, the record was "not as good as we hoped, not as bad as we feared."<sup>2</sup> Taken as a whole, however, it was agreed that American and German policies toward Russia in the 1990s had not always produced the desired objectives. On the one hand, there was no outbreak of conflict in the post-Soviet space similar to that in Yugoslavia. Russia, despite its problems, managed to evolve quite peacefully, with the exception of the war in Chechnya. Russia also became an electoral democracy and a market economy, albeit a malfunctioning one. On the other hand, the rise of oligarchic capitalism and the lack of a transparent political system marred Russia's development.

There are a number of explanations for these developments. On a more abstract level, it is evident that a mismatch existed between demand and supply. Russia could often not supply what the West was demanding. Existing institutional frameworks were often ill-equipped to handle the tasks at hand (for instance, the failure to stem conventional arms exports or decommission nuclear reactors). In the absence of appropriate existing frameworks and with few means of enforcing rules, progress became difficult.

Another explanation behind the situation in Russia lies in a Western (American more than German) ideological bias, in the belief in the resuscitative powers of neo-liberal economics and a deep suspicion of the state—a predilection for training entrepreneurs rather than civil servants. In this sense, American, rather than German, policies, drove the economic and political policies of the West, including IMF and World Bank policies, in the first post-communist decade. The West's credibility might not have suffered so much in the 1990s had relations with Russia not been

channeled principally through the prism of neo-liberal thinking, or had Western policymakers realized that the post-Soviet state was quite weak and unable to deliver when asked.<sup>3</sup> The real dilemma lay in how to dismantle the old Soviet state structures while simultaneously trying to build new structures, in how to install the mentality of abiding by the rule of law, as opposed to carrying out orders from the Party Secretary. The West fell short in laying the institutional foundations for stability and acceptance of Western liberal-democratic values. Although only Russia itself can make the choice to become a democratic state based on the rule of law, Western policies could have set priorities more clearly and could have done more to encourage Russian changes in the right direction.

### **Appropriate Tools?**

When examining the failures of the last decade, the question arises as to whether the United States and Germany lacked the appropriate tools for dealing with Russia or whether the tools were simply ineffective. While it often appeared to observers that the tool kit was too meager compared to the magnitude of the objectives involved, it can also be argued that, even if the appropriate tools had been available, they would not have worked if the priorities were wrong. The United States and Germany possess a wide range of instruments—economic aid, technological assistance, and sanctions, but meaningful change is a long-term prospect, and it was often unclear to those applying these instruments whether they were indeed working or what the road map was.

### **Lessons learned**

With hindsight, there are several key lessons that emerge from the first chaotic post-communist decade in Russia. Unrealistic expectations about the nature and pace of change in Russia, the self-defeating nature of trade-offs, the dangers of ideological biases, and the lack of internal consistency on Western policies are all important lessons. The failure to impose clear IMF rules on Russia from the outset only encouraged economic mismanagement, insider trading and cronyism. The concern now is that something similar may happen with Russia's bid for WTO membership, i.e. Western partners being too lenient in opening doors without a rigid adherence by Russia to institutional rules of conduct, thus compromising the rules and standards that have to be enforced before Russia enters the WTO.

Some believe that the United States must avoid the temptation to pull issues out of the post-Soviet space in which they are embedded. More often than not, dealing with the issues in such piecemeal fashion resulted in less-than-optimal solutions, as was frequently the case during the Clinton years. There is concern that the Bush administration risks repeating these errors by dealing with issues involving Russia in isolation instead of placing them in the context of the post-Soviet space, in which Central Asia or China might be involved. Rather than acknowledging the synergy between domestic reform and international factors, so it was argued, the Clinton administration made the domestic political transformation of Russia the cornerstone of American foreign policy, thus losing sight of the stakes involved in the relationship.

