

“Russian Power and Interests at the Next Stage in U.S.-Russian Relations”

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“Looking Forward to the Medvedev Administration in Russia”

Mr. Chairman, and members of the Commission, thank you for this opportunity to speak with you about developments in Russia and the implications for U.S. policy. First, I outline the parameters of Russia’s political system as they have crystallized in the past six months, and assess how stable and effective the system may be. Second, I offer a framework for understanding Russia’s foreign policy interests and priorities, and their implications for U.S.-Russia relations. Finally, I outline what I believe to be a pragmatic set of priorities for U.S. policy toward Russia in the next few years, based first and foremost of American national interests, but taking into account what Russia under the Medvedev-Putin leadership is likely to seek in the relationship, and what it is and is not able to achieve.

The Russian political system

Dmitri Medvedev took office as Russia’s third president on the 7th of May 2008, and the Russian parliament will confirm his nominee for the post of prime minister, Vladimir Putin, on the 8th of May 2008. With this leadership transition, Russia has put behind it the crisis of uncertainty over Putin’s succession plans that had dominated politics for some three years.

Yet far from ending uncertainty and speculation about Russia’s political system and stability, the new line-up has shifted the issue to speculation about where real power will lie: in the presidency, in the prime minister’s office, or divided between them. In my view, the most likely outcome is a shift in power to the prime minister’s office under Putin, but before exploring the implications of that outcome for Russian foreign policy and the U.S., I would like to briefly explore the two other scenarios.

In Scenario One, the institution of the presidency and its constitutional powers really matter, and provide Medvedev with the authority and real political power to rule Russia and to control its foreign policy. The president has the power to nominate the prime minister, to disband the parliament if it does not approve his nominee after 3 votes, to appoint regional governors, and to control security-related ministries and state agencies. The prime minister is relatively weak, dependent on the president’s nomination

rather than a parliamentary constituency, and officially responsible for the day-to-day functioning of the vast bulk of economic, social, regulatory, and administrative work of governing. Prime ministers under Putin have played no role in foreign or security affairs, have been responsible for unpopular initiatives such as social reforms, are blamed for problems in Russia's failure to deal with corruption and the crumbling of its social and physical infrastructure, and were periodically criticized by the president for their failure to make life for average Russians better.

In this scenario, Putin becomes the day-to-day administrator implementing Medvedev's policies, and being blamed for any failures to meet expectations. Medvedev travels to summits, receives visiting heads of state, speaks for Russian power and foreign policy, and makes strategic decisions about the direction of economic and social policy. In this scenario, political success and power depends on being an ally and supporter of Medvedev. Since the president controls the state, and the state controls the most lucrative and successful sectors of the Russian economy -- energy and defense -- the president can control who is wealthy and successful in business, and which government officials have control over Russian economic assets, and thus wealth as well.

The political system that Putin created over the 8 years of his presidency enables the political leadership to exercise considerable power without accountability to Russian citizens. The party Putin now leads that his Kremlin created (but in which he is not a member) – United Russia – holds 64.3% of the seats in the Russian Duma (315 of 450). Just Russia, a party created by the Kremlin in order to establish a non-opposition opposition party, holds an additional 38 seats. The Liberal Democratic Party under Vladimir Zhirinovskiy, which supports the Kremlin, holds 40 seats. The only opposition party remaining in the Duma is the Communist party, which holds 57 seats (11.6%). Yabloko and the Union of Right Forces, Russia's only genuine opposition parties in the December 2007 Duma elections, failed to gain any seats.

The Putin leadership thus successfully eliminated competitive pluralist politics in Russia for some time to come. Media is either state-owned, in the hands of Kremlin-friendly businessmen, or without access to national broadcast outlets. Civil society organizations can operate only if their activities and objectives are non-political. The Kremlin has created onerous requirements for NGOs seeking foreign funding, and most Russian NGOs subsist on donations from Kremlin-approved businesses, or from the government's NGO-monitor, the Civic Forum.

