

RUSSIA: IN TRANSITION OR INTRANSIGENT?

HEARING BEFORE THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE ONE HUNDRED TENTH CONGRESS

FIRST SESSION

MAY 24, 2007

Printed for the use of the
Commission on Security and Cooperation in Europe

[CSCE 110-1-1]



Available via <http://www.csce.gov>

U.S. GOVERNMENT PRINTING OFFICE

43-808 PDF

WASHINGTON : 2010

For sale by the Superintendent of Documents, U.S. Government Printing Office
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COMMISSIONERS

	Page
Hon. Alcee L. Hastings, Chairman, Commission on Security and Cooperation in Europe	1
Hon. Benjamin L. Cardin, Co-Chairman, Commission on Security and Cooperation in Europe	16
Hon. Christopher H. Smith, Ranking Member, Commission on Security and Cooperation in Europe	4
Hon. G.K. Butterfield, Commissioner, Commission on Security and Cooperation in Europe	5

WITNESSES

Hon. Daniel Fried, Assistant Secretary, Bureau of European and Eurasian Affairs, U.S. Department of State	6
Sarah Mendelson, Senior Fellow, Russia and Eurasia Program, The Center for Strategic and International Studies ..	20
E. Wayne Merry, Senior Associate, American Foreign Policy Council	23
Lilia Shevtsova, Senior Associate, Carnegie Moscow Center ..	26
Jeffrey Hahn, Professor of Political Science, Villanova University	30

APPENDICES

Prepared statement of Hon. Alcee L. Hastings	40
Prepared statement of Hon. Sam Brownback, Ranking Member, Commission on Security and Cooperation in Europe ...	43
Prepared statement of Hon. Christopher H. Smith	45
Prepared statement of Hon. Daniel Fried	47
Prepared statement of Sarah Mendelson	55
Prepared statement of E. Wayne Merry	61
Prepared statement of Lilia Shevtsova	66
Prepared statement of Jeffrey Hahn	76
Material submitted for the record by:	
Rajan Menon, Monroe J. Rathbone Professor of International Relations, Lehigh University	83
Igor Zevelev, Washington Bureau Chief of Ria Novosti, Russian News and Information Agency	90

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May 24, 2007

COMMISSION ON SECURITY AND COOPERATION IN EUROPE
WASHINGTON, DC

The hearing was held at 10:13 a.m. in room B318 Rayburn House Office Building, Washington, DC, Hon. Alcee L. Hastings, Chairman, Commission on Security and Cooperation in Europe, presiding.

Commissioners present: Hon. Alcee L. Hastings, Chairman, Commission on Security and Cooperation in Europe; Hon. Benjamin L. Cardin, Co-Chairman, Commission on Security and Cooperation in Europe; Hon. Christopher H. Smith, Ranking Member, Commission on Security and Cooperation in Europe; and Hon. G.K. Butterfield, Commissioner, Commission on Security and Cooperation in Europe.

Witnesses present: Hon. Daniel Fried, Assistant Secretary, Bureau of European and Eurasian Affairs, U.S. Department of State; Sarah Mendelson, Senior Fellow, Russia and Eurasia Program, The Center for Strategic and International Studies; E. Wayne Merry, Senior Associate, American Foreign Policy Council; Lilia Shevtsova, Senior Associate, Carnegie Moscow Center; and Jeffrey Hahn, Professor of Political Science, Villanova University.

HON. ALCEE L. HASTINGS, CHAIRMAN, COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Mr. HASTINGS. Good morning, ladies and gentlemen. I'd like to call this hearing to order.

And, ladies and gentlemen, invited guests, and members of the press and diplomatic corps, I'd like to welcome all of you here today for this hearing on Russia.

I'd particularly like to welcome and thank the members of our distinguished panel for finding the time to share their expertise with us this morning.

But before we begin, I'd just like to note that earlier today, near the Siberian city of Novokuznetsk, 35 miners were killed and others injured in a methane explosion in a coal mine.

And according to the most recent news reports that I saw before coming over here, there are still three miners missing.

Unfortunately, America is no stranger to such accidents, and our hearts and prayers go out to all those affected by this tragedy, and we'll continue to hope against hope that those three miners may yet be found alive.

This is the first hearing that the Commission on Security and Cooperation in Europe is holding in the 110th Congress. And I felt

and feel that it is quite appropriate that Russia is the topic of discussion.

As we all know, Russia is an increasingly important and influential member of the international community, playing a key, albeit not always constructive, role in organizations such as the United Nations, the Group of 8, the Council of Europe, the Organization for Security and Cooperation in Europe.

And I'm the past president of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe, and I'm fond of saying if anybody can say that, they ought to be elected.

And in the not-too-distant future, I expect this list to include the World Trade Organization. It's good that Russia is so involved in these international organizations and has so much potential to make positive contributions to global stability and prosperity.

In the late '80s and early '90s, it appeared that Russia was making a sea change transition, however uneven and tumultuous, to representative governance and a society rooted in the rule of law.

However, since the tragic shelling of the Russian White House in the fall of 1993, and particularly over the last seven years, the Kremlin has moved to recentralize authority and power that it had seen slip away in the wake of glasnost and perestroika.

The result has been a significant limitation on the civil liberties that many of us associate with a legitimately open society.

Despite President Putin's lip service in support of democratic institutions and civil society, we now see a political agenda centrally planned in Moscow.

Now, I fully understand that human rights not only include the ability to hold anti-government demonstrations or write op-eds critical of government policy, but human rights also have some relation to basic social justice concerns, such as having heat in the winter, getting paid on time, and having access to judicial process.

In these areas, much progress has been made in Russia over the past decade or so, and particularly under President Putin's leadership. And I commend him for working to improve the standard of living of the average Russian citizen.

But these basic needs are also met in some of the world's most repressive regimes, and it is my hope that a great nation like Russia can do better.

A growing economy and the improved living conditions that have resulted, as well as a newfound influence on the world stage help to explain the popularity of the current Russian president. His sober, intelligent and macho image has also been well received by the populace.

I'm also aware of a vocal and growing minority that is deeply concerned at the direction their country may be going in, and I'm thinking of the many people and organizations included in the Other Russia coalition as well as other opposition groups.

Reports of the heavy-handedness and brutality that some of these individuals have faced while attempting to exercise their rights to free assembly and free speech, quite frankly, are alarming.

These basic human freedoms are enshrined in many of the international agreements that Russia is, at least on paper, committed to.

It's perplexing that the popular and powerful Russian government feels threatened by a few thousand people demonstrating in favor of an alternative point of view. Perhaps the authorities do not feel threatened but are simply used to dealing with protesters in a forceful manner.

We politicians here in Washington are accustomed to such public displays of dissent, as our city is often the venue of marches and gatherings that sometimes number in the hundreds of thousands. And this is normal and desirable, and has been the catalyst for so much positive change in our great country and society.

Concerning some elements of the Russian opposition to the Putin administration, I must note that common dislike for the Russian president may not be the strongest glue for a lasting alliance.

In this case, the cliched phrase "the enemy of my enemy is my friend" does not hold true. I know of many distinguished NGOs and human rights activists that have chosen to participate in the Other Russia movement, but the past rhetoric and actions of some of those leaders involved give me pause.

As we look to the future of U.S.-Russian relations, being best friends does not have to be the measure of successful cooperation.

There's a lot that we can accomplish despite hard feelings in some quarters, and we need to focus our efforts more on bolstering Russia's nascent democratic institutions rather than on the rapidly changing faces of the Russian elite: In other words, principles before personality.

If we are to improve relations, we must find new ways to have more frequent interaction at all levels and with all branches of government.

Additionally, I recognize that a substantive and sustainable bilateral dialogue must also happen at the level of civil society.

This is why I'm such a proponent of public diplomacy and exchange programs such as our own Library of Congress' Open World Program and many other fine initiatives.

These initiatives not only promote understanding, but they also enable us to identify future leaders at all levels of society.

The central question before us today is what kind of leadership will Russia provide at home and abroad, and what can and should the United States be doing to participate and help Russia complete its transition to democracy, especially in the post-Putin era.

I look forward to learning more on this from our truly expert and distinguished panel.

And I'd like to ask staff. Did you pass out their biographies to people in the audience? That will cut down on the amount of time that I have to read about how famous they are, and they are that.

I'd like to add that in the interest of a balanced hearing, I extended an invitation to Russian Ambassador Yuri Ushakov, and I'm sorry he wasn't able to take part in this important dialogue.

But in all future hearings that I intend to hold, I intend to continue to invite them to the dialogue. And at some point, I'm hopeful that that breakthrough will occur.

I now turn the floor over to the ranking member from New Jersey, Mr. Smith.

**HON. CHRISTOPHER H. SMITH, RANKING MEMBER,
COMMISSION ON SECURITY AND COOPERATION IN EUROPE**

Mr. SMITH. Thank you very much, Mr. Chairman.

Good morning, everybody. I, too, am deeply alarmed by many of the trends and setbacks, particularly the recent ones, occurring in Russia today.

But I want to raise one very important issue right now: the unresolved murders of dozens of independent Russian journalists over the past decade.

I have authored a congressional resolution, H.Con.Res. 151, calling upon President Putin to seek competent outside law enforcement assistance in the investigation of those unresolved murders.

Only yesterday, H.Con.Res. 151, with over 30 co-sponsors, was approved by the Foreign Affairs Committee. Congress, it seems to me, needs to raise its voice very, very loud and with a great deal of emphasis on this important issue.

Russia holds the worst position in the world—second-worst position in the world in the number of journalists killed in the last 10 years, according to the International News Safety Institute.

Reporters Without Borders counts 21 murdered journalists since March of 2000. This is a conservative number. It does include the murders of Paul Klebnikov and Anna Politkovskaya, but it does not include the murder or death under extremely suspicious circumstances of Ivan Safronov.

Many observers think that government officials ordered most of these murders, or at least were complicit or part of a coverup, because these journalists were investigating government corruption or human rights abuses in Russia.

There is good reason to think that people in very high places are protecting these murderers. We know this: Very few of these murder cases have been resolved.

Journalists, as we all know, fulfill an essential role in every society, and none more than those who uncover the theft of a country's assets by its elected officials or human rights outrages committed in its name.

Journalists who do this do it at great risk of their lives, and they truly deserve to be called heroes.

Make no mistake about it; these journalists knew that they were taking enormous risks, even risking their lives. It seems to me that we owe it to them to raise our voice, and to do it over and over again, to bring the killers to justice. Mr. Putin, sadly, seems not to be making any serious effort to do so.

I am afraid Russia today may be slipping backwards. The Russian economy is booming, but Russian democracy seems to be falling below the level of many developing countries.

Only when journalists can work without fear of intimidation and death will we be able to say honestly that the Government of Russia is truly a durable democratic government.

We need to push—we need to encourage—we need to demand that the Government of Russia cease selling arms to the Sudanese Government that commits grave violations of human rights, the genocide in Darfur.

We need a government that doesn't look the other way when local officials harass minority religions and ethnic minorities,

which doesn't embrace military brutality in Chechnya, maintain an occupying army in Moldova, and threaten Poland and the Czech Republic for cooperating with the United States in their military defense or foment unrest in Kosovo.

Alexander Solzhenitsyn, the great conscience of Russia, said in his Nobel Prize speech in 1970 that any man who has once proclaimed violence as his method is inevitably forced to take the lie as his principle.

My resolution addresses the violence of the murder of independent journalists and the lie in the claim that their murders have been seriously investigated.

Solzhenitsyn said of Communist Russia in our country. The lie has become not just a moral category but a pillar of the state. We have to ask ourselves and ask Mr. Putin: Will this terrible statement also be true of the post-Communist Russia?

I thank you again, Mr. Chairman, for convening this important hearing.

Mr. HASTINGS. Thank you, Mr. Smith.

Mr. SMITH. I yield back the balance of my time.

Mr. HASTINGS. All right.

At this time, I would yield the floor to Mr. Butterfield, a new member of the Helsinki Commission and my good friend.

HON. G.K. BUTTERFIELD, COMMISSIONER, COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Mr. BUTTERFIELD. Thank you very much, Mr. Chairman, to the Ranking Member.

First, let me thank you for so warmly receiving me on this Commission. I've looked forward to it. This is actually my first meeting, and I'm very excited about it.

I don't have a prepared statement to give.

I do want to thank the witnesses for participating today. I've read your written testimony and look forward to your testimony today.

There is no question that we must reach out to Russia and to other countries around the world to make sure that we have good allies and good relationships.

And so that's one of the goals of this Commission, and it certainly is the goal of the Congress. And I thank you very much for coming today.

I yield back.

Mr. HASTINGS. At this time it gives me great pleasure to ask our first witness to make a presentation.

And I indicated and the staff indicated that they passed out Ambassador Daniel Fried's resumé. I think most of you in the audience know that he is the Assistant Secretary of State, Bureau of European and Eurasian Affairs.

But I part company from this prepared biography to add a personal note. Part of what government is about—it is about access and information.

And I can truly say, as one who has interfaced with Ambassador Fried, with not constant regularity, but with unfailing responses to inquiries that I've made regarding visits that I've undertaken that fall within the ambit of his portfolio.

And then I just want to thank you for your advice and concerns and quick responses.

And I think that that's a better measure than me telling you all of the wonderful particulars of his curriculum vitae.

Mr. Secretary?

HON. DANIEL FRIED, ASSISTANT SECRETARY, BUREAU OF EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Sec. FRIED. Thank you, sir.

Chairman Hastings and members of the Commission, thank you for the opportunity to appear today. The subject today, Russia today, is critical to the United States and Europe.

Whether Russia is in transition or intransigent—the other part of your question for this hearing—frames the challenge of working with Russia.

Russia certainly remains in transition from its Communist past. Its growing assertiveness, spurred in part by high energy revenues, may have stimulated your use of the word intransigent.

Russia does sometimes seem a difficult partner, but we also have important areas of common interests and cooperation. Ours may not be a full strategic partnership, but it includes partnership on many strategic issues.

The administration wants Russia to be a partner in the world, and we want Russia to be strong, but strong in 21st century terms, with strong democratic and independent institutions in and out of government.

We do not exempt Russia from our belief in the universal potential of freedom, and we also have Russia in mind when we say that we seek an open world characterized by partnerships with like-minded countries.

Our preferred tactical approach is cooperation. We seek to work together wherever we can, and we push back where we must, privately when possible, but publicly when necessary, in defense of our values, our interests and friends.

At all points, we seek to work with our European allies and friends to coordinate our approaches.

The United States and Russia cooperate in nonproliferation and counterterrorism. We work closely with Russia to address the nuclear ambitions of North Korea and Iran.

Even if Moscow has sometimes disagreed with our approach to sanctions and other measures, Russia has voted for U.N. Security Council resolutions calling for the denuclearization of the Korean Peninsula and imposing sanctions on North Korea, as well as resolutions imposing sanctions on Iran until it suspends its nuclear enrichment program.

The United States and Russia also participate in the six-party talks on North Korea. We cooperate with Russia through the NATO-Russia Council.

That cooperation can be enhanced through a Status of Forces Agreement, which the Duma ratified on May 23rd. We welcome this and look forward to the Federation Council following suit.

The April meeting of the NATO-Russia Council of foreign ministers in Oslo, Norway, however, demonstrated important differences between Russia and NATO.

In his state of the nation address earlier that day, President Putin had suggested that he would consider suspending Russia's obligations under the Treaty on Conventional Armed Forces in Europe, the CFE Treaty, if no progress were made on ratification of the adapted CFE Treaty by NATO allies.

At the NATO-Russia Council, NATO ministers universally responded that we regard the current CFE Treaty as a cornerstone of European security, and Russia's fulfillment of its Istanbul commitments as an indispensable prerequisite to its ratification.

We also seek to advance cooperation with Russia through the OSCE, an organization obviously of deep interest to this Commission. Russia's critical attitude toward the OSCE remains a cause of concern.

At a speech in February, President Putin branded the OSCE, quote, "a vulgar instrument designed to promote the foreign policy interests of one or a group of countries" end quote.

Under the guise of demanding reforms, Russia has proposed changes to the OSCE, the effect of which, in our view, would be to cripple its democracy promotion efforts.

The United States disagrees with this Russian approach and has defended the OSCE's mandate to advance democratic reforms, including election monitoring.

Indeed, these efforts embody commitments that Washington and Moscow and other OSCE states undertook when we signed the Helsinki Final Act decades ago.

The United States continues to support the work of OSCE's Office of Democratic Institutions and Human Rights, ODIHR. Its election monitoring mechanisms represent the international gold standard in this area.

We also, Mr. Chairman, hope the ODIHR works well with the OSCE Parliamentary Assembly.

We look forward to the OSCE's Office of Democratic Institutions and Human Rights' involvement in Russia's upcoming Duma elections in December of this year and presidential elections next March.

We value highly, as I said, the contributions of the Parliamentary Assembly in this effort. And we also accept and welcome ODIHR monitoring of U.S. elections.

Differences with Russia over the OSCE reflect broader negative trends on human rights and democracy in Russia itself.

Russia is even today, of course, a vastly freer country than at any time in Soviet history and arguably freer than at any period in Russia's history. But it would be an insult to Russia to hold that great country to such low standards.

So the U.S. Government has publicly protested the recent police brutality employed to break up opposition marches in Moscow, St. Petersburg and Nizhny Novgorod. Authorities sought to prevent these marches from taking place at all.

They denied permission to stage the events and harassed and detained Russians traveling to participate in these peaceful rallies as well as journalists reporting on these events.

Similar efforts were directed against members of the Russian opposition and Western journalists seeking to express their opinions ahead of the E.U.-Russia summit in Samara on May 18th.

It is positive that the deputy press spokesman of the presidential administration, Dmitri Peskov, acknowledged that the police response to last month's protests merits review.

St. Petersburg Governor Matvienko and the Russian Federation's human rights ombudsman, Ambassador Lukin, have both called for investigations.

Ambassador Lukin, in reports, has said that his office has received and will investigate complaints about the government obstacles to the holding of these rallies.

President Putin's own chair of the Civil Society Institute and Human Rights Council, Ella Pamfilova, said that the interior minister of Russia should resign.

Such calls show that even within official Russia, views differ on human rights.

But we remain concerned about the increasingly narrow space within which Russian NGOs are forced to operate. The increasing pressure on Russian journalists is likewise troubling.

In Russia today, unfortunately, almost all national broadcast media, the primary source of news, are in government hands or in the hands of entities allied with the Kremlin.

Attacks on journalists, including the brutal and still unresolved murders of Paul Klebnikov and Anna Politkovskaya, among others, chill and deter the press.

Ahead of parliamentary and presidential elections, the Kremlin is shaping the legal and social environment to slant what should be a level playing field.

Authorities have used electoral laws selectively to the advantage of pro-Kremlin forces or to weaken opposition forces. The refusal to re-register some parties appears to have been based on political instructions.

Last year, the Duma redefined extremism so broadly and vaguely as to provide a weapon to wield against and intimidate opponents. And indeed, Dissenters' leader Gary Kasparov has already been questioned by the FSB in its investigation into so-called extremist activity.

Mr. Chairman, we are also concerned by some aspects of Russia's relations with its neighbors, whom it seems to still approach often with a zero-sum mentality, particularly with regard to countries such as Georgia, which chose to pursue closer Euro-Atlantic ties.

We and European countries have spoken out against Russia's use of energy to apply pressure on its neighbors, and we're concerned by apparent political interference with infrastructure to apply pressure on other neighbors.

Russian-Georgian relations, after a period of extreme tension, show tentative signs of improvement. But Russia maintains the economic and transportation sanctions it imposed against Georgia last fall.

Likewise, it continues to support separatist regimes in Georgia's South Ossetia and Abkhazia regions and in Moldova's Transnistria region. We hope Russia ends these policies.

In Transnistria, the United States and E.U. are official observers of the so-called Five-Plus-Two talks, which have been at an impasse for more than a year because of Transnistria's unwillingness to engage.

And we are sorry that Russia's ban against Moldovan wine and agricultural goods remains in place.

The United States and Russia, however, do work well together in attempting to facilitate a resolution of the Nagorno-Karabakh conflict.

Together with the OSCE Minsk Group co-chair countries, France and Russia, I travelled to that region last spring to push this process forward.

We regret Russia's so-far hostile attitude toward U.S. plans to place elements of a limited missile defense system in Poland and the Czech Republic intended to shield the U.S. and European allies against missile threats not from Russia but from the Middle East.

Geography and geometry demonstrate that this very modest system—only 10 interceptors proposed—poses no threat to Russia. We and the Russians simply do not agree on this.

But the United States will continue to work to advance understanding, transparency and greater cooperation on missile defense.

Secretary Gates offered missile defense cooperation with Russia, and that offer stands. We have briefed Russia on our plans for over 18 months.

Mr. Chairman, as you said, Russia has made dramatic economic gains over the past few years. We welcome this economic revitalization, and you are correct that it means a better life for the Russian people.

But we are concerned that Russia's wealth remains more value-extracted than value-added. Russia's economic gains may have fueled a certain assertiveness in Russia's external agenda, but those gains are also fostering the growth of a middle class, whose emergence we hope in time will bring with it modern political reform.

The United States supports Russia's integration into rules-based international organizations such as the WTO as Russia meets WTO criteria.

The range of U.S. and Russian interests are global, and so our countries must work together wherever possible, even in the face of differences.

As I mentioned, Secretary Rice just completed a visit to Moscow last week. The president will meet with President Putin at the G-8 summit in Germany in June. These and other opportunities will provide important moments to try to make progress on our agenda.

Mr. Chairman, members of the Commission, I'm grateful for the opportunity to speak before you today, and I look forward to your questions.

Mr. HASTINGS. Thank you very much, Ambassador.

And I'll be very brief in light of the fact that Mr. Smith and Mr. Butterfield may have other commitments.

And I do use as a segue your mentioning the distinguished secretary's visit recently to Russia. And I know, as do most of us, that part of the discussion had to do with plans for the missile defense in Europe.

Coincidentally, I leave for Warsaw tomorrow, and I have the good fortune of meeting with the President and the Foreign Minister, and I certainly will ask them what the climate is from a policy maker's point of view.

But in addition, she discussed the CFE Treaty and Kosovo and the U.S.-Russian relationship overall.

Do you know or did the Secretary to your knowledge raise the issue of civil society in Russia and Moscow's attempt to rein in political opposition through control of the media and legal limitations on the NGO activities?

Sec. FRIED. Mr. Chairman, I had the honor of accompanying Secretary Rice to Moscow, and I can affirm to you that she did discuss issues of civil society, democratization and discussed the Russian political scene with both President Putin and Foreign Minister Lavrov.

And these were extensive discussions. They weren't, shall I say, the reading of prepared points. She knows the issue well, and she went into these issues in some depth with both leaders.

Mr. HASTINGS. All right. And there's been much talk lately of a new cold war. On the day that you and Secretary Rice were in Russia, I was speaking here on the Senate side, and I used the term "cold peace" in my remarks.

But even if a cold war doesn't develop, it seems clear that we are entering an era of much competitive undertakings with our Russian friends. Would you agree?

And if so, would you see a familiar stage in a long-established cycle or something new, Secretary Fried?

Sec. FRIED. That's a very fair question. I don't have a one-line answer that can adequately answer it, not because I—

Mr. HASTINGS. Well, take two lines.

Sec. FRIED. It's not because I don't think it's important, but because a quick characterization is difficult. Our relations with Russia are complicated, which is to be expected, given the history of relations between Washington and Moscow.

To answer your immediate question, we were certainly concerned by the, frankly, shrill tone coming out of Moscow, and one of Secretary Rice's principal messages last week was that the tone needs to be lowered, and that needs to happen immediately.

And it was gratifying to all of us that the Russians agreed and said so in public. I think the Russians understand that some of the more extravagant language used is counterproductive and will only lead to a cycle which makes it harder to cooperate in areas where we do have overlapping interests.

The fact is U.S.-Russia relations are characterized by cooperation in some areas and by troubling differences in others.

And the United States needs to find a policy which enables us to do both at the same time, to cooperate wherever we can, but to do so on the basis of a realistic appraisal of Russia and to push back when necessary in defense of our values, our interests and our friends, and to do both without tying ourselves in knots.

Now, that is easier to say than to do in practice, but that's the nature of the relationship as we see it.

Mr. HASTINGS. Thank you, Ambassador.

The agreement reached last weekend among Russia, Kazakhstan, and Turkmenistan, in my view, effectively guarantees that Russia will control Central Asian gas reserves for the foreseeable future.

And we at one time backed the option of a Trans-Caspian gas pipeline, and I would gather that that's flagging at this point, at the very least.

But what is the United States doing? And are we working with our partners in the European Union to mitigate the economic and the political consequences of energy dependence on Russia?

Sec. FRIED. Happily, Mr. Chairman, I'm able to tell you that we do not think that this agreement in principle reached recently between those countries means that all other sources of gas transport are precluded.

I do not think it means that Russia has or will monopolize Central Asian gas exports. We believe that there is sufficient gas reserves in the Caspian, Western Turkmenistan, Western Kazakhstan to support multiple pipelines.

Indeed, that is precisely the objective of American policy. We do not believe in monopoly. We do not believe in a closed energy system upstream or downstream.

We believe that an open system is going to be better for the countries of Central Asia, better for the consumers in Europe and, frankly, in the long run, better for Russia itself, but certainly better for the Central Asians and the Europeans.