U.S. policy in Central Asia was indicative of this type of thinking where the policy was less concerned with developing a regional strategy than with developing a Caspian energy policy. The goal was to keep the region free of “great game” competition and to ensure investment opportunities for American companies. The Europeans, too, did not develop a regional policy on Central Asia, preferring to keep it as a subset of their relationship with Russia. The absence of any viable policy toward Central Asia elicited concern: at present the campaign in Afghanistan has propelled the Central Asian countries into the forefront of American interests; but it is difficult to predict what will happen after the military phase is over and attention shifts to other regions of the world.

In contrast, Germany’s interests in Russia have been determined more by geography and the goal of promoting changes that minimize the spillover effects of Russia’s problems to its west. The major concerns of the German government therefore are to facilitate Putin’s primary goal of economic modernization and integration into the global economy and to promote the development of democratic institutions and a robust civil society.

For both the United States and Germany, it was agreed that the 1990s demonstrated the folly of over-confidence; the need for a long-term approach to solutions, with no road map and no discrete deadline in sight; the need for political will and building up a sense of policy ownership within Russia; and, above all, the danger of inflated rhetoric, with its cycle of heightened expectations and ensuing disappointments and resentments.



### **Where Do We Go From Here?**

The post-September 11 dynamics provide the United States and Germany an opportunity to devise a more coordinated and realistic approach toward Russia—a new joint *Ostpolitik*. Putin’s response to September 11 was genuinely pro-Western, springing from a rational cost-benefit analysis that underscored the gains of a pro-Western foreign policy. For Putin, the benefits of siding with the United States outweighed the domestic price he might have to pay in terms of domestic opposition from the Russian military and political establishment; but he needs to prove that his pro-Western strategy will work. This means that he needs concrete results from the West, but it also means that there is a window of opportunity to develop new solutions to past problems. Europeans, however, fear that the Bush administration may place too low a priority on relations with Russia.

Since America and Germany share the same long-term goals for Russia, they should intensify joint efforts to find a more effective framework for ties with Russia. There can be Russian-American agreement on issues, particularly in the energy and counter-terrorism field. Joint programs addressing economic or security concerns should be developed, including regionally-focused programs in, for example, the Baltic States or Central Asia. The challenge is to involve Russia in a process of comprehensive cooperation without compromising the West’s ability to act in its own interests. If Putin is indeed eager to integrate Russia with the West but not into the West, then engagement can be developed on a number of different levels. In terms of institutional frameworks, Russian membership in either NATO or the EU is not advisable for the time being. Membership in NATO or the EU would involve ceding national sovereignty in a way that will be unpalatable to Russia for some time to come. The task at hand is, rather, to strengthen Russia’s ties with other institutions, such as the G-8 or Council of Europe, although this may pose difficulties as well. The challenge is to devise more effective multilateral structures for integrating Russia on different levels.

### **U.S.-RUSSIAN AND GERMAN-RUSSIAN RELATIONS IN THE BROADER EUROPEAN AND EURASIAN CONTEXT**

The goal of both the United States and Germany is the successful evolution of Russia into a successful, democratic state. Following the

attacks of September 11, however, Russian cooperation in the war against global terrorism has become a high priority for the United States in bilateral relations. Germany continues to be concerned about the potentially destabilizing effects of problems within Russia's borders. While America and Germany share the same overarching objectives, they may have different priorities or evaluate the role and utility of different policy tools and institutions differently.

**“Old” and “new” security issues**

Putin's rapprochement with the West, symbolized by the May Moscow U.S.-Russian summit, the Rome NATO-Russia summit and Russian-EU discussions, is now an undisputed fact of international life. The new NATO-Russia Council provides an opportunity for NATO and Russia to redesign their relationship and enable it to work better than the Permanent Joint Council, which foundered over mutual suspicions. The U.S.-Russian agreement on deep cuts in their nuclear arsenals and the Russian acceptance of the U.S. abrogation of the ABM treaty also signaled that the Cold War-era arms control negotiations were a thing of the past. Indeed, some European officials—including some in Germany—had begun to express concern that the new American-Russian rapprochement could be to their detriment, recalling Cold-War era fears of U.S.-Russian condominium at Europe's expense.