This political system is essentially authoritarian, although of a distinctly modern cast. Putin's consolidation of power rested on two sets of parallel processes: eliminating political opposition, and building patron-client bases of power dependent on his leadership. These are primarily rooted in the Soviet security services, notably the KGB successor, the FSB (*Federalnaya sluzhba bezopasnosti* – Federal Security Service). The key to holding political power is access to wealth and resources, and the key to access to wealth and resources is holding political power.

Among the major figures in Putin's supporting networks of clients dependent on and supporting his role as president were Medvedev (deputy prime minister while also chairman of the board of *Gazprom*), Sergei Ivanov, (deputy prime minister overseeing the defense industries), Igor Sechin (first deputy head of the presidential administration and chairman of the board of *Rosneft*), and Viktor Ivanov (deputy head of the presidential administration and chairman of the board of defense firm *Almaz-Antey* and of *Aeroflot*). As Russia's state-owned or controlled firms in the energy and defense sectors have extended their control of enterprises and commerce, these close clients of Putin have come to control the most important sectors of the Russian economy, and to become incredibly wealthy. Recent reports suggest that Putin himself is worth \$41 billion.

Giving Medvedev the presidency would thus appear to be an extraordinary transfer of power, far beyond that of the process of presidential succession in democracies where political institutions create checks and balances, competing political parties and media allow citizens to hold their presidents accountable, and political power is not so inextricably linked to business and the economy. If Putin were truly ceding the system he built to Medvedev, it would be extremely important to understand Medvedev's preferences and intentions.

This is why a great deal of speculation about Medvedev's views and priorities has emerged. For those who believe Scenario One is the likely result of Russia's leadership transition, Medvedev's background, network of associates, and policy statements should determine Russia's future policies.

Dmitri Medvedev is 42 years old. He was born in Leningrad (now St. Petersburg) and studied law at Leningrad State University (now St. Petersburg State University). He worked in the administration of St. Petersburg Mayor Anatoliy Sobchak, as a legal expert for the International Relations Committee of the mayor's office, headed by Vladimir Putin. Putin brought him, along with a number of close associates from St. Petersburg, to Moscow in 1999 to work in the national government. Medvedev became deputy head of the presidential administration, and in 2003 Putin's chief of staff. In 2005, Putin appointed him first deputy prime minister, with responsibility for "priority national projects" primarily in the social spheres.

Because of his background as a lawyer, his lack of background in the Soviet/Russian intelligence or security services, and statements he has made in support of a limited role of the state in business and the economy as well as in support of the rule of law, many analysts within Russia and abroad have speculated that Russian politics and policy could undergo a change in course away from corrupt authoritarianism and statist economy. Medvedev has expressed support for Putin's achievements in eliminating political opposition and strengthening the state's autonomy, but he has questioned the increase of state ownership in the economy, and has been relatively consistent in condemning corruption. He often sounds more liberal than Putin in supporting free markets, the importance of market-based decisions by entrepreneurs, and rule of law in supporting economic activity free from state interference. A Medvedev liberalizing agenda advanced using the enormous powers of the Russian presidency could, indeed,

present a very different face of Russian domestic political economic development, and a foreign policy more in tune with European values.

Scenario One is an unlikely path for Russia in 2008 for two reasons. First, although it is possible that Putin has decided to reverse course and has turned political power over to Medvedev to put a velvet glove over the iron fist over the system he spent 8 years building, liberalization is ultimately contrary to how that system works and what Putin himself has consistently and decisively declared necessary for Russia. It would be one thing to consider changing course in the face of perceived failure or difficulties, as the aging Soviet leadership did in choosing Mikhail Gorbachev to liberalize the Soviet system in order to save it. In contrast, Putin's political leadership is viewed by Russian society as extraordinarily successful, with Putin's approval ratings above 80%. In recent weeks, Putin has prepared to leave the presidency with statements affirming what he achieved in strengthening the Russian state, establishing Russian power on the international scene, and completing the work of limiting private foreign investment in "strategic sectors" of the Russian economy. There do not appear to be any regrets that Russia has been turned firmly away from political and economic liberalization.

