

# **CNA's Russia Program, 1991-2004: A Valedictory**

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Strategic  
Studies**



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# CNA's Russia Program, 1991-2004: A Valedictory

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## Summary

CNA has ended its Navy-sponsored program with the Russians after 14 years. The program is not of any particular interest to the U.S. Navy anymore, especially as it is more deeply engaged on a continuing basis in the Middle East and in the Global War on Terrorism. Russia, like Europe, is a quieter place these days. Of course, the situation in the Caucasus and in Central Asia may well become even more unstable in the near future, but these regions are rather distant from naval operations at this time. Other work is being done in CNA on naval relations and operations in the Black Sea area, but that work has not involved the Russians.

CNA had extensive contacts with the Russians since the end of the Cold War. Our cooperation began in 1990 with the invitation of four Russians to CNA's Conference on small wars and continued with 16 seminars, two mini-seminars, at least 13 separate speaking engagements here by Sergey Rogov, visits by other Russians, other visits by us to Russia, plus a series of visiting Russian speakers arranged by Ty Cobb with the help of Jonathan Geithner in the early 1990s. Our closest association was with the Institute for USA and Canada Studies of the Russian Academy of Sciences (ISKRAN), first with its then-Deputy Director Andrey Kokoshin, and after he went to the Ministry of Defense with his successor and later Director of ISKRAN, Sergey Rogov.<sup>1</sup> Thanks to a grant from the Carnegie Corporation of New York, CNA also cooperated for a couple of years in the mid-1990s with a school in St. Petersburg that was training officers to go into business; CNA provided speakers with small business experience.

Our main objective in this continuing program was to promote cooperation between the U.S. Navy and the Russian Federation Navy (RFN). To this end, we included senior naval officers, active and retired, in our seminars and reciprocal visits. Dr. Rogov arranged appointments with the Commander in Chief of the RFN in Moscow

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1. Kokoshin was one of the four Russians invited to CNA's Annual Conference in September 1990. He invited President of CNA Bob Murray to visit Russia in return. The visit was scheduled for Fall, 1991, when he promised to introduce us to Vice President Yanayev. The coup intervened, and we wondered what side Kokoshin would be on. It turned out that ISKRAN (then ISKAN), its Director and founder, Georgiy Arbatov, and Kokoshin were on Yeltsin's side and were using their xerox machine to reproduce fliers in support of Yeltsin.

and with other senior naval and military officials, as well as members of the government and parliament, and arranged our visits to the RFN bases of the Northern, Baltic, and Pacific Fleets and their commanders. We in turn arranged their visits to U.S. Navy bases in Norfolk, Groton, and Bangor as well as to the schools in Newport and Annapolis. We also arranged appointments with senior U.S. Naval officers and government officials in Washington, including U.S. senators.

Unfortunately, the RFN withered away across this period. Cooperation depended on a combination of trust and ability to engage in cooperative activities, but we found that even as trust increased over time, the RFN's resources and capabilities shrank dramatically. Their surface ships had no fuel and could not venture out to distant places to engage in exercises or combined patrols.<sup>2</sup> In any case, the number of their surface ships shrank drastically. They have tried to keep their SSBN fleet going, but even it shrank and SSBN patrols diminished greatly across the 1990s.<sup>3</sup>

The RFN has practically become a coastal and Caspian fleet. This is not all bad: the overwhelming task of the new Russia has been to build a market-based economy out of the ruins of the distorted Soviet plan-based economic system. Given the excessive resources provided to the military during the Cold War, it was perhaps appropriate that the Russian military was mostly starved across these years, with the RFN taking the hindmost. The Russian economy has been growing since the crash of 1998 led to a major adjustment of their financial management, but from a low base and largely because of high prices commanded by Russian natural resource exports. Military reform has barely occurred, despite endless talk. The military has been especially low in President Putin's priorities.

In any case, our dialogues with the elite of Russian strategic thinkers took place in a kind of time warp, as the Russian economy and politics went through their sine waves of change. Their main concerns have been to maintain a kind of "great power" relation with the U.S., which they have admired and envied across at least the last

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2. The RFN sent two Udaloy destroyers to the Persian Gulf in the early 1990s to participate in Maritime Intercept Operations (MIO) there. Two destroyers and a support ship visited Boston, also in the early 1990s, and the aircraft carrier Kuznetsov and escorts visited in the Mediterranean in the summer of 1996. In the last five years, only five named Russian warships have sailed to distant waters: two Udaloy destroyers from the Pacific Fleet to the Indian international navies review, and the cruiser Slava, frigate Pytlivvy, and destroyer Smetlivvy (the last of the Kashin class, launched in 1969) from the Black Sea Fleet. It is no coincidence that all are gas-turbine powered. They have been accompanied by auxiliaries.

3. During a mini-seminar at CNA about 1997, a retired American submariner said that Russian SSBNs didn't need to patrol since they could fire their missiles from the pier. Major General Vladimir Dvorkin, a missile tester during his career and director of the central strategic institute of Strategic Rocket Forces, said, "It was only a theoretical possibility; we have never tried it."



three decades, and in which arms control negotiations served as their window on the world. And yet the U.S. has been busy everywhere else, not having to worry about a Soviet threat or European security. The Russians have been far more worried about strategic nuclear stability than the U.S. has, and they felt threatened by U.S. ballistic missile defenses and the expansion of NATO. The sine waves have particularly affected their ability to relate to Europe and NATO, and they still can't get over NATO action in Kosovo. The Russian military has also been bogged down in the endless guerrilla war in Chechnya, a situation that has had a significant negative impact on both the Russian military and Russian society.

Across the 1990s, Russia gradually withdrew into itself, something the greater world peace after the Cold War permitted—though the Islamic threat from the south and other unrest has engaged them in Chechnya and a long-term fear of China still stirs them to some extent. At the same time, Russia has emerged as an oil superpower, with effects still to be sorted out by both Russia and the world.

The Russians keep reinventing a navy—it has 310 years of history now—especially when they reach out to be cooperative in the world, rather than being hostile to it (as the Commander of the Baltic Fleet, now the governor of Kaliningrad, pointed out to us).<sup>4</sup> If Russia truly gets its political and economic feet on the ground, the RFN may be back operating and building in a few years. Hopefully, the U.S. will have been able to keep some kind of contact until then and can then resume a program that may facilitate contacts between the two navies. In the course of our seminars and other dialogues, we found that we had a good deal in common with them in strategic thinking—their strategic thinkers are both pragmatic and internationalist—so new opportunities may arise as they become more integrated in the globalizing world.

Will Russia ever be a superpower again? The answer is that the Russians themselves want it to be a “normal” country. Putin and the people especially want the economy to grow so that people’s incomes will grow. To do this, Putin knows he has to keep taxes low, that the government must provide the incentives and keep corruption down so that private entrepreneurs can generate consumer goods—and even eventually be competitive in the world market. Further to do this, Putin and his economic advisors know they have to provide infrastructure, education, and health services to the people. None of this can be accomplished by building a big new military establishment and military industrial base, and thus these things have been low on Putin’s priority list. They would certainly ruin the economy again if attempted. Two

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4. The Gorshkov Navy of the Cold War may have been an exception, but now looks more like multiplication of ships to keep an industrial base going than a real navy: the bases we visited hardly had any facilities, that is, utilities and shops. Ships lived mostly off their own power and thus had short lives. As mentioned later in this paper, in a visit we paid to the naval museum in Murmansk in late October 1994, except for one ship model, the Gorshkov navy was not in sight.

large factors complicate these aspirations. First is too much reliance on export of oil and other natural resources. The second is that the health of the population is bad and the population numbers are dropping drastically. This also militates against Russia being a superpower again. And under these circumstances, the Russian Navy still takes the hindmost.

# Key Themes from our dialogues with the Russians

While each seminar focused on the key concerns in U.S.-Russian relations at the time it was held, there were certain themes that appeared over and over in our discussions with our Russian partners. These included certain topics that were covered in multiple seminars, such as the future of arms control, Russian progress (or lack thereof) in military reform, and the possibilities of cooperation between the American and Russian Navies. They also included certain issues that were not topics of discussion per se, but rather themes that affected the tenor of discussions on the entire agenda. The most significant such themes included Russia's fear of humiliation by stronger powers and consequent desire to be treated as an equal by the United States and the international community and the gradual shift in perceptions of U.S.-Russian relations from hope of a new strategic partnership to accusing the U.S. for not helping the new Russia enough, or providing bad economic advice, during Russian's difficulties in establishing itself as a nation.

## Fear of Humiliation

The desire to be treated as an equal by the United States was one of the key driving forces for Russian positions on almost all of the topics addressed at the seminars over the years. The feeling that Western powers were no longer taking Russian positions into account was at the root of Russian opposition to NATO enlargement, foot-dragging on START II ratification, and opposition to Western intervention in Kosovo and in Iraq. Russian efforts to make the UN the center for resolution of most international disputes were predicated on their belief that their status as a permanent member of the UN Security Council meant that this was the one forum where the United States would have no choice but to treat Russia as an equal. It is worth noting that none of the naval officers we met had traveled to the West before the end of the Cold War, and they were understandably sensitive to how they might measure up in new company.