There is general consensus, however, that the U.S.-Russian rapprochement was to the benefit of all parties, including the Europeans, notwithstanding media images. Television shots showing German demonstrators heckling President Bush on his visit to Berlin in May 2002, while the Russians greeted him warmly the next day in Moscow, were designed to play up U.S.-German differences in contrast to U.S.-Russian harmony. The reality, however, is that the United States and Germany are mature allies, who share the same values but, like all democratic countries, disagree over a number of issues. Russia and the United States may be allies in the war against terrorism, and share common interests, but they do not yet share common values, and a number of major issues divide them—in particular, Russia's ties to Iran and Iraq. In the best of all possible worlds, the NATO-Russia Council will give Russia a second chance to be integrated more closely into Western security structures, but one should not confuse U.S.-Russian cooperation with a full-blown alliance. The exigencies

of the war on terrorism have, however, meant that Washington is now focusing more on short-term cooperation with Russia and less on Russia's longer-term domestic evolution. In the short term, therefore, Germany's interests will not necessarily coincide with those of the United States.

Since September 11, the major premise of U.S. policy toward Russia has been the need to secure continuing Russian cooperation in the war against terrorism. Washington has, therefore, been virtually silent about Russia's democratic deficits, from the Chechen war to restrictions on media freedom. The major common U.S.-Russian interest is to neutralize the global impact of Islamic fundamentalism and the terrorism it spawns. Germany remains more concerned with Russia's continuing ability to disrupt European stability and security, and thus the major goal is to promote changes in Russia that minimize the spillover effects of Russia's domestic social problems to its West. These "soft" security problems, from infectious diseases to refugees, have a direct impact on Germany. Germany is also heavily involved in promoting Russia's economic modernization and accelerating its cooperation with the EU, particularly in the energy sphere.

Although it is difficult to imagine under what circumstances a closer American-Russian relationship could adversely affect German interests, Washington's current preoccupation with rooting out terrorism and creating a new strategic framework with Russia—a mixture of "old" and "new" security issues—gives it a different perspective on security than is the case in Berlin. German-Russian relations involve a network of economic and political ties that are much denser than those of U.S.-Russia ties, but they can also cause more friction, because they involve many concrete, day-to-day problems. For instance, trying to find a solution to the Kaliningrad problem as the EU faces enlargement is a major strain in both Russian-EU and German-Russian relations. Thus, the nature of the U.S.-Russian and German-Russian relationships is sufficiently different to encourage diverse perspectives on developments in Russia, although both the United States and Germany may share similar longer-term goals.

### **Russia's integration into the West**

U.S.-German differences over the priority to be accorded traditional vs. new security issues are reflected in their respective attitudes toward the two main vehicles for integrating into the west—namely, NATO and the EU.

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Although the future role of NATO remains uncertain, the NATO-Russia council is an important first step towards improved security relations with the West. The EU's more multidimensional relationship with Russia, in contrast, has been influential in promoting economic reform in Russia and could provide impetus and assistance for sustained reform.

#### NATO

The question about NATO is ultimately whether the organization will remain an effective security institution for its own members and, even if it does remain an effective organization, whether it be the priority instrument for U.S.-Russian and German-Russian relations. Quite aside from the Russian dimension, there are serious disagreements between the United States and its allies on what Washington views as excessively small European defense budgets and problems of interoperability. The Bush administration's view of NATO is that it has a core military mission—collective defense and deterrence to protect against an attack on a member states in Europe. This would include a terrorist attack on a NATO member or on U.S. forces or interests in Europe. However, although NATO for the first time in its existence invoked Article V after September 11, the United States did not believe that NATO was the appropriate institution for fighting the anti-terrorist war because it lacks the requisite capability to do so. Thus, just as Russian-NATO relations are beginning to improve, member states on both sides of the Atlantic are questioning NATO's future role.