Second, and more importantly, Scenario One is based upon a faulty premise: that political power and how the Russian system works are based primarily upon the Constitution, rule of law, and institutions. To some extent, Putin increased his power by altering rules to enhance the powers of the presidency, but the functioning of political power is primarily dependent on patron-client relationships and the "clans" of long-held regional and professional associations of the Russian elite. Most important of these are the men who served in the KGB in the late Soviet period, the *siloviki*, who constitute Putin's inner circle and network of associates. Medvedev does not share that background and while the regional clan that came from St. Petersburg to Moscow to work for Putin have become wealthy and powerful because of their regional clan and connection to Putin, they are dependent upon him and lack a vital power resource exercised by the *siloviki*: access to information and the ability to investigate and imprison opponents. Furthermore, it is not only that Medvedev does not have the resources for this change of course, it is likely that those with resources under the current system would very actively fight to prevent it. A loosening of state control of the economy, a reduction of corruption, and an effective rule of law would break apart the patronage based authoritarianism that has installed Russia's current leadership in power and enriched them and their clans.

It is sometimes noted that Putin owed his position to Yeltsin, yet was able to build his own power independent of Yeltsin and his clan, the "Family." The implication is that Medvedev will similarly be able to build his own power base and use his own network of associates to become independent of Putin and exercise a new form of presidential power. The analogy overlooks how Putin's multiple clan links, and the forceful resources of his *siloviki* associates, created a very different set of resources and relationships for Putin in 2000 than those available to Medvedev in 2008. It also undermines how weak and diffuse Yeltsin's political system was by 1999, in contrast to the system Putin's leadership has created. Medvedev lacks his own power base (he even resigned as chairman of the

board of *Gazprom* in February 2008, so that avenue is not available to him), and if he tries to establish a new basis for control of the political system he will threaten those who control it now and benefit from it. Medvedev and Sechin are known to be fierce opponents of one another, with their clans competing over control of the riches of Russia's energy sector. If Medvedev is now more powerful as president, the other clans faced the possibility that their position and wealth will be under assault from the newly powerful president. They owe their position to Putin, not to Medvedev. If Medvedev chooses to reward his clients by moving Putin's out, the threatened clans are likely to fight back. They have access to and are in control of information through the FSB, and can use FSB and various tax and financial investigations to weaken and threaten opponents.

It seems extremely unlikely, then, that Medvedev will exercise strong powers as Russian president deployed contrary to the Putin political and policy legacy. Scenario Three, in which Medvedev and Putin share power, would be more likely. In this Russian future, Putin and Medvedev would be partners, with a division of power and responsibilities between the offices of prime minister and president. The system would rest on Medvedev's formal power as president, and Putin's real power as the central figure in the clans of Russia's ruling elites, and his new leadership of Russia's increasingly de facto one party system, United Russia. Putin would control patronage networks, party and political relationships, regional political figures, and access to position in all levels of the Russian state. Medvedev would control policy, and would be responsible for keeping Putin in power and prime minister.

Medvedev and Putin are clearly close associates with a long history and relationship, so they may hold such a level of trust and unity of political purpose to make such a two-headed leadership work. But it could work only if they were of the same mind on policies, personnel, and ultimately the goals they seek. In any difference that might emerge in any of those areas, someone would have to lose.

To work, therefore, Scenario Three could not usher in an era of Medvedev-led political and economic liberalization, effective anti-corruption, and effective rule of law unless that were Putin's objective as well. While it is possible that Putin could have a change of heart and seek to reverse course on the system he created over the past 8 years, it is far more likely, and consistent with his declarations in the closing weeks of his presidency, that Putin will seek to maintain the system of power rather than change course.