The desire to be treated seriously also affected Russia's desire for entry into the world community. Our Russian interlocutors frequently referred to the lack of progress in getting Russia invited to join various Western organizations and did not recognize that Russia had never asked to join most of these organizations. There seemed to be a perception among the Russians that the accession procedures that had been developed by organizations such as NATO, WTO, and even the EU were for smaller countries, whereas Russia should not have to take steps to conform to the

same rules NATO imposed upon its smaller neighbors.<sup>5</sup> The Russians seemed to feel that it would be a humiliation for Russia to ask to be admitted to NATO or the World Trade Organization (WTO)— instead, they felt, it should be invited to join by the current members in recognition of its international status.

## Perceptions of U.S.-Russian Relations

Bilateral relations were always at the center of seminar discussions. In the early years of the seminars, the dominant view was one of hope about the future, and that somehow the Russian-American collaboration would be key to that. There were many discussions about how the U.S. might be able to help Russia overcome its political and economic crises. This was also a time when CNA was contemplating an extensive program of cooperation with ISKRAN and other Russian institutes, including the possibility of opening a CNA office in Moscow. But as early as 1994, this attitude began to shift as Russians began to think that the U.S. no longer cared as much about “the Russian mess” and just wanted stability in the region. Our Russian interlocutors resented the relatively low level of American assistance for Russia, hoping as they did for some kind of Marshall Plan. At the same time, the desire to avoid further humiliation meant they would not ask for more help. As one seminar participant said in the mid-1990s, what Russia needed by that point was investment, not aid.

Beginning in the mid-1990s, seminar discussions focused on the need to establish a long hoped-for but never delivered strategic partnership between the two countries. Sergey Rogov frequently argued that the current period was a window of opportunity for further developing bilateral relations, but that this window was about to close. The primary goal for our Russian interlocutors was to define converging interests, develop mechanisms to work toward those interests, and on that basis form a new strategic alliance between the U.S. and Russia—though it seemed to relate mostly to the strategic nuclear sphere (“beyond MAD”). At the same time, one could detect a note of suspicion in Russian attitudes toward the United States, particularly among active military officers who felt the West saw the continuation of Russia’s weak position as benefiting the U.S. and NATO.

This suspicion gradually grew as a consequence of increasing disagreements between Russia and the U.S. over issues such as the conflicts in the former Yugoslavia and NATO’s plans for enlargement, combined with continuing Russian

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5. They might even have noticed the hypocrisy of NATO bureaucrats setting forth rules for new entrants, especially the initial Visegrad countries, but the politicians in the second round ignoring such rules and admitting Romania, Bulgaria, Slovenia, and the Baltic states without much attention to such rules. (Slovakia was also admitted after it made clear that it would not let the proto-dictator Meciar take office again.)

economic and political troubles. By 1997, one general was arguing at a meeting that the U.S. government was plotting to destroy the Russian Federation. After the war in Kosovo, this view spread more broadly and most bilateral military cooperation was frozen for a time. Many Russian analysts became convinced that the failed economic and political reform policies of the early Yeltsin years had been designed by Western intelligence agencies to deliberately weaken Russia, though this was not a theme raised in our seminars.

A brief period of new hope for relations emerged after President Putin decisively declared Russia on the side of the U.S. after the September 2001 terrorist attacks. As it turned out, however, the two sides still disagreed on most issues other than fighting terrorism. The U.S. invasion of Iraq in 2003 despite the lack of a second UN vote, Russian fears about permanent U.S. bases in Central Asia, U.S. distaste for Putin's increasingly authoritarian methods of rule, and Russian fears that the U.S. might act to encourage a popular revolt in Russia similar to those that had occurred in Ukraine and Georgia all combined to make the Russia-U.S. cooperative relationship again seem quite fragile as our seminar program concluded in 2003.

## **The Future of the Russian Navy**

During the early years of the seminars, the participants devoted a significant amount of time to discussing potential avenues for cooperation between the Russian and U.S. Navies. While both sides recognized that the Russian Navy was going to have much less of a blue water presence than it did in the Soviet days, the Russian Navy was excited about having the opportunity to participate in war games and exercises with the U.S. Navy. Discussions of naval matters during the early and mid-1990s thus alternated between developing plans for future naval cooperation and lamenting the continuing decline of Russian naval force structure and readiness.

The key issue in the early 1990s was to build sufficient trust between two communities that had become accustomed to seeing each other as enemies. This was a period when CNO visits became part of the agenda for bilateral naval relations and working relationships were being developed between fleet commanders, especially in the Pacific Ocean.<sup>6</sup> The extension of these exchanges was one of the key topics at seminars through 1995. We at CNA also prepared a long report on alternatives for meshing the futures of the two navies and refined it through

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6. Though only one visit was made by a CNO—Admiral Boorda—to Russia after the Cold War, and the Chief of the RFN never visited the U.S.

discussions with two key retired Russian admirals.<sup>7</sup> Most of the seminars included active senior officers from both sides, who were often given the opportunity to visit the other side's ships and bases, an valuable experience for increasing both knowledge of the other side and trust between the two sides.

Admiral Gorshkov had greatly expanded the Soviet Navy, to include innumerable types of fighting ships, though his plans to add real aircraft carriers fell short, as only one limped out of the Nikolayev shipyard and the Black Sea in 1992 upon the collapse of the Soviet Union. It has never worked well. But Gorshkov did not equally provide facilities for his navy, as we saw by inspection in visits to naval bases. There were practically no utilities out to their floating piers, and many ships used up their lives providing for their own power, whereas American ships go on "cold iron" when in port. The quality of ships suffered as well by the relentless drive to meet "the plan." As one Russian told us, if the plan said a ship should be delivered on December 31, it was delivered, ready or not. Someone told us early in the 1990s that it took three ships to get one to sea—two out of three were lemons. And the Russians realized that they undertook far too many ship designs ("projects") for efficiency and support while in the fleet. And Gorshkov apparently wouldn't let them retire any ships.<sup>8</sup>

By 1996, the Russian Navy had been overwhelmed by its financial and equipment problems, leading to a decline in its ability to participate in cooperative activities with the U.S. Navy. Lack of fuel, poor ship readiness, and decline in personnel readiness due to lack of training time at sea all contributed to a major reduction in Russian participation in international naval activities. This had an effect on seminar discussions as well, with little time now being devoted to discussing new cooperative ventures. Instead, the seminar discussions lamented the continuing decline of the Russian Navy. By the end of 1998, our Russian interlocutors were openly stating that they simply did not have any resources to commit to greater interaction with the U.S. Navy. By 2000, naval issues had entirely dropped off the agenda of our bilateral seminars, even though the Russian Navy's readiness was beginning to improve, albeit very slowly.

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7. *Future Visions of United States-Russian Naval Cooperation: What is to be Done?* Principal author T. P. M. Barnett, with contributions by H. H. Gaffney and F. D. Kennedy; CNA Annotated Briefing 96-61, June 1996.

8. The Americans thought was some kind of genius who might conquer the world with his navy. But his grave in Novodevichy Cemetery in Moscow is unexceptional: the bust of three admirals—Gorshkov, the elder Kasatonov, and one other—are arrayed on one plinth. Around the corner is a much larger statue of a general, surrounded by fresh flowers. We were told that the general was the creator of the Soviet military communications system.

One discussion topic that continued to generate a low level of disagreement between the two sides was the constantly repeated Russian desire for limits on U.S. submarine deployments in Russian coastal areas. While our Russian interlocutors pressed for ASW-free zones, that is, safe zones to avoid submarine collisions, and the end of close observation of Russian naval exercises by U.S. submarines, the American side kept insisting that Russia should not see these actions as threatening to its security, as they were simply efforts to maintain freedom of navigation on the open seas, a principle that the U.S. Navy would never betray. This issue was one of the clearest examples over the years of the two sides talking past each other without getting anywhere.

## **The Future of Nuclear Weapons and Arms Control**

Nuclear weapons remained the most important topic of discussion throughout the history of the seminars. CNA hosted an historic meeting in December 1991, when Andrey Kokoshin and Sergey Rogov on a visit to Washington asked to set up a meeting with U.S. Senators so they could lay out their fears about “loose nukes” in Russia. Senators Nunn and Levin attended. Senator Nunn had been proposing a one billion dollar general aid program for Russian, but was not meeting much success. After the meeting at CNA, he changed the proposal to \$500 million, for nuclear security exclusively, and very soon thereafter the Nunn-Lugar “Soviet Nuclear Threat Reduction Act” was passed. The program became known as the Cooperative Threat Reduction (CTR) Initiative, which has been the most successful Russian-American cooperative program over the last fifteen years.