On the NATO-Russia Council, while the Bush administration remains skeptical that there is much support among the Russian military for more effective cooperation, it is willing to seek new interlocutors among Russian officials. However, many American officials believe that NATO, European security, and strategic nuclear issues cannot and will not be the core of U.S.-Russian relations. In their view, Russia's real security problems have much more to do with its domestic economic situation, its relations with its neighbors, coping with rising Chinese power in the twenty-first century, and, in particular, dealing with the spillover of conflict in the Caucasus and Central and South Asia. If the NATO-Russia Council is to work, the Russians will have to take the necessary measures to make it work.

#### The European Union and Russia

The EU enjoys a more multidimensional relationship with Russia than does the United States. There is a consistency and predictability to EU-Russian

relations that the more volatile U.S.-Russian relationship lacks. While there is debate as to whether the EU and Russia agree more on the nature of international terrorism than do the United States and Russia, the evolving EU-Russian relationship is generally positive, especially since, from the Russian perspective, the EU does not carry the same historical Cold War baggage as does NATO. Whereas Russian membership of the EU is highly unlikely, the role of the EU is seen as oriented toward promoting a better understanding of democracy and economic reform in Russia, as well as the evolution of European Security and Defense policy, in which Russia could one day be a participant. Since the EU is Russia's largest economic partner, the move to develop a common economic space is important. Indeed, in its dealings with Russia, the EU must confront all of the "soft" security issues precisely because Russia is a neighbor, whereas traditional military security issues are not part of the EU-Russian relationship.

The Kaliningrad problem embodies all of these "new" security problems. Kaliningrad is a haven for infectious disease, organized crime, and trafficking of both drugs and humans and Russia's reluctance to conform with the Schengen regime displays both a traditional Russian view that rules can be manipulated if need be, and a fear of isolation from an increasingly prosperous Europe. Ultimately, Kaliningrad is also an American problem if NATO enlarges to include the Baltic States; it will be necessary for both sides involved in the Kaliningrad negotiations to show more flexibility.

### **The economic situation in Russia**

Any discussion of Russia's economic situation reveals the problem of how to interpret statistics. Although the Russian economy was generally considered to be doing better than in the years since the 1998 crash, there is disagreement about whether Russia will be able to achieve Putin's ambitious growth targets. Whereas the energy sector had improved its performance, Russia's major challenge in the next few years will be WTO membership and how the structural reforms and preparation for membership will affect the domestic economy. While one can envisage scenarios that would divert Russia from its present upward economic trajectory, Putin's major goal appears to be Russia's economic modernization and the achievement of a per capita GDP similar to that of Portugal. As long as his focus remains economic,

he will implement policies toward the United States, Europe, and other areas based on cost-benefit calculations.

### **Domestic change in Russia and Central Asia**

The key argument of Putin's foreign policy, according to some skeptics, had been that maintaining the momentum of reforms and safeguarding minimal support of Russian society that remains under great social strain will only be possible in an environment of friendly cooperation with the West. September 11 created a breathing spell for Putin because it enabled him to counter the arguments of the "patriots" (i.e. nationalists) who opposed cooperation with the West. Closing ranks with the United States raised Russian prestige and presented Russia with an opportunity to be elevated to the ranks of U.S. partner (albeit a junior one). The scourge of terrorism also enabled Putin to argue that traditional arms control was no longer the most important security issues for U.S.-Russian relations. Moreover, with the virtual end of U.S. criticism about Chechnya, Putin can argue that he has served Russian interests well. Nevertheless, despite the rapprochement with the West, the underlying issue of U.S. and German relations with Russia remains the stabilization of reforms by strengthening weak democratic institutions. In the absence of democratic institutions, it is questionable how sustainable Putin's foreign policy will be and whether prospects for greater integration with Europe are real.