We are working to open up the upstream gas markets. That does not mean that we wish to exclude Russia. Such a policy would be futile and unwise.

Russia will, under the best circumstances, be a major source of investment and transit for Central Asian gas, and in our view, it should not be the only source.

Open systems with multiple sources tend to be more stable, more subject to market forces, less subject to political manipulation. That's what we favor, and we think we have a realistic opportunity of developing such a system, cooperating with the Europeans and the Central Asians.

Mr. HASTINGS. Thank you, Ambassador.

Mr. Smith?

Mr. SMITH. Thank you very much, Mr. Chairman.

Let me thank you, Mr. Ambassador, for your exemplary service on behalf of our Nation, and we're grateful to have you here today.

A couple of questions, if I could, on the journalist issue. We know one of the reasons why Putin remains popular is the fact that there's virtually no criticism, constructive or otherwise, coming out of the media.

When it does, very often those people are hunted down, particularly if it rises to the level of criticizing Chechnya or something else.

So you might speak to the issue of the killed Russian journalists and what we are doing to try to assist and offer the FBI or some other investigative arm to assist in tracking down those murderers. And how high do you think it goes?

Second, while we all know that China remains the enabler-in-chief of the slaughter in Darfur—and I've been to the refugee

camps in Darfur and have seen the survivors of that genocide. But we know that Russia, too, is selling weapons.

And I'm wondering how vigorously we're raising that issue. What's our assessment of their complicity in the genocide in Darfur?

I've met with Bashir myself. The man is certifiable. He's smart. He's intelligent. But he reminds me of Milosevic and a lot of the other characters who have committed untold atrocities on humanity. And he's right in that category. What are we doing on that?

Third, on the issue of—I read the human rights report on Russia and was struck—it was buried in the report—by a comment about how the FSB routinely monitors the traffic on the Internet, especially e-mails.

I held a hearing last year at which we had Cisco, Google, Microsoft, and Yahoo testify.

You might recall that, Mr. Chairman.

And they gave very poor answers as to what their responsibility is in ensuring that dictatorships do not abuse this technology. We know that Cisco sold Policenet to China, giving them the ability to know where every human rights and religious dissident is.

And I'm wondering as to whether or not the FSB has that kind of technology courtesy of U.S. technological corporations.

And then also, if you could, two of our witnesses today speak of the issue of the demographic crisis in Russia. Ms. Mendelson makes the point that it's a very severe problem that's not likely to be solved by the baby bonus.

And Wayne Merry talks about it as the imploding population of Russia. And we know that that leads to incredible dislocations of people.

I mean, I watched Putin's state of the union, the equivalent, on C-SPAN earlier this year and was struck by his talk in terms of the loss of population, and especially their juxtaposition of China, which is also a demographic nightmare, particularly with the missing girls, 100 million missing girls, as a result of their one-child-per-couple policy.

There is a book, as you probably know, called Barren Branches that has as its thesis that adventurism by China is almost inevitable because of its missing girls. They killed them by way of forced abortion since 1979, leading to, like I said, as many as 100 million missing girls.

One demographer said that by 2020, 40 million Chinese men will not be able to find wives because they've been killed over the last three decades.

So I raise that because their proximity, their shared border, their own imploding population raises very serious, I think, issues.

And finally, Sarah Mendelson makes a comment which I find very intriguing and I'd appreciate your comment on that.

She says U.S. foreign assistance is often driven by needs in Washington, with an almost obsessive preoccupation with outcomes. In part because of congressional hearings, assistance has sometimes unwittingly enabled civil society to be disconnected from local populations and instead focused on the donor. Indeed, this criticism has been leveled by President Putin himself.

And I would note that he—and I like this report that AID put out about democracy. But in a way, he sees it as an affront.

It's almost like in your district or mine, Mr. Chairman, you know, if all of a sudden a foreign NGO showed up and started organizing against us, we might say—you know, if they were pushing just for democracy, we'd say, "Go for it."

But if they were organizing opposition candidates, we might have a little bit of, you know, pause about their mission.

So if you could address those issues, I'd deeply appreciate it.

Sec. FRIED. I'll do my best. With respect to the journalists, we have put a lot of resources into support for the investigation of Paul Klebnikov's murder.

That's a special case. He was an American citizen. We have done what we could. Our ability to actually conduct an independent investigation is obviously limited.

We follow these cases as much as we can. We were all horrified by the murder of Anna Politkovskaya. Many of us knew her. She was regarded as one of the best and most courageous Russian journalists. We honor her memory.

We have looked into these. Frankly, our ability to penetrate the circumstances is very limited. But we are not silent about this, as you know.

I cannot say how high the—who is responsible for the killing. We simply don't know. It's not that I know and can't say, or delicacy or diplomacy forbids me. We really don't know.

But we would hope that Russia would create a climate in which journalists were not seen as quite as vulnerable.

The Russian government has a responsibility, like all governments, to protect the press and see that the members of the press are entitled to the same protections that other citizens enjoy.

With respect to Darfur, Congressman, I don't know that it's fair to say that Russia is complicit in genocide there. I think we look at them as a potential partner working to put pressure on the Sudanese regime.

Mr. SMITH. With respect, are they selling them arms or are entities over which they could have control selling them arms?

Sec. FRIED. I am not saying that I applaud—that we applaud all Russian actions. I can tell you that Secretary Rice raised the issue at length with Foreign Minister Lavrov last week in Moscow. That was one of the chief topics of their discussion over dinner.

And we are urging that the Russians work with us to put pressure on the regime. It is an issue of great frustration for all of us. We have called it genocide. We feel an obligation to take action as best we can.

The issue of the Internet is a complicated one, and you raise issues of corporate responsibility that I don't feel myself able to answer. But they are fair questions.

They are fair questions because the Internet is an arm of freedom, and governments that look to control the Internet or limit the Internet will use the technology against this instrument of freedom.

We also are looking very closely at the cyber attacks on Estonia, so there's another side to all of this.

What is the responsibility of governments with respect to selling Internet technology? To help a democratic government protect its infrastructure.

But is there a responsibility with respect to more authoritarian governments repressing the Internet or managing, so-called, the Internet? I don't have an answer, but those are fair questions, and they will be worked out, including through the process of hearings and public discussion. It's a fair topic.

The demographic crisis in Russia is well known, and it is an unprecedented rate of population decline in developed countries. I know Sarah Mendelson and Wayne Merry. We've known each other for years. And they're right about the numbers.

It's particularly true in Siberia, where there are, I think, 15 million Russians facing, what, 150 million Chinese just across the border.

It may be, and we hope it is, the case that as a new property-owning middle class that has grown up in the relatively greater freedom of Russia, as opposed to the Soviet Union, achieves power and affluence, it will demand a different relationship between itself and the authorities, and that as Russian institutions stabilize in a democratic way, as we hope they do, that the demography will follow.

That's not a prediction. That's a hope. But the demographic problem is a serious one, and we should keep it in mind.

Demographic problems, I should add, developed in the late Soviet period, and it was, in fact, the demographers, such as the famous Murray Feshbach, who first understood the terminal decline of the Soviet system. And they did so better working with official statistics than many analysts working in more traditional ways.

Finally, U.S. Government assistance and NGOs. We are far better now, 17 years after the end of Communism in Europe, than we were at the beginning. We have a better idea of what works and what doesn't.

We do have programs to support civil society. We do not try to make our support partisan. In this country, we are used to foreign NGOs who do operate here, who take very critical—foreign NGOs are very critical, often of the Bush administration.

That's part of life. It's the price of doing business in a democracy. Foreigners take issue with American policy, and that's life. That's the way we are.

And we have urged the Russians to show more confidence in themselves. NGOs are not revolutionary organizations. They are organizations that help societies grow strong.

And a strong independent society will be good for Russia. That's our founding philosophy. Our implementation has gotten better over time.

We've had our successes. We've had areas where we could do better.

Mr. SMITH. Thank you.

Mr. HASTINGS. Ambassador, I'm going to take my leave for 30 minutes and go open another hearing for the Florida delegation. I apologize for working. But I would like for Mr. Butterfield to put his questions.

We've been joined by the most able co-chair, in whose hands I'll leave it, and I'm sure he will have a statement and questions for you as well.

I do want you at some point, if you will, if the question isn't raised, to talk to us about the budget process with reference to OSCE and the secondments. I've raised this with you in our personal visit, but I'd like for you to be prepared when I return, to— if you have not answered it or are not still here, then please follow up for me with that.

Sec. FRIED. Very good.

Mr. HASTINGS. All right.

And, Chairman Cardin?

Mr. Butterfield?

Mr. BUTTERFIELD. Thank you very much, Mr. Chairman, Vice Chairman and Ranking Member. Again, I want to thank you, Ambassador, for coming today. Thank you very much for all that you do for our country.

Ambassador, some of the scholars that we hear from from time to time argue that the people of Russia are either indifferent to democracy or they support the Kremlin's campaign to curtail the dissemination of dissenting views on the airways.

And then there are others that claim that Russians are much less enamored of a strong authoritarian hand and that is often supposed.

Would you help me with those views, and tell me where you think the truth lies?

Sec. FRIED. There is a lively debate among Russian experts as to the views of—as to the center of Russian public opinion.

It is natural that the Russian public, after the decade of the '90s which was for many Russians a very difficult period, would welcome the relative affluence and greater stability of this decade.

Now, the '90s were not a period entirely of chaos. It was also a period of democratic flourishing, especially in the beginning. But as the '90s wore on, the problems accumulated.

And many of the structural problems we see in Russia today have their roots in the rather questionable privatizations of the late 1990s. So there is a popular reaction in Russia against some of the problems of the '90s, and that accounts for some of the popularity of the present government.

It's also true that had President Yeltsin enjoyed oil prices as high as they are today, he would have had more money and might have enjoyed greater popularity. So we have to keep this in mind.

I think that President Putin's relative popularity is not made up, but I don't know whether it is sustainable or not.

In any event, it is not the position of the United States government to make judgments about the popularity or lack of popularity of a Russian government. It's our job to develop our relations with Russia, including based on principles of democracy.

And I've expressed some of the concerns we have about the direction of Russia today. But it is true that the government enjoys a degree of popularity, and the causes are debated.

Mr. BUTTERFIELD. Well, we are hearing that Putin is going to step down next year, and with that announcement he also made a

promise that he's going to stay involved to a significant degree in the political life of Russia.

That's different from what we see from time to time in the West. Would you comment on that?

Sec. FRIED. Well, the Russian constitution says that you can't serve more than two consecutive terms, so he is obligated to step down, and he said he will.

I don't know what he means about staying involved in the life of the country. Former Presidents in the United States are very active and sometimes quite successfully so. Whether he means this or something else, we will have to wait and see.

Congressman, like you, I hear the stories, the rumors, and the only thing I know is that we don't know.

Mr. BUTTERFIELD. Thank you very much.

I yield back.

Sec. FRIED. At least we don't know yet.

Mr. BUTTERFIELD. Thank you.

I yield back. Thank you.

**HON. BENJAMIN L. CARDIN, CO-CHAIRMAN, COMMISSION ON
SECURITY AND COOPERATION IN EUROPE**

Mr. CARDIN. Thank you.

Mr. Ambassador, let me thank you for your leadership on this issue. And I'm sorry I missed your testimony, but I've read your written statement.

And I concur in your observations that Russia today is a more open society than at any time in its modern history, and yet there are very, very troublesome developments in Russia that Russia should be concerned about.

In your statement, you point to the suppression of genuine opposition, abridgement of the right to protest, constrictions of the space of a civil society, decline of media freedom, and then you talk about the imprisoned journalists.

It really represents a dilemma for us. We cannot stand by and let Russia oppress human rights and do the things—make the type of statements they have about OSCE—Mr. Putin's comments.

Yet we need Russia if we're going to have an effective diplomatic effort with Iran and North Korea, if we're going to be able to move forward with the implementations in Darfur under the United Nations—Russia plays a critical role within the Security Council.

If we're going to be able to do a lot of our foreign policy initiatives, we truly need the Russians working with us, if OSCE's going to be able to carry out its important missions.

So I'm sort of at a dilemma to what to do about Russia. I feel I am obligated to speak out about their human rights atrocities and violations.

And yet we need to have a constructive engagement if we're going to be able to use diplomatic efforts to resolve some of the issues that are critically important to U.S. foreign policy.

So what should we be?

Sec. FRIED. Congressman, you've described the dilemma that we all share. We cannot be silent and indifferent to the larger problems of values.

This country rejected some time ago the notion that the internal workings of a government and a country were of no interest and no concern. We gave that up some time in the 1970s, and we were right to do so.

And yet we do need to work with Russia on issues where we have common interests. The trick is to find a way to work with Russia wherever we can, and yet not to sacrifice our values and not to sacrifice our interests where we have differences with Russia.

And American governments have found it easy to be enthusiastic about Russia or very angry with Russia. We have often found it challenging to be able to do both at the same time. And yet this is what is required.

Secretary Rice, I think, has found the right balance of realism about Russia, outspokenness about the problems—which she has been—while being committed to a policy of cooperation with Russia wherever we can.

We must not allow our interest in cooperation to deter us from speaking out, but we must not allow the problems we see to prevent us from working on issues where we have common interests—Iran, North Korea, perhaps the Middle East, Darfur—if we could.

And to say it is simple. To do it is the challenge. And it is a problem that doesn't lend itself to a simple answer. This is well debated in the Russian watcher community outside of government.

And we will try to do all of these things and work with you as we do so, as we try to find that right spot.

Mr. CARDIN. That seemed like a fairly diplomatic answer.

Sec. FRIED. Oh, I'd hope so.

Mr. CARDIN. All right. [Laughter.]

I was at the United Nations this week with a delegation meeting with the Secretary General, meeting with the Permanent Council of Ambassadors, and we should be able to move forward, we think, with a Kosovo resolution, but we're not sure Russia's going to allow us to do it.

And it's just one issue after the next that Russia appears to be more aggressive than we are in leveraging their influence rather than us being effective in moving forward with an international agenda as well as reform within the Russian Federation.

What can we expect after Mr. Putin? We don't know what his role will be in the next government, but from what we hear, he's popular. Are we likely to face a more nationalist leadership after the next elections?

Sec. FRIED. Senator, you are right when you list some of the differences we have with Russia. We're engaged in a very intense effort in New York on Kosovo, and Secretary Rice engaged on this with President Putin and Foreign Minister Lavrov at great length last week in Moscow.

There are a number of issues where we have differences with Russia, and we will do the best we can to work this out.

With respect to Putin's successor, every Russian leader since Brezhnev—well, and Gorbachev, has been radically different than the previous one.

It seems to me and seems to the administration that what President Putin is trying to do is create a kind of systemic continuity so that Russia's newfound wealth, its greater assertiveness, par-

ticularly in its immediate neighborhood, is not reversed by whoever comes in after Putin.

All of the leading contenders for the transition to the next Russian president seem to be well within the parameters of Putin's general approach. I don't have a reason to expect a major change.

Now, you may conclude from that that there will be areas of real difference with Russia in the future, and that may well be the case. But our policy will remain as steady as we can make it.

Mr. CARDIN. Thank you. Mr. Smith, any further questions?

Mr. SMITH. One final question, Mr. Chairman.

And let me just say to our next panel, I regret—Milorad Dodik from Srpska has asked to meet—he's meeting with several of us during the course of his visit, and this was the only time, at 11:15, that he could meet, and so I apologize. I'll have to take my leave.

But let me ask you, Ambassador Fried, about human trafficking. It seems to me that there's one area where the United States and Russia can collaborate even more than we have in years to date.

I remember that the Duma—and John Finerty worked on this, a member of our staff, very, very effectively, to help provide the Russian Duma with what our legislation looked like here, and some of it was replicated by them, and they've done some other things as well.

They're still far short in the area of protection for the women, you know, as part of the three Ps, prevention, protection, and prosecution. That's the real lagger in that list.

But there are groups like MiraMed, and I would hope that the department would be much more favorable than it's been in helping that NGO that has had incredible, extraordinary success in helping women who have been sold into slavery and then, thankfully, found freedom.

They do a great job. I know Juliet Engel very well. But they have not had the kind of reception I think that they ought to get from USAID. And the TIP Office has been supportive but, frankly, the embassy has not been on some occasions.

So I would make a plea to you, go look at their Web site if you just want to get a cursory look at what they do. But they are an extraordinary NGO doing great work.

But what about collaboration further? I know that the FSB has worked with my U.S. attorney, Christopher Christie, on a Russian prosecution case of traffickers. The women were liberated. The traffickers have gone to prison.

Can we do more? And what are your thoughts on that?

Sec. FRIED. Cooperation with Russia against trafficking in persons is one of our top areas of cooperation. We support it. It's going to continue. Obviously, we could do more.

But I had heard about the success and I congratulate you on your role in supporting this. It helped people in an immediate—

Mr. SMITH. I'm not looking for that. I just want more collaboration and more—you know, put these people behind bars.

Sec. FRIED. We will do what we can. I'm aware of the—MiraMed has been very active. I'm aware of this, and I will go ask the assistance people if there's a particular problem right now.

Mr. SMITH. I would appreciate it. I'd like to follow up.

Sec. FRIED. I will do so. Yes, sir.

Mr. SMITH. Thank you.

And thank you, Mr. Chairman.

Mr. CARDIN. One final point. I would like to get your response to Russian Minister Lavrov's comments yesterday in Vienna where he indicated the U.S. concerns over the Istanbul commitments have nothing to do with European security.

And it's my understanding they also have announced that Russia has declared a moratorium on the CFE, the Conventional Forces Europe, Treaty.

I'm just interested in your views as to whether there are modifications needed in that treaty or concerns about their statement.

Sec. FRIED. The original CFE Treaty which is in force today was, in fact, a reflection of Cold War Europe. And the Russians are perfectly correct that it needed to be modified.

It was modified, and a new treaty was signed in Istanbul in 1999 which reflected the post-Cold War realities of Europe.

When we signed that treaty, we made very clear that we would seek ratification of that treaty only when Russia had fulfilled side but related commitments it had made in Istanbul, so they're known as the Istanbul commitments.

Those commitments were to withdraw Russian troops and equipment from Georgia and Moldova. This was part of a package. The Russians knew it was part of a package.

All the NATO countries agreed that when Russia fulfilled the Istanbul commitments, we would all ratify the new—the so-called adapted CFE Treaty. That remains our position.

Russia has carried out many, even most, of its Istanbul commitments in Georgia—not all, but most. It has not done so in Moldova. Our view is that Russia knows what it has to do.

We want to find whatever way is possible to help the Russians meet their Istanbul commitments, but these are commitments. They shouldn't station troops in countries where the governments of these countries don't want them.

So we support the Istanbul commitments and we look forward to Russia fulfilling them so we can, in fact, ratify and bring into force the adapted CFE Treaty, which meets many of the Russians' concerns.

Mr. CARDIN. We will add it to our list of issues when we have bilaterals with the Russian Federation as parliamentarians.

Sec. FRIED. Thank you, Mr. Chairman.

Mr. CARDIN. Thank you very much for your testimony here today. It has been very helpful to us.

I think this is one of the principal challenges of OSCE, is how we improve the working relationship between the Russian Federation and the United States and between the Russian Federation and OSCE so that we can engage the problems of the region in a more constructive manner, with leadership rather—from Russia, rather than having to worry about what's happening within Russia.

Once again, thank you for your testimony.

Sec. FRIED. Thank you, sir.

Mr. CARDIN. We will now turn to our second panel, and the first witness would be Dr. Sarah Mendelson, who's the Director of Human Rights and Security Initiative as well as a senior fellow

with Russia programs at the Center for Strategic and International Studies.

Dr. Mendelson?

SARAH MENDELSON, SENIOR FELLOW, RUSSIA AND EURASIA PROGRAM, THE CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Dr. MENDELSON. Thank you, Senator Cardin.

Thank you, Chairman Hastings and members of the Commission.

It's a pleasure to be here. Today I want to focus on three issues. First, how the decline of U.S. soft power and the increase of Russian influence is affecting human rights in the international arena.

Second, I do want to touch on the disturbing trends inside Russia.

And third, I want to talk about some specific recommendations for U.S. policy.

At this time, I'd like to submit my prepared statement for the record, and for the remainder of my time I want to summarize the main points.

During the Cold War, the United States represented an alternative for those oppressed by the Soviet Union. By 2007, the vision of the United States as a countervailing weight associated with human rights has been greatly damaged.

Republicans and Democrats alike now recognize the United States has experienced a steep decline in what Joe Nye has termed soft power, the ability to persuade and inspire through non-military means.

In Russia, this decline began back in the 1990s, but since 2001 it has snowballed, until the United States has lost almost all leverage concerning abuses in Russia, and particularly in the North Caucasus.

Why this is important is because what happened in and around Chechnya has had such an important impact on the rest of Russia.

Now, internationally, Russia has increasingly taken advantage, as you've noted, of the leadership gap left by the decline in U.S. soft power. You're well aware of the attempts to change the rules and norms governing OSCE election observations.

In the U.N. Security Council, Russia, along with China, has blocked international responses to evidence of grave human rights violations in Darfur and Burma.

If U.S. soft power continues to decline, or if there is no change in the current configuration over the next decade, Russia, together with China, can essentially set the table on human rights issues.

Now, human rights abuses inside Russia are not news. I testified before this commission almost seven years ago to the day, and what I wrote then reads as if it were written for this hearing.

The situation inside Russia is, however, in many ways more troubling today because the public demand for something different appears to be so muted.

It's important to understand why this is so, because it often leads outsiders erroneously to think there is nothing to be done or that we should, in fact, do nothing about it.

Putin is popular, and he continues to be seen as the un-Yeltsin: Sober, standing up to the West, presiding over a sort of order. The economy is doing well.

And of course, as has been noted today, there is no critical reporting of politics within the Kremlin. There are no investigative reporters writing about corruption or botched counterterrorism operations, and the few that do risk their lives, and it's important to honor them.

Meanwhile, there is also no protest by the public of the media situation, and I think it's because of how Russians viewed the media in the 1990s. In focus groups in Russia, I hear Russians say, "Look, state control of the media is not ideal, but I trust the government more than I trust the oligarchs who seem to control the media back in the '90s."

But Putin's order is more fragile, I want to argue, when one looks closely inside of Russia. Important public institutions are not functioning as they should. I could be talking about the police or the army, but I want to spend a moment on health.

Russia today has multiple health crises. The U.S. Government has tended to focus on HIV/AIDS. But we know from a CSIS survey that we did of 1,200 Russian doctors, all of whom have treated HIV-infected patients, that only 15 percent of them said HIV was the most important health crisis.

I don't mean to minimize what is going on in terms of HIV inside of Russia. But I think it's important to listen to the Russian doctors. And there we see non-communicable diseases—alcoholism, cardiovascular ailments, cancer—as the top health threats.

Elsewhere, in places like the North Caucasus, where we've also surveyed, we found the unemployment rate among young men to be three times the rest of the country. And we think that's very disturbing, given the violence in that part of the region, and we also found very poor social services.

I think it's also important to point out that there is a particular kind of anti-American sentiment that we see developing inside Russia, and it's quite disturbing.

I was recently sent a brochure from a Kremlin-friendly youth group, Nashi, and it is truly frightening. It's addressed to the Putin generation, the young people who've grown up in the last 7 years.

And it's filled with rhetoric of "traitors," language about Georgia as an "American colony," "American invaders" into Russia, "fascists and traitors getting ready to invade and break up Russia."

So what, if anything, can we do about this situation? The decline of U.S. soft power has enabled the authoritarian drift, and it has left human rights defenders inside Russia isolated.

Now, reversing the decline is going to take some time. But there are three specific recommendations for U.S. policy.

Let's opt back into the international legal framework. Let's reorient U.S. assistance to target local Russian needs. And let's recognize the role that history plays in current political developments.

If we want to see a human rights culture develop inside Russia or, frankly, anywhere, we must get our own house in order.

Of late, policy makers have traded compliance with international human rights and humanitarian law for allegedly greater security

in their efforts to combat radical jihadists. This is a false and dangerous tradeoff.

The United States has historically and in a bipartisan way played an enormous role as a generator of international law. In the coming years, all branches of the United States government, including Congress and members of civil society, need to do what we can to reclaim our role as generators of human rights norms. We need to opt back in.

But we also need smarter assistance strategies. As noted, I believe our assistance is often driven by needs in Washington. Assistance has sometimes, it's true, unwittingly enabled civil society to focus more on donors than on local populations.

There is no intrinsic reason why this should be the case. Smart assistance can help stimulate demand for human rights when it is informed by public opinion and it's targeted at local needs.

And our work at CSIS suggests that despite the Kremlin campaign against assistance, Russians are not hostile to initiatives concerning health, the environment and human rights.

And we certainly know there are great needs in these realms. And it has been my privilege to work with young human rights activists, who are quite brave, inside Russia.

Now, unfortunately, the Bush administration seems less interested. Congress has a specific role right now to play in rejecting the administration's drastic cuts to human rights funding for Russia.

In FY '08, the administration is poised to spend less than \$1 million on human rights in Russia.

In fact, worldwide, our colleagues from Freedom House have found that the administration has requested a decrease for support for human rights globally by 9 percent.

The only message this sends the Kremlin is that the United States does not stand with human rights defenders.

In closing, whether Russia is in transition or intransigent depends, at least in part, how Russia reconciles with its past.

Among the many mistakes democracy assistance made in the 1990s was the assumption that the past would be quickly forgotten, and instead, today we have much Soviet and even Stalinist nostalgia.