In later years, the focus of seminar discussions on nuclear weapons shifted to the likelihood of ratifying START II and the possibility of negotiating new arms control agreements. Beginning in 1994, a series of delays in START II ratification by the Russian Duma frustrated much progress on arms control issues. From the Russian point of view, it seemed that every time the Duma seemed to be ready to take up the question of ratification, the United States engineered some crisis in relations, such as new qualifications on ballistic missile defense programs, the enlargement of NATO, or air strikes in the former Yugoslavia, that delayed ratification. From the U.S. point of view, the Russian government kept linking the agreement’s ratification to unrelated issues such as modifications of the Conventional Forces in Europe (CFE) Treaty. The treaty was finally ratified in April 2000, although it never came into effect and was superseded by the Treaty of Moscow on Strategic Offensive Reductions signed by Presidents Bush and Putin in 2003.

Beginning in the mid-1990s, Sergey Rogov frequently brought up the incongruity of the U.S.-Russian nuclear relationship still being based on Mutual Assured Destruction, despite the end of the Cold War and repeated assurances that the two

sides were now partners rather than enemies. At the same time, the two sides were never able to formulate concrete ideas for moving beyond MAD to a true partnership on nuclear issues.

The question of U.S. National Missile Defense emerged as an issue in the late 1990s and came to dominate seminar discussions on arms control for several years. The Russian side feared that the United States would unilaterally abrogate the ABM Treaty and, in doing so, bring about the collapse of the entire arms control regime that had been built up over the past forty years. That is, they considered that nuclear stability would be severely compromised by its abrogation. The U.S. side, meanwhile, kept trying to convince the Russians that our missile defense systems were being designed in order to ward off potential threats from rogue states and could in no way threaten to shoot down Russian nuclear weapons. Neither side seemed to be able to adapt to the other side's message.

## **Russian Military Reform**

Seminar discussions of Russian military reform and other interviews with senior Russian defense officials over the years focused on the minimal progress that had been made to date and the grand plans and timetables for such reform that would be accomplished within just a few years. The key aspects of reform, as spelled out by the Russian general in charge of it in the mid-1990s, included civilian control, establishing an all-volunteer force (they refer to it as a “contract force”), and reshaping their reserve and mobilization system. In our discussions and in their discussions with the U.S. Office of the Secretary of Defense, they were particularly anxious to create a non-commissioned officer (NCO) corps like the U.S. had. This topic came to have less and less prominence over time as both sides recognized that the ambitious reform agenda publicly announced by the Russian military would be implemented only very slowly because of financial limitations and resistance on the part of the conservative top brass in the Russian military. One Russian seminar participant announced at one point, “The Russian military will never reform itself.” As it turned out, the civilian government did not have the political capital or resources to force reforms on a resistant military during the 14 years of our seminars.<sup>9</sup>

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9. With the rise in oil prices, the Russia defense budget has doubled from around \$9 billion in 2001 to around \$18-19 billion for 2005. This has stimulated some more movement in reform and a little progress in completing ships on the ways for the RFN.



## NATO Enlargement and NATO-Russian relations

The issue of NATO enlargement was discussed at virtually every seminar over the entire fifteen-year history of the program. Andrei Kokoshin first mentioned the topic in March 1992, arguing that many Russian strategic thinkers and MOD planners were in favor of Russia joining NATO. By 1994, our Russian interlocutors had changed their minds on this issue, arguing that any expansion of NATO was unacceptable to Russia and a betrayal of promises made to Gorbachev when he was agreed that the reunified Germany should remain a member of NATO. They believed that the addition of former Warsaw Pact states to NATO would increase the potential threat to Russia, because NATO capabilities would increase and NATO would now be right at Russia's borders.<sup>10</sup> The perception of threat would, in turn, derail military reform in Russia, restart the Russian military machine, and turn the Russian public firmly against the West.

American participants, in turn, argued that NATO enlargement was a political, not a military, issue and that the new NATO would not pose any more of a threat to Russia than the pre-enlargement NATO did. The discussions of NATO enlargement thus turned in large measure on psychology—the Russian side saw NATO enlargement as a Western betrayal of the promise of a common European security system that had been promised during the Gorbachev period, while the American side saw it as the fulfillment of a promise made to East European states that they will be able to fully join European institutions as long as they made progress in political and economic reforms. Virtually the same arguments were replayed during the second round of enlargement, when the main area of tension concerned the Baltic States, which had once been part of the Soviet Union.

Despite the continuing tensions over enlargement, NATO and Russia pursued a vigorous program of military cooperation during periods of lower tension, and the seminars reflected this aspect of the relationship as well. There was discussion of the possibility of joint exercise planning, and the positive impact of joint peacekeeping efforts in the former Yugoslavia on NATO-Russian relations was discussed extensively. The ups and downs of efforts to institutionalize the relationship, first through Partnership for Peace, then the NATO-Russian Permanent Joint Council (PJC), and finally through the NATO-Russian Council (NRC), were discussed as well.

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10. Disregarding the very short Norway-Russia border, where a NATO country had a border with Russia since 1949.

## **Economic Issues**

Given the rapid and catastrophic decline of the Russian economy in the early 1990s, it is remarkable how little seminar time was devoted to economic issues over the years, although Sergey Rogov provided several papers on the subject that we distributed widely in the U.S. The topic was addressed occasionally at some of the earliest seminars, mostly in the context of Russian participants informing the Americans about the economic situation, discussing the mistakes being made in economic reform, and reflecting on how these mistakes might affect the political situation in Russia. Once it became clear that the West was well informed about Russian economic problems, economic topics dropped out of the agenda entirely, except for occasional ritual references to the need for Russian economic revival. Also, during the last five or six seminars, Sergey Rogov repeatedly brought the urgent need for Western creditors to restructure Russia's foreign debt in order to avoid another financial and economic collapse. This was the extent of seminar discussion on economic issues over the fourteen years of the program's existence. It was in his visits with U.S. Senators that Dr. Rogov pleaded for Russian debt relief.<sup>11</sup>

## **New Security Concerns: The Far East and Terrorism**

While seminars during the first five years of the program largely focused on traditional issues such as arms control, bilateral relations, and the future of European security, new security issues increasingly came into the discussion in the late 1990s. The earliest discussion of China and the Far East occurred at the September 1996 and February 1997 seminars, which were held in Anchorage and Vladivostok, respectively. At that time, discussions focused mainly on how Russia and the U.S. were handling their relations with China, although the problem of Russian-Japanese relations and the potential threat of a war in Korea were also discussed. At the time, the perception was that Russia and the U.S. should work together to enmesh China in international institutions so as to ensure that China does not become a threat in the future. In the aftermath of the Kosovo war, the tone of the discussion shifted and Russia and China were seen by some in the U.S. as potential

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11. In the event, the rise in oil prices has permitted Russia to pay off its international debts, even ahead of time. While the Russian defense budget has doubled over the last 4-5 years (from around \$9 billion to around \$18 billion), it has been at about 3.5 percent of GDP, with other internal security forces, e.g., the Ministry of Interior, or MVD, adding about another 1.5 percent of GDP. The notion that the Russian defense budget is "the second largest in the world" is simply ridiculous. The Russians themselves immediately cite the ruble value of the budget in dollars—it is their measure of value. The RFN takes the hindmost in the budget.

partners seeking to counter U.S. hegemony in the Pacific region and in the whole world. This was not the tone in our seminars, however.

After 2001, the Middle East and terrorism replaced China as the main topics for concern about international instability. Earlier seminars had also discussed terrorism, but mostly as an aside in the context of potential threats to Russia, especially “from the south,” that is, the Caucasus and especially Chechnya. Quite understandably, the last three seminars were dominated by discussions of potential US-Russian cooperation in preventing and fighting terrorism, the effect of Middle Eastern conflicts on global security, and (at the last seminar) the ongoing war in Iraq.

## **But what about Russia itself?**

First of all, it is hard to underestimate the shock of the collapse of the Soviet Union and the difficulties for the Russian nation-state had in setting itself up for the first time in the history of what is called Russia. After all, Russia had been either the fief of Tsar or the property of the Communist Party up through 1991. The Soviet Union was a fake country, with a fake economy, “insanely over-militarized,” as Gorbachev said. It was the ultimate supply-side economy: if everyone was working, everything had to be OK, even if there were no consumption on the other side of the equation. The people were working to build useless military equipment—it was “build-to-park” and had no Keynesian multiplier in the overall economy. The ruble had no real value—the economy was essentially demonetized and the ruble served the same function as children’s allowances (pin money). The state provided all the rest, mostly as material. As Russians told us, there was nothing left by 1989—no goods. The leadership before Gorbachev was old and had no new ideas. The KGB was pervasive, as were local police (the *militsia*).

The paradox was that, as the Soviet economy disintegrated, Soviet military technology was maturing. But at the same time it was not well facilitated, maintained, or exercised, as we saw at the naval bases. In retrospect, we now realize that the Soviet Union was losing control of its empire, beginning with its being tied down in Afghanistan and the rise of Solidarity in Poland coupled with military rule there (which was the end of Communism).