That in turn means that a workable Scenario Three -- shared power between Medvedev and Putin -- is effectively the same as Scenario Two: real power will lie in the office and the person of the prime minister, Vladimir Putin. The informal but real patronage-based authoritarian system created in the past few years already favors Putin's power, even as he shifts to the position of prime minister.

Furthermore, as leader of United Russia which controls the Russian Duma, Putin has the power to initiate impeachment proceedings against the president. An

impeachment trial would be conducted by the the upper house of the Russian legislature, the Federation Council, whose members were either appointed by Putin, or chosen by regional governments dependent on him. Over time the new president might have had influence over the Federation Council through this power of appointment -- except that in his last weeks as president, Putin has pushed through laws subjecting the regional governors to the prime minister's, rather than the president's, authority.

In the past few weeks, Putin and the Duma have been busy enhancing the power of the prime minister. Large blocks of responsibilities are being pushed down to the ministerial level, freeing the prime minister from the kind of administrative day-to-day oversight that kept Putin's prime ministers busy, and subject to criticism and rebuke. When president, Putin slimmed the administrative offices of the prime minister: word now is that the number of deputy prime ministers will grow to as many as 11 serving under Putin. In his move to the prime minister's offices in the Russian White House, Putin has created a press office, a speechwriting office, and a protocol office, suggesting that the new prime minister will not be absent from foreign policy. The rules which limited press access in the president's Kremlin offices have been extended to the White House, indicating that Putin's style of non-transparent and personalistic politics will move to the prime ministership.

All the indications are that Putin is not merely remaining in politics, but that he is remaining in power. This is not that surprising: experts on Russia's political system are in substantial agreement that it is not one rooted in institutions and law. The Russian state is Putin's state, whether he sits in the Kremlin or in the White House. Insofar as Dmitri Medvedev is Putin's trusted ally he will be a strong president, but if Medvedev remains Russia's president, it will be because Russia's president is not the figure who wields power and determines policy.

Russian foreign policy interests and priorities

Russian foreign policy under Putin has been focused on three objectives; reverse the erosion of Russian power in Eurasia, limit perceived U.S. encirclement and fracturing of Russia within Eurasia, and establish relations with countries that increase Russian economic growth. Russian foreign policy has had important successes in all three areas, but has fallen short in important ways that will continue to affect Putin-Medvedev international affairs.

Halting the erosion of Russian power involved essentially two components: internal consolidation and Eurasian security relations. Internal consolidation involved strengthening state autonomy as described above, establishing a basis for economic growth to fund the state budget, and building social support for the government.

This meant primarily two major strategies in the foreign policy sphere. First, Putin's foreign policy became stridently nationalist and often explicitly anti-American. In order to convince Russian society that internal consolidation and elimination of

opposition was necessary for the country's security and power, Putin needed Russians to believe that foreign enemies meant to do Russia harm. At first, Putin warned of unnamed foreign enemies that sought to break apart the country, as he did in his speech after the Beslan hostage crisis in 2004. Over time, his references to the U.S. threat became more direct and extreme, as in 2006 when he warned that the world's largest power sought to organize the world to its liking as had Hitler's Germany. As support for Putin grew within Russia, nationalism and anti-Americanism grew as well and drew Russian societal support in reactions against U.S. fighting in Iraq, proposed missile defense installations in Europe, and potential NATO membership for Ukraine and Georgia.

Second, Putin's foreign policy focused on forging closer relations and links with Russia's post-Soviet neighbors. Part of this was directed at limiting American presence and influence, as the ties of countries like Ukraine, Kazakhstan, Georgia, and Uzbekistan came to be seen in zero-sum terms. But the stakes were not simple anti-Americanism. Russia also had a stake in improving border security, limiting transnational terrorist movements and ability to operate within Eurasia and against Russia, fighting drug trafficking and other criminal activity, and expanding economic ties with countries that in many cases had economies that had been highly interdependent with Russia's because of the Soviet economic legacies.