The fact that there is no taboo concerning Stalin, as we discovered surveying young Russians in 2005, reveals a tremendous gap between young people in Russia and elsewhere.

Now, absent memory is not in any way unique to Russia. Our own evolving democracy in the United States has only become more robust when we have addressed our abuses and crimes.

How a country reconciles with its past seems to have a profound but often overlooked effect. Strikingly, this focus is almost completely absent in approaches to foreign assistance. I think the time to change that is now.

Thank you very much.

Mr. CARDIN. Well, thank you for your testimony.

We'll now hear from Mr. Wayne Merry, who is a Senior Associate at the American Foreign Policy Council in Washington.

**E. WAYNE MERRY, SENIOR ASSOCIATE, AMERICAN FOREIGN
POLICY COUNCIL**

Mr. MERRY. Thank you, Senator. And let me say it's a pleasure to be able to call you that.

And as a former Senior Adviser of this Commission, it's a pleasure, always, to return to one of its functions. I see many of my former colleagues sitting behind you.

Mr. Chairman, I think we do need to get out of the habit of thinking of Russia today as being a country in transition. The post-Soviet transition has been over for a number of years. I would put it to you that in Russia what you see now is what you get and what we're likely to get for a good, long while.

This is not a matter of individual personalities but of a new generational ruling elite who have a considerable shared background and orientation and an idea of what they want their country to be. They also tend to be much healthier and more fit than their predecessors, and they think they're going to be in charge of Russia for a good, long while. I see no reason why that should be wrong.

These are people who tend to believe in a concept which is difficult to express in English, and Russians call *derzhanost*. It's almost the cult of the state and of the greatness of the state to the exclusion of almost all other social and economic priorities. And most of these men, I think, are really *derzhaniki*.

However, the good news is that these are not extreme Russian nationalists, nor are they irresponsible gamblers on the global stage. In many respects, I see them as fundamentally conservative individuals in their approach to Russian power, which they wish to increase and husband, but not risk. The alternatives, I think, could be much worse.

I don't think Russia is an intransigent country or society. It is certainly a country marked by high degrees of frustration, humiliation, anger and alienation from the outside world, an outside world which it doesn't really understand. But that doesn't mean that it's immune to rational self-interest or to reasonable compromise.

I think Russia today is undergoing an experience that most other major European societies did during the 20th century, which is loss of empire and great power status. That's something we Americans don't have any experience of yet. It's a very, very difficult national psychosis. It requires a long learning curve, and Russia is only at the beginning of it.

However, I see absolutely no prospect of a new cold war. The Cold War was based on a Soviet Russia that was at the center of a vast, multinational empire. Even today, the best Putin could claim in his recent national speech was that Russia has entered the ranks of the world's 10 largest countries economically. That means that it's about the same size as Mexico. That is not the basis for a new cold war.

I think there's a common misperception that many of Russia's problems today are the result of things that were the result of the breakup of the Soviet Union. With few exceptions, I think that's totally wrong. Russia's problems today result from precisely those phenomena which brought about the end of the Soviet Union and which were the product of seven decades of catastrophically bad

policies in a whole range of areas, including agriculture, industry, agrarrison state economy, evisceration of civil society, destruction of natural resources and wasted investments but, above all, in health and demographics.

And I want to emphasize that these are not new phenomena. The health crisis in Russia dates from at least the early 1960s, if not before. The demographic crisis started in the late Brezhnev era. Russia today is in the second generation of a downward demographic spiral, the result of the fact that children were not being born from the late 1980s up and through today. What this means is that women entering childbearing years now represent an artificially small group, and that with fertility rates at 1.1, which is only half of replacement rate, this will mean that the next generation of Russians will be yet smaller, and the generation after that smaller still.

And this ignores even the fact that the health of many of this new generation of Russian parents is extremely poor because of the inheritance of childhood vitamin deficiency diseases, the common problems of tuberculosis, intravenous drug usage and, as Sarah already mentioned, the biggest killer in Russia, which is cardiovascular stress diseases related to nutrition and lifestyle.

Now, Russia's got a lot of money from oil and gas, but it's not using this money to deal with these problems. Until now, the money has principally been used to pay off foreign debt, which is not a bad thing, and to create a series of centrally controlled vertical combines to ensure political dominance of the productive sectors of the economy. Up until now, we have not seen any serious resources devoted to the problems of the Russian people, only to the problems of the Russian state.

In fact, all these oil and gas revenues have been something like an intoxicant.

The analogy I use is that Russia's like a gambler who'd been losing, losing, losing, losing, and then wins a couple of rounds at roulette and suddenly thinks he's on top of the world again and is capable of anything.

I think that the manipulation of Russian oil and gas and toward some of its principal customers will continue, but the real problem is that Russian oil and gas industries are themselves heading toward systemic crisis. And the likelihood is that Russia will have a hard time in years ahead even meeting its domestic commitments, let alone its expanding export commitments.

Within the world in general, Russia is objectively dwarfed by the European Union to the west and China to the east. What Russia is seeking to do is what any post-imperial power tries to do, which is to punch above its weight using the legacy of its former status to enhance its current influence on world affairs. There's nothing new about that. Many governments have done that in the past.

But the problems that Russia has with Europe are the fact that the European Union is institutionally a whole which is significantly less than the sum of its parts, and that many European governments continue to behave with Russia separately from the European Union. For this, they have none but themselves to blame.

The recent controversy over Estonia is a classic case where the message from every European government should be that Estonia

sacrificed some of its national sovereignty to enter the European Union and thereby gain the shared sovereignty of the Union, and that any threat to the sovereignty of Estonia is a threat to the sovereignty of all European Union member states. That should have been the message to Moscow, full stop, nothing else. It wasn't, unfortunately. For this, Europeans have none but themselves to blame.

China is a very different case. China is a whole somewhat greater than the sum of its parts, I would put to you. Even though some people in Moscow still like to talk about "playing the China card," I'd say the card playing is rather in the opposite direction these days. While Russia and China have what they call a strategic partnership, it's basically a reflection of a shared concern about the primacy of American power. They don't have a broad, shared bilateral agenda. China today is one of the world's greatest beneficiaries from globalization and from engagement with America. It's quite different from the Russian approach, which is turning increasingly inward and autarchic.

In dealing with the so-called near abroad, its neighboring states, I think we need to recognize that about half of those countries are really quite comfortable in their current relations with Russia, if only because the ruling regimes of those countries feel more comfortable to be within Russia's sphere of influence than China's or ours. There's nothing unusual about that. Many ex-colonial countries feel a special sense of relationship with the former imperial metropole, if only because that's where they were educated and because it's the former imperial metropole that helps the new ruling elites in the ex-colony stay in power.

Most of these countries are critically dependent on Russia, economically, particularly on the financial remittances from the many of their workers who are now working in Russia, a higher proportion of their workers than was true in the Soviet period itself. Only 15 years have gone by since the beginning of decolonialization in the former Soviet Union. If you look at other decolonialized parts of the world, 15 years is not a long time. Real independence takes time.

Let me address three specific questions.

In the Baltic states, the basic issue between the Baltic states and Russia, although there is psychosis on both sides, is a refusal of people in Russia—even, I would say, among many of the so-called Westernizers—to candidly recognize the shameful history of the forced incorporation of the Baltic peoples into Stalin's empire in 1940 and what came after that.

In the case of Ukraine, I actually happen to think that the peaceful independence of Ukraine and the history of Russian-Ukrainian relations over the past 15-odd years is one of the wonders of the world. It could have been much worse, as we saw in Yugoslavia. I think the reality of Ukraine is that it is the widest country in Europe, not just physically, but ethnically and culturally, and it must face both west and east at the same time. Any effort to impose a pro-Moscow or an anti-Moscow policy in Ukraine is doomed to fail. I think the Russians have learned a bit from their experience of the last two years that being too heavy-handed in trying to manipulate affairs in Kiev can redound to their own disadvantage.

In terms of Georgia, well, there's certainly a good deal of mutual psychosis in the bad blood of Georgia's current relations with Russia. And while there is no doubt that Moscow has sought to exploit the ethnic problems in Abkhazia and Ossetia, I think it's worth pointing out that Russia didn't create those problems. Georgian extreme nationalism did. The most effective policy Tbilisi could undertake to try to undercut Russian influence in those two areas would be to publicly and candidly acknowledge the shameful page in Georgia's national history, which unfortunately no Georgian government has yet seen fit to do.

Mr. Chairman, I don't tend to see Russia, as some people do, as kind of a restored neo-imperial power. I see that, except for a few of its neighboring client states, Russia is a country without allies. For the most part, in international diplomacy, it is a second-tier player, often not even that. I think the surface glitter of Moscow and St. Petersburg doesn't conceal the fact that much of the Russian economy is still in very dire shape, and that an economy that's dominated by commodity exports and politically-dictated investments is more characteristic of the third world than of the first.

The imploding population of Russia creates such problems that many Russian experts worry whether by mid century they will even be able to hold on to their current national territory, particularly in the far east. And an emerging middle class that is estimated to be 80 percent government employees strikes me as being not really a middle class, and certainly quite different than a true civil society.

I happen to be somebody who thinks that the talent and the genius and the creativity of Russia as a nation and as a people are flourishing today. But I fear that in the future it will flourish increasingly in the diaspora outside of the country rather than at home.

I think that we as Americans should not exaggerate Russia's challenges. I think this is a society still defined more by its problems and its weaknesses than by tangible strengths. But I would urge that in our relations with Russia we not fall into our own habits of intransigence, something of which we are equally quite capable, and that we should look for opportunities for real engagement.

My own Council has been quite successful recently in reaching out to various leading Russian individuals and organizations and finding that the avenues of communication are still open.

I would hope people in the Congress would pursue them as well. Thank you, sir.

Mr. CARDIN. Thank you very much for your testimony.

Dr. Lilia Shevtsova, who's a senior associate at the Carnegie Endowment for International Peace in Washington and Moscow.

LILIA SHEVTSOVA, SENIOR ASSOCIATE, CARNEGIE MOSCOW CENTER.

Dr. SHEVTSOVA. Thank you, Mr. Chairman.

And thank you, Mr. Co-Chairman.

Well, it's team leadership, I see. It's a privilege to be here. I'm here for the first time and I am still excited. It's an honor, also, and it's fun to be here with the best Russia experts.

In fact, I will try to give you Russian liberal take on Russia's developments and Russian situation. And in many aspects, my narrative will not contradict what we have heard already.

Very short, in a very short one sentence, my presentation will be the following, responding to the question posed to the panel: Russia is lost in transition.

And Russia has got stuck between past and future—very uncomfortable position for any political actor. I would use the metaphor. Russia resembles the skier with his skis pointing in opposite directions.

Many people in Russia think and ponder how long Russia would keep balance in this rather strange and weird [sic] position.

What is interesting [is that] Russia does not want [this]. It does not have any courage, any resources, no wish whatsoever to return to the past, which is a very optimistic conclusion to make.

On the other hand, Russia has no guts, no courage, no energy to move forward to the future, which, of course, has to more than concern us all, first of all Russia.

I would suggest several points, which it seems to me will be relevant to our discussion—and I will try also to follow up on what friends have said, and to [edge toward] follow up on what Ambassador Dan Fried has elaborated.

First, what is important in Russian domestic situation? What is the crucial issue? Is it authoritarianism? Is it the Kremlin's crackdown on human rights and democracy? Well, yes. These developments are important, but in my view, the most important thing is another key word, and this word is imitation.

Russia survives through imitation. Russian authorities are imitating the parliament, the parties, civil society, even a position—even youth movements and rallies in the streets. Everything is fake.

And when you scratch the surface, you'll find an absolutely totally different, often alternative substance. That's why for you folks and for the West to build and to implement any coherent policy toward Russia is very difficult, because it is very difficult to respond to imitation.

Russian imitation, by the way, is imitation not by default. This is the imitation by design. And Russian political class and President Putin are amazingly skillful and artful in imitating.

But of course, there's also one major trend. And this trend today, as my colleagues have just pointed out, is decentralization of power and crackdown on everything that moves on the political scene.

Why [is] the Kremlin making this political cleansing? If they imitate, they can go ahead imitating, leaving some oppositional activity. But there is one law that regulates this type of system and situation. When you have a hammer in your hand, everything else looks like nails.

And there is another law—the law of perpetuation of power. As Ambassador Dan Fried discussed, the issue [is that] we are on the verge of changing the boss of the Kremlin.

That's why not only President Putin, all the Russian political class is so nervous, is so scared, apprehensive, because they have to guarantee continuity of power, self-perpetuation of power.

You can do that only in one case and under one condition—if you control everything. That’s why they are [such] control freaks.

Second issue: What about foreign policy? I essentially agree with the analysis of the foreign policy given by my American colleagues. I would add only maybe several brush strokes to this issue.

After 16 years of retreat, Russia is back. Russia has regained its confidence and Russia wants to redefine its relationship with the West, and first of all with the only superpower, with the United States of America.

Russia politically does not want any more [to] be the younger brother or to be the second tier international actor. Russia elite has offered you Americans and Europeans a kind of a Faustian bargain.

Russia elite has succeeded to form at least for itself the formula which could be defined as “Russia, a partner of the West and opponent of the West.” So Russia wants to sit with you, within G-8, Russia-NATO Council, and on all boards in all international institutions.

And at the same time, Russia wants to have the relationship on its own terms. That means that Russia does not want the West to meddle into its own affairs, and to meddle in the developments in the former Soviet states. These are the terms.

And under these terms, Russia would welcome you, business corporations, and oil majors upstream. But of course, Russia will be waiting for the West to let Russia downstream. So these are the terms.

Mr. Hastings, Mr. Chairman, your definition of Russia’s foreign policy and relationships with the West was interesting and worth emphasizing. You mentioned cold peace. I would agree. There is no Cold War between Russia and America. There are elements of cold peace. You are right.

But there is an irony and paradox in the situation that Russian [the] political class, President Putin and all candidates for the presidency who will follow President Putin—they hate to be in confrontation with the West.

They don’t want any kind of friction with United States of America, because they want—all of them want to be Mr. Abramovich to have their accounts abroad, to have their families abroad, even to rule Russia from abroad, and to have it both ways while leaving the Russian society consolidated on the anti-American platform.

So this is the formula and the pattern—quite schizophrenic, I would say. This policy resembles—I would use the metaphor—driving horses in opposite direction, but Russians have succeeded to do.

Unfortunately, the west and United States very often simply follow the Russian one. Western policy is very reactive, because it’s simply difficult to walk and chew the gum simultaneously, as Ambassador Fried has explained.

One of the last points, what do Russians think about Russia and the west and United States of America? Sarah Mendelson—she’s got terrific surveys regarding Russia, and she will prove to you, if you would be interested, that Russian mentality—Russia’s political conscience—is a mess.

It couldn’t be otherwise, as Wayne Merry said. We just [emerged] freshly from the totalitarian past. But it is very interesting that we

all underestimate Russians. Yes, 75 percent of Russians want order.

But if you ask them about democracy, 44 percent will tell you that they think that human rights are much more important than the state. And even more important, last week, 65 percent of Russians said that they would like to have the real opposition.

There is one more important factor that says a lot for me at least about Russia's conscience and mentality—this is Russia's attitude toward the United States.

You'll never believe how many Russians are saying the United States is a benevolent country. Five years ago, 65 percent of Russians thought that United States is a free, positive, benevolent [inaudible] for Russia; today, 45 percent of Russians believe that America is a friendly state.

Despite all this really nasty anti-American climate in the political life, 45 percent of Russians consider United States as a benevolent factor comparing to—and here I'm giving you Pew Foundation results—comparing to 39 [percent of] French who like Americans, 36 [percent of] German, and 23 percent of Spaniards. So Russia is a much more pro-American—benevolent toward American society than some European countries.

Unfortunately, the trend is becoming worse. The Russian elite, having no other national ideas, tries to consolidate Russian society on the basis of the anti-American feelings. But still, Russians do resist.

Well, and I have to skip over a lot of issues that I elaborated on in my written testimony. I have only one final comment.

Being a Russian citizen, I am not in a position and I have no right to give advice to the U.S. Government. But at least tentatively I can tell you what Russian liberals would anticipate U.S. Government and legislature to do regarding Russia.

We would anticipate the U.S. politicians to demonstrate patience and understanding, first.

Second, we would anticipate that you remind Russia about commitments Russia [it] took when Russia [become a] member of the G-8, of the Council of Europe, of [the] Parliamentary Assembly, and when Russia signed the Helsinki Act.

But at the same time, real liberals in Russia anticipate that you would stand by your own principles and practice what you preach, because when we listen to Vice President Cheney when he lectures Russia on democracy, and after that he embraces President Nazarbayev—when I read the comments of the representative of the State Department that, in fact, President Nazarbayev's decision to stay forever means a correct move—well, we start to suspect that you folks have double standards.

And finally, what we would anticipate you to do—more engagement—engagement not only with the Russian legislature, with Russian political leaders, but engagement on the level of society, society to society dialogue.

There are a lot of stakeholders in Russia interested in benevolent partnership, cooperation and dialogue with American society. In terms of our transformation, of course, we Russians have to sort it out.

But in the end, it's up to you to create benevolent atmosphere for Russia's transformation. Thank you, Mr. Chairman and Mr. Co-Chairman, both of you.

Mr. CARDIN. Thank you very much.

And I would turn the chair back over to our Chairman.

But let me introduce our last witness, Dr. Jeffrey Hahn, who is a Professor of Political Science at Villanova University and also serves as Director of the Russian Area Studies.

Pleasure to have you here.

**JEFFREY HAHN, PROFESSOR OF POLITICAL SCIENCE,
VILLANOVA UNIVERSITY**

Dr. HAHN. Thank you. I have always tried to avoid speaking after my old friend Lilia Shevtsova. She is a tough act to follow, and for all of the right reasons. But I will try.

I want to begin by thanking Chairman Hastings and Co-Chair Cardin for the invitation to testify before this Commission. I'm certainly honored to be here.

I have prepared written remarks which I forwarded to Mr. Finerty of your staff and which I would ask to be submitted to the record.

In my 10 minutes or so of testimony, I would like to raise and to try to briefly answer three questions which I believe may be helpful to the committee as it considers whether Russia is in transition or intransigent.

The focus of my remarks is going to be on Russian foreign policy and its implications for relations with the United States, but I will be glad to address any questions that might be raised about internal political developments as well.

The three questions are these. Why should we care about Russia? What are the underlying dynamics of Russian-American relations today? Why have these relations deteriorated to a point that the U.S. Secretary of State last week had to go to Moscow to deny that there is a new cold war?

Why should we care about Russia? At a briefing by a National Security Council staff member for my students early in the Bush administration, I asked the NSC staffer—not Ambassador Fried, by the way—what about Russia, how they viewed Russia.

The answer was that Russia really didn't matter much anymore. It lacked the military or economic capability of the Soviet Union to project itself into world affairs. It could be largely ignored. At worst, Russia could be or would be a nuisance.

This view is no longer valid. Whether we like it or not, Russia has again become a player in international relations and especially in the Eurasian continent, where Putin's goal has been to make Russia a regional superpower.

There are many reasons we cannot ignore Russia today. Let me itemize them. First, Russia can hurt us. They really do have weapons of mass destruction, more than any other country except our own.

Second, they have vast energy resources. They have now surpassed Saudi Arabia in the production of oil. Forty percent of Europe's gas supplies come from Russia.

Third, they are of strategic importance almost everywhere that is important to us. This includes Korea, where Russia is one of six countries trying to persuade North Korea to give up their nuclear bombs; in Israel, where they are a member of the quartet pursuing a road map to peace.

They are an important part of the nonproliferation treaty process and are the key to resolving the standoff over nuclear power and nuclear weapons in Iran.

Their continued support in the battle against the Taliban in Afghanistan is vital. And as a member of the G-8, they are important players in Europe. In all of these areas, and in many others, what Russia does or doesn't do matters.

Fourth, they hold a veto in the Security Council, which gives them the ability to thwart measures which might be in our interests but are not necessarily in theirs.

This is likely to become very apparent very soon in the case of the U.N. resolution to make Kosovo independent.

Russian cooperation is also essential to the resolution of important transnational issues like AIDS and environmental protection.

In short, like it or not, Russia has reemerged under Putin's leadership as a force to be reckoned with.

Second, what are the underlying dynamics of Russian-American relations today? And this goes to a question which Senator Cardin asked earlier, I hope.

What history suggests is that Russian and American relations have alternated between periods of cooperation and periods of competition.

My own thesis is that whether these relations have been more characterized by cooperation or competition has depended upon the degree to which the leaders of both sides have perceived a common interest.

This was true after 1933 when the two sides cooperated in the face of fascism in Europe and became allies in World War II.

It was true in the late '60s, early '70s when detente emerged because the two countries found a common interest in putting a lid on the arms race and managing the strategic balance.

It occurs in the '80s when Gorbachev and Reagan sit down and found reducing the number of nuclear weapons and ending the division of Europe was a common interest.

A similar situation would seem to be at work today. Once again, following 9/11, the Russians and the Americans have a telling common interest, this time in confronting Islamist terrorism that threatens the security of both sides.

And initially, cooperation seemed to be forthcoming. Following the attack on the World Trade Center, Putin became the first world leader to call Bush to express sympathy.

More important than sympathy, he followed it up a week later with a concrete five-point plan of assistance in fighting the Taliban in Afghanistan. Russia at that time had clearly become an important ally of the United States in the war on terror.

Despite the continued apparent existence of this common threat, the close cooperation which was visible in 2001 has given way to tension and competition by 2007, by today.

The last question I wanted to address is what happened and what are the implications for American policy.

What I would like to invite you all to do for a minute is to try to look over westward, to sit on the walls of the Kremlin and look to the west and imagine what you would see.

From the Russian point of view, from the walls of the Kremlin, the benefits of cooperation with the United States have become increasingly uncertain, largely, in my view, because of the other policies pursued by the Bush administration.

Among these, first of all, was the withdrawal of the United States from the ABM Treaty by May 2002. Then there was the expansion of NATO further eastward.

Starting in November 2002, NATO invites seven more former Soviet allies to join NATO, including the three Balkan states that had been former Soviet republics, thereby putting NATO members directly on Russia's borders for the first time.

And what really alarms Russia today, I think, is the discussion in the west, in the NATO ally alliance, over a possible NATO accession by Ukraine. This is what made the competition between the Russians and the western powers so important in the Orange Revolution.

Furthermore, a month after NATO expansion, the European Union invited applications to membership from 10 countries, eight former Soviet allies, again including the three Balkan republics.

Gentlemen, if you are looking over the wall of the Kremlin, what do you see? You see a new division of Europe, only it's further to the east.

The most severe test and the main point, really, that I want to make today about this initially cooperative relationship was Russia's unwillingness to back the United States in the war in Iraq.

In March 2003, Putin made it clear that he would join France and China in casting a veto against any American resolution at the U.N. to use force against Saddam Hussein to comply with sanctions.

But what really seems to have prompted Russian concern was that the Iraq invasion represented the first major application of the Bush doctrine to the conduct of American foreign policy.

From the Russian point of view, again, this departure from the policies of containment accepted by previous American administrations, implied that the United States had essentially abrogated to itself the right of preemption.

That is, from the Russian point of view, we would do what we wanted to do, when and where we wanted to do it, and how we wanted to do it, unilaterally if necessary, to ensure American interests abroad.

For many countries, including Russia, that sounded like the assertion of the right to global hegemony. Recent events have accelerated Russia's discontent.

A shopping list includes American criticism of Russia's assistance to Iran to develop nuclear energy. Another, the U.S. decision to install a missile defense shield in Poland and an early-warning radar system in the Czech Republic.

From the Russian point of view, the Russians threw up their hands to say, "We didn't realize that the revolution—there was

going to be a missile attack. Why Poland and the Czech Republic? Why would they be under a threat from Iran or from Iraq?"

Another is disagreement over the implementation of the CFE Treaty, which has been discussed.

Another thorn is this business of the U.N. Security Council on Kosovo establishing an independent province—what is currently a Serbian province—to establish independence there.

When you add to these items, this long shopping list of what the Russians see when they look westward—when you add to them the Bush administration's persistent and very public criticism of Russian democracy, notably in the summit of February 2005, criticism because Russia has somehow failed to meet American standards of democracy, then Putin's harsh speech of February 10th earlier this year becomes more understandable.

Concluding, where do we go from here? Despite continuing differences over specific issues, many I've mentioned today, the fact is that today, as in the past, Russian-American relations depend on the perception of common interests.

For now, there remains a compelling common interest for both sides to cooperate. But this will not easily [be] achieved if the United States continues to insist on going it alone.

The coming year may offer an opportunity for a fresh start. There will be new presidents elected in both countries next year.

From the Russian point of view, it doesn't matter whether the American president is a Democrat or a Republican; rather, whether that new president will continue to pursue a unilateral foreign policy.

Thank you for your attention.

Mr. HASTINGS. You've made it right at your noon deadline. I was told by Senator Cardin that you have to leave at noon, and I certainly understand that.

Senator, do you have any questions? I know you have one—

Dr. HAHN. I'd be glad to answer for about—I can stay for a few minutes if you wish.

Mr. HASTINGS. I'll defer to the Senator because he has—

Mr. CARDIN. Let me just make a comment about the testimony. I found the testimony extremely helpful.

It's interesting. You give us the perspective from the concerns about our country but also the concerns among the Russian leaders and the Russian people, which I think is very helpful.