By the time of the August 1991 coup and the break-up of the Soviet Union into 13 independent republics, including Russia, the old Soviet Union was truly a dreary place. The immediate problem was avoiding famine and providing pharmaceuticals to prevent the collapse of health. The great fear among the Russians we spoke to was civil war like the one from 1917 to 1921. The whole Communist Party apparatus was dissolved, but the Russian Supreme Soviet was retained. Yeltsin was president of

Russia, and began to build a government. But there seemed to be no economy, except as the kiosks emerged and a bazaar economy took root. As for the military, they stood on the sidelines, conditioned to passivity by the pervasive party and KGB controls under which they lived in Soviet times. The best Soviet divisions were left behind in Ukraine and Belarus. Those coming back to Russia out of Eastern Europe were given sheds for their equipment, but practically no housing.

The new Russia has gone through some severe cycles, however, and has not yet found a firm basis of either governance or economy. But it has not been threatened from outside—except for the two cycles of the never-ending war in Chechnya and its threat to spread further in the Caucasus—and, after a severe adjustment to its finance system in 1998 and rising oil prices after 2000, the economy has been growing and personal incomes even faster. However, neither a sustainable economy nor a civil society that might generate alternative leadership in politics has yet been created, and this places a huge burden on governance. Yeltsin was too ill and erratic to govern or create a political system, and it looked like power flowed to the oligarchs. Putin has brought it back the other way, to concentration of power in the Kremlin and the taming of the oligarchs by imprisoning Khodorkovsky and effectively renationalizing the largest oil company, Yukos. Putin knows that a sustainable economy can arise only with vast growth in small private enterprise, possibly helped by a more favorable climate for foreign direct investment (FDI), but the bureaucratic, corruptive, and legal hurdles are proving immense.

This tangled short history of Russia, with much more to unfold, has not been to the benefit of the military establishment. But at the same time, they haven't needed one, except to fight in Chechnya. The growth in the economy and the oil receipts have meant that the defense budget has increased from around \$9 billion in 2000 to a prospective \$23 billion in 2006, discounted by 10-12 percent inflation a year across that time. But that can hardly sustain the 1.2 million personnel in uniform in what they call the army (i.e., the regular military) (plus personnel in other security services), much less buy other than token quantities of new equipment. And the Russian Federation Navy may have suffered most in this process.

# The Seminars and other discussions between the Center for Naval Analyses (CNA) and the Institute for USA and Canada Studies of the Russian Academy of Sciences (ISKRAN)

Over the fourteen years of the program, CNA and ISKRAN held sixteen seminars. In this section, we discuss the main points covered in each seminar, interspersed with key issues in Russian domestic politics and relations.

## The inaugural visit to Russia

Mr. Robert Murray led a small CNA team—including Ambassador Marshall Brement, who had served two tours in Moscow (mid-1960s and mid-1980s), Ms. Lauren Van Metre, a Russian language specialist, and Dr. Henry Gaffney—to Moscow, Kiev, and St. Petersburg in late October-early November 1991. Our invitation was from Dr. Andrey Kokoshin. He and ISKAN under Dr. Georgiy Arbatov, had turned out on “the right side,” that is, Yeltsin’s side, upon the aborted coup of August 1991.<sup>12</sup>

During our visit, we could see that the end of the Soviet Union was an inevitability. In our tour of Red Square, we could see both the Soviet flag and the new-old Russian flag flying over the presidential offices behind the wall of the Kremlin. In our visit to Kiev, our Ukrainian interpreters were clear that they wanted Ukrainian independence, as did the Soviet army colonel with whom we met at the Ukraina hotel (whose halls were pitch black because “they don’t turn the lights on until six o’clock”). In St. Petersburg, at a reception held by the U.S. Consul-General, we briefly met Mayor Sobchak, and then with Deputy Mayor Vice Admiral Scherbakov, who introduced us to General Samsonov, commander of the Leningrad Military District. Scherbakov assured us that the stony-faced Samsonov “was with us from the beginning”—keeping his military units in their barracks during the August coup. We also met with Colonel Vitaliy Shlykov, then Deputy Defense Minister of the Russian Republic (RSFSR), in the conference room in the White House that they had used as Yeltsin’s command center during the coup.

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12. “ISKAN” stood for the Institute of USA and Canada Studies of the Soviet Academy of Sciences. Upon the final dissolution of the Soviet Union it became ISKRAN—still the Institute of USA and Canada Studies, but now of the Russian Academy of Sciences—thus the insertion of the “R.”

It was clear then that the Russian (and Ukrainian) economy was in dire shape. The cities were dreary and dark. One Russian official showed us his sugar ration slips, but said there was no sugar to buy with them. We went to dinner with the Russians at a Georgian restaurant and watched them remove their windshield wipers and side-view mirrors. We enjoyed Georgian hors d'oeuvres, but there was no entrees, dessert, or coffee to be had. The U.S. was concerned with loose nukes, but the Russians were concerned with their next meal—and the U.S. had begun to engage in relief efforts, sending especially pharmaceuticals to the former Soviet Union (we encountered a U.S. Air Force flight crew at the hotel in Ukraine that had been delivering these). The great Soviet Union, the peer competitor, was revealed to be entirely shabby. We were given a tour of Russia by a retired colonel of Soviet space forces, then working at the Institute of Informatics and Datamation. As we passed the cruiser Aurora, he said, “That was the ship that fired the shot that stopped our economy for 70 years.”<sup>13</sup>

We had established a relation with ISKRAN, and President Bob Murray of CNA agreed with Kokoshin to inaugurate a series of exchanges. CNA also invited other Russians to come speak to us in Washington. The new Russians were eager to communicate.

## September 1992: Washington, DC

This seminar was the only one (in Washington) attended by Georgiy Arbatov, founder of ISKRAN.<sup>14</sup> Much of the discussion at the first seminar focused on consequences for the Russian Navy of the collapse of the Soviet Union and the end of the Cold War. Participants agreed that the Navy had the lowest priority of Russia's military services, which would have a negative effect on its financing. Cuts in staff and ships were seen as inevitable, morale was low and many of the best officers were leaving. Our Russian colleagues recognized that Russia had no need for a blue water navy, since it had no real overseas interests to protect. The only focus of the RFN throughout the Cold War was to protect the Soviet Union from the United States: this was no longer necessary. Some argued that it could become a coastal navy, but this would entail a sharp reduction in ships. A niche navy focusing on regional

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13. In October, 1917 (old-style), the Aurora fired a blank shot that was the signal for the Bolsheviks to storm the Hermitage and arrest the provisional government headed by Kerensky.

14. Dr. Arbatov was a member of the Central Committee of the USSR, close to General Secretary Andropov, and a strong advocate of détente. He was instrumental in ending the Cold War: see Robert J. English's book on the collapse of the Soviet Union, *Russia and the Idea of the West* (New York: Columbia University Press, 2000), where Arbatov is mentioned on 39 pages, while President Reagan is mentioned on 2. See also G. Arbatov, *Cold War or Détente* (London: St. Martin's Press, 1992), which is his personal reminiscences.

power projection, strategic deterrence and peacekeeping was seen as a more likely scenario.

Discussions of the Russian military in general focused on the extent of that institution's crisis. Civilian control had broken down with the demise of the Communist Party; efforts to establish a civilian Ministry of Defense had not borne fruit. The Russian military was most concerned about the logistic issues surrounding the withdrawal of forces from Eastern Europe, especially because of the lack of housing for returning officers. Some thought was already being given to reducing force size, restructuring the force to focus on potential internal or border wars, and the replacement of conscription with an All Volunteer Force.

The most significant security concerns at this seminar included dealing with the potentially greater instability of a multipolar world, Russia's shift from a global to a regional focus in its foreign policy, and the potential of a confrontation between Russia and Ukraine over either Ukraine's nuclear weapons or the status of the Black Sea Fleet.

## **Russia into Yeltsin's first term and through the crisis of 1993**

In its first two years, the Russian economy was subject to shock therapy. Yeltsin's prime minister, Yegor Gaidar, advised by Jeffrey Sachs and Anders Aslund and others, resolved to privatize the economy, including by issuing vouchers to the public. The ruble had soared from the fake 1.6 to 1 dollar in 1991 to something like 900 to the dollar in 1993 and climbing. Crime and the mafia had appeared. The Russian military was in bad shape, though the Russian navy (RFN) still had a lot of ships even if new construction had mostly stopped. The Nunn-Lugar program was underway, and Ukraine and Kazakhstan had agreed to give up nuclear weapons. Foreign policy was in the hands of Yeltsin and Andrey Kozyrev, and they were eagerly reaching out to the West. But there were troubles on Russia's periphery, as civil war broke out in Tajikistan, Armenia and Azerbaijan went to war over Nagorno-Karabakh, and Tatarstan and Chechnya wanted autonomy each in their own way.