The question also arises as to how vulnerable Putin's dramatic alignment with the West is to internal opposition, although it does not, at the moment, present a significant danger for Putin. Putin himself and his policies remain popular among ordinary Russians, if not among the elite. Moreover, with the growth of the private sector and economic actors—particularly energy companies—playing a more active role in foreign policy, there are many players that determine foreign policy beyond the Kremlin. So far, the majority of these private actors have supported his turn to the West. If one believes that Putin has made a fundamental choice to join the West and has changed the core priorities of Russian foreign policy from the ambivalence of the Yeltsin era, and has responded to the forces of globalization, then the possibilities for Russia's integration with Europe are good. The longer those in Putin's government who deal with issues such as energy, debt, poultry and anti-dumping legislation have a greater input into foreign policy than those who occupy themselves

with traditional arms control issues or NATO enlargement, the more likely it is that the post-September 11 Russian policies represent the wave of the future and not a temporary aberration in the centuries-long Russian preoccupation with military power.

The security challenges of the future are embodied in Central Asia. Prior to September 11, the West viewed these countries not as the next generation of Asian “tigers,” but rather as the next likely wave of failed states. The region’s energy wealth—once thought to be the engine of its economic recovery—came to be viewed as a source of rampant, debilitating corruption that would lead it to join nations like Nigeria, which have failed to take advantage of their resource wealth. September 11 has changed this, and Central Asia has become a key region of U.S. interest. China has been a loser in this process, as the Shanghai Cooperation Forum (Russia, China and Central Asia) has been overshadowed by Russo-American cooperation in Central Asia. Despite Russia’s withdrawal from Central Asia in the 1990s, it will continue to be an important player in terms of Central Asian energy. The major future question remains how long the United States will remain in Central Asia and how its continued presence or withdrawal might affect both Russian influence there and the domestic situation in the region. Although this not an immediate issue—since the U.S. presence in the region will be required for the duration of the current phase of the war on terrorism—it raises important questions about the future.

## CONCLUSIONS

So far, neither the United States nor Germany have systematically dealt with the integration of old and new security issues into the framework for their policies. From the American standpoint, the war against terrorism has reinforced the Bush administration’s view that the Cold War security agenda—with its emphasis on Mutually Assured Destruction and arms control—is obsolete, and the abrogation of the ABM treaty as well as the move to deep warhead cuts is an indication of a “new” agenda. Nevertheless, the war on terrorism and the U.S.-Russian alliance that it has produced has also re-emphasized the importance of the use of military force in guaranteeing security. In this sense, Russian and American views may coincide more than those of Europe and the United States.

Europe, on the other hand, is far more advanced along the conceptual and practical acceptance of new security issues. Indeed, the EU's—and this Germany's—agenda with Russia consists largely of new security issues, as opposed to traditional issues. Even ESDP is intended to carry out Petersberg tasks that involve post-conflict measures. Moreover Russia's energy and economic agenda with the EU are of prime importance. Thus, there appears to be a de facto division of labor between American and European policy, reinforced post September 11, with the United States focusing on more traditional security and Europe on “new” issues. Whether this is a recipe for longer-term U.S.-European cooperation remains to be seen.

#### ENDNOTES

<sup>1</sup> Comprehensive Threat Reduction programs were designed to aid the NIS in reducing the threats from weapons of mass destruction missile by missile, warhead by warhead, factory by factory, and person by person. The program has concentrated on the deactivation of warheads, the removal of missiles, and the reemployment of scientists in civilian areas. See <http://www.defenselink.mil/pubs/ctr/index.html> for more information.

<sup>2</sup> Comment made by a study group member at the December 10, 2001 workshop.

<sup>3</sup> For a detailed discussion of these issues see Strobe Talbott, *The Russia Hand*, Random House, 2002).



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