There's obviously a different emphasis in Russia with a concentration toward the state, whereas in the United States, our civil liberties we look at as fundamental, and there's a—I thought that was an interesting observation.

You're not going to get any argument from the chairman or me about the unilateral nature of the foreign policy under this administration and the impact it's having on our relationships not just with Russia but with many of our critical countries around the world.

We pay a price for that type of attitude in foreign policy, which looks more to be unilateral than it does to be a real effort to consult and work with other countries around the world.

Having said all that, the challenges are there. As I said to the ambassador, we need to have a constructive relationship with Rus-

sia if we're going to be able to accomplish objectives that are extremely important to this country, and the most recent being Kosovo.

And we've invested an awful lot into Kosovo, and we run the real risk of a veto within the United Nations today. I know that we're working very hard to avoid that, and I hope we're successful, but it just points out the challenges and the stakes that are involved in this relationship.

I'm not yet convinced that Russia is the great economic power that it's claiming to be today. When I look at the future of the United States and economic growth internationally, I look more toward what's happening in China, what's happening in India, what's happening in South Korea.

In trying to repair some of our relationships with Europe, and building our own areas in South America and Central America, and developing new ties to Africa, Russia doesn't look like much of a real opportunity for the United States as far as an economic power is concerned.

So you've helped, I think, give us the perspective that we need in trying to carry out our foreign policy with improving the effectiveness of our relationship with Russia. That's what we want to do. Every country wants to be effective in its international relations.

Within OSCE we have a real opportunity to improve that. The parliamentary participation both by the United States and Russia have been very positive. And I hope that we can build upon that.

Our chairman, Mr. Hastings, has been a real champion and a real trooper as far as traveling around the entire region and has personally, I think, helped to improve the effectiveness of the relationship between Russia and the United States.

And, Mr. Chairman, I thank you for your patience in allowing me to just make few observations. And I do apologize. We have a vote starting just about now on the Senate floor. Thank you.

Mr. HASTINGS. Thank you, Senator. I appreciate it very much.

And, ladies and gentlemen, honestly, I apologize to you, Dr. Mendelson, for being away, and, Mr. Merry, for hearing only a portion of your remarks.

But I can say to you that the level of comprehensiveness from a substantive standpoint that you all presented is helpful.

I'm hopeful—and if you will just permit me an observation beyond one or two questions I will put to you.

I know that the hour is late, but I would like to say to those that are participating in the audience that I've always tried to be a creative person, and I think congressional hearings—I'm not talking about the substance from the witnesses, but the fact that there is so little in the way of real meaningful input from people who take up their time to come and sit and listen to these hearings, and that includes staff and interested members of the public.

I'm going to try to figure out some kind of way to have more interactive dialogue with the audience participants.

I also lay my bona fides on the table for our witnesses. I would like for you to know that I think that it would be more informative if we had an opportunity to sit and listen to you exchange your views with each other, rather than us put scripted questions to

you. And I'm hopeful of arranging for that kind of dialogue as well. I just offer those.

One very quick observation. It occurred to me as Senator Cardin was speaking. And Dr. Shevtsova had mentioned my observation regarding the possible way of characterizing the present status of Russian-United States relations as cold peace.

It would seem to me that cold peace would require hot diplomacy. And in that regard, I applaud the Secretary of State for visiting. But I do urge that all of the U.S. Government's institutions should have coordinated efforts and be often in dialogue with Russia.

And again, I want to lay a little bit of bona fides on the table. I'm not an expert about Russia. But what I do intend as chair for the 1.5 years that I have remaining as the chair of the Helsinki Commission—the emphasis has been here, rightly, in human rights issues, with great intensity.

That has caused the component of the Helsinki Accords having to do with economic security to, at least in the Helsinki Commission, not have as high a priority.

And I'm going to flip the priority and make the economic component be a focus as it pertains to the 55 countries that we interface with. And that will be my great hope.

So you all have helped kick off for me a very good beginning in that regard. And I might add, I am OSCE-centered in light of having been President of the Parliamentary Assembly, and so my very brief questions likely will touch on that, if you would permit me just 5 more minutes or 10 more minutes of your time.

Dr. Shevtsova, you write the temptation to demand free and fair elections in Russia in '07 and '08 could prove to be another trap and that the Russian leadership has perfected the art of managing elections. And I was fascinated with your display of them and their imitation factor.

But you also have profoundly said that no amount of western monitoring is going to alter the result. And my question, after I lay out other bona fides—I've witnessed two Russian elections.

And I had the distinct privilege of witnessing the Russian election at the same time that the Florida elections had just occurred here in the United States.

And a lot of folks were offended when I said, after being an observer of the Russian elections, that their elections on election day are more open and fair than the elections on election day in Florida.

Example: I can walk in the polling place and sit down and talk with the—if you walk in a Florida polling place and ask a whole lot of questions like we do, you get put in jail. And I found that to be fascinating.

But what I also knew, because I got there a week earlier—and I also knew that the elections were cooked, and therefore, you know, it was easy to have a fair election when you knew what the result was going to be.

But I would ask you, would you then say, for example, in the run-up to '08, that there'd be no use for ODIHR and the Parliamentary Assembly or the OSCE to do electoral monitoring in that election? What's the benefit if it isn't going to make a difference?

Dr. SHEVTSOVA. Well, Mr. Chairman, I do believe that—well, nobody's perfect, first of all. Second, it seems to me that Russian forthcoming parliamentary elections will be several Floridas.

Third, we always have to try. But according to the new legislature, election legislature, I don't believe that, according to the Russian law, monitoring, foreign monitors, will be allowed to monitor closely the elections.

But all the same, do come, and your presence will be appreciated by the teeny, teeny, tiny minority in Russian society that I represent, but which, in fact, accounts for 30 percent of the population.

Mr. HASTINGS. I follow you clearly.

And I had some fascinating sidebar conversations with a number of people there. I was just absolutely fascinated with that.

But I also want to go back to my history. When I was elected president of the Parliamentary Assembly, the first place that I chose to visit was Russia. And I met with Foreign Minister Lavrov, the very first meeting that I had.

And in that meeting, I knew that I went there to listen, but I also went there to say to him that my belief is that there should be mutual respect. And I think just the use of that tone struck a fair enough chord for me to receive invitations to return to Russia from time to time.

But then there was a disappointment. I had established, as did others in the Parliamentary Assembly, a fairly good relationship with Gennady Seleznev when he was Speaker of the Duma. And he came regularly. He was an elected officer in the Parliamentary Assembly.

So after meeting with Foreign Minister Lavrov, I met with Mr. Gryzlov, the new Speaker of the Duma, and invited him personally as president to come to our meeting in Denmark, which he attended. And then he never came again since that time.

And the Russian delegation, albeit wonderful people, had been a powerful force in the organization and were developing camaraderie and rapprochement, and they reduced the Russian delegation substantially.

I'm sorry I'm taking so much time, but only minor players rather than the people that were on the move started to come to the Parliamentary Assembly.

If I could change the subject and ask either of you, when I was here I asked Secretary Fried about his assessment of the recent Russia-Kazakh-Turkmenistan pipeline deal, and I said that it would monopolize Central Asian gas reserves for Russia, and he said that multiple pipelines could be built.

Perhaps, Mr. Merry, your thoughts on that.

I understand you have to go, Doctor.

Dr. HAHN. I also have comments on it, if you would—

Mr. HASTINGS. Please.

Dr. HAHN. I think I would probably respectfully perhaps disagree with the Ambassador about the—I think his expectation may be sanguine with respect to the fact that the deals which have been cut in the last week between Turkmenistan, Kazakhstan, and Uzbekistan regarding gas—that these are not going to have an impact in terms of precluding the shipment of gas through other channels.

I think that the Russians are delighted with this deal precisely because it gives them a handle on the control of the flow of gas that they didn't have before.

And I do think that it's the first step in the direction of something that's been under discussion for the past year, which was an initiative from Iran, actually, to create a gas cartel, which would enable them in the long run to exercise much greater control over the price of gas abroad.

So I'm not sanguine, and it's about what's called the Prikaspisky Pipeline, I believe, if I'm correct. And I think that the short- and long-run effects of these agreements are going to be to increase dependency of these five, especially the three gas countries in Central Asia, on Russia, and they will depend on Russia for getting their gas out.

Russia gives them concessionary prices for that gas, but in return they get to use the pipeline. So as long as that kind of arrangement remains in place, it's hard for me to see that these countries are going to have more flexibility in developing other ways of getting gas. I think they're going to have less.

Mr. HASTINGS. Right.

I personally was stunned at Russia's actions with reference to Belarus, getting away from this. I had been the lead monitor of the elections in Belarus, and when they manipulated the pipelines or oil in that area, it really did surprise me.

I'd ask, Mr. Merry, if you had comments on that same subject. Do you?

Mr. MERRY. Yes, sir. Let me just say three things about pipelines. First, since the Central Asian countries—Central Asia is the most geographically landlocked region on earth.

Hydrocarbon exports are going to have to transit somebody. That's reality. What the countries themselves and the major international companies originally wanted to do with Caspian oil and gas was to take it south through Iran to the existing international infrastructure of transport.

The United States government prevented that. The fact that the primary routes to the western markets are now going through Russia is largely a result of that.

The alternative pipeline route the United States sponsored was never going to be commercially competitive with what the Russians could offer.

The second point is that most of the hydrocarbons from Central Asia over the decades of their exploitation, I believe, are not going to go west. They're going to go east. The primary market's going to be China.

And the size of the deals that Kazakhstan, Turkmenistan, increasingly Uzbekistan are already making with the Chinese indicate that. And that's partly because the Chinese market does not require them to transit any third country.

And the third point about Russia's own export pipelines—people forget that when Russia became a major exporter in the post-Soviet period, it looked around and saw that it was the only major hydrocarbon exporting country in the world that was dependent on transit pipelines through other countries.

Canada, Mexico, Venezuela, Norway, Algeria, Nigeria, all the Gulf states, Indonesia could all, either with pipelines or tankers or some combination of the two, export directly to their principal customers and didn't have to depend on transit pipelines.

The Russians, because of the series of pipelines that had been built in the Soviet period through the former Soviet Union and the Warsaw Pact countries, was so dependent.

What they have been trying to do in building pipelines and export routes through the Black Sea and the Baltic is to give themselves the kind of export independence that every other major hydrocarbon exporting country in the world had enjoyed.

Now, are they using those also for political purposes? Yes, they are. But I find it difficult to believe that any other commodity exporting country in a similar situation would not have done so.

Mr. HASTINGS. Yes. I thank you so much.

Dr. Mendelson, one of the areas in the humanitarian sphere where the Russian government appears to be working in a cooperative spirit is in the campaign against human trafficking. Do you agree with that assessment?

Dr. MENDELSON. I think it's tremendously important that U.S. and Russia work together on trafficking. I think that there is a lot more that could be done.

We are engaged in a survey, actually, of young Russian females to understand what they know about human trafficking. It's my experience, working with very experienced human rights activists, that they don't know very much about trafficking.

So while I would say that the efforts that have been done to support NGO work in Russia to date—we have much more to do.

We need to listen to the most vulnerable communities and organize our prevention campaign around what they know and what they don't know, and really get at root causes that have to do with education, and how people think about what their opportunities are, and whether or not they feel that the risk of moving abroad for employment is worth it, because that's when they get into vulnerability.

Mr. HASTINGS. Right.

I'm not going to keep you all any longer, but I do want to share a little bit more anecdotal information.

I also monitored the elections in Montenegro, and welcomed and swore in Montenegro to the Parliamentary Assembly of the Organization for Security and Cooperation in Europe. I guess you all say well, when do I work in the U.S. Congress.

But while there, I took a car ride to the capital, and I just looked at all of the land, and I began to make inquiries about the cost of the land and who was purchasing it.

I wasn't at all surprised—I think I knew the answer in advance—that Russians were buying significant parts of the land in Montenegro. But now I come to home and why I think that there will always be, as you pointed, Doctor, that group of people that have positive views of America.

I'm too old to do much nightclubbing, but every now and again I go to South Beach with my daughter and son and girlfriend, and when I do, what I find there is some of those nightclubs and res-

taurants are owned by Russians. And that's increasingly more the case.

So they like South Beach, at least, and Montenegro, so I suspect that we will have opportunities for real, meaningful dialogue.

You all have been most gracious with your time and informative, and I thank you so much, and I hope that you will receive our invitations in the future in a favorable way. Thank you so very much.

This hearing is adjourned.

[Whereupon, at 12:22 p.m., the hearing was adjourned.]

APPENDICES

PREPARED STATEMENT OF HON. ALCEE L. HASTINGS, CHAIRMAN, COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Good morning, ladies and gentlemen, invited guests, and members of the press and diplomatic corps. I would like to welcome you all to today's hearing on Russia. I would particularly like to welcome and thank the members of our distinguished panel for finding the time to share their expertise with us this morning.

But before we begin I would just like to note that earlier today near the Siberian city of Novokuznetsk 35 miners were killed and others injured in a methane explosion in the Yubileinaya coal mine. According to the most recent news reports that I saw before coming over here, there are still three miners missing. Unfortunately, America is no stranger to such accidents and our hearts and prayers go out to all those affected by this tragedy. We will continue to hope against hope that those three miners may yet be found alive.

This is the first hearing that the Commission on Security and Cooperation on Europe is holding in the 110th Congress and I feel that it is quite appropriate that Russia is the topic of discussion. As we all know, Russia is an increasingly important and influential member of the international community, playing a key, albeit not always constructive, role in organizations such as the United Nations, the Group of Eight, the Council of Europe, and the Organization for Security and Cooperation in Europe. And in the not too distant future I expect this list to include the World Trade Organization. It is good that Russia is so involved in these international organizations and has so much potential to make positive contributions to global stability and prosperity.

In the late 1980s and early 1990s, it appeared that Russia was making a sea-change transition, however uneven and tumultuous, to representative governance and a society rooted in the rule of law. However, since the tragic shelling of the Russian White House in the fall of 1993 and particularly over the last seven years, the Kremlin has moved to recentralize the authority and power that it had seen slip away in the wake of glasnost and perestroika. The result has been a significant limitation on the civil liberties that many of us associate with a legitimately open society. Despite Mr. Putin's lip service in support of democratic institutions and civil society, we now see a political agenda centrally planned in Moscow.

Now I fully understand that human rights not only include the ability to hold anti-government demonstrations or write op-eds critical of government policy. But human rights also have some relation to basic social justice concerns such as having heat in the winter, getting paid on time, and having access to healthcare. In these areas, much progress has been made in Russia over the past decade or so and particularly under President Putin's leadership—I commend him for working to improve the standard of living of the average Russian citizen. But these basic needs are also met in

some of the world's more repressive régimes and it is my hope that a great nation like Russia can do better.

A growing economy and the improved living conditions that have resulted as well as a newfound influence on the world stage help to explain the popularity of the current Russian president. His sober, intelligent, and macho image has also been well received by the populace. I am also aware of a vocal and growing minority that is deeply concerned at the direction their country may be going. I am thinking of the many people and organizations included in the "Other Russia" coalition as well as other opposition groups.

Reports of the heavy-handedness and brutality that these individuals have faced while attempting to exercise their rights to free assembly and free speech are alarming. These basic human freedoms are enshrined in many of the international agreements that Russia is, at least on paper, committed to.

It is perplexing that the popular and powerful Russian government feels threatened by a few thousand people demonstrating in favor of an alternative viewpoint. Perhaps the authorities do not feel threatened, but are simply used to dealing with protestors in a forceful manner. We politicians here in Washington are accustomed to such public displays of dissent as our city is often the venue of marches and gatherings that sometimes number in the hundreds of thousands—this is normal and desirable and has been the catalyst for so much positive change in our society.

Concerning some elements of the Russian opposition to the Putin Administration, I must note that common dislike for the Russian president may not be the strongest glue for a lasting alliance. In this case, the cliché phrase "the enemy of my enemy is my friend," does not hold true. I know of many distinguished NGOs and human rights activists that have chosen to participate in the "Other Russia" movement, but the past rhetoric and actions of some of the leaders involved give me pause.

As we look to the future of U.S.-Russian relations, being best friends does not have to be the measure of successful cooperation. There is a lot that we can accomplish despite hard feelings in some quarters. And we need to focus our efforts more on bolstering Russia's nascent democratic institutions rather than on the rapidly changing faces of the Russian elite—in other words, principles before personalities.

If we are to improve relations, we must find new ways to have more frequent interaction at all levels and with all branches of government. Additionally, I recognize that a substantive and sustainable bi-lateral dialogue must also happen at the level of civil society. This is why I am such a proponent of public diplomacy and exchange programs such as our own Library of Congress' Open World program and many other fine initiatives. These initiatives not only promote understanding, but they also enable us to identify future leaders at all levels of society.

The central question before us today is what kind of leadership will Russia provide at home and abroad and what can and should the United States be doing to help Russia complete its transition to democracy, especially in the post-Putin era. I look forward to learning more on this from our expert panel. I would like to add that, in the interest of a balanced hearing, I extended an invitation

to Russian Ambassador Yuri Ushakov and am sorry that he was not able to take part in this important dialogue.

PREPARED STATEMENT OF HON. SAM BROWNBACK, RANKING MEMBER, COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Mr. Chairman,

I want to commend you for organizing this hearing on Russia. As someone who has been following events in that country for many years, I am very disturbed by the general trend of political development there.

Over the last seven years, we have witnessed the emergence of a super-presidency in Russia, which has overwhelmed the legislature and judiciary. In successfully recentralizing power, President Vladimir Putin has turned the Duma, which once seemed on the road to becoming a legislature that could demand accountability from the executive, into a virtual rubber stamp.

As a legislator, I find this especially troubling. I believe deeply in the obligation of Congress to act as an independent branch of government and oversee the executive. But I do not see anything like that in Russia today and I fear I will not in the foreseeable future.

At the same time, opposition movements and civil society have been cowed. The Kremlin has made every effort to keep criticism or even dissenting views off the airwaves and now one-half of all reportage about Russia on the nation's largest independent radio news network must be "positive." Moreover, Putin's political opponents cannot be mentioned on the air and the United States is to be portrayed as an enemy. Meanwhile, demonstrations are swiftly, sometimes brutally, dispersed.

Russian officials often get irritated when they hear the terms "managed democracy" or "sham democracy." But I see in Russia a system in which the public is essentially called on to ratify decisions already taken by the Kremlin, and where people are increasingly afraid to speak out or exercise their rights to freedom of assembly and association.

Even issues that could easily be resolved have been turned into problems. For example, the Russian authorities have refused to return to Chabad the library and archive of Rabbi Shneerson, despite the obvious primacy of the claim by his heirs in America and repeated requests by the executive and judicial branches of the U.S. Government. I sometimes think that spitefulness has become an operating principle of Russian policy.

In the international arena, Russia's behavior has been no less troubling. For years, Moscow has sought to intimidate much smaller neighbors, such as Georgia or Estonia. But I am particularly struck by Moscow's treatment of Belarus—no favorite of the United States and run by a man who is practically an international pariah. Yet even this faithful subject has been bullied by Russia into giving up control of key energy infrastructure to Gazprom. Not for nothing have European states grown increasingly dubious about Russia as a reliable supplier of oil and gas. The deal reached last weekend among Russia, Kazakhstan and Turkmenistan, which essentially guaranteed long-term Russian control of Central Asian gas reserves, has struck a serious blow to our joint hopes for alternative pipeline routes—and provided additional reasons to worry about the political implications of energy dependence.

So I watch events in Russia with growing concern. I do not think we are in a Cold War and I do not think one is inevitable. But it is clear to me that in many critical areas, our interests are diverging or already divergent. Perhaps our expert witnesses can suggest ways to smooth over these rifts.

**PREPARED STATEMENT OF HON. CHRISTOPHER H. SMITH,
RANKING MEMBER, COMMISSION ON SECURITY AND
COOPERATION IN EUROPE**

Thank you, Mr. Chairman, and good morning to everybody.

I am alarmed by many things going on in Russia today but I want to raise one issue right now: the unsolved murders of dozens of independent Russian journalists over the past decade. I have authored a Congressional resolution, H. Con. Res. 151, calling upon President Putin to seek competent, outside law enforcement assistance in the investigation of these unsolved murders. Only yesterday this resolution, with over 30 cosponsors, was approved by the Foreign Affairs Committee.

Congress needs to raise its voice on this issue. Russia holds the second worst position in the world in the number of journalists killed in the last ten years, according to the International News Safety Institute. Reporters Without Borders counts 21 murdered journalists since March of 2000. This is a conservative number; it does include the murders of Paul Klebnikov, Anna Politkovskaya, but not the death under extremely suspicious circumstances of Ivan Safronov. Many observers think government officials have ordered most of these murders, or at least connived at them, because these journalists investigated government corruption or human rights abuses in Russia. There is good reason to think that people in very high places are protecting the murderers. We know this: very few of these murder cases have been resolved.

Journalists fulfill an essential role in every society, and none more than those who uncover the theft of a country's assets by its elected officials, or human rights outrages committed in its name. Journalists who do this at risk to their lives fully deserve to be called heroes.

Make no mistake about it, these journalists knew they were risking their lives. We owe it to them to raise our voice, and to do so over and over again, to bring the killers to justice. Mr. Putin, sadly, does not seem to be making a serious effort to do so.

I am afraid Russia today may be slipping backward. The Russian economy is booming, but Russian democracy seems to be falling below the level of many developing countries.

Only when journalists can work without fear of intimidation and death will we be able to say that we have a truly democratic Russian government. That will also be a government which doesn't sell arms to the Sudanese government to commit genocide in Darfur, which doesn't look the other way when local officials harass minority religions and ethnic minorities, which doesn't embrace military brutality in Chechnya, maintain an occupying army in Moldova, and threaten Poland and the Czech Republic for cooperating with the United States in their military defense, or foment unrest in Kosovo.

Alexander Solzhenitsyn, the great conscience of Russia, said in his Nobel Prize speech in 1970 that, "Any man who has once proclaimed violence as his method is inevitably forced to take the lie as his principle." My resolution addresses the violence of the murder of independent journalists, and the lie in the claim that their murders have been seriously investigated.

Solzhenitsyn said of Communist Russia, "In our country the lie has become not just a moral category but a pillar of the State." We have to ask ourselves, and to ask Mr. Putin, will this terrible statement also be true of post-communist Russia?

**PREPARED STATEMENT OF HON. DANIEL FRIED, ASSISTANT
SECRETARY OF STATE FOR EUROPEAN AND EURASIAN
AFFAIRS, STATE DEPARTMENT**

Chairman Hastings and members of the Commission, thank you for the opportunity to appear before you. Today's subject, "Russia Today," is critical to the United States and our partners, particularly in Europe. Whether Russia is "in transition or intransigent"—the other part of your question for this hearing—is a useful if provocative way to frame the challenge of working with Russia, which remains in our interest.

Russia certainly remains "in transition" from its communist past. Its growing assertiveness in tone and perhaps in action, spurred in part by high energy revenues, may have stimulated your use of the word "intransigent." In no case, however, can Russia be presented in such stark terms: while Russia does sometimes seem a difficult partner to work with, we also have many important areas of cooperation through which we pursue common interests. Although ours may not be a strategic partnership, it includes partnership on many strategic issues. U.S.-Russia relations are complicated. Given the legacy of U.S.-Soviet relations, this is no surprise. In Moscow on May 15, Secretary Rice pointed out that we need to differentiate between discrete disagreements and our overall intention to work together whenever possible. "There are going to be times when we disagree, but it is true that sometimes the rhetoric makes it sound as if the relationship itself is in question, rather than . . . the specific differences that we have."

The Administration's analysis of Russia is realistic, and our objectives with Russia reflect this. We want Russia to be a partner in the world, and we want Russia to be strong, but strong in 21st century terms: with strong, democratic and independent institutions in and out of government; with a strong civil society, free press and active opposition; with strong and independent middle and entrepreneurial classes. We do not exempt Russia from our belief in the universal potential of freedom, and we also have Russia in mind when we say that we seek an open world characterized by partnerships with like-minded countries.

Our preferred tactical approach is cooperation—we work together wherever we can, always seeking to expand the scope of that collaboration where our interests overlap—but we push back when we must, privately when possible but publicly when necessary, in defense of our values, interests and friends. At all points, we also seek to work with our European allies and friends to coordinate our approaches and articulate the common values underlying our policies.

Given the media preoccupation (in both countries) with the problems, I wish to first mention the areas of cooperation in relations. The United States and Russia continue to cooperate in critical areas, including counterterrorism and nonproliferation. The U.S.-Russia Counterterrorism Working Group last met in September 2006, and will meet again in a few months, to continue and deepen cooperation on intelligence, law enforcement, WMD, terrorist financing, counternarcotics, Afghanistan, UN issues, MANPADS, and transportation security.