The major political event was the showdown between Yeltsin and the Supreme Soviet and its speaker, Ruslan Khasbulatov, supported by Yeltsin's vice-president, General Alexander Rutskoi. The Supreme Soviet wanted to be the government, instituting a parliamentary type of rule. The climax came in October 1993 when Yeltsin assaulted the White House, dissolved the Supreme Soviet, and arrested the leadership, including General Makashov, who had tried to seize the television facilities at Ostankino. Thereafter, Yeltsin had a new constitution drafted with a

strong presidency based on the French (DeGaulle) model. Elections for the new Duma were held in December 1993.

By October 1994, war had broken out with the rebelling Chechens. While a truce was achieved in 1996, the war broken out again in 1999, and has bedeviled Russia ever since, without signs of resolution.

## **October 1993: Washington, DC, and the Naval War College**

This seminar took place in the immediate aftermath of the storming of the Russian parliament (the Supreme Soviet) by military and paramilitary forces acting on President Yeltsin's orders. The Russians we dealt with were afraid that this crisis would mark the end of the process of establishing the rule of law in Russia and the prelude to the introduction of one-man rule. It might have also led to a return to censorship and the elimination of political freedom.<sup>15</sup> There was a consensus that Russia could not become democratic by authoritarian means. They thought the best way out of the political stalemate would have been to call simultaneous elections for president and parliament. Yeltsin's people were criticized for assuming they know what the Russian people want without having to ask them. Some predicted that Yeltsin would be removed by his own allies within a year. There was a general loss of faith in democracy in Russia as people became indifferent to reform and sought law and order instead. The failure of economic reform and the drop in living standards was a large part of the problem. The backlash had begun already in the fall of 1992. The bureaucracy had survived the collapse of the state and was now expanding.

In the event, the Supreme Soviet was dissolved, Yeltsin's people drafted a new constitution, a referendum was held to approve the constitution (it squeaked through, and there were some doubts that the turnout was sufficient), and a new parliament (the Duma) was elected in December 1993. The provinces formed the second house, the Council of the Federation. The Duma was seated in January 2004, and the first speaker, Ivan Rybkin, numbered the Duma in sequence with the pre-Soviet dumas eliminated by Lenin and company.

At our seminar, the Russians perceived the U.S. attitude toward the Russian political crisis as mere posturing. There was a perception that the U.S. was tired of dealing with Russia's mess. Some argued that what Americans really wanted was an pro-American regime, even if authoritarian. Instead, they said the U.S. should push Russia to be more democratic and make sure that the military is not allowed to drive Russian foreign policy. One of the main reasons for domestic disappointment in

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15. Dr. Rogov said that, when he called back to Moscow during the crisis, he heard a click on the line, upon which he and his wife began talking in code "like they used to in Soviet times."



Yeltsin was the lack of promised Western assistance. Now it was too late for assistance, but there was still a great need for trade and investment.

The U.S. and Russia were seen as having significant areas of mutual interest in foreign policy, including reducing nuclear weapons, preventing proliferation, fighting Islamic extremism, and engaging in cooperative peacekeeping and peace enforcement. There were no U.S.-Russian conflicts over the international system, but there was a great deal of Cold War inertia remaining. The U.S. was seen as lacking the resources or desire to become the world policeman. This would inevitably lead to the emergence of a multipolar world according to the Russians—a theme Russia has never given up. The Russians feared that NATO enlargement would isolate Russia. They were concerned that the United States was filling the vacuum being left behind by Russia's retreat. They advocated instead developing a new security system that would include Russia and not carry the baggage of NATO.

The discussion brought out that the nuclear relationship had to be developed beyond deterrence. Launch on warning was now seen as a particularly dangerous possibility, since Russia's long-range ground-based warning system had effectively disappeared following the disintegration of the Soviet Union. Their space-based warning systems that remained were declining in number without replacement as well. The detargeting of intercontinental missiles that Presidents Bush and Yeltsin had agreed to would be just a first step in this direction. At the same time, Russia announced that its reliance on nuclear weapons would necessarily increase as its conventional military forces collapsed—at least if under attack by a major conventional force, meaning NATO. The Russian civilians we talked to knew this was an absurdity, but the Russian military clung to it for they wished to maintain the large forces and mobilization system they found wanting at the beginning of World War II.

Discussions of the Russian military focused on the failure of civilians to direct military reform. Since Russian independence, the military had felt neglected by the politicians, and left with blood on hands because of their roles in putting down uprisings in Tbilisi, Baku, and Vilnius in the waning years of the Soviet Union. The collapse of the old Soviet economy had also meant the disappearance of any kind of financial support for the military. Necessary reforms including reducing the number of services, cutting divisions, redressing the balance between officers and soldiers, and introducing an all volunteer (contract) force.

The Russian Navy now recognized that Russia had to defend its own immediate surroundings and that in a time of limited resources, the Navy would be consigned to a smaller role. The most likely potential conflicts for Russia were to its south and east, and would be fought on land. In any case, even in the best circumstances it would take decades to change the Soviet fleet into something else, which had been

designed to fight the U.S. Navy. The Navy's main missions were nuclear deterrence, protecting Russian territory from the sea, supporting ground troops, and protecting SLOCs. In terms of naval relations with the United States, they said there needed to be better coordination on exercises and observers. Russia wanted ASW-free zones, less U.S. presence in Russian strategic areas, and an increase in cooperation under UN auspices. The Russians felt that the U.S. Navy was acting as if the Cold War were still in progress. Russia was particularly concerned about the possibility of submarine collisions. The U.S. Navy hoped to increase opportunities to exercise and operate together with the Russian Navy. There was a hope that the U.S. and Russia could work together to solve future crises.<sup>16</sup>

For its part, the U.S. group laid out how the U.S. military was preoccupied with other areas of the world, especially in the Persian Gulf, and was relieved that it no longer needed to confront the Soviet Union or Russia as its successor. We showed them how the U.S. Defense Department was itself reducing, given its smaller budgets and was not modernizing at the same pace as during the Cold War. The U.S. had greatly cut its submarine operations near Russian territorial waters.

We took the Russians to Newport, Rhode Island, and a visit to the U.S. Naval War College. There, Dr. Rogov lectured to the assembled college and its foundation supporters. We were told that the audience could handle about 20 minutes of lecture. Dr. Rogov's lecture lasted one hour and fifteen minutes and one did not hear a pin drop in all that time. The group also met with the Chief of Naval Operation's Strategic Study Group (SSG).

## **February 1994: Moscow, the Bor Hotel, and St. Petersburg**

At the time of this seminar, we had a real breakthrough in terms of direct access to the Russian Navy, including a meeting with the Russian CNO, Admiral Gromov, at Main Navy Headquarters and the direct participation of several senior naval officers at the seminar. The group also had meetings with President Yeltsin's Defense Advisor Yuri Baturin, First Deputy Secretaries of the Russian Security Council General Manilov and Dr. Rubanov, and the Chairmen of two State Duma Committees (Lukin on Foreign Affairs and Yushenkov on Defense). Topics covered at the seminar included Russia's new naval doctrine, NATO enlargement and the

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16. This seminar marked the first time a Russian admiral—Rudometkin, head of a naval institute in St. Petersburg—attended one of our seminars. It was the first time he had been to the West. In a tour of the Pentagon, we showed him the Pentagon courtyard and remarked that, during the Cuban missile crisis, we referred to it as Ground Zero. Rudometkin said, "You mean we were aiming at a little restaurant?" The Russian sense of irony is a rich one.

Partnership for Peace, and strategic cooperation between Russia and the United States.

The key internal political issues in Russia at the time of this visit included the continuing political uncertainty in Russia under a new Duma, concerns about criminal violence, continuing economic decline (we paid a visit to the remnant of the office of Jeffrey Sachs and Anders Aslund), and the threat of a surge of Russian nationalism as evidenced by the success of Vladimir Zhirinovskiy in the December 1993 Duma election.

In our discussion with Manilov and Rubanov, it was clear that Russia's greatest security fears came from the south—which had come to be called “the Near Abroad.” They were also irritated by the Baltic countries treatment of Russians, but Manilov assured us that Russian troops would be withdrawn as soon as housing was available for them, not because of the political situation in the Baltics. China was not mentioned.

Discussions about Russian foreign policy focused on the difficulties in shifting from the old arms control agenda to one of cooperation between partners. Little progress had been made on START II ratification. There was a feeling that global security depended on Russian-American relations. Both sides agreed that there was a need to develop concrete mechanisms toward a strategic partnership. Russians were concerned about the development of a new iron curtain with the potential expansion of NATO into Eastern Europe, a scenario that was deemed unacceptable for Russia. At the same time, there was little interest in increasing Russian participation in the Partnership for Peace program. Our Russian colleagues argued that Russia had no imperial ambitions in the former Soviet region. They were irritated with the Baltic States' treatment of their minority Russian populations, but , as General Manilov told us, did not link this issue to the withdrawal of Russian troops from the region—the troops were to come out when Russia found alternative housing for them. Russia's main foreign policy concerns included the threat of Islamic fundamentalism from the south and the dispute with Japan over the Kurile Islands.