Therefore, Putin's achievement in increasing Russian power has been ambiguous in its implications for Russia's U.S. policy. On the one hand, it does not intrinsically require zero-sum thinking and opposition to U.S. policy and presence in Eurasia. This was the hope after al Qaeda's attack on the U.S. in 2001 -- that the U.S. and Russia could find common cause in the common security threat of Eurasian transnational terrorism. However, to the extent that Putin needed a foreign enemy, and in a unipolar world the U.S. and its preponderant power loomed large, Russia could not embrace the U.S. in Eurasia as an ally.

Putin's balance sheet on the objective of reversing the erosion of Russia's Eurasian power is primarily a strong one, but there are important failures. Most important among these is the failure to sustain a superpower-like bilateral arms control relationship that both limits America's preponderant power and keeps Russia in the special status of America's equal in global military power. American abrogation of the ABM Treaty and the Bush administration's refusal to negotiate a serious or meaningful strategic arms control agreement to follow the START system which expires in 2009 is largely ignored in analysis of U.S.-Russia relations, but is a major failure in the relationship that leaves Russia in a seriously disadvantaged position. It is not as much the practical implications of the failure to have a negotiated relationship in the nuclear weapons sphere that matters, because Russia retains a robust second strike capability and thus a reliable deterrent against American military power. What continues to concern Russian defense analysts is the potential of American break-out in the strategic defense and offensive nuclear weapons spheres that might, on the margins, create an atmosphere in which the U.S. might believe it could use superiority in the strategic sphere to make political demands on Russia.

The second objective, prevent American encirclement and fracturing of Russia, is related to the objective of reversing the erosion of Russia's Eurasian power and is linked to it in many special policy issues, such as NATO enlargement, U.S. bases in Eurasia, and missile defense. However, this is not about Russian power, but about the integrity and functioning of the Russian Federation itself. The concern is not American power in the international system per se, but the perceived American security strategy of using democracy promotion to weaken and turn key Russian allies, and to overthrow the Russian state itself.

It is difficult to overestimate how threatening and serious the Russian political elite viewed the Bush administration's support for democratization and liberalization in Eurasia. While most American experts on Russia and Eurasia are of the view that Russia is not and was not likely to undergo a democratic revolution of the types seen in Serbia, Georgia, and Ukraine earlier in this decade, The Russian political leadership and political class seem genuinely to have believed that (1) regime change in post-Soviet Eurasia would weaken Russia by undermining the network of state-to-state and also elite-to-elite relations that Putin's foreign policy was counting on to enhance Russian power in Eurasia, and (2) that the U.S. strategy was a Eurasian democratization domino effect, where support for civil society, media, and election monitoring in Serbia, Georgia, and Ukraine (and perhaps Kyrgyzstan) were laying the groundwork for the fall of Putin's domino in Russia. The Putin government's concerted assault against political opposition parties, civil society groups, and any source of independent election reporting or monitoring was due to the belief that the very security of the Russian state (and its ruling elite) was under a new and modern form of attack from the United States.

In this objective, the Putin leadership has been primarily successful, although at considerable cost to the long-term effectiveness of Russia's political system for responding to societal demands and coping with the huge backlog of problems (a raw materials export dependent economy, demographic crisis and decline, inflation, infrastructure collapse, and general failure of investment in education, health, and housing) that may ultimately weaken Russia without any real or imagined American interference. The Putin leadership is not likely to fall to democracy any time soon, and although Ukraine and Georgia have not reversed their progress toward liberalization in politics and the economy, there has not been progress in Russia's other neighbors, including Belarus, Armenia, Uzbekistan, and Kazakhstan.