Our strategic cooperation is intensifying. Last year, together with Moscow, we renewed until 2013 the Cooperative Threat Reduction (CTR) program, which was launched in 1992 to facilitate dismantlement of weapons of mass destruction in the former Soviet Union. As this program marks 15 years, we and Russia have agreed to accelerate some elements under the Bratislava Nuclear Security Initiative; nuclear security upgrades are on track for completion by the end of 2008. At the July 2006 G8 Summit in St. Petersburg, Presidents Bush and Putin announced the Global Initiative to Combat Nuclear Terrorism, which seeks to prevent nuclear materials falling into terrorists' hands. We and Russia are both working toward enhancing nuclear fuel cycle security, through the Global Nuclear Energy Policy and the fuel center initiative, respectively, and we are negotiating with Russia an agreement on Peaceful Uses of Nuclear Energy Agreement (Section "123" of the Atomic Energy Act) as well as one on Defense Technology Cooperation. The United States has presented a proposal for substantive cooperation on missile defense, and, with the expiration of the START Treaty in 2009, we have begun positive discussions about a post-START arrangement. There have been several high-level visits in recent months, including those of Secretary Rice and Defense Secretary Gates. We share with Russia many common global nonproliferation goals. We work closely with Russia and others to address the nuclear ambitions of North Korea and Iran, although Moscow has sometimes voiced disagreement with our approach to sanctions and other measures. Russia voted for UN Security Council Resolutions 1718 (North Korea), 1737, and 1747 (Iran), calling respectively for the denuclearization of the Korean peninsula and imposing Chapter VII sanctions on North Korea, as well as imposing sanctions against Iran until Tehran suspends its nuclear enrichment program and comes into compliance with its NPT obligations. We look forward to the full implementation of those resolutions. The United States and Russia, along with China, Japan, South Korea, and North Korea participate in the Six-Party Talks on North Korea, and Russia chairs the Six-Party Talks Working Group on a Northeast Asia Peace and Security Mechanism.

We continue to pursue cooperation through the NATO-Russia Council [NRC], which this year marks its fifth anniversary. We have a broad menu of cooperative NATO-Russia initiatives involving diverse experts on both sides: these range from Russian participation in Operation Active Endeavor to counternarcotics program in Afghanistan. We look forward to greater opportunities for cooperation once Russia ratifies a Status of Forces Agreement (SoFA) with NATO: we welcome the Duma's ratification on May 23, and look forward to the Federation Council following suit. That said, the April 26 meeting of NRC Foreign Ministers in Oslo, Norway, showcased some important differences between Russia on the one hand and most NATO Allies on the other in light of President Putin's "State of the Nation" Address ("poslaniye") earlier that day. In that speech, President Putin suggested he would consider suspending Russia's implementation of the Treaty on Conventional Armed Forces in Europe (CFE Treaty) if no progress was made on ratification of the Adapted CFE Treaty by NATO Allies. At the NRC, NATO Ministers universally responded that we continue to

regard the current CFE Treaty as a cornerstone of the European security, and that we are ready to seek ratification of the Adapted CFE Treaty after Russia fulfills its 1999 Istanbul commitments on withdrawal of forces for Moldova and Georgia. The Administration and NATO Allies are very serious about our support for Adapted CFE: the Adapted Treaty, signed in 1999, replaces the bloc-to-bloc structure of the original Treaty with a more flexible system of national and territorial equipment limits. It allows accession by new members, and provides for enhanced information on military forces and more inspection opportunities than the original Treaty. Adapted CFE also contains specific provisions relating to host nation consent to the presence of foreign forces that are very important to our GUAM partners. There should be no question about NATO Allies' support for CFE and Adapted CFE—neither of which represent efforts by NATO to take advantage of Russia—and no question about NATO Allies' insistence on fulfillment of the Istanbul commitments as the basis for ratification of the Adapted Treaty.

We also seek to advance cooperation with Russia through the Organization for Security and Cooperation in Europe (OSCE), an organization, obviously, of deep interest to this Commission. Russia's critical attitude toward the OSCE remains a cause for concern. Speaking on February 10, 2007, to the Munich Security Conference, President Putin branded the OSCE a "vulgar instrument designed to promote the foreign policy interests of one or a group of countries." Under the guise of demanding reforms, Russia has proposed changes to the OSCE, the effect of which would be to cripple its democracy promotion efforts. The United States disagrees strongly with this Russian approach and has defended the OSCE's mandate to advance democratic reforms, including election monitoring. Indeed, these efforts embody commitments that Washington and Moscow undertook when we signed the Helsinki Final Act. The United States continues strongly to support the work of the OSCE's Office of Democratic Institutions and Human Rights (ODIHR); its elections monitoring mechanisms represent the international "gold standard" in this area.

We applaud the long and distinguished track record ODIHR has accumulated in electoral monitoring throughout the OSCE region, and look forward to its involvement in Russia's upcoming Duma elections in December 2007 and Presidential elections in March 2008. We also value highly the contributions of the OSCE Parliamentary Assembly to the OSCE's election monitoring work, and the PA's joint efforts with ODIHR. I should add that the United States accepts and welcomes ODIHR monitoring of U.S. elections.

While every organization can be improved, we believe there is wisdom in the aphorism "if it ain't broke, don't fix it." The OSCE is working well and doing important work, and we will continue to support it against "reform" efforts calculated to circumscribe its activities or debilitate its democracy promotion work.

Differences with Russia over the OSCE reflect broader, negative trends on human rights and democracy in Russia itself. We hope that the situation will not deteriorate further over the coming year, in conjunction with upcoming parliamentary and presidential elections cycles and issues connected to succession.

Let us be clear: Russia is even today a vastly freer country than at any time in Soviet history and arguably freer than at any period in Russia's history. It is also true that post-communist transitions take time. But it would be an insult to Russia to hold that great country to low standards. Suppression of genuine opposition, abridgement of the right to protest, constriction of the space of civil society, and the decline of media freedom all represent serious setbacks that are inconsistent with Russia's professed commitment to building and preserving the foundations of a democratic state. The unsolved murders of journalists and critics are equally disturbing.

The State Department has publicly protested, including at the OSCE Permanent Council, the recent police brutality employed to break up opposition marches in Moscow, St. Petersburg, and Nizhny Novgorod. The EU also protested those actions. Authorities sought to prevent the marches from taking place at all: they denied permission to stage the events or tried to marginalize them by changing their venues; they harassed and detained Russians traveling to participate in these peaceful rallies; on the day of the events, disproportionate police presence wielded undue force against the protestors as well as journalists reporting on the events. Some of the same efforts were directed against members of the Russian opposition seeking to express their opinions ahead of the EU-Russia Summit in Samara May 18. The fact that the authorities allowed pro-Kremlin youth groups to engage in activity from which opposition activists were prohibited demonstrated selective use of the law. Nonetheless, it is encouraging that independent groups, despite harassment, were able to gather, garner supporters, and attract public attention.

Interestingly, Presidential Administration deputy press spokesman Dmitry Peskov acknowledged that the police response to last month's protests merits review, and St. Petersburg Governor Matviyenko and the Russian Federation's Human Rights Ombudsman, Vladimir Lukin, have both called for investigations. In his annual report on human rights in Russia, presented April 24 to the Duma and May 4 to the Federation Council, Ombudsman Lukin reiterated that his office had received and would investigate increased numbers of citizens' complaints about government obstacles to holding rallies.

President Putin's own chairperson of the Civil Society Institution and Human Rights Council, Ella Pamfilova, has said that Interior Minister Nurgaliyev should resign in connection with the police break-up of those demonstrations. Such calls indicate that, even within official Russia, views differ on human rights.

We are likewise concerned about the increasingly narrow and controlled space within which Russian NGOs are forced to operate, and continue to monitor the implementation of the new NGO law enacted in April 2006. The record is mixed thus far. While the process for re-registration of foreign NGOs was cumbersome, and require paperwork and reporting requirements that many Russian and foreign NGOs find onerous, the fact remains that the vast majority of foreign NGOs did succeed in re-registering, although some suffered disruptions in the continuity of their program operations. We are also heartened by the ability of some NGOs to effect change in the law, as when religious groups, concerned that the reporting

requirements could be construed to require listing congregants or accounting for collections among the faithful, successfully lobbied the Kremlin to exempt ecclesiastical organizations from those rules.

The increasing pressure on Russian journalists is likewise troubling. Vigorous and investigatory media independent of officialdom are essential to dynamic, healthy processes in all democracies. In Russia today, unfortunately, most national television networks media—the primary source of news for most Russians—are in government hands or the hands of individuals and entities allied with the Kremlin. The growing agglomeration of print media in the hands of government officials or those allied with them likewise undercuts press freedom. Attacks on journalists, including the brutal and still unsolved murders of Paul Klebnikov and Anna Politkovskaya, among others, chill and deter the fourth estate. Self-censorship remains a growing problem. Some space for free discussion remains, particularly on the Internet, as the vigorous and sometimes sympathetic coverage in the print media of recent opposition marches indicates, but it still appears to be shrinking.

Ahead of parliamentary and presidential elections, the Kremlin is bringing its full weight to bear in shaping the legal and social environment to preclude a level playing field. There have been many instances in which the authorities have used electoral laws selectively to the advantage of pro-Kremlin forces or to hamstring opposition forces. The refusal to re-register Yabloko in St. Petersburg and difficulties encountered by other parties, appear to have been based on political instructions, rather than an objective judgment of whether these parties met registration requirements.

Last year, the Duma enacted amendments to the criminal and administrative codes redefining “extremism” so broadly and vaguely as to provide a potent weapon to wield against and intimidate opponents; greater self-censorship appears to be a major goal in this effort. We note, for example, that Dissenters’ March leader Garry Kasparov has already been questioned by the FSB in its investigation into “extremist” activity. Even the most cursory analysis of Russian national broadcast media shows news reporting skewed decisively in favor of Kremlin-approved parties and groups.

Against this background, the U.S. and its European Allies and friends continue to support Russian democracy and civil society. These issues are regular parts of our bilateral and multilateral consultations. President Bush, when he was in St. Petersburg last summer, hosted an event with NGO and civil society leaders, sending a powerful message of American support and solidarity. Just last week, the Secretary took part in Moscow in a roundtable discussion with leaders of civil society and other figures. She also has regularly and candidly articulated our concerns with Russia’s leadership, as she did last week. The Secretary, my colleague Assistant Secretary Lowenkron of the Bureau of Democracy, Human Rights, and Labor, and I have participated in NGO events in Russia to showcase our support for independent media and civil society. The OSCE also remains an important forum for the United States and others to remind Russia that its commitments to democracy and human rights are not just “internal matters,” but commitments

that all State Parties to the Helsinki Final Act have undertaken to observe and protect.

Russia's relations with its neighbors and with Europe remain an issue of considerable concern. Moscow often still approaches its neighbors with a zero-sum mentality, particularly when it comes to those countries, such as Georgia and Ukraine, which choose to pursue closer Euro-Atlantic ties. We and European countries have spoken out against Russia's use of energy to apply political and/or economic pressure on neighbors, such as in the case of Ukraine in 2006. We are concerned by apparently political interference with infrastructures, as in the case of claimed structural deficiencies that restricted traffic on a bridge to Estonia this month, prolonged "repairs" to an oil pipeline to Lithuania, or the closing of Russia's only legal border crossing with Georgia last year.

Russian-Georgian relations, after a period of extreme tension, have shown tentative signs of limited improvement, but Moscow could do much more to normalize relations. Russia maintains the economic and transportation sanctions it imposed against Georgia last fall. Likewise, it continues to take actions that call into question its professed support for Georgia's territorial integrity by supporting separatist regimes in Georgia's South Ossetia and Abkhazia regions; it provides the same support to the separatist regime in Moldova's Transnistria region. The United States continues to call on Russia to end these policies and work with our European partners to implement confidence-building measures designed to bring the sides in each conflict closer together. At the same time, we encourage Russia to play a more constructive role and to use its influence with the separatists to advance a peaceful resolution of each conflict in Georgia. The United States has had productive high-level discussions with Russia on these issues. Russia recently sent officials to Tbilisi to discuss reducing tensions in South Ossetia, and publicly scolded South Ossetian de facto authorities for violations of existing agreements. We have also encouraged both sides to ameliorate their relationship and understand that Russian and Georgian officials are scheduled to meet soon for this purpose.

The United States is also working to advance a resolution in the separatist conflict in Moldova's Transnistria region. The United States and EU are official observers at the 5 + 2 Talks, negotiations that have been at an impasse for more than a year because of the Transnistrian side's unwillingness to engage. The Russian and Moldovan governments have recently called for a resumption of the 5 + 2 process, although Russia has to date failed to use its heft to bring the Transnistrians back to the negotiating table, and we hope that all parties will engage seriously. Russia's recent statements calling for resumption of the 5 + 2 process have also made mention of the principle of Moldova's territorial integrity. Finally, despite promises by President Putin himself last fall that the ban against Moldovan wine and agricultural goods would be lifted, the ban is still in place.

On one separatist conflict, in Nagorno-Karabakh, the United States and Russia work well together in trying to facilitate a resolution. Together with OSCE Minsk Group Co-Chair country counterparts from Russia and France, I traveled to the region last spring to push the peace process forward by presenting to the

Presidents of Azerbaijan and Armenia a set of proposed basic principles for the peaceful settlement of the Nagorno-Karabakh conflict. These principles remain the centerpiece of negotiations between the two sides even today. While recognizing that the burden for resolving the conflict lies with Armenia and Azerbaijan, we nevertheless continue to show that the United States and Russia can work together to facilitate a peace process that could bring greater stability and security to the South Caucasus, which is in our mutual best interest.

We regret Russia's so far hostile attitude toward U.S. plans for placing elements of a limited missile defense system in Poland and the Czech Republic (intended to shield the United States and its European allies against missile threats from the Middle East) and President Putin's announcement on April 26 that Russia would consider a moratorium on implementation of the Adapted Treaty on Conventional Forces in Europe.

We have held numerous briefings and consultations with Russia on our missile defense plans for more than a year (both bilaterally and in the NATO-Russia Council), and geography and geometry both demonstrate that the very modest system proposed in Poland and the Czech Republic poses no threat whatsoever to Russia. Speaking at the NATO Ministerial in Oslo April 26, Secretary Rice described as "purely ludicrous" the idea that somehow 10 interceptors and a few radars in Eastern Europe are going to threaten Russia. We and the Russians simply do not agree here, but we will continue to work to reach a better understanding between our two countries on this important issue. Both the State and Defense Departments, including Secretaries Rice and Gates, have briefed Russia on our missile defense plans for more than eighteen months. We have kept—and will continue to keep—Russia fully informed about those plans. We are committed, as we have been in the past, to consulting with Russia and being transparent with it about missile defense. We have offered to cooperate with Russia across the full spectrum of missile defense activities, an offer that the Russians themselves have described as "serious," and that offer remains on the table. But Russia does not have a veto over our missile defense plans.

Regarding the Adapted CFE Treaty, it isn't clear to us exactly what Russia's concerns are. The Russians have made it clear that they want NATO Allies to ratify the Adapted Treaty, among other reasons because they would like some of our new NATO members, particularly the Baltic states, to be able to join. The United States and its NATO Allies are prepared to ratify the Adapted CFE Treaty after Russia fulfills its outstanding Istanbul Commitments, dating from 1999, in Moldova and Georgia. Under the provisions of the adapted CFE treaty signed in Istanbul in 1999, Russia made three sets of commitments. First, it pledged to reduce its forces in the CFE flank area to the level specified by the Adapted Treaty, and has done so. Second, there's been important progress in Georgia, where the commitments are almost fulfilled, except for the need for Russia to reach agreement with Georgia on the status or withdrawal of the Russian presence at the Gudauta base. On the third set of commitments, concerning Moldova, Russian forces were supposed to have been withdrawn by the end of 2002; that deadline

was extended by agreement of the OSCE to the end of 2003. In fact, there has been a stalemate on Russian withdrawal since early 2004. Russian forces, some designated as peacekeepers, remain in the separatist area of Transnistria, along with some 20,000 tons of stored munitions. Moldova wants all Russian munitions and forces, including the peacekeeping force (PKF), to be withdrawn. However, Moldovan authorities have said that they would be willing to accept Russian participation in a genuinely multinational PKF, under an OSCE umbrella. We are urging Russia and others to negotiate seriously on a transformed PKF. A decision to field such a force would be a major step toward solving this conflict and toward fulfillment of the Istanbul commitments.

Russia has made dramatic economic gains over the past few years. We welcome Russia's economic revival, particularly after difficult economic transitions in the 1990s. Prosperity and peace is in everyone's interests. We welcome Russia's economic revitalization, but are concerned that this revival is built upon certain vulnerabilities: Russia's wealth remains more value-extracted than value-added. Russia's economic gains have fueled a certain bravado in Russia's external agenda. But those gains are also fostering the growth of a nascent middle class whose emergence, over time, we hope will bring with it modern political reforms, including greater accountability and governmental responsiveness. The United States supports Russia's integration into rules-based international organizations, such as the World Trade Organization, consonant with Russia's commitment to those organizations' principles. An important step towards Russia's integration into the norms of the global economy was reached last fall with the closure of the U.S.-Russia bilateral WTO agreement—arguably the biggest single step forward in our economic relationship in the past decade. While not a miracle cure for either of us, it very much serves the interest of both our countries.

The range of both U.S. and Russian interests are clearly global. Given that reach, it is imperative that both our countries seek to work together wherever possible, even when such cooperation may prove challenging. At the same time, we are committed to defending our principles, pushing back wherever we must. U.S.-Russia relations require ongoing dialogue. As I mentioned, Secretary Rice just completed a good visit to Moscow last week, and the President will meet with President Putin during the G8 Summit in Germany in June. This and other opportunities in the coming months will provide important moments to try to narrow our differences on issues that matter to us while pressing forward on elements of our constructive engagement with Russia as well.

Mr. Chairman, members of the Commission, I am grateful for the opportunity to speak before you today, and look forward to your questions.

PREPARED STATEMENT OF SARAH E. MENDELSON, DIRECTOR OF HUMAN RIGHTS AND SECURITY INITIATIVE, AND SENIOR FELLOW, RUSSIA AND EURASIA PROGRAM, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Chairman Hastings and Members of the Commission:

Thank you for inviting me to participate in this hearing on Russia and the implications for U.S. policy. My name is Sarah Mendelson. I direct the Human Rights and Security Initiative at the Center for Strategic and International Studies, where I am also a senior fellow in the Russia and Eurasia Program. It is an honor to be here.

My comments today focus on both the international and national contexts surrounding Russia's authoritarian drift. I address how the decline in the U.S. position in the world has enabled Russian policies, particularly on human rights issues. I then discuss trends inside Russia with attention to poorly functioning state institutions. I conclude with specific recommendations for U.S. foreign and assistance policies.

I. DECLINE OF U.S. INFLUENCE: INCREASE IN RUSSIAN INFLUENCE?

For over a decade following the collapse of the Soviet Union, Russian foreign policy barely existed and influence beyond its borders was minimal. The Putin era can be characterized in part by the re-emergence of foreign policy and influence, mainly through energy resources. Today, I want to suggest, however, that there are additional important issues outside of Russia's borders about which Russia has influence, e.g. those relating to human rights.

Russia's political trajectory has long been a U.S. national security concern, but U.S. influence and ability to affect this trajectory have greatly declined over time. During the Cold War, the United States represented an alternative, bolstered by the rule of law and notions of hope and justice for those oppressed by the Soviet Union. By 2007, the vision of the United States as a countervailing weight associated with human rights has been greatly damaged.

Today, Republicans and Democrats alike recognize what so many beyond our borders have noticed: in recent years, the United States has experienced a steep decline in what Harvard Professor Joe Nye has termed "Soft Power"—the ability to persuade and inspire through non-military means. This decline has had a hugely negative effect on the ability of the United States to promote democracy and human rights.

In the Russian context, the beginning of the decline predates both Presidents Putin and Bush. It was a by-product of perceived hypocrisy over U.S. support for elements of faux democracy in Russia dating back to the mid 1990s. Whatever the source, the consequence has been to enable the authoritarian trend and isolate human rights defenders inside Russia.

Much damage has occurred however since 2001. Current and former senior U.S. government officials claim that because of U.S. counterterrorism policies adopted since 2001 and also abuses related to the war in Iraq, the United States has lost much leverage concerning the systematic and wide-spread abuses by Russian authorities in Chechnya. One senior American diplomat lamented,

“Abu Ghraib has had an effect. And certainly the Russians love to say we told you so. They talk a lot about how Iraq is exactly what ‘we had in Chechnya.’” That loss of leverage is important because what happened in and around Chechnya has been used as a pretext by the Russian government to control many of the institutions we associate with democracy, including critical, independent television, transparency in elections, accountability of law enforcement and the army.

Over time, as U.S. soft power declined, the Putin administration has embraced a conception of the state that is both hyper-sovereign and threatened by democratic and human rights norms. Russia’s hyper-sovereign mode drives Russian administration officials, and Putin himself, to regularly invoke anxiety among the population concerning the “dangers” of foreign influence, suggesting that Russia is becoming encircled by enemies. For the public and especially the elite, the United States has become a negative force, a view reflected clearly in Putin’s February 2007 Munich speech as well as more recent pronouncements.

The Russian government, in addition to others, has increasingly taken advantage of the leadership gap left by the decline in U.S. soft power. How this translates to Russia’s engagement with the world and specifically with international organizations is considerable. This Commission is well aware of how the Russian government has attempted to change the rules and norms governing OSCE election observation. As symptomatic and perhaps more disturbing is a recent trend in the UN Security Council by the Russian Federation, along with China, to block international responses to evidence of gross human rights violations in Darfur and in Burma. At least one human rights organization claims the Russian and Chinese governments appear to have supplied Sudan with arms or dual use technologies that were diverted to Darfur despite the arms embargo in place since 2005.

If U.S. soft power continues to decline, or if there is no change in the current configuration over the next decade, Russia (together with China) can essentially “set the table” on human rights issues in ways that favors hyper-sovereign interpretations of international legal frameworks and noncompliance by states concerning human rights. This trend bodes very badly not only for the international human rights machinery, in place in no small part to past U.S. leadership, but for peace and security in the international system.

II. SOURCES OF INSTABILITY INSIDE RUSSIA: ORDER OR FRAGILITY?

Human rights abuses inside Russia are not news. Since the summer of 1999, there has been credible evidence linking Vladimir Putin to the steady shrinking of civil society in Russia, the shutting down of independent media outlets, and general suppression of critical speech. A climate of fear among activists has grown under his leadership. I testified before this Commission almost seven years ago to the day, and sadly much of what I wrote then reads as if it were written for this hearing. At that time, however, President Putin was talking to the West with one voice while doing at home what he could to gain control over any critical voices. The West was slow to take notice. Today, he has stopped speaking in sooth-

ing tones to the West, and there is considerable alarm among friends and allies.

The situation inside Russia is more troubling today than several years ago because the public demand for something different—for more freedoms—appears quite muted. Aside from a few hundred people in Moscow and St. Petersburg demonstrating in recent weeks, there does not appear to be wide-spread public unhappiness with Putin's policies. The reasons are complex but important to understand because they often lead outsiders erroneously to think there is nothing to be done or that we should in fact do nothing.

In focus groups in various Russian cities, I have observed participants explain why state control of the media seems a better arrangement to them than what they perceived as oligarchic control over the media in the 1990s. Trust in political parties has been extremely low for several years so it is no surprise that the fact that parties have all but disappeared does not generate any sort of protest. Some NGOs, such as the Committee of Soldiers' Mothers, are seen as very positive by majorities of respondents in CSIS surveys, and if the government were to move against that organization, there is the possibility of public response; this Russian organization provides much welcomed counseling concerning conscription to families with draft-age young men.

Putin is popular, but it is important to remember his popularity derives in part from the complete lack of critical reporting on television of any activities inside the Kremlin. There are no investigative reporters writing of corruption, poor intelligence gathering and botched counterterrorism operations. The few that do, such as Anna Politkovskaya, risk (or lose) their lives. Moreover, Putin continues to be seen as the anti-Yeltsin. He is not drunk at meetings with international leaders. He stands up to the West. The economy has done well, in contrast to the collapse of the ruble. In short, there is some semblance of order in contrast to what many experienced in the 1990s as chaos. This "order" I want to suggest is more fragile when one looks closely inside Russia.

Important public institutions in Russia are not functioning as they should. Russia is currently experiencing multiple health crises. We in the West tend to focus on HIV/AIDs, but in a survey that I co-authored of 1,200 Russian doctors, all of whom had treated HIV-infected patients, only 15 percent said HIV was the most important health crisis. Instead, they report non-communicable diseases such as alcoholism, cardiovascular ailments and cancer as the top health threats. Russia's demographic crisis is unlikely to be solved by the baby bonus the Putin administration has put in place. In focus groups I observed a few weeks ago with young women in St. Petersburg, this policy was met with smirks and laughter.

The story of the health crises could be repeated when speaking of the police and the army. In one survey we conducted, over 40% feared arbitrary arrest by the police. The recent disproportionate use of force by the special police, the OMON, against the demonstrations in Moscow and others cities also speaks to fragility of public institutions and the fear that the authorities have of protest. Moreover, because the media have been gutted and the judiciary is not independent, the normal recourse for fighting and routing out

corruption simply do not exist. In other words, the system has lost whatever internal fail-safe mechanisms it had.

I am especially concerned about the trends toward nationalism and xenophobia, where increasingly, foreigners are viewed as enemies, and Russia is viewed as encircled by enemies. Specific policies as of spring 2007 make it illegal for non-Russians, even those legally registered, to sell food in markets. Anti-American sentiment is part of this larger trend. A spring 2007 brochure from the Kremlin-friendly youth group “Nashi” is a frightening example. Addressed to the “pokolenie Putina” (Generation Putin), it is filled with the rhetoric of “betrayal,” “traitors,” discussion of Georgia as an “American colony,” “American invaders” into Russia, “fascists and traitors getting ready” to invade and break Russia up. While Kremlin authorities went back and forth about whether Putin’s May 9 (2007) speech actually contained comparisons of the United States to the Third Reich, this brochure and many other speeches suggest that at a minimum, the authorities are highly permissive of language that increases nationalism.