The Russian Navy still saw itself as the lowest priority for the Defense Ministry. Naval officers were excited about participating in war games and other exercises with the U.S. Navy. They wanted to get involved in BALTOPS and to do joint operations with the U.S. in the Persian Gulf. The Navy's main objectives included preventing aggression from the sea, assisting in UN peacekeeping operations, and providing nuclear deterrence. The continuing presence of American submarines off Russian shores was seen as an unnecessary humiliation.

In St. Petersburg, the American delegation visited the Kuznetsov Naval Academy and its gracious commandant, Admiral Ivanov, former Commander of the Baltic Fleet. Robert Murray lectured to the assembled students on American foreign and defense policy after the Cold War. We were given a demonstration of their war-gaming facility, complete with their standard scenario of a U.S. carrier task force attacking in the Barents Sea, opposed by the Russian Northern Fleet. We paid a call on the Deputy Mayor, Vice Admiral Scherbakov, and he had several other officials with him—we wonder to this day whether Putin was one of them, but we don't remember. We also visited with the Commander of the Leningrad Naval District, in his office in the magnificent old Admiralty building. His main concern was housing for the sailors.

## **June 1994: Washington, DC**

The highlight of this seminar was a presentation by Admiral Boorda, the U.S. CNO, on NATO operations in Bosnia. Sergey Rogov spoke to the CNA board of trustees about Russian internal politics and U.S.-Russian cooperation. Other topics covered at this seminar included the global arms trade and the threat of conventional weapons proliferation.

The main focus of discussion was on the U.S.-Russian relations. There was still no progress in establishing mechanisms for a strategic partnership. It was recognized that Russia was still working out its new identity, including what its security interests were. The U.S. had to decide whether it wanted to be a lone superpower or the first among equals. Key issues for the relationship included the nuclear relationship, counter-proliferation, coordinating military policies, and working together on solving regional conflicts and peacekeeping. The discussion made clear that the two sides did not have any ideological differences and shared the same security interests, so they should be allies. Russia wanted to be an equal partner, but they complained again that they had not been invited to join any Western organizations.

The global arms trade was seen as declining for all sides, because there were fewer major armed conflicts. Russia was concerned about the possibility that East European states will shift to procuring Western weapons because of the Partnership for Peace. There was virtually no procurement in the Russian defense budget, which was having a significant social impact in regions where the military industrial complex formed the base for local industry.

## **Late October-early November 1994: Moscow and Severomorsk**

The main topics discussed at this seminar included the implications of each country's national security strategy, the future of their navies, what is meant by national interests, the Partnership for Peace and NATO enlargement, and the status of strategic forces and missile defense. The U.S. visitors traveled to Murmansk and Northern Fleet Headquarters in Severomorsk. They also met with several Russian politicians in Moscow.

The Russian participants discussed the existence of a government working group trying to determine what Russian national interests were. They pointed out that the criteria for a possible partnership with the United States were not clear. There were many slogans, but little practical action in any sphere. The U.S. and Russia had many common interests, including counter-proliferation, stopping organized crime, and preventing terrorism. The Russians hoped that their country would soon join more international organizations. They expressed resentment at the continuing Baltic human rights issues. There was the persistent concern that the U.S. was losing interest in Russia as an equal security partner. On missile defense, while the American participants argued that theater missile defense was mainly designed to protect ports and U.S. military forces against rogue states, the Russians believed that it would impact the bilateral strategic balance, presage a U.S. national missile defense system, and lead to the collapse of START II.

Discussions of strategic forces focused on the issues surrounding the ratification of START II, the prospect of NPT renewal, and the CTB Treaty. Sergei Rogov again brought up his efforts to change the mutual nuclear deterrence relationship to something else—never quite clear—but did not propose a plan for how to go about this effort. Major General Vladimir Dvorkin, head of the Central Institute of Strategic Rocket Forces, disagreed, noting that the two sides needed to maintain a balance of nuclear forces. The American participants emphasized conventional deterrence and pointed out that Russia also needs nuclear weapons in order to deter China.

There was an extensive discussion of changes in U.S. naval strategy, focused on how "Forward from the Sea" differed from naval doctrine during the Cold War. The new emphasis was on dealing with unknown and possibly multiple simultaneous threats. There was a new focus on joint operations. The Russians pointed out that the RFN does not do its own doctrine. The Russian Navy's main focus now was on protecting national resources, state borders, and commercial shipping, conducting anti-piracy actions and peacekeeping, and guarding against an attack from the sea. Both sides agreed that the navies needed a joint plan for cooperation and exercises and should develop a coordinating mechanism for this effort.

The Russians said that Russia was eager to participate in the Partnership for Peace, but not all doubts about NATO intentions had been removed yet. Specifically, they thought the format was too narrow. They thought that while military mechanisms for peacekeeping can be set up, who would make the political decision to use the military? This led to an extended discussion on who had the authority to authorize military action within NATO. The Russians thought the consequences of NATO enlargement would be psychologically traumatic for Russia and might include renewed territorial claims against Russia by East European states. Russia wanted to be an equal partner to the large countries, not to its own former satellites.<sup>17</sup>

The American team flew to Murmansk, and then paid a visit to the Northern Fleet commander, Admiral Yerofeev, at his headquarters in Severomorsk, just to the north of Murmansk. It was a very cordial meeting, although Admiral Yerofeev made the usual speech about American submarine intrusions—though he apologized after his long remarks by saying, “I hope I haven’t spoiled your mood.” We then toured the naval base, taking any pictures we wanted. We saw the two Kirov nuclear-steam cruisers there, one that worked and the other that didn’t. We saw a Sovremenny destroyer blow tubes across all the other ships at the piers. We toured an Udaloy destroyer (the Admiral Kharlimov) topside and had lunch there with the chief-of-staff of the Northern Fleet and other officers. We took a cruise on the admiral’s barge in the Kola Inlet and took a picture of the chart of the inlet in the pilot house—worth its weight in gold if it had still been the Cold War. We were supposed to tour a Victor III SSN, but it had a casualty (which we believe) and couldn’t make it to Severomorsk from its cove in the north. We toured the naval aviation museum in Severomorsk (dedicated to Yuri Gargarin, the first Soviet astronaut and a naval aviator) and the naval museum in Murmansk (which had practically no displays from the Gorshkov era).

## **April 1995: Washington, Newport, and Groton**

The main topics covered at this seminar included the main sources of conflict around the world, the future of strategic nuclear deterrence, arms control issues, NATO enlargement, and U.S.-Russian naval cooperation. The Russian group also visited the U.S. Naval War College and the Groton submarine base.

The participants agreed that the end of the Cold War did not mean the end of conflict in the world. While there are no areas of direct bilateral conflict between the U.S. and Russia, there was the need for a bilateral mechanism for dealing with

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17. As Dr. Rogov would say about the relation between Partnership for Peace participants and NATO, they would all sit outside the door of the conference room waiting for the NATO decision, and Russia would be the first informed, before Albania. The U.S. has the same relation with the European Union—sitting outside the door, waiting for the decision.

crises. Seapower was seen as a means for influencing the main trouble spots. There were complaints that the West lacked a strategy for relations with Russia, which was a problem because the Russians felt their country could not sustain democracy without Western help. The upcoming presidential summit was seen as the last chance to institutionalize the U.S.-Russian relationship.

While U.S. and Russian security interests on nuclear deterrence were seen as coinciding, the maintenance of Mutual Assured Destruction was still seen as incompatible with a U.S. Russian strategic partnership. The British-French nuclear relationship was cited as a model for a future U.S.-Russian relationship. But they thought that, for the moment, the U.S. continued to fear a “Weimar Russia,” and therefore preserved MAD. Sergei Rogov argued that the two sides had to develop a partnership now or it would be too late; a return to the Cold War was even possible. But Rear Admiral Ovcharenko, a submariner, argued that the elimination of nuclear weapons was not possible, because of the large conventional advantage the U.S. had over Russian forces. There was a discussion of the need for mechanisms to develop the new relationship. Nuclear deterrence was seen as irrelevant for new conflicts such as civil wars. Since the main threats to Russia came from areas next to its borders, there was nothing left to deter.

There was a basic disagreement on the reasons for NATO enlargement. Americans saw NATO as a political organization and therefore saw enlargement as a logical contribution to stabilizing political reform in Eastern Europe. While they did not see Russia as a threat, they also noted that most of the American elite did not see it as a future NATO member.<sup>18</sup> But they did want some kind of security arrangement with Russia and hoped that it would join other organizations. The war in Chechnya influenced U.S. perceptions of Russia. Russians, on the other hand, saw NATO enlargement as a continuation of the Cold War and argued that it would upset Russian political stability, lead to a new division of Europe, and force Russia to abandon CFE and START II and leave nuclear weapons as its main line of defense. They had no problem with expansion of the WEU and argued that the Partnership for Peace could be the basis for a new Eurasian security system. They felt that the United States had rejected Russia’s efforts to establish a security alliance. Both sides agreed that they had to turn a paper partnership into a real one. For this, they needed to create a real decision-making institution with NATO and Russian

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18. Strobe Talbott was always an exception to this view. And he opposed NATO expansion right up to the decision. As events have transpired, with 9/11, Afghanistan, and Iraq, the focus of both the U.S. and Russia has shifted off Europe—at least on the security side—and Russia is worried even more about the south, and seems to be collaborating more with China than fearing them.

participation, rather than just a mechanism for informing Russia of NATO decisions after the fact.