It is in this context that Russian policy toward Georgia and Ukraine are most problematic for security in Eurasia. Having failed to prevent or reverse liberalization in those two countries, Putin's foreign policy appears to be playing the separatist card either as a residual threat to deter those countries from matching their internal transformation with integration in the EU and NATO, or by actually breaking them apart. Russian military personnel in Abkhazia and South Ossetia reinforce the autonomy of those two regions of Georgia, although this is a reality the international community has condoned for more than a decade. Russia issued Russian passports for residents of those regions of Georgia, creating the basis for Russian claims to be merely protecting the security and interests of Russian citizens, a claim that Foreign Minister Lavrov has made in recent

weeks. And by establishing direct ties between Russian Federation administrative units and these regions and ending economic sanctions against them, Putin's Russia appears to be establishing the basis for political and economic relations with the regions as if they were sovereign states. Russia has yet to invoke the "Kosovo precedent" to justify recognizing the two regions, but it is clear that at this point, after a decade of American and European neglect of Russia's policies on these separatist regions, there is little that the Euro-Atlantic community could do to prevent such an outcome.

Russia's pressure, particularly on Georgia but also on Ukraine, suggests that the new Putin-Medvedev foreign policy, now secure that the U.S. has failed in advancing the march of color revolutions in Eurasia, is shifting strategies on mitigating the effects of the successful democratic revolutions in countries on Russia's borders. Russia cannot directly reverse Ukrainian and Georgian progress, but Russian pressure and tactics can complicate security for these fragile new democracies (which are already in some ways their own worst problems as a result of internal political conditions, corruption, and failure to reform). As long as Russia's leadership sees liberalization as a national (or personal) security threat, there will be one area of U.S.-Russian relations in Eurasia where there are stark differences in policy and relations.

Russia's third foreign policy objective under Putin has been to build political and economic relations with Eurasia's great and emerging powers. Putin has not succeeded in getting unified European Union political and economic support to oppose American influence or welcome Russian investment, but Russian policy has been very successful in preventing unified EU political policy critical of Russia or contrary to Russia's commercial interests, particularly in the energy sphere, and that counts as a major success. Russian-European trade has grown over the Putin years, European companies are active in the Russian economy, and Russia has forged a number of important energy agreements with European countries and energy companies (and has blocked projects Russia opposes, such as the Nabucco gas pipeline project which would carry Central Asian natural gas to European markets outside of Russian control). Disagreement among Europe's NATO members prevented NATO from agreeing to Membership Action Plans for Ukraine and Georgia, a top priority Putin objective.

While energy trade has not developed to the degree it was anticipated between Russia and China over the past few years, Asian pipelines are being built and Chinese-Russian trade is on the rise. Russia and China are far from allies, but the development of the Shanghai Cooperation Organization is a major success story, both in excluding the U.S. in Central Asia and in helping Russia to monitor and manage China's rise in the region. Russia under Putin has been successful in not becoming dependent on China as Russia's Asia partner, engaging India in economic and business ties as well as political cooperation, and continuing to try to find avenues for cooperation with Japan.

The Eurasian relationship that Putin's foreign policy has most clearly nurtured despite the price in Russia-U.S. and Russian-European progress is Iran. Russia has no interest in Iran obtaining nuclear weapons, yet continues to cooperate with Iran in building the Bushehr facility and delivering enriched uranium to fuel it. While Russia's

nuclear sector benefits from the relationship, the key to Russia's Iran policy is the leadership's bet that in the long term, strong political and economic relations with Iran is in Russia's interests, regardless of whether Iran eventually develops a nuclear weapons capability. U.S. policy has sought to focus Russia on Iran as a problem of nuclear weapons, and it has failed for precisely that reason: for Putin's Russia, policy on Iran is of a piece with a broader strategy of forging political and economic ties with Eurasia's key future great powers. Unless U.S. engagement with Russia on Iran shifts to cope with the framework of future Eurasian security and the political-economic interests among those great powers, the U.S. will continue to be frustrated by Russian cooperation with Iran.