Finally, in addition to the fragility of important public institutions, and the increase in nationalism, the potential for instability inside the North Caucasus region of Russia deserves special mention. The conventional wisdom articulated by the Kremlin and other experts that the president of Chechnya, Ramzan Kadyrov, is the provider of order is deeply worrisome, not to mention misleading. There is credible evidence of on-going disappearances and torture. Chechnya experiences the rule of man, not the rule of law. Elsewhere in the North Caucasus, a 2006 CSIS survey of 1,200 males found three times the unemployment rates in this largely Islamic portion of Russia, while social services are poor to non-existent. The men in the survey were neutral or indifferent to assistance from outside. Whoever gets there first—whether it is the Russian government, the West, or salafi jihadists—will shape what happens next. The answer bears on the future trajectory of the region.

III. RECOMMENDATIONS FOR U.S. POLICY: RUSSIA AND BEYOND

The decline of U.S. soft power has enabled the authoritarian trend and left human rights defenders inside Russia isolated. Reversing the decline will take some time. Here are three specific recommendations for changes in U.S. policy:

- Reposition U.S. foreign policy, including counterterrorism policies, to be compliant with human rights laws and norms;
- Reorient U.S. assistance to target local needs;
- Recognize the role that history plays in current political developments.

Opt Back Into the International Legal Community

If we want to see the development of a human rights culture in Russia (or elsewhere for that matter), we must focus on getting our own house in order. Over the last several years, the transatlantic community has increasingly appeared not only ambivalent about human rights violations inside Russia but ambivalent about human rights in general. In the United States, policy makers have often

traded compliance with international human rights and humanitarian law for allegedly greater security in their efforts to combat radical jihadists. This is a false and dangerous trade-off.

The United States has a particular historical, bipartisan legacy as a generator of international human rights and humanitarian laws. The current administration has done considerable damage to this substantial legacy. In the coming years, all branches of the United States government and members of civil society need to do what we can to reclaim our role as generators of human rights norms, not as abusers. We need to stop enabling authoritarians by opting out of long-standing international human rights and humanitarian laws and opt back in.

My expectations that an “opt in” strategy will be adopted during the remainder of the Bush administration are low. The next administration, however, whatever its party affiliation should make this a central part of its campaign and show serious movement on this issue within the first 100 days in office. Before we can reclaim credibility, we must show the world that we are re-embracing international human rights and humanitarian law, not only because it is the right thing to do but also because it makes us safer. Our credibility and ability to stand together with other democracies against authoritarian trends, including ones that threaten international peace and stability, depend on it. The world with the United States as a positive legal force is a safer one. The world where the United States is a norms violator puts us at a greater risk.

Get Smart on U.S. Assistance

U.S. foreign assistance is often driven by needs in Washington. With an almost obsessive preoccupation with outcomes—in part, because of Congressional hearings—assistance has sometimes unwittingly enabled civil society to be disconnected from local populations and instead focused on the donor. Indeed this is a criticism leveled by President Putin himself.

There is no intrinsic reason why this should be the effect of assistance. Foreign assistance can help stimulate and nurture demand for human rights and democracy when it is informed by public opinion and when resources are used to help local organizations target local needs. While no one has approached the U.S. public about developing assistance strategies that are based on listening and responding to local needs rather than to Washington’s needs, my guess is that Americans will support this shift to improve U.S. foreign policy.

In fact, the times demand radically different approaches to democracy and human rights work in Russia than have been used since the early 1990s. Smart assistance should be comprised of programs informed by public opinion addressing what the local population wants supported. It also can help local NGOs orient toward the public and away from a preoccupation with its own members or the government. Our work at CSIS suggests that despite the Kremlin campaign against foreign assistance, Russians are not hostile to initiatives concerning health, the environment, and human rights. We certainly know there are great needs in these realms.

Right now, Congress has a specific role to play in rejecting the Bush administration's drastic cuts to human rights funding for Russia. The amounts requested are utterly insufficient, and the strategies are inappropriate given the worsening human rights situation in Russia today. Freedom House has found that the Bush administration has requested a decrease worldwide for support of human rights by 9%. In FY 08, the administration is poised to spend less than \$1 million on human rights in Russia, or 1.62% of human rights funding globally. The only message that sends to the Kremlin is that the United States does not in fact stand with Russian human rights defenders.

Don't Forget: Memory Affects Political Developments

In closing, the theme of today's hearing—whether Russia is in transition or intransigent—depends at least in part how Russia reconciles with its past, and how we outside of Russia help or hinder that process. Among the many mistakes characterizing democracy assistance in the 1990s was the assumption that the past could be quickly forgotten or overcome. Instead, the economic hardships of the 1990s coupled with Russia's unfinished reconciliation with its past—a history in which millions were deported, countries occupied, slave labor institutionalized, secret police mobilized, and tens of millions disappeared—have been fertile ground for Soviet and Stalinist nostalgia.

Misperceptions are not surprising given the lack of critical texts taught in Russian schools but the fact that there is no taboo surrounding the issue of Stalin, as we discovered surveying young Russians in 2005, reveals a tremendous gap between young people in Russia and elsewhere. A majority of young Russians in the survey believed that Stalin had done more good than bad. About 20% would vote for him if he ran for president. His name often comes up in positive terms in our focus groups. As long as young Russians remain uneducated, mildly supportive, or even just ambivalent about a dictator who institutionalized terror, disappearances, slavery, and had millions killed, they are unlikely to protest disappearances in parts of Russia today or join young people in other countries in the struggle for justice and human rights.

Absent memory is not in any way unique to Russia. Democracy in the United States has become more robust only when we have addressed our abuses and crimes. In fact, how a country reconciles or not with its past—especially with episodes of gross human rights violations—seems to have a profound but often overlooked effect on political and social development. Strikingly, this focus is almost completely absent in U.S. government approaches to democracy assistance and human rights. The time to change that is now.

Thank you.

**PREPARED STATEMENT OF E. WAYNE MERRY, SENIOR
ASSOCIATE, AMERICAN FOREIGN POLICY COUNCIL**

Mr. Chairman,

Thank you for the opportunity to evaluate Russia for the Commission.

Russia is no longer in a post-Soviet transition; that process is pretty much complete. The transition lasted from the Mid Eighties till the late Nineties, roughly the period of Mikhail Gorbachev and Boris Yeltsin. It produced the fairly stable governing system we see today, which is likely to endure for several decades. This is a recurrent pattern in Russian history: stagnation, crisis, collapse, transition, restoration. It occurred twice in the Twentieth Century. Some in this room may live to see it happen again.

Russia today has a ruling elite of shared formative background, generation, political orientation and convictions, plus control of the instruments of state power and dominance of the country's productive economic sectors. This is a prescription for longevity in power, but no guarantee of enlightened governance. What we see in Russia is certainly a disappointment to many, including Russians, who had hoped for better. The reversal of momentum toward participatory and pluralist government, growth of genuine civil society, and rule of law is not good for Russia. However, the alternative to the present ruling system could be something worse. Much worse. The men in charge of Russia today are not extreme nationalists nor irresponsible gamblers on the world stage. Count our blessings.

Russia's ruling elite—today as so often in the past—are believers in *derzhavnost*, a term difficult to translate into English. It is something like the French *etatism* on steroids, almost the cult of the great state. In *derzhavnost* the state and its greatness command all loyalties and resources, including the people, who are not truly citizens but servants of the state. I view this pursuit of state greatness as an inversion of the requirements of a country with myriad problems and limited resources, but I am not Russian.

However, Russia is not intransigent. Frustrated with its place in the world, humiliated by its recent history of imperial collapse, and angry that it has not achieved acceptance by the West: Russia is all these things, but not immune to rational self interest and reasonable compromise. Russia today is undergoing the aftermath of loss of empire and of great power status. In the past century, this was the experience of Spain, Turkey, Germany, Austria-Hungary, Italy, Belgium, the Netherlands, France, Great Britain and Portugal. Russia came comparatively late to this difficult process and has so far made relatively little progress on a long learning curve. This is a reality requiring some American understanding and patience.

I see no prospect of a new Cold War. If Gorbachev understood the Soviet system of the Eighties could not manage the competition, Russia's leaders today know they cannot. In his recent national speech, President Putin proudly noted the country's progress has lifted it into the ranks of the world's ten largest economies. I recall a similar assertion thirty years ago by Erich Honecker about the former East Germany. Thus, with all Russia's oil and gas reve-

nues, it today has the ranking in the global economic league tables aspired to by the old GDR. Not a basis for a new Cold War.

Russia's internal problems remain immense, and should be the focus of state policy, even if the ultimate goal is restoration of greatness. Many people think Russia's domestic difficulties are the result of the Soviet collapse. This is wrong. The multiple crises which themselves produced the Soviet collapse—the result of decades of wrong policies—plague Russia today. These include the catastrophic legacies of collectivized agriculture, a garrison-state economy, fantastic waste and mismanagement of natural resources and investment, environmental depredation on a huge scale, and the evisceration of civil society and national spiritual life.

Most serious is the combination of the health crisis and demographic decline. I must emphasize these are not new problems. The health crisis dates from at least the 1960s, when infant mortality rates started going up and life expectancy down. The decline in fertility rates in Russia began in 1981, reaching crisis proportions by the end of that decade. Today, Russia is in the second generation of a downward demographic spiral, reducing the country's population in ways which bear no parallel to the "greying" of Western societies. The consequences are dire. For example, the conscription pool for the armed forces peaked about four years ago and will decline at least till the mid-Twenties. The same is true of young women reaching childbearing age, creating the inevitability that the next generation of Russians will be smaller than the current one, and the one after still smaller, unless something systematic is done to slow the spiral. Political rhetoric is inadequate to restore fertility rates now at only half of replacement levels or to rectify chronic bad health across the entire population, but especially critical among Russia's potential parents.

Cannot Russia's revenues from oil and gas be applied to the problems inherited from Soviet misrule? In principle, yes, but it has not happened to a significant degree yet. Thus far, the money has been used to rid Russia of external debt (not a bad thing) and to create a series of vertically-structured economic combines to ensure centralized political control of productive sources of national wealth. President Putin recently announced some ambitious programs to address the country's housing, infrastructure and other physical deficiencies. Hopefully, these will be real programs but, as an experienced Moscow veteran, I remain skeptical. We have yet to see adequate resources devoted to vitamin deficiency childhood diseases, multi-drug resistant tuberculosis, HIV/AIDS, intravenous drug usage, or the biggest killer, cardiovascular stress diseases. These failures are more a threat to Russia than potential external adversaries.

The oil and gas revenues are unfortunately a political intoxicant. Russia resembles a gambler who wins a few rounds after a long losing streak and suddenly imagines he is on top of the world. This is a source of great concern to Russia's trade partners, especially its energy customers. Moscow tends to see its control of hydrocarbons and of some key pipelines as instruments of national greatness rather than as commercial assets. Moscow's clumsy manipulation of oil and gas supplies will likely continue, and may inspire its major customers to diversify their future sources. However, the

looming problem is that there may not be enough oil and gas to meet Russia's growing domestic requirements plus fulfilling its expanding list of export commitments. Many Russian oil fields are seriously depleted, while investment in new gas supplies and pipelines is woefully deficient. Europe, in particular, might worry less about Russian political manipulation of its energy exports than about eroding supplies.

Objectively, Russia is dwarfed by the European Union to its west and China to the east. Russian policy is to punch above the country's actual weight by using its residual roles and influence in selected areas of international relations and to seek primacy among its near neighbors. This is similar to what London and Paris have done in the past half century, with considerable success. Russia benefits in its western policies because the European Union remains a political whole much less than the sum of its economic parts and because major European governments themselves play the game of separate bilateral relationships with Moscow rather than telling their Russian counterparts to talk to Brussels on key issues. For this, the Europeans have none but themselves to blame.

China is a very different case, where the whole is rather greater than the sum of the parts. Some in Russia still speak of "playing the China card", but anyone can see that the locus of power in Eurasia has shifted from Moscow to Beijing, with the latter playing a "Russia card" on occasion (but not often). Russia's supposed strategic partnership with China is based on a shared concern about the primacy of American power rather than on a broad common agenda. After decades of Cold War rivalry with the Soviet Union, China today enjoys a northern frontier which poses no security threat, but Beijing certainly does not view Russia as a model to emulate. China is among the world's leading beneficiaries of globalization and of engagement with America, while Russia is turning increasingly inward and autarchic in its attitudes and policies.

Like other former imperial powers, Russia seeks influence and even primacy within its previous domains. We should recognize that about half the states of the former Soviet Union are themselves fairly comfortable in their current relations with Russia or, at least, more comfortable being subject to Moscow's influence than to that of an alternative, such as Beijing or Washington. This is not unusual, as ex-colonies often maintain privileged relations with the former imperial metropole, not least to maintain the ruling elite of the new state. Many of these countries depend critically on favorable economic ties with Russia, and especially on the financial remittances of millions of their citizens working, legally and not, in Russia. Most of these countries are in no position to pursue true independence, even if they really wanted to. These governments have enjoyed statehood for little more than fifteen years, about where post-colonial Africa was in the mid-Seventies. Real independence takes time.

Three aspects of Russian external policy warrant special comment.

The Baltic republics of Estonia, Latvia and Lithuania are small nations seeking to maintain their identities among much larger and more powerful states. They are indeed fortunate that the Euro-

pean Union provides a venue in which small countries can both survive and prosper. The essence of their tensions with Russia lies in the unwillingness or inability of Russian elites—including many of the supposed Westernizers—to face candidly a shameful page of Russia’s recent history, that of the forced incorporation of the Baltic states into Stalin’s empire. That history, like many other dark episodes of many countries, will remain an impediment to normal ties until it is acknowledged.

Post-Soviet Ukraine emerged as by far the widest country in Europe, geographically, ethnically and culturally. The essence of Ukrainian politics at the national level is always to reconcile or at least accommodate the country’s western and eastern regional identities. Any effort to impose in Kiev a pro-Russian or anti-Russian policy is doomed to fail, especially if such a policy is directed from outside the country. Short of changing Ukraine’s borders—an expedient of extremists—the country must face both east and west at all times. While it remains difficult for many Russians to think of Ukraine as truly independent of Russia, I believe Moscow has learned from recent events that an effort to manipulate Kiev too overtly is counter-productive, both by inflaming resistance from much of the Ukrainian populace and by encouraging economic elites in the eastern region to adopt a more national identity. I tend to view the peaceful character of Russian-Ukrainian relations over the past sixteen years as one of the wonders of the world. It could have been much different, as Yugoslavia showed. Despite their mutual difficulties, Russia and Ukraine are gradually finding a *modus vivendi* likely to endure.

Georgia’s current bad blood with Russia is something of an historical anomaly, as for many generations Georgians enjoyed as privileged a position in the Russian imperium as did the Armenians, who today have the most cordial relations with Russia of any of the former Soviet states. However, the bad blood between Georgia and Russia is quite real on both sides. Moscow without doubt has sought to exploit the issues of Abkhazia and South Ossetia, sometimes without carefully considering the potential consequences within the nationalities on Russia’s side of the Caucasus. Nonetheless, it bears pointing out that Russia did not create these two ethnic disputes, whose origins lie with extremist Georgian nationalist policies in the waning days of the Soviet Union, which led the Ossets and Abkhaz to believe (whether correctly or not) that they faced ethnic cleansing or worse. The most effective policy Tbilisi could take to counter Russian meddling in these two regions is to acknowledge candidly, and publicly, this shameful page of Georgia’s recent history. Sadly, neither the Shevardnadze nor Saakashvili governments has been prepared to do so.

Mr. Chairman, I know that some people in this country tend to view contemporary Russia as many Russians might like to be viewed: as a restored neo-imperial power able to have its wicked way on the world stage. I cannot agree. Russia claims a number of supposed “strategic partners”—all of them in reality tactical relationships—but has no allies beyond its neighboring client states. Russia is welcome in various international venues as a second-tier player to balance some (but not much) of the predominance of the United States. When countries share a policy objective with Wash-

ington, Moscow drops to third tier. Russia's transitory hydrocarbon wealth and the surface glitter of its largest cities are not the stuff of real power. An economy dominated by commodity exports and politically-dictated investment decisions is characteristic of the Third World, not the First. Given its imploding population, some Russian experts worry about their country's ability to hold on to its present territory by mid-century, especially in the Far East and northern Caucasus. An expanding middle class largely composed of government employees is not the same as a true civil society. A political culture obsessed with the pursuit of state greatness rather than with the well-being and health of its inhabitants is more of a danger to them than to us. I firmly believe Russian culture, talent and individual genius will continue to flourish, but perhaps increasingly within the large and growing Russian diaspora.

Mr. Chairman, twenty-five years ago my colleagues and I of the American Embassy in Moscow sat arguing with a team of analysts from Washington who told us the Soviet Union was an economic superpower with living standards equal to those of Great Britain. They had the statistics, while we had the evidence of our daily lives. Within less than a decade, the entire edifice of Soviet power had collapsed. Today, Russian policies are often difficult and even obnoxious for the United States, but I believe we should not exaggerate the challenge Russia poses. Russia remains a country more defined by its problems and weaknesses than by tangible strengths. In pursuit of our national self interest, the United States should be calm and patient in dealing with Russia, and avoid intransigence of our own. There will be opportunities for mutual cooperation with Russia and we should build on them. Our relations are now poor but can, and should, improve.

Mr. Chairman, thank you for the opportunity to appear again before the Helsinki Commission.

**PREPARED STATEMENT OF LILIA SHEVTSOVA, SENIOR
ASSOCIATE, MOSCOW CARNEGIE CENTER**

Mr. Chairman and Members of the Commission.

Thank you for inviting me to take part in this hearing on Russia. It's a great honor to be here.

My comments will focus on key domestic and foreign policy drivers and challenges Russia is facing today.

The Vladimir Putin era is nearing the end of the line, and the Russian political class is now preparing to jump aboard a new train. Before the new election frenzy begins, we ought to reflect on the framework of the Russian political system, its potential in domestic and foreign policy, and where it will take Russia in the future.

GRASPING A MOVING TARGET

Studying Russia is sometimes a thankless task. How can one possibly grasp this moving target—this hybrid society that combines incompatible trends and interests and sees itself with intentionally blurred vision? Understandably, both Russian and Western observers simplify the situation, gathering only the facts that fit their preconceptions and ignoring inconvenient truths. The result, of course, is a dangerously incomplete picture.

The observers generally break down into two camps. First are the “pessimists” and critics of President Vladimir Putin. In the mythology of the critics, Boris Yeltsin’s tenure was a success story of liberal reform, a legacy that Putin betrayed. Taking up the mantle of the doomsayer, some pessimists contend that Russia’s long history of autocratic rule has left its people incapable of living in a democratic system. As Richard Pipes puts it, “Russians tend to view one another as enemies. . . . They are not only depoliticized but also desocialized.”¹ If Pipes and the others in this camp are correct, the West would do well to protect itself by throwing up a new iron curtain.

In the other camp are the “optimists,” mostly crowding around the Kremlin, who praise the current regime. This praise, however, is a thin disguise for a condescending belief that Russians have got what they deserve and are not mature enough to live in a free society. This school of “optimists” includes those who maintain that authoritarianism is Russia’s only path to modernization (despite the fact that the increasingly powerful Russian regime has abandoned reforms altogether.) There are also analysts who counsel patience, arguing that a healthy market and middle class must arise before Russians can begin to think about an open and independent civil society. (This group struggles to explain why the Russian economy grows even as political freedoms shrink, or why the middle class doesn’t feel very “middle” these days and dreams about being ruled by an “iron hand.”)

These opposing camps of Russia analysts contend over three issues. The first concerns where Russia is headed (boom or doom) and what role Putin is playing (Jekyll or Hyde). The second issue concerns how Russia’s recent history should be divided: the good

¹Richard Pipes, “Why the Bear Growls,” *The Wall Street Journal*, March 1, 2006

years (or bad, depending on the analyst) of the Boris Yeltsin and early Putin administration, followed by the bad years (or good) of the late Putin administration. On the third battleground, the contending camps compare today's Russia with that of the Soviet era in an attempt to determine whether or not Russia is in fact freer now than it was back then.

None of these points of contention get to the essence of the Russian political system, however. They offer no insight into Putin's reasons for backsliding on democracy, no analysis of the Russian people's preparedness for life in the free world, and no predictions about which path to modernization Russia will take.

Analyses of Russia are notoriously impervious to reality. Thus, some intellectuals in Russia and the West have called for an end to Russia-bashing, arguing that Western society itself has difficulty managing democracy. Quite often political correctness replaces objective analysis, as demonstrated by the statements of a number of Western participants of the Valdai forum, a series of meetings organized by the Kremlin to woo Western pundits. Many of these pundits are now toning down their criticism of Russia after having hobnobbed with Putin. Understandably, it is harder to criticize a leader with whom you have shaken hands.

Does the inadequacy of analysis mean that Russia defies explanation? Fortunately, that is not the case. I believe that today there is a better sense of the fundamental challenges Russia faces, and a clear understanding of the capacity of the Russian elite to cope with them. Armed with this insight, we must seek to answer two major questions: What will happen when the factors currently holding Russia together stop working? And how far off is this moment of truth?

BUREAUCRACY'S VICTORIES OVER THE LEADERSHIP AND THE STATE

Those who argue that Putin made a sharp break with the Yeltsin era have a hard time proving it. To be sure, Putin has torn down some elements of Yeltsin's rule. But by doing so, he bolstered the principle of personified power, a principle which Yeltsin set in motion with the 1993 Constitution. Thus Putin showed himself truly to be Yeltsin's successor: Both leaders contributed to maintaining a system that survives by succeeding one set of arbitrary rules with another, each accompanied with a new rhetoric substituting for a nonexistent ideology.

Under Putin, personified power has assumed the form of a bureaucratic-authoritarian regime. Yeltsin's 1993 Constitution was more instrumental in setting this development in motion than any personal convictions Putin might have held. That does not mean that Putin couldn't change Russia's trajectory with a 70–75 percent approval rating, he could risk it, but he never tried. The concentration of power in the hands of a president has led many to conclude that the current regime is autocratic. Appearances are deceiving, however: The Russian president is increasingly dependent on his base, which is comprised of the apparatchiki, the so-called siloviki, i.e. power structures (military, law enforcement and security services), big business and liberal technocrats. These disparate groups have congealed into a bureaucratic corporation. Personified power merely provides the means for the corporation to pursue its inter-

ests. Its core, however, is not siloviki, who have failed to govern, but the apparatchiki (federal and local) who have restored control over the state they lost in the 1990s.

Ironically, liberal technocrats constitute a vital element of the corporation, by injecting a spirit of dynamism and by discrediting liberalism by the very fact of being part of the non-liberal political regime.

The Russian political system has devoted all its resources to maintaining the status quo during the next election cycle in 2007–08. It will succeed in doing so, as long as it manages to prevent a schism from developing within the elite. Putin's successor will most likely have to follow in his footsteps, consolidating the new rule by denouncing his predecessor and forcing today's Kremlin team into early retirement. It would be a gross underestimation of Putin's intelligence to assume that he intends to remain in the Kremlin beyond the end of his second term. He surely understands that, if he were to stay on, he would become a puppet of the new administration, thereby undermining its legitimacy and destabilizing the political system. It is unclear, however, whether Putin will successfully avoid this trap and guarantee a smooth succession. The experiment with two presidential hopefuls, Dmitri Medvedev and Sergei Ivanov, has not been convincing so far, but the real game will start in 2007. It remains to be seen how inventive the Kremlin team is and how it will choose to perpetuate itself.

BUREAUCRACY'S VICTORIES OVER THE MARKET

Having gained a sense of self-confidence, the bureaucracy no longer requires intermediaries to run the economy. This does not necessarily imply nationalization or redemption of property, as happened with Yuganskneftegaz and Sibneft. The bureaucratic corporation has devised several ways to control assets, particularly by installing its representatives on the boards of private companies. The ruling elite will undoubtedly tighten its grip on the economy, although some private companies under Kremlin control—the telecommunications sector, for example—will be preserved. There are signs that the recent redistribution of assets from the oligarchs to the bureaucracy could be followed by a fresh round of privatization, creating a new oligarchy. (Some staunch liberals even recommend re-nationalization as the best way to bring about and legitimize a new round of privatization.) The regime has jeopardized itself, however. By redistributing assets and undermining property rights, it has left itself with no guarantee that the new ruling team will not start the cycle again and do the same thing to them.

Some pundits point to the development of state capitalism in Southeast Asia to justify Russia's bureaucratic capitalism. Is this naiveté or an intentional misreading of history? State capitalism in Southeast Asia was intended to create a level of industrialization that Russia had achieved under Stalin. And furthermore, at a certain point state capitalism begins to degrade the state itself, as the experience of South Korea's chaebols show. No country attempting to marry state power and business has ever been able to meet the challenges of the post-industrial world. The limits of Russian bureaucratic capitalism are now becoming clear too. Despite extremely favorable global economic conditions, economic growth in

Russia slowed from 7.3 percent in 2003 to just 6.3 percent in 2005; industrial production in 2005 increased 4 percent after growing 8.3 percent in 2004; mineral resources extraction grew just 1.3 percent in 2005 compared with 6.8 percent in 2004; oil output has grown by 47 percent in the private sector since 2000, whereas public-sector growth was just 14 percent; independent producers of natural gas have doubled their output, whereas state-owned Gazprom has increased output by just 2 percent.