U.S.-Russian naval relations were described positively, with improvements in understanding, increasing interoperability, and greater strategic cooperation noted. The main objectives of the relationship were to increase understanding, promote collective security, cooperate in peacekeeping and joint training, and exchange professional expertise. INCSEA had been especially important for the Russians as their first interaction with the U.S. Navy.<sup>19</sup> Now that the two sides had done some joint exercises, exchanged ship visits, and held staff talks, they wanted a closer working relationship between fleet commanders, developing relations between doctrine commands, and promoting student exchanges. They wanted to make interaction routine and self-sustaining. Money remained a problem for the Russian side. The types of operations on which they sought cooperation included search-and-rescue, disaster relief, maritime law enforcement, blockade enforcement, piracy interdiction, and drug enforcement.

The Russians noted that they no longer tracked U.S. submarines and felt that continued U.S. tracking of RFN submarines increased the possibility of collisions and presented the greatest obstacle to ratifying START II.<sup>20</sup> As we noted to them, however, the greatest obstacles to U.S. ratification had become the proposed addition of Ukraine and Kazakhstan to the treaty and the restrictions on ABM testing. We noted that the Duma had missed its chance to ratify early in the 1990s, and that the U.S. Senate was now no longer likely to agree to these additions proposed by the Clinton Administration.

In the tour of the Groton submarine base, the Russians, including Rear Admiral Ovcharenko, a submariner, and Major General Dvorkin, a long-time missile tester,

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19. INCSEA came across during our associations with the Russian Navy as their window on the civilized world. As they said, even when relations were at their worst during the Cold War, INCSEA continued. The U.S. Navy always saw it as a confrontation, but the now Russian naval officers saw it as practically their only way to make contact with foreign navies (Warsaw Pact navies didn't count).

20. At our February 1994 seminar, one of the Russian participants was the captain of the Delta III SSBN that had been in a collision with a U.S. Navy attack submarine. He showed us pictures of where his submarine had been hit—just behind the sail, and just short of the missile compartment, that is, just short of a catastrophe. Back in 1993, after one such collision, U.S. Secretary of Defense Les Aspin issued an order that U.S. submarines never get that close again. There have been no further collisions, though the first Russian impulse upon the sinking of the Kursk SSGB in 2000 was to look for a collision. The Kursk sank because of an internal explosion. Soon thereafter, a fire broke out in the Ostankino TV tower in Moscow. The joke around Moscow was that the fire had been caused by a collision of the tower with a NATO submarine.



got to try the submarine control simulator (where seasickness was a real threat), witnessed the flooding and fire training demonstrations (Dvorkin noted the tools were those familiar to every Russian for their home repairs), and saw how senior NCOs managed it all. We all had lunch with the officers of the prospective XO and Department Head classes, where Admiral Ovcharenko, in his remarks, noted wryly that several nuclear weapons had been aimed at the base in the Cold War. Igor Sutyagin gave a detailed briefing on the Typhoon SSBN/SLBM system (the submarine itself is of the Akula class, to the great confusion of the West, which thought of the Akula as what the Russians called the Bars SSN class).<sup>21</sup>

## December 1995: Moscow and Kaliningrad

The topics discussed at this seminar included peacekeeping in Bosnia, naval cooperation, missile defense and nuclear deterrence. There was a feeling at the seminar that the U.S. and Russia had drifted apart, having hypnotized themselves into believing that bilateral relations are headed for deterioration. The two sides agreed that the key challenges facing both countries were roughly identical and included terrorism, Islamic fundamentalism and the proliferation of missile technologies and nuclear weapons. The participants visited the Baltic Fleet Headquarters and the naval base in Kaliningrad.

The discussion on Bosnia was led by Admiral (Retired) Bill Smith, who had participated in the planning for the NATO operation as the U.S. Representative to the NATO Military Committee, and Brig. Gen. John Reppert, the current U.S. Defense Attaché in Moscow, who had been involved in the planning back in Washington in his previous assignment. In Bosnia, the two sides had formulated an integrated plan for the Russian brigade. The Russians complained about the lack of a regional security system in Europe and felt that NATO enlargement was a distraction from developing such a system. The two sides argued about the lack of a Russian vote on NATO decisions, with the Russians displaying no understanding of how consensus at NATO works. There was also disagreement about the extent of

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21. Dr. Sutyagin was a junior analyst at ISKRAN, who learned the details of strategic dialogue through translating for us at meetings with senior officials—corrected by Dr. Rogov until he got the strategic jargon down. Sutyagin was intensely curious about all naval details, quizzing our naval officers, retired and active, endlessly about their systems and operations. We of course were quite sensitive to what was classified or not, but could tell him a lot. Together with retired Rear Admiral Arkady Pauk, he wrote for us interesting papers on the future of the RFN, on what the Russians thought about Tomahawk, and , at our request, on Russian views about offensive mining. Unfortunately, while he never had access to classified information, he took payments from a fly-by-night British company for information on the RFN available in open sources, and has thus been sentenced to 15 years in prison. This was a travesty of justice, indeed non-justice, for he is a sincere Russian patriot, even a bit nostalgic for the Soviet Union, and a victim of his own naiveté.

political control over military decision-making in the Bosnia operation. The Russians wanted all actions cleared with political superiors, while Americans preferred to develop Rules of Engagement and then just let commanders follow them.

The Russian Navy was still in a state of crisis: lack of funding inhibited travel, ship deployment, and participation in exercises. The entire Russian military was still suffering from a lack of jointness and the Navy staff in particular seemed very isolated from the General Staff. The RFN wanted to increase its cooperation with the USN but funds were a problem. Nevertheless, they were doing joint exercises within the Partnership for Peace and participating in the BALTOPS naval exercises. They welcomed American port visits any time. The current set of activities was seen as preparation for more extensive cooperation in the next century. There were no political obstacles to bilateral cooperation, only economic ones. There was a lot of discussion on specific exchanges and cooperation programs. Both sides agreed that there was a need for more cooperation at the fleet level, with the interaction between the Pacific fleets being used as a positive example for the other fleets.

The two sides disagreed about the need for missile defense and the future of the ABM Treaty. Participants saw the two countries as drifting apart in strategic thinking and felt there was a need to revive the search for mutual interests. The Russian participants felt that missile defense was a useless outgrowth of the Cold War mentality and a victory of technology over politics, but if pursued, could restart the arms race. Instead, the Russians hoped that the two sides could move beyond mutual assured destruction. U.S. participants countered these arguments, focusing on the point that TBMD could not eliminate the Russian nuclear deterrent. They noted that Russia was now more focused on maintaining its nuclear deterrent than was the United States. Theater missile defense, they argued, could be in Russia's interest in helping to protect Russia against third parties with nuclear weapons.

The U.S. group flew down to Kaliningrad in a TU-134: old, with the classic transparent bombardier nose, but very quiet and comfortable. We met with Admiral Yegor, Commander of the Baltic Fleet. He was taking over as the overall military commander of the Kaliningrad district—a first for a naval officer. He was most worried about housing for military personnel. He had visited Lignite, the great underground Warsaw Pact command post in Poland during the Cold War, and said, “What a waste!” It was he who noted that, historically, the Russian Navy flourished when Russia was reaching out to cooperate with the world. We toured the Baltic's naval base, visiting the Sovremenny destroyer *Nastoichivyy* and the Krivak frigate *Pylkiy*. We cruised the waters of the base and, again, were invited to take whatever pictures we wanted to.

The crowning event of our visit to Kaliningrad was a private dinner at our hotel with Admiral Kasatonov, The Deputy Commander in Chief of the RFN, and Admiral Yegorov, Commander of the Baltic Fleet.<sup>22</sup> Admiral Kasatonov, whom we had met previously in Moscow, was in Kaliningrad for the opening of the RFN training season. The dinner, at which no notes were taken, was extremely cordial and open, discussion our two navies and Russian-American cooperation in the most positive way.<sup>23</sup>

As for Kaliningrad, or, as our Russian guide said, “You know, Königsberg,” there was the contrast between the old cathedral, which lost its roof when bombed by the British in World War II, but was not torn down afterward because the tomb of Kant is in its walls, and is now being totally restored, and the old fortress: tears came into the eyes of our guide when she noted that Brezhnev had torn that down and built a monstrous Communist Party headquarters on the site—a building that, unfortunately, was unsafe and never inhabited, and is being torn down. There is a lesson for eternal peace here: the cathedral and the tomb of the great philosopher of peace lives on; both the fortress and the Communist Party have been torn down.