If, as I've argued, the Putin-Medvedev leadership is really an evolution of the Putin leadership, we should expect Putin-Medvedev foreign policy to be a continuation with some evolution of the Putin foreign policy objectives and methods of the past few years. Russian foreign policy will continue to be primarily focused on enhancing Russian Eurasian power from within and through closer political and economic ties with its post-Soviet neighbors and Eurasia's emerging great powers. Although feeling relatively secure from American efforts to change Russia's regime and political system, Russian foreign policy will continue to focus on reinforcing the country's autonomy and weakening Eurasian democracies. The Putin-Medvedev foreign policy focus will continue to be wary about signs of American encirclement and perceived efforts to erode Russian power, status, and freedom of maneuver in Eurasia.

There is some reason to hope for practical cooperation and an improvement in the atmosphere of U.S.-Russian relations, however. Having managed the uncertainties of their internal leadership transition successfully, Putin and Medvedev appear to be predisposed to lowering the anti-American rhetoric and seeking areas for cooperation. Russia still needs to join the World Trade organization, it eventually will need to encourage foreign investment, even in the energy sphere, and Russian businesses want to be able to invest globally themselves. Russia's conventional military forces continue to shrink, and Russian security analysts would welcome a new framework for strategic arms negotiations to manage the next generation of U.S. and Russian nuclear development.

There is a small, but real, window of opportunity in the coming year for the next American administration to advance priority objectives in our relationship with Russia, not because there is new Russian leadership, but because a newly secure and confident leadership may be interested in thinking strategically and achieving practical cooperation. What should that agenda look like? The agenda should be guided by U.S. strategic priorities, but take into account Russian realities

American foreign policy interests and priorities and working with Russia

American foreign policy interests as they involve Russia are relatively straightforward:

- secure nuclear weapons, materials, and technology and prevent their acquisition by states or non-state actors
- prevent the use of unstable and insecure regions of Eurasia from being used by al Qaeda or other actors employing terrorism to organize for attack against the U.S. and its allies
- reinforce the sovereignty, territorial integrity, and security of legitimate and internationally recognized Eurasian countries
- integrate the societies and economies of these countries as much as they wish and are able into global networks as a path to development and modernization

All of these interests apply as much to Russia as other countries in Eurasia. The U.S. has a long-term interest in a Russia that is secure, prosperous, and integrated into regional and global economic and social networks. If Russia is successful in developing its energy infrastructure and engaging global investment, that enhances diversification of global energy markets. If Russia's borders are secure, it limits the ability of transnational criminal networks to operate in Eurasia. If Russia's nuclear facilities are modernized, control over nuclear materials and technology can be better assured. The signing on May 6th of a Russian-American agreement on civilian nuclear cooperation is very encouraging, and very much in the interests of the United States to engage Russia, cooperate in the nuclear sphere, and to highlight a successful track record for pragmatic and mutually beneficial cooperation.

Priorities for engaging the Putin-Medvedev leadership should include:

- graduate Russia from the Jackson-Vanik amendment, which played an important role during the Cold War in encouraging human rights and freedom of travel, but which is not longer relevant to Russia-U.S. relations
- support Russian membership in the WTO, which has been complicated by Russian policy toward Georgia (Georgia must agree to the terms of Russian accession), but which should remain a priority objective of the U.S.'s Russian policy as part of the long-term engagement of Russian business and society
- sustain Cooperative Threat Reduction and related programs for securing Russian nuclear materials
- extend the START I verification system beyond its expiration in 2009 to create time for beginning discussions on a new round of strategic arms talks focused on further reduction in U.S. and Russian nuclear weapons stockpiles
- create a forum for re-engaging Russia on conventional military forces, which should entail discussions both in the context of the Conventional Forces of Europe Treaty and Russian concerns about NATO's military presence in Eurasia with the objective on re-establishing the norms and practices of transparency and confidence-building that were successful in the 15 years following the end of the Cold War
- invest in programs that build long-term relationships and capacity for exchange and discussion between Russian and American youth, through support for student

- exchanges, scholarships for Russians in U.S. universities, and community building projects such as environmental protection in Russia and the U.S.
- move the issue of frozen conflicts in Eurasia from regional or specialized negotiating units to a committee answerable to the United National Security Council