As the Russian economy loses steam, the government is torn by internal rivalries, a search for scapegoats, and vain attempts to imitate genuine self-confidence. Meanwhile, arbitrary, interventionist state behavior is scaring off potential investors. Foreign investment is still coming in, to be sure, but Russian cash is getting out. The state that makes a show of being mighty and powerful has proven too weak to keep its commitments to business and society, and too feeble to maintain a rule-based order.

THE NUCLEAR PETROSTATE

As bureaucratic capitalism has no interest in diversifying the economy, Russia is beginning to resemble a petrostate. Natural resources account for 80 percent of total Russian exports, and energy accounts for 60 percent of resource exports. More than 50 percent of investment flows into the natural resources sector. Other characteristics of the petrostate are becoming increasingly pronounced in Russia: the fusion of business and power; the emergence of a rentier class that lives on revenue from the sale of natural resources; endemic corruption; the dominion of large monopolies; the vulnerability of the economy to external shocks; the threat of a “Dutch disease”; and a large gap between rich and poor.

A new phenomenon, the “nuclear petrostate,” that is the state relying on commodities and at the same time having the ambitions of the nuclear superpower, may yet surprise the world.

Until recently the Russian elite considered overreliance on natural resource exports to be a weakness. Not anymore. Today, the Kremlin is attempting to turn this liability into a strength by transforming Russia into the “energy superpower.” It is a strategy that testifies to the government’s failure to develop a competitive, high-tech economy, such as the one India is forging. It also raises difficult questions. How can Russia aspire to become the world’s energy supplier when Gazprom’s output grew by just 0.8 percent in 2005; when oil output growth is not expected to exceed 2 percent this year, the smallest increase in five years; when half of Russia’s gas pipelines are more than 25 years old and 80 percent of the equipment used by the oil industry is out of date; when the average age of equipment in the electrical grid is 25 years; when 75 percent of Russia’s proven oil and gas reserves are already in production; and when the most of the country’s oil reserves are expected to run dry in 25 years?

By ignoring these questions and making Russia the peddler of natural resources to more developed countries, the ruling elite consigns Russia to a future of obsolescence.

RUSSIA IN THE GLOBAL ARENA

After 15 years of retreat in its foreign policy, Russia is regaining confidence. This confidence stems not only from high oil prices and the Kremlin's attempt to overcome the humiliation of the 1990s, but also from purely external factors: the confusion surrounding European integration; U.S. difficulties in Iraq; and world resentment to U.S. hegemony. However, the most powerful factor explaining Russia's new assertiveness is necessity. The Russian system can't consolidate itself without a global presence. Russia's ability to flex its muscles internationally has always proven to be a powerful instrument for domestic control. Maintaining Russia's superpower ambitions and its domination of the former Soviet space are crucial to the reproduction of its current political system and self-perpetuation of power. Hence Russia's message to the world: "We're back!"

During Putin's first term, the Kremlin developed a multi-vector approach to foreign policy, which amounted to simultaneously moving west and east, but refusing to make a final commitment to either direction. Until recently, this multi-vector approach, a substitute for the old geopolitical agenda, was essential for Russia's survival in light of its diminished power and failure to integrate with the West.

For the first time since perestroika, the Kremlin has publicly declared through its foreign affairs minister, Sergei Lavrov, that Russia cannot take sides in global conflicts, that it must act as a mediator. In other words, Russia is not going to join the West.

So far, Moscow's attempts to mediate between the West and North Korea, not to mention the West and Iraq, have met with little success. Nor can Moscow boast of much success in resolving conflicts in the former Soviet republics (Transdniestria, South Ossetia, Abkhazia, Nagorno-Karabakh). The manner of the Kremlin's intervention in the West's dispute with Hamas illustrates that the Russian leadership is more interested in showing off its regained strength than in producing results. The case of Iran is far more serious, showing the extent to which the Russian elite is willing to sacrifice its national security and partnership with the West in order to pursue the agendas of its interest groups that stand to profit from nuclear contracts and arms deals with Iran. It also demonstrates the Kremlin's concern that Iran may become a repetition of the Iraqi debacle. Regardless of how it might be spun, Russia's relationship with the West is now one of "partneropponent"—cooperation in certain areas and obstruction in others. On the one hand, Russia participates in the NATO-Russia Council, undertakes joint military exercises with NATO troops, and cooperates with Western leaders within the framework of the G-8. On the other hand, the Kremlin works to eliminate Western influence in the former Soviet republics and consolidate Russian society around an anti-Western sentiment. Russian defense minister Sergei Ivanov stated that the main threat to Russian national security is "interference in Russia's internal affairs by foreign states—either directly or through structures that they support."² There is no mistaking the intended target of these remarks.

²Sergei Ivanov, "Russia Must Be Strong," *The Wall Street Journal*, January 11, 2006

Ukraine's Orange Revolution has proved to be a watershed in the evolution of Russia's post-Soviet identity and foreign policy by provoking the Kremlin's desire to recover lost ground. The Russian elite now seeks to persuade the West to endorse a new "Yalta agreement," under which the West would recognize the former Soviet space as Russia's area of influence, and its role as the energy superpower. Regarding the latter role, Vladimir Putin has offered the world an energy security bargain—a trade off between "security of demand" and "security of supply." There are two parts to the bargain: First, Russia would give foreign investors access to its major deposits in exchange for allowing Russian companies access to foreign pipelines and retail networks. Second, the West would legitimize the fusion of state power and business in Russia by letting state companies like Gazprom act as transnational majors. Both parts of the bargain undermine key liberal principles. From now on, its elite has made clear, Russia will only cooperate with the West on its own terms.

This gambit immediately alarmed Western governments, raising concerns regarding Russia's expansionism. It has accelerated a split within the Commonwealth of Independent States and drove some of these states to hide under the Western roof. Putin's energy bargain has triggered a dispute between the European Union and Gazprom that has sent shock waves around Europe.

How far is Russia ready to go to pursue this ambitious, neo-Gaullist agenda? Is the Russian elite ready for confrontation with the West? A significant portion of the Russian elite is trying to have it both ways: integration with the West for themselves and their families, but not for the rest of society. These representatives of the ruling class, such as the oligarch and governor Roman Abramovich, live in the West with their families, hold accounts in Western banks and even manage their Russian assets and perform their jobs from abroad. Yet they make a big show of nationalism when back in Russia. There is a logic to this seemingly schizophrenic behavior. The Russian elite can only maintain its privileged status in a society that is hostile to the West, but not too hostile, lest their personal fortunes be threatened. That means that a major portion of the Russian elite are not ready for serious conflict with the West over any of the above mentioned goals. And they will be ready to soften their assertiveness to strike a deal with the West, including on energy issues. At the same time, another portion of the Russian elite who lack similar personal connections with the West may be prepared—may even long for—a conflict they could use to oust the pragmatists of Putin's type from the Kremlin. This faction has not yet emerged as a major political force in Russia, but the balance of power might shift in the future, especially in times of crisis, for which the elite has shown little inclination to prepare.

It would be wrong to assume that the only reason for suspicion between Russia and the West is the "value gap". Their differences on terrorism and energy security prove growing divergence in their geopolitical interests. Though, Russia and the U.S. are expanding their cooperation on protection and control of nuclear materials. In any case, new situation creates tough challenges for pragmatists on both sides who understand the consequences of Russia and the

West drifting too far apart. Russia's tougher line, designed to secure greater leverage on the international arena, and especially in the energy field, could set in motion a process over which both Russia and the West would lose control.

WHAT DO THE PEOPLE THINK?

Russian society supports Putin, but this does not mean that people are happy with his policies. According to polling by the Levada Center, 72 percent of Russians say they approve of the president's actions, yet only 19 percent consider him a successful leader. 75 percent say "order" is Russia's most important priority, while just 13 percent opt for "democracy" above all. However, it would be wrong to make any conclusions about the state of Russian society on the basis of this poll alone. Only 12 percent of those polled believe that the interests of the state outweigh human rights; 15 percent say that human rights could be sacrificed to the state's interests; 44 percent insist that people have the right to stand up for their rights, even if these conflict with the state's interests; and 21 percent hold that the rights of the individual are more important than the interests of the state. When asked about Russia's relations with the West, 52 percent of those polled expressed a favorable view of the United States (39 percent expressed a negative view). 66 percent expressed a favorable view of the European Union, versus 17 percent unfavorable.³ As these results suggest, a solid majority is favorably disposed to the West.

Russian society is subject to manipulation, like any society that has not yet learned to live in freedom, but for the first time in its history there are no insurmountable barriers preventing its progress toward liberal democracy. Russia has never elected a nationalist or communist president; it has elected pro-Western leaders—Yeltsin and Putin—who declared their intention to modernize the country. Russia's ruling elite, by contrast, continues to live in the past. The possibility cannot be excluded that a crisis will prompt the elite to turn to nationalism and xenophobia, and that a part of society will follow.

AN UNEASY BALANCE

Situational factors help explain the lethargic state of Russian society. High oil prices keep the economy stable. Continued economic growth contributes to a positive outlook in society. The Russian people are still recovering from the turmoil of the Yeltsin years, and they remain disenchanted with the political opposition. Political strategists have managed to fill the vacuum left by the opposition with virtual political forces that leave little room for genuine social movements. The current regime strengthens itself by coopting popular ideas from the opposition. The ruling regime has also caught the favorable end of the political cycle: stabilization and restoration always follow periods of revolutionary upheaval.

Russia's present stability is slowly being undermined by conflicts embedded in the system, however. Among these are the inherent conflicts between personified power and the democratic source of its

³<http://www.levada.ru/russia.html>

legitimacy, and between the regime's attempt to preserve the status quo even as it redistributes the country's wealth. Moreover, the situational factors providing stability today could have the opposite effect tomorrow. Those who rest their hopes on oil to stabilize Russia forget that the collapse of the Soviet Union began with a steep decline in the price of oil in 1986.

The law of unintended consequences also applies to Russia. The more the regime attempts to create a loyal "civil society," the more likely it is to push the disenfranchised and disenfranchised members of society onto the streets in protest. The regime's efforts to ghettoize the opposition will only increase its unpredictability and hostility to the system as a whole. A strong majority of Russians—61 percent—would welcome a real political opposition, against just 25 percent who would not. And one more example of how the Kremlin has been shooting itself in the foot: Its effort to flex its muscles by pressuring Ukraine during the "gas conflict" only undermined its reputation as a responsible partner and forced Europe to look for alternative sources of energy.

No one can predict how long stability can be maintained in such a closed system. At present Russia's stability seems secure, but all bets are off if the price of oil falls dramatically, or if the president's approval ratings take a nose dive.

IS THERE A PATH TO MODERNIZATION FOR RUSSIA?

War and the militarization of everyday life were the engines of Russia's two periods of modernization under Peter the Great and Stalin. By bringing the standoff between the Soviet Union and the West to an end, Mikhail Gorbachev shut these engines down. The Russian elite, failing to find a new impulse to spur reforms, has fallen back on the spirit of militarism. The regime now attempts to preserve the rudiments of a militarist mindset in society by reviving a fortress mentality. On occasion, the Russian elite borrows language used by the Bush Administration to justify its emphasis on military might and its role as "the only sovereign" on the post-Soviet space.

If Russia is not moving forward, does this mean that it is slipping back into the "pre-modernity" of the Soviet or pre-Soviet era? Not quite. Not having the resources (or even the political will) to fully resurrect the old traditions, the political class is attempting something new in Russian history by instead reviving fragments of it. Russia today is sewing together a hybrid combining elements of traditionalism with elements of modernism, a process which fortunately weakens the former but unfortunately undermines the latter.

Understanding that the old phantoms have lost their attractiveness, the Russian political class has tried to create new myths, among them the belief that Russia can modernize by distancing itself from the West, even as it still relies on the West's economic and technological resources.

Russia's bureaucratic-authoritarian system can create the illusion of development—and many people are prepared to believe in illusions—but can do nothing more. There is no doubt that if the system remains in place, Russia will face an unfortunate crisis that could result in a far more brutal regime or a slow process of rot.

Will the elite consider reforming the system before it is too late? This would require political will and a transformational leadership, neither of which seems quite plausible at present. In any case, the elite is unlikely to dispel the illusion as long as the price of oil remains high and as long it can preserve the status quo. It seems more likely that the political class will begin to look for a way out when the oil starts to dry up. The business community will no doubt be the first to realize that the current model leads to a dead end, but only if societal discontent threatens to spin out of control. Clearly, any further modernization will have to be preceded by the reform of the state.

A WORD OF ADVICE FOR THE WEST: DO NO HARM

The West can not do much to aid Russia's transformation, but it can exert a limited influence on the members of the elite interested in personal integration with the West. What could the Western states do to prevent Russia from further backsliding?

- *Practice what you preach.* The success of a liberal alternative in Russia depends on the extent to which the West is prepared to reject double standards, abide by its own principles, and find the balance between freedom and justice.

- *Pay attention.* If the West wants to avoid being surprised by every twist and turn of events in Russia, it will have to invest in preparing a new generation of analysts who can understand the complexities of the post-communist reality.

- *Consolidate the stakeholders.* There has long been a need to move from state-to-state dialogue to society-to-society dialogue, as well as a need to include in the conversation the parties on both sides who have a stake in Russia's integration into Western civilization.

- *Integrate Russia.* The West must avoid isolating Russia at all costs, despite the inherent difficulty in engaging Russia without legitimizing bureaucratic authoritarianism. This task will require a great deal of diplomatic finesse and political will. And while Western politicians are figuring out how to proceed, the Kremlin will no doubt attempt to further co-opt its representatives, as it has done in the case of former German Chancellor Gerhard Schröder.

- *Don't let Russia confuse personal friendship with tacit approval.* Western leaders have ample opportunities to remind their Russian counterparts about the standards Russia committed to uphold when it joined various international organizations, and they can do so privately without humiliating the Kremlin.

- *Make Ukraine a Success Story.* The integration of Ukraine (and if possible, Belarus) into Europe would draw the ire of the Russian elite, yet in the end, such a success would help Russians discard the belief that they are genetically unsuited to democracy.

The time is coming when the Russian authorities will pay even less heed to Western counsel. Once the self-perpetuation of power has begun, no one in the Kremlin will be terribly concerned about how this process is regarded outside of Russia. The West will also have a difficult time finding the right approach to Russia during this period. Appeasement of the Kremlin policy and attempts to avoid criticism out of concerns to damage relations with Russia would strengthen bureaucratic authoritarianism, but a hard line

would most likely contribute to the rise of anti-Western feelings among the Russian people.

The temptation to demand free and fair elections in Russia in 2007 and 2008 could prove to be another trap. Western leaders must take into account the fact that the Russian leadership has perfected the art of “managing” elections. No amount of Western monitoring will alter the result. It is also worth considering that, in the absence of a powerful liberal-democratic opposition, truly free elections in Russia could bring a new group of nationalist, populist leaders to power.

If the West can avoid these pitfalls, it could make a genuine contribution to Russia’s benevolent transformation by working to convince the elite that it should be interested in establishing the rule of law for the sake of its own survival. True, it is far more likely that Russia will have to reach the end of its rope before it will retrace its steps and begin again. The only real question that remains, then, is what price Russia and the world will have to pay for this epiphany.

**PREPARED STATEMENT OF JEFFREY HAHN, PH.D.,
PROFESSOR OF POLITICAL SCIENCE, VILLANOVA UNIVERSITY**

I. PURPOSE

The purpose of this testimony is to raise the following three questions about Russia today and then to offer brief answers to each. The focus here is on Russian foreign policy and its implications for relations with the United States, but I will be glad to address any questions on internal political developments as well.

—Should we care about what Russia does?

—What are the underlying dynamics of Russian-American relations today?

—Why have these relations deteriorated to the point that the U.S. Secretary of State has to travel to Moscow to deny that there is a ‘new cold war’?

II. THESIS

Since the USSR came into existence in 1917, relations between Russia and the United States have alternated between periods of competition and cooperation. My thesis is that whether relations have been cooperative or competitive has depended on the degree to which the leaders of the two sides have perceived that they have a common interest. Following 9/11, Presidents Putin and Bush found such a common cause in confronting Islamist terrorism which threatens the security of both sides. Despite the continued existence of this threat, the close cooperation which was evident in 2001 has given way to competition and tension by 2007. What happened and what are the implications for American policy?

III. HISTORICAL CONTEXT

Initial American reaction to Soviet Russia was hostile. In 1917 the USA joined other European countries in efforts to weaken the Bolshevik regime. They originally supported a “cordon sanitaire” intended to isolate the Bolshevik government diplomatically. In fact, they refused to recognize the Communist government in Russia until 1933. In the nineteen thirties, however, both countries increasingly found a common interest in opposing the emergence of fascism in Europe. From 1941 to 1945 they entered into an alliance against Nazi Germany.

After 1945, relations between the Russia and the United State continued to alternate between cooperation and competition. The period from 1945 to about 1965 was a time of great hostility known as the “cold war,” cold only because actual military conflict did not occur. The American policy was one of “containment” and was based on a perception of Soviet Russia as an expansionary power. Soviet Russia was seen as an imperialistic power whose global ambitions were justified by communist ideology. Soviet expansion could only be deterred by the threat of countervailing power. Containment theory received practical expression in Europe in the NATO alliance, the Marshall Plan, and the Truman Doctrine. It was later extended to alliances in Asia and the Middle East including Japan, Korea, SEATO and CENTO. By 1965, Soviet Russia was encircled by hostile alliances.

The initial phase of the cold war was replaced by a new period of cooperation known as *détente*. Again, cooperation was a result of a common interest, this time to control the growth of nuclear weapons. Although the recognition of this common interest can be seen in the 1967 Non Proliferation Treaty, *détente* reached its zenith with the SALT agreements of 1972. The ABM Treaty in particular was evidence that both sides accepted the concept of mutual assured destruction (MAD) which is based on the assumption that the security of each side depends on their continued ability to destroy each other. The other important result of *détente*, of course, was the political settlement in Europe known as the Helsinki agreement which was signed in 1975 and which signaled an acceptance by all parties of a territorial status quo in Europe.

By the late nineteen seventies, however, cooperation was replaced once again by competition. First, The Carter administration (1976–1980) made human rights issues a priority in its foreign policy and accused Soviet Russia of violating them by placing limits on Jewish emigration in particular. It was when Ronald Reagan became President in 1980, however, that relations became so confrontational that one can speak of a new “cold war.” Going beyond human rights issues, Reagan condemned communist Russia as an “evil empire” and abandoned the SALT process of limiting arms, arguing instead that nuclear arms must be reduced (START). Furthermore, Reagan insisted that the Soviet Union had forsaken *détente* by increasing its nuclear and conventional military forces and by seeking to export communism to other countries, notably in Afghanistan and in Central America. His response was to deploy a new generation of medium range missiles in Europe and to propose a comprehensive missile defense system known as SDI or “star wars.” By 1985, all negotiations between Russia and the United States had ended.

IV. PERESTROIKA: THE END OF THE COLD WAR

The relations between Soviet Russia and the United States entered a new period of cooperation after Mikhail Gorbachev became General Secretary of the CPSU in 1985. This did not happen immediately. The first negotiations about nuclear weapons in Reykjavik, Iceland in 1986 ended in failure because President Reagan refused to give up his missile defense proposals. Gorbachev, however, adopted a new approach to Soviet foreign policy which he called “*novoye mishlenie*” or “new thinking.” New thinking was part of the broader program known as *perestroika*, the central goal of which was to modernize the economy and stimulate economic growth in the Soviet Union. According to new thinking, the division of the world into capitalist and socialist nations was no longer the most important characteristic of international relations; that was “old thinking”. In contrast to Brezhnev’s balance of power politics, Gorbachev’s vision of the world was global. For him, the principle fact of international relations in the late twentieth century is that all nations are interdependent. The great problems of the world such as security, economic growth, health, and ecology etc., could only be solved cooperatively, not by trying to gain a unilateral advantage. Economic growth would best be promoted not by a competition of systems but by economic integration, National security

could best be achieved not by increasing military power, but by reducing armaments.

The application of new thinking to Soviet Russia's relations with Europe meant that, in place of a Europe divided into East and West, Russia would seek to create an "common European home" (obshe Evropeskii dom). Such an integrated Europe would enable Russia, and the other socialist countries of Europe, to participate in the rapid economic expansion which was taking place in the West. For Russian-American relations, new thinking applied to security meant that under Gorbachev's leadership important agreements on reducing weapons could be achieved. The first breakthrough on this issue came in 1987 when the two countries signed the Intermediate Nuclear Force Agreement (INF) eliminating all medium range missiles in Europe. This was followed by the Conventional Forces in Europe Agreement (CFE) in 1990 and the Strategic Arms Reduction Treaty (START I) in 1991 along with other agreements on weapons.

Along with these remarkable achievements in the area of military relations, other issues that had been sources of conflict between Soviet Russia and the United States were also resolved. By 1989, the USSR had withdrawn from Afghanistan. The Berlin wall came down in the same year and free elections in the communist nations of East Europe brought non communist governments to power, for the most part, without violence. Perhaps the most compelling evidence for the emergence of a new world order in which Russia would cooperate with the United States to preserve world peace was Soviet support at the United Nations for the use of force against Iraqi aggression in Kuwait.

In short, by 1991, all the major issues of contention between Russia and the United States were ended. It seemed that a new era of cooperation was in place. By the end of 1991, however, the reforms initiated under perestroika had the unintended consequence of destabilizing the Soviet Federation and, and as we all know the USSR disintegrated into its fifteen constituent republics. By January 1 1992, Russia had emerged independently as the successor state to the Soviet Union. What would this mean for relations between our countries?

V. POST COMMUNIST RUSSIA: THE YELTSIN YEARS

At first, the cooperative relationship that had developed under perestroika continued to characterize relations between post communist Russia and the United States. President Yeltsin and his foreign minister, Andrei Kozyrev, seemed committed to a pro-western orientation. To become more western, the Russian government under the leadership of Yegor Gaidar began to replace the centrally planned economy with a free market, capitalist one. This was matched in the political sphere by efforts to build and strengthen democratic institutions.

There was other hard evidence of Russia's willingness to cooperate with the United States. For one thing, they continued to support UN sanctions against Iraq. In the area of nuclear arms reduction, they joined with the USA and the former republics of Ukraine, Belarus and Kazakhstan to sign a protocol to START I in Lisbon Portugal in 1992 which would enable START I to be imple-

mented by returning all nuclear weapons in the former republics to Russia. In January 1993, shortly before he left office, President Bush signed the START II agreement with President Yeltsin which called for reducing nuclear weapons to half of their previous levels. To convince the Ukrainian Rada to ratify the Lisbon protocols, Yeltsin and Clinton negotiated the Trilateral Agreement of January 1994 so that Ukraine would transfer its nuclear missiles and fuel to Russia. Russian policy was so pro-western that initially, in early 1994, Kozyrev indicated that Russia would join in NATO's Partnership for Peace Program, a prelude to NATO expansion.

By the end of 1994, however, relations between our countries begin to change. Elections to the State Duma, the newly created Russian parliament, in December 1993 demonstrated that many people were dissatisfied with the transition to capitalism. There was increasing skepticism about whether democracy had improved their lives or not. For many, it seemed that although the collapse of the Soviet Union had been good for the West, the benefits for Russia were less clear. In foreign policy, this dissatisfaction gave rise to a growing debate over whether continued cooperation with the West served Russian national interests or not. Politicians like Gennadi Ziuganov and Vladimir Zhirinovskiy, journalists like Pavel Felengauer and academics such as Andranik Migranian, took an increasingly nationalistic view, rejecting the "Atlanticist" policies of Kozyrev and urging Russia to look after her own national interests regardless of what the West wanted. Because the pro-western orientation had become so unpopular, in January 1996 Yeltsin felt compelled to replace Kozyrev with Yevgeny Primakov, an Arab specialist and someone regarded as a realist in foreign policy.

The argument that American and Russian interests no longer coincided seems to me understandable from the Russian point of view. American criticism of Russia's actions in Chechnya in 1995 because of human rights issues echoed earlier American criticism during the Carter and Reagan years. By 1996 it was clear that NATO would expand to the East, and despite Russian objections, Poland, Hungary and the Czech Republic were invited to join in 1997. The use of NATO military forces against Serbia, first over Bosnia in 1994, but even more importantly over Kosovo in 1999 made Russia uneasy over the growing American willingness to use its superpower status regardless of Russian interests. So did growing differences over Russian relations with Iraq and Iran. As a result, although START II was ratified in the USA in 1995, the Russian State Duma refused to do so. Perhaps nothing made Russia more concerned about American intentions than the growing debate in the USA over developing a ballistic missile defense system in violation of the 1972 ABM treaty that had served as the basis of Russian American nuclear stability. By the time he left office on December 31, 1999, Yeltsin could accurately describe relations between East and West as a "cold peace."