## Russia by 1996

Russia seemed to be in truly awful shape by 1996. The economy was not growing. Privatization had led to just a few people (who became known as the oligarchs) monopolizing the big energy, chemical, metallurgical, and other industries. These oligarchs also bought media outlets, especially television networks. Their further takeover of assets was made possible by a loans-for-shares scheme, where the government sold state industries in fake auctions to those who had made loans to the government. The ruble swung wildly in value, and a significant part of economic transactions took place as barter, including bartering tax relief.

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22. The “hotel” was actually the cruise ship *Budyonnovsk*, which was tied up at the pier in Kaliningrad and serving as a hotel in lieu of insufficient hotel space in the city.

23. Kasatonov, whose father had served as commander of three of the Soviet fleets, had a good sense of humor. He accompanied the aircraft carrier *Kuznetsov* on its only cruise out of the Russian waters, to the Mediterranean in the summer of 1996. He came to visit the U.S. carrier *USS America* during the cruise. Admiral Pilling tells the story that, while touring the bridge, Admiral Kasatonov noted a phone and asked where one could call from it. Pilling said, “Anywhere in the world—try it.” Admiral Kasatonov called to Moscow—to his mother—and said, “Mom, I’m on the *America*!” She said, “Have you defected?”

Yeltsin had been reelected in 1996 by dubious means.<sup>24</sup> Yeltsin himself turned out to have had a heart attack during the campaign and was clearly not healthy. Indeed, the great tragedy of the 1990s for Russia was that Yeltsin, the hero (at least as far as Americans were concerned—but many Russians, too) who had brought down the Soviet Union, was less and less able to govern as the years passed. He went through a succession of prime ministers, none of whom could really get the economy going. General Lebed had achieved a truce in Chechnya, but it didn't last.<sup>25</sup>

The Russian military continued to deteriorate with reform (which consisted almost entirely of talk about going to a contract force). It was clear that RFN shipbuilding had stopped after the Kirov-class heavy cruiser the Peter the Great was completed in time for the 300th anniversary of the Russian navy. There had been a number of ships on the ways, and it seemed like they were adding one plate a year to each of them.

## September 1996: Bangor and Anchorage

This was the only seminar not to be held in one of the two capitals. Given the location, Asia-Pacific security issues and cooperation dominated the agenda. Other issues discussed included naval cooperation and the state of the two countries' strategic nuclear forces. The group also visited the Bangor submarine base and toured the SSBN USS Alaska. Senator Ted Stevens spoke to the group in Anchorage. Notable for their attendance on this occasion were two Russian submariners, Rear Admirals Nikolay Konorev, the Director of Operations for the Pacific Fleet, and Rear Admiral Oleg Shkiryatov, director of a research institute in St. Petersburg, as well as retired submariner Rear Admiral Arkady Pauk. On the American side, Vice Admiral Dennis Jones, Deputy Commander in Chief of STRATCOM, Rear Admiral Edward Giambastiani, Director of the Submarine Warfare Division in OPNAV, and Rear Admiral Ray Riutta, Commander of the 17th Coast Guard District, were all at the Anchorage seminar, and Lt. Gen. Patrick Gamble, Commander in Chief of the Alaska Command, joined us at the dinner with Senator Stevens.

The group was in agreement that there were no frictions between Russia and the U.S. in Asia-Pacific security. It was noted that relations in the region are all bilateral.

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24. The great threat was that the Communists would win the election. Their program for the economy was reminiscent of those that kept Brazil in high inflation and great poverty for decades.

25. Many in the Russian elite thought that Lebed had sold out (as they were later to accuse Chernomyrdin of doing in the settlement of Kosovo). When asked in a meeting in Washington how he had reached agreement so quickly, he said, "Well, you know us paratroopers, we just drop in!"

Nothing like a NATO structure could be developed because the countries in the region share neither a common threat nor a common way of life. Regional politics is largely driven by economic factors and the focus is primarily on bilateral dialogues. Both sides were eager to avoid any moves that might turn China into an enemy. It was seen as particularly important to enmesh China in international institutions in order to make sure that it does not feel isolated. Russian relations with China were described as pretty good, although many Russians felt that potential Chinese immigration to the Far East could become a security threat. The danger of war in Korea was discussed extensively. The Russians noted that Russia lost most of its influence on North Korea once it stopped subsidizing the North Korean government. The Russians wanted to be included in the multi-party talks on Korea. Russian-Japanese relations were seen as problematic because of the Kurile Islands issue and because of Japanese fishermen violating Russian territorial waters. The Russian participants disagreed among themselves as to whether the Kurile Islands should be returned to Japan in exchange for improved economic relations.

U.S.-Russian military cooperation in the Pacific region was described as extensive, including regular meetings between the USN and RFN Pacific Commands, an O-6 working group, regular search and rescue exercises, and joint patrols of fisheries and search-and-rescue missions conducted by the U.S. Coast Guard and the Russian Border Guard. There was a perception that it was easier to cooperate when located far from capitals. Certainly, the Pacific Fleets had the best naval cooperation of all the fleets throughout the 1990s.

The Russian Navy was still in decline and could do little, given its lack of resources and the political turmoil in Russia. The Navy had no fuel to exercise or operate and lacked pay and housing for its people. The group listened to a CNA presentation on alternative Russian and U.S. navies and discussed the likely future force structures of both navies.<sup>26</sup> Both sides sought more opportunities for joint training, joint operations, and exercises. There had been a leap in cooperation in 1994, but progress had stalled due to resource limitations on the Russian side. The Russians argued that the ASW problem prevents greater cooperation and sought confidence-building measures and submarine-free safe areas. U.S. admirals argued that the US Navy had shifted from Cold War missions to littoral warfare and force projection.

The Russians saw U.S. submarine operations near Russia as a problem for START II ratification because they conveyed hostile intentions and drove Russian submarines

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26. See the basic study: *Future Visions of United States-Russian Naval Cooperation: What is to be Done?* Principal author Thomas. P. M. Barnett, with contributions by H. H. Gaffney and F. D. Kennedy, CNA Annotated Briefing 96-61, June 1996. One of the alternative Russian navies shown in the study was what we called “the deteriorated navy.” Rear Admiral Pauk said at this seminar, “We call that the shabby navy.”

into port. The Americans would not discuss submarine-free zones because of the U.S. Navy's commitment to freedom of navigation. START II ratification was also delayed by the cost of dismantling weapons. The Russians expressed fear of American TLAMs and called for both sides to move beyond mutual nuclear deterrence, since it was seen as incompatible with a strategic partnership, i.e., it was still confrontational in its way. The two sides discussed establishing a study group on a new approach to the strategic nuclear relationship. Americans argued that missile defense was designed to counter the threat from North Korea but could also help the Russians. Senator Stevens brought up the possibility that the ABM Treaty may need to be revised. He called for Russian flexibility on the ABM Treaty in exchange for American flexibility on START II. The Russians complained that the promised new European security system had never been established. Instead, we were looking at NATO enlargement in Eastern Europe, which would increase force imbalances and lead to greater Russian reliance on nuclear weapons. It was pointed out that cooperation was hindered by cultural differences between the two sides, with Russia generally seeking formal agreements while the U.S. sought action rather than treaties.

At the U.S. submarine base at Bangor, we all, toured the USS Alaska. We also toured the great parts warehouse on the base. The warehouse was in a safety stand-down that day, but the Russians voiced suspicion that they had been evacuated because they were coming. We also visited the operational training facilities, where the Russians noted that their equivalents were more comprehensive. We also visited the University of Alaska at Anchorage, where the local people described their program in Magadan, Siberia, for training military officers and others to go into business. Admiral Shkiryatov urged them to keep the program going; otherwise, he said, "We would have to keep all those submarines."<sup>27</sup>

## **February 1997: Moscow and Vladivostok**

We went to Vladivostok upon the reciprocal invitation of Admiral Konorev, and he was our host there. We took along from the U.S. Rear Admiral Malcolm Fages, then the SubGroupTwo commander in Groton. This seminar was designed to continue the focus on U.S.-Russian relations in the Pacific that had begun the previous year in Anchorage. As it turned out, however, other topics dominated the discussion. Most of the seminar was spent discussing NATO enlargement, bilateral relations, and the progress and potential of Russian military reform. As one participant noted, the

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27. Admiral Shkiryatov wanted to buy a chainsaw while in Anchorage. He had only \$120 with which to pay for one. Unfortunately, Sears was out of that model and had only \$160 chainsaws available. The manager of the department said he could have the more expensive one for the \$120. Thus, the Americans were able to demonstrate both low-level discretion and generosity, and we think we made a friend of America forever.

group spent only 15 minutes discussing naval cooperation and too much time engaging in polemics instead of discussing steps toward furthering practical cooperation.

The Russians saw NATO enlargement as a threat even though NATO was not actively hostile towards Russia because they had learned from the West to plan on capabilities rather than intentions. They felt that the driver for this action was the NATO bureaucracy's search for survival. They thought enlargement would embolden opponents of military reform because the perception of new dangers from the west would make it more difficult to reduce personnel. There was a perception that this