VI. PROSPECTS FOR COOPERATION: PUTIN AND BUSH

When Vladimir Putin became acting President of Russia on January 1, 2000, little was known in the United States about him or his views on foreign policy. What was known was that he was a former KGB officer who had been anointed by Yeltsin to be his suc-

cessor and who had made his reputation while Prime Minister by invading Chechnya and taking the capitol city of Grozny. The first sense of what direction he might take in foreign policy came even before his inauguration as President in May 2000 when he managed to achieve what Yeltsin could not: Duma ratification of START II, although with the condition that the ABM Treaty remain in force. This, coupled with his inaugural speech emphasizing the importance of economic growth and the need to integrate Russia's economy into the global economy, suggested a return to a more pro-western orientation. On the question of NATO expansion, he was pragmatic.

From the American side, the year 2000 was dominated by the race for President. Relations with Russia were not an important issue in the campaign, although there was some criticism directed by Bush towards Russian policies in Chechnya. After taking office in January 2001, the initial attitude of the Bush administration towards Russia was cool. Whereas the Clinton administration had sought to promote internal changes in Russia, Bush and his advisors, notably National Security Chair Condoleezza Rice, were interested only in Russia's external policies. By and large the attitude was that what Russia does didn't really matter very much. Russia lacked the economic and military ability to influence world affairs. At most, Russia could be a nuisance, but little more.

The general indifference towards Russia changed even before the events of September 11. During their first meeting in Slovenia in June 2001, Bush and Putin appeared to establish a warm personal relationship. According to Bush, "I looked the man in the eye. I found him to be very straight forward and trustworthy . . . I was able to get a sense of his soul." It was after September 11, however, that the dynamics of Russian-American relations completely changed. Once again, it is because of the perception of leaders on both sides that they have a common interest, this time in defeating the terrorism associated with radical Islamic fundamentalism.

Following the attack on the World Trade Center, Putin was the first foreign leader to call Bush to offer sympathy. Moreover, he went beyond expressions of sympathy and despite criticism at home, he offered the USA support in five areas which were critical to American interests. On 24 September 2001 he announced a five part plan of assistance in fighting the Taliban in Afghanistan. Russia would share intelligence with the USA, allow the USA to use Russian airspace, provide military assistance to the Northern Alliance, make bases available in Central Asia, and fly missions to rescue American soldiers if needed. Russia had clearly become an important ally of America in the war on terror.

Recognition of this new relationship could be seen in several ways. For one thing, the Bush administration became less publicly critical of the Russian version of the conflict in Chechnya. Bush also promised to get Congress to repeal the Jackson-Vanick amendment, a relic of the cold war, although it is something he has so far been unable to do. The growing friendship, personal as well as political, between the leaders of the two countries was apparent at the November 2001 summit in Texas during which the two leaders agreed in principle on a reduction of nuclear warheads to between 1700 and 2100 each. Despite Bush's desire to do this by a hand-

shake, a more prudent Putin insisted on a written agreement. It was forthcoming in May 2002 when the two leaders signed the Strategic Offensive Reductions Treaty (SORT) in Moscow.

However, from the Russian point of view, the benefits of cooperation with the USA have become increasingly uncertain because of other policies pursued by the Bush administration. Foremost among these was the withdrawal of the USA from the 1972 ABM treaty by May 2002 (thereby invalidating START II) and the planned expansion of NATO eastward. In November 2002, NATO invited seven former Soviet allies to join, including the three Baltic states which had formerly been Soviet republics and whose membership put NATO directly on Russia's borders for the first time. What really alarms Russia is discussion over possible NATO accession by Ukraine. A month after the NATO expansion, the European Union invited applications for membership from ten countries, eight of which were former Soviet allies, again including the Baltic states.

The most severe test of the new friendship, however, was Russia's unwillingness to back the USA in the war on Iraq in 2003. In March 2003, Putin indicated he would join France and China in casting a veto against an American resolution at the UN to use force to make Saddam Hussein comply with UN sanctions. What really seems to have prompted Russian concern was that Iraq represented the first major application of the Bush doctrine to the conduct of American foreign policy. From the Russian point of view, this departure from the policies of containment accepted by previous American administrations implied that the United States had abrogated to itself the right of pre-emption; that is, we would do what we wanted to, where and when we wanted to, and how we wanted to, unilaterally if necessary, to ensure American interests abroad. For many, countries, including Russia, this sounded like the assertion of the right to global hegemony.

In an angry speech at the 43rd annual Munich Conference on Security Policy in February of this year, Putin made his frustration with American policy abundantly clear. "Everything that is going on in the world today is the consequence of attempts to implement a unipolar concept of the world. And what is the result? Unilateral, often illegitimate actions have not resolved any problems. On the contrary, they have caused new human tragedies and more tension" He went on to mention the United States directly: "Some norms—in fact almost the entire legal system of one country, primarily the United States, have crossed their national borders and are being imposed on other countries in all areas, economic, political, humanitarian. Who is going to like that?"

By taking the side of those who opposed American action in Iraq, Putin seriously risked rupturing the new cooperative relationship between the two countries. While this did not happen overnight—Bush and Putin exchanged reassurances about their cooperation during their meeting in St. Petersburg during that city's 300th anniversary in 2003—events since then have accelerated the spiral of discontent. Among them is American criticism of Russia's willingness to help Iran develop a nuclear energy plant in the face of American concern that it will enable Iran to build nuclear weapons. Another is the US decision to install a missile defense shield in Po-

land and an early warning radar system in the Czech Republic which the Russians feel does nothing to protect Europe from missile fired by Iran or Korea, but are intended to undermine Russia's deterrent capability. Yet another thorn is the backing by the US, France, Britain and Germany for a UN Security Council resolution that would give independence to Serbia's Kosovo province. When you add to this the Bush administration's persistent criticism of Russian democracy—notably at their summit in February 2005—because it fails to meet American standards, Putin's harsh speech in Munich of February 10 of this year becomes more understandable.

Where do we go from here? Despite continuing differences over specific issues, the fact is that today, as in the past, Russian-American relations depend on the perception of common interests. For now, there remains a compelling common interest for both sides to cooperate, but this will not be easily achieved if the United States insists on going it alone. The coming year may offer the opportunity for a fresh start. There will be new presidents elected in both countries. From the Russian point of view, it doesn't matter whether the American president is a Republican or a Democrat, but on whether the new President continues to pursue a unilateral foreign policy.

**MATERIAL SUBMITTED FOR THE RECORD BY RAJAN MENON,
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Chairman Hastings and distinguished members of this Committee: Thank you for inviting me to share my assessment of the US-Russian relationship and of Russia's overall trajectory.

This is an opportune, though not particularly pleasant, time to address this topic given the barbed exchanges between Moscow and Washington in recent days, which in turn reflect a larger trend, one I will explain presently. We are now witnessing a low-point in our relationship with Russia, and while I would be happy to proven wrong, in my estimation the situation could get worse. I can make no firm prognosis, but there are many more reasons to expect deterioration rather than improvement.

A new pathway is not impossible. But if Moscow and Washington truly wish to take it, each must think strategically (as opposed to tactically), employ creative diplomacy to prevent short-term setbacks from defining the long-term relationship, and resist the temptation to engage in tit-for-tat exchanges. Only then can the US and Russia build a stable relationship that is sustained by robust cooperation in areas where there are converging interests.

Our current troubles with Russia are getting plenty of coverage these days. But they must be placed in perspective. Contrary to the intermittent attention-grabbing media hype, we are not embarking on a "new Cold War." That phase of history was defined by an ideologically-driven global competition between two mighty states who, like Athens and Sparta in the 5th century BCE, sought to reshape the world, assuming in the process that one side's gain was, by definition, the other's loss. But there was one big difference between the Peloponnesian War and the Cold War: During the latter, one could reasonably assume that if the titans clashed, especially using nuclear arms, civilization itself would be extinguished.

Whatever may be said of the prickly US-Russian relationship today, it has none of these characteristics. No serious American expert on Russia believes that it does; happily, the same is true of credible Russian experts on the United States.

Yet there is considerable antipathy toward the United States in Russia—not only within the Russian leadership, but among Russians more generally. In part this is because Russia has few effective means to assert its interests in what it sees as a unipolar world defined by unrivaled American primacy.

This amalgam of resentment and near-resignation was evident in President Vladimir Putin's 4,000-word attack on US policy, delivered on February 10th at the 43rd Munich Conference on Security Policy. So unexpected and bare-knuckled was Putin's speech that senior American political figures in the audience—among them Senator John McCain and the newly-appointed Defense Secretary, Robert Gates—were taken aback, with Gates being forced to revise the text of his speech to issue a rebuttal, albeit one with a far lighter touch than Putin's.

Putin's Munich speech summarizes every serious grievance that the Russian leadership and political establishment have toward the United States. If one reads between the lines, it is not the manifesto of a Russia on the ascendance; the frustration over the lack

of means to counter what Russians see as high-handed American policies is also evident in the text. In both respects, Putin's address bore an uncanny similarity to the statements made by a Russian delegation with which I met, along with other Americans, not long before the Munich conference. The Munich speech, however much one may reject its content and tone, accurately represents Russia's current view of the world and, in particular, of the United States. Putin's bill of indictment contains several interconnected elements:

- The United States is a veritable rogue state. Intoxicated by its unprecedented military superiority, America is romping through the international landscape, acting unilaterally, heedless of international law and the United Nations, and full of hubris given the lack of centers of countervailing power. The result, as Putin put it, is a world with "one center of authority, one center of power, one center of decision making."

- Because of its preponderance and lack of self-restraint, the United States is a constant threat to international peace and security, particularly given its unilateral use of force, or "hyper use of force," in Putin's colorful words. Counterbalancing centers of power—including Russia—are emerging, but, in the meantime, the United States endangers global equilibrium.

- Washington continually lectures others on democratic niceties, but consistently and hypocritically flouts those same principles. Russia in particular receives sermons on democracy. But these are not well-meant; they represent an ideological offensive to discredit Russia and to interfere in its internal affairs, perhaps even an effort to spark the equivalent of Ukraine's Orange Revolution.

- Washington's willingness to use military power without international accountability "inevitably encourages a number of countries to acquire weapons of mass destruction" and contradicts its declared policy of checking the spread of weapons of mass destruction (WMD).

- The United States (joined in instances by its allies) is backtracking on, or scrapping, important arms control agreements, among them the 1972 ABM Treaty; the Conventional Forces in Europe (CFE) Treaty, as revised in 1999 (which only four parties, including Russia but excluding the US, have ratified), and the Bush-Putin framework agreement to cut each side's stock of operational strategic nuclear warheads to between 1700 and 2000 by the end of 2012.

- The United States has violated the 1990 commitment that NATO forces would not be stationed east of Germany. Indeed, Washington has led the charge to expand NATO, a symbol of the very Cold War it claims is over, by admitting not only states from Central Europe, but former Soviet republics as well. This has brought NATO to Russia's doorstep, and for no compelling reason.

- Washington invokes the nuclear threat posed by Iran and North Korea to emplace ballistic missile defenses in the Czech Republic and Poland. Yet neither the Iranians nor the North Koreans are able to strike these NATO members; nor, Putin implied, do they have reason to. The bottom line is that this initiative is a gratuitous provocation aimed at Russia.

- Moscow and Washington, face common problems despite the dangers posed by these American policies and must act in concert.

Among these problems is the spread of WMD, especially into the hands of terrorists. Russia stands ready to cooperate.

There is no monochrome view of Russia within the United States. Still, there is an overwhelming consensus that the euphoria of the 1990s—hope abounded then about the rise of a democratic Russian polity and of a US-Russian partnership of solidarity and cooperation—has dissipated.

Regardless of how they apportion blame for the state of the US-Russian relations, American experts agree that it is bad and that any improvement in the near term is unlikely. Most also believe that democracy in Putin's Russia is eroding steadily and that a bellicose, even xenophobic, nationalism is gaining ground. This tends to be the assessment of even those who believe that the United States shares most of the blame for the poor condition of US-Russian relations. The evidence is simply too obvious and ample to dismiss.

The Bush administration's assessment has also become pessimistic and those within it who have always been wary of Russia now have the upper hand. This is in sharp contrast to the days when Presidents Bush and Putin seemed to have struck a friendship, with Bush claiming to have seen good in Putin's soul. Secretary of State Rice's public characterization of Russia's claims that the deployment of ballistic missiles on NATO's eastern flank constituted a threat to its security as "preposterous" is emblematic of the change and was also notable because, while it waved off Moscow's concerns, it failed to give any credence to Russia's skepticism about the alleged threats posed to the alliance by the Iranian and North Korean nuclear programs.

So what where does this leave us? A look back at Weimar Germany helps answer the question. While no two periods in history are identical, there are some parallels between Russia today and Germany after 1918. Both lost a war and were humiliated as a result: World War I in German's case, the Cold War in Russia's. What followed was a loss of prestige and the forfeiture of great power status. Both states were preoccupied by their co-ethnics and their fate in nearby countries. Both suffered a catastrophe economic collapse (Germany in the 1930s, Russia in the 1990s). Both experienced bouts of political instability, which were followed the emergence of a strong leader.

My point is not that Russia today bears any resemblance to Nazi Germany. But the wounded nationalism that followed the loss of prestige and great power status is striking, the yearning for order, the erosion of democracy, and the growing salience of ideologies that scapegoat ethnic and religious minorities is evident in both cases. Putin's Russia is certainly not an expansionist power, but it is determined to regain lost respect, secure predominance in its neighborhood, and—with high oil prices having filled its coffers and spurred rapid economic growth—confident enough to stake its claims.

It would be mistaken to attribute the political trends in Russia principally to Putin's tough personality, KGB background, or control over television (and, recent events would suggest, also to an extent over radio programming); they reflect Russian public opinion, which is why Putin has sky-high approval ratings. Portrayals of

Putin in the American press these days focus nowadays on his authoritarianism, but Russians applaud him as a strong leader who stands up to their country's adversaries and has restored national dignity. They see this as a welcome contrast to the Yeltsin years, which featured a leader with a penchant for buffoonish and inebriated behavior, a political order marked by cronyism and instability, and an economy crisis that pushed millions into penury.

Now Russia seems to be on the comeback trail—with a strong economy and a decisive leader. Russians like that. They have paid a price to be sure. Television is now controlled by the state, radio news stations are now coming under pressure, and print journalists work in a more restrictive environment. There are restrictions on rallies and demonstrations, which risk being broken up by police using rough tactics. Former KGB officers occupy high position in the political system. The toothless parliament is dominated by the pro-Putin United Russia party and does his bidding. There is no political opposition to speak of from opposition political parties and civic organizations.

But Russians seem to quite willing to pay this price, seems not to matter terribly much. Even were the regime to cease unleashing Interior Ministry troops against meetings supporting opposition leader Gary Kasparov—which do not draw many Russians in any event—his political message would gain little resonance within Russian society.

But just how strong is Putin's Russia? The commonplace view is that Russia has reemerging as a great power. But I believe this interpretation skates over many continuing sources of Russia's weakness and conflates Russia's rising rhetoric with reality.

In fact, Russia's anger derives substantially from the gap between its aspirations and self image on the one hand and the power it possesses on the other. Despite all that one hears these days about Russian resurgence, Russia continues to be encumbered by a number of weaknesses, which, moreover, will not be overcome for the foreseeable future. Consider some examples:

- Political weakness lies beneath the façade of a strong authoritarian state. The 1993 Yeltsin constitution paved the way for a super-presidency which overshadowed the parliament and the judiciary, which now have little independent power. Putin has used the 1993 political design to concentrate power in his hands. As a result, the polity is over-personalized and under-institutionalized. Too much depends on one man; hence the anxiety created by the next presidential election and the speculation over whether the constitution will be amended to give Putin a third term or, if not, whom he will anoint as his successor. Despite the lack of any organized political opposition, the regime is insecure and uses force to disband marches by Kasparov's supporters, who are completely ineffectual as a political force. These are not signs of a consolidated and stable political system.

- Russia remains economically weak. True, economic growth that has averaged 6 percent per annum since 2000. A sizeable middle class has emerged; malls, fancy restaurants, and foreign cars are a common sight in Russia's big cities; and high oil prices have produced foreign exchange reserves in excess of \$250 billion. Nevertheless, the Russian economy, calculated using exchange rates, is the

size of that of the Netherlands. Its per capita income is comparable to Botswana's. Russia is the odd man out in the G-8, the club of the world's largest economies (which excludes China and India, both of which have much larger economies than Russia's).

- Standard measures used to compare countries' economic strength highlight Russia's weakness. Its economy is the world's 10th largest—about the size of the Netherlands—but it is much smaller than those of the leading Western and Asian economies with which Russia hopes to compete in the global marketplace. Russia places 13th in a list of 50 countries ranked by the value of their exports, trailing Belgium, which has a population only one-tenth as large as Russia's and GDP with half the value. Moreover, energy, other raw materials, and arms account for over 70 percent of Russia's exports—energy alone for two-thirds. Russia's share of global exports is 2.4 percent and imports 1.2 percent. Of the \$648 billion in worldwide foreign direct investment in 2004, only 1.7 percent went to Russia. An annual ranking of 62 countries on key indices of globalization by a well known consultancy placed Russia in 47th place for 2005.

- The Russian army is a shadow of its mighty Soviet Union counterpart. The main weapons platforms are aging, 40 percent of draftees were declared physically or mentally unfit, the frequency and scale of major exercises is down, and draft evasion is pervasive given the terrible life of the enlisted man, who is subjected to deep-rooted and brutal hazing. The government has increased defense spending massively since 2004, but the military's problems are so severe that it will take years to overcome them.

- Russia's human capital is being eroded by cardiovascular disease, rising HIV/AIDS infection rates, high levels of suicide, and alcoholism and drug addiction. Russia is the only industrialized country in which male life expectancy is declining. (Russia was the sole European country in a recent WHO list of countries with the highest incidence of tuberculosis per 100,000 people; and it topped the WHO's list for suicide rates.) The population shrinking by 750,000 annually; it stands at 148 million now, but is expected to be 121 million by 2050. Moreover, it is graying as it shrinks, making for a less productive workforce and increasing costs to support the aged. There were six people of working age for every retiree in 1995; by 2010 the ratio is expected to be 2:1.

- Oil and gas are Russia's strong suits, but the wealth they bring have strengthened the state's political power, weakened democracy, increased governmental control over the energy sector, and boosted already rampant corruption. Russia is, in this respect, similar to many hydrocarbon economies. But there are problems even in the energy sector. The pipeline system is shopworn and existing levels of investments are insufficient to keep oil production rising.

- The lands of the former Soviet Union aside, it is hard to find a place where Russia exercises major influence. For its poor and weak neighbors, Russia is a power to be reckoned with. In Georgia and Moldova, Russian support sustains breakaway statelets. Moscow has used energy supplies to exert pressure on Belarus, Georgia, and Ukraine. But the result has been to increase anti-Russian sentiment in these countries.

- Russia is not looked upon by other states as a model, the use of the Russian language in science, technology, and commerce is on the decline (even within the states of the former Soviet Union), and China and India are the emerging new centers of global power.

In closing, Mr. Chairman, allow me to specify the implications of my analysis for American policy toward Russia:

1) There is no alternative to engaging Russia, a country with 148 million people, 11 time zones, a landmass larger than the US and Canada combined, vast deposits of oil and gas, and thousands of nuclear weapons. Yet we must not let alarmist ideas about the resurgence of Russian power shape our policies. The best way to make Russia an adversary is to treat it as one.

2) We may certainly wish for a democratic Russia and must use our soft power (trade, student exchanges, cultural contact, and the like) to that end. But we must not delude ourselves into thinking that we can play a substantial role in determining what sort of society emerges in Russia. We cannot, and efforts to do so will only make bilateral relations worse, while making anti-democratic forces stronger by allowing them to play the ultranationalist card. Moreover, it will make cooperation on matters of common interest even harder by creating a backlash against what will be perceived as arrogant American meddling in Russia's internal affairs.

3) We must identify key areas of common interest—terrorism, Islamic radicalism, the drug trade, the proliferation of WMD, and nuclear arms control—and insulate them from the ups and downs in bilateral relations. The way to do so is by ensuring that day-to-day institutionalized cooperation between our two countries proceeds on these fronts so that each side gets used to the process of cooperation and keeps in mind that, our differences notwithstanding, we have important interests in common.

4) We must never concede Russia's primacy in the former Soviet states and must engage them on all fronts (political, economic, and cultural) or make our policies toward them a function of our relationship with Russia. But we must also not—however inadvertently—encourage recklessness in their leaders by leading to believe that their close relationship with us absolves them of responsibility of forge a stable relationship with Russia. To do so would be to increase the risk of conflict and to assume responsibilities we cannot shoulder.

5) While Russia cannot be allowed to decide NATO's policies, we must ask ourselves whether the plans to enlarge it further and to build anti-ballistic missile defenses in countries on NATO's eastern flank are worth the price of alienating Russia. The expansion of NATO has already cost us a high political price in Russia and additional decisions concerning NATO cannot be separated from the likely consequences for our relationship with Russia.

6) We must encourage our allies to reduce their dependence on Russian energy and continue to help oil- and gas-producing states in Central Asia and the Caspian Sea zone to find pipeline routes that bypass Russia.

7) We must look at Putin's Munich performance as an example of how not to conduct diplomacy. No matter how troubled our relationship with Russia, no matter how hard it is to win Russian cooperation on important global problems, public hectoring and pos-

turing will only strengthen the forces within Russia that oppose democracy, civil liberties, and openness toward the outside world. That is not in the American interest.

Mr. Chairman and distinguished members of this committee, thank you for your time and attention.

**MATERIAL SUBMITTED FOR THE RECORD BY IGOR ZEVELEV,
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Members of the Senate, House, and the Commission, I'd like to thank you for inviting me to speak about Russia today.

The views I am going to express are entirely my own and do not necessarily represent the position of the Russian Government, the Russian Embassy, or RIA Novosti.

As Russian parliamentary and presidential elections approach in 2007–2008, many analysts will call for Washington to make democratization a central component of its policy toward Russia.

Democratic institutions lie at the core of American identity, and U.S. foreign policy reasserts this fact by promoting these values in foreign lands. Such efforts may work if applied in the right place at the right time. Russia today may be a difficult place to promote democracy from outside. There are two major reasons for this. The first one is the nature of American-Russian relations these days. The second reason is domestic political climate and the attitudes of the Russian people.

Russia considers itself an independent center of power and would hate to be treated like a student. In my opinion, the main driving force of the changes in the nature of the Russian-American interaction is President Putin's desire to renegotiate Russia's relationship with the West. This aspiration reflects the attitudes of both the Russian elite and the general public and their dissatisfaction with Russia's role as a junior partner of the West in the 90s.

President Putin's speech in Munich on February 10 caught many by surprise, but it was not unexpected for those who followed the evolution of Russian foreign policy in 2006–2007 closely. This speech was a reflection of Russia's growing assertiveness on the international arena. The president's message to the US was very blunt: We are back as a global player and you need to talk to us as equals. President Putin's critique was not aimed at US policy towards Russia. Putin expressed the growing displeasure with the whole system of international relations that the US was trying to shape.

Since the collapse of the Soviet Union, the United States has set the agenda and the rules of the game in many interactions with Russia. But America has had much less leverage in affecting Russia's preferences, desires and thoughts in those areas where the two countries' fundamental beliefs about the world differed.

Unlike Western Europe after World War II, or Central Europe after the Cold War, Russia questions the habitual American assertion that it was the United States who won these wars. American preponderance is not seen in Russia as a source of legitimate authority.

In this context, any attempt to encourage faster democratization will be seen as yet another instrument to dominate through helping pro-Western leaders come to power, or simply as a tool to weaken Russia. This is not only the view of the Russian elite, but is also a very popular attitude. With Russia striving to restore its status in the world arena, its confidence strengthened and its economy booming, criticism of Russia's democratic record will inevitably be

seen as rhetoric designed to conceal American concerns about Russia's revival under President Putin.

It is unrealistic to think that Russian democracy, human rights and civil society will improve if the United States applies pressure. Russian perceptions have changed dramatically; for mainstream domestic Russian discourse, political stability and order have greater value than democracy. Democracy is often associated with the chaos, the collapse of the state and the material gains of the very few that occurred in the '90s.

Excessive U.S. pressure could cause the Russian public to shift toward seeing the universal values of democracy and human rights as merely instruments of foreign political influence. If that happens, the future of Russian democracy may indeed become bleak.

Having said all this, I would like to suggest a cautiously optimistic view on the future of democracy in Russia. The middle class is growing rapidly. It cherishes many freedoms that exist in Russia: freedom to earn money, to buy property, to travel. This is remarkable progress in comparison with Soviet times. Gradually, the middle class will demand a better and more independent judiciary to protect newly acquired property and freedoms. The Russian people will also insist on a real struggle against corruption. Combating corruption is impossible without a competitive political arena. Finally, there will be more demand for democratic institutions. All this has to grow from below.

In conclusion, let me address the question of what would be the best US policy towards Russia under the given circumstances. I think Russia would be encouraged to cooperate with advanced democracies through a consistent policy of keeping Russia "in." In the G8, in the Russia-NATO Council, in the OSCE, in the antiterrorism coalition, in the Six-party talks on North Korea, in the emerging coalition that tries to prevent a nuclear-armed Iran, in the Middle East Quartet, eventually—in the WTO, and so on.

It would be counterproductive to view these institutions as merely instruments of hard pressure on Russia. Russia must become a real stakeholder in these institutions, as well as in all other global, political and economic arrangements. Russia can be a valuable partner of the United States in the areas of shared or overlapping interests. Mutually advantageous cooperation with the United States and other democracies will create a favorable international environment for positive developments in Russia.

Thank you very much.



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Cooperation in Europe.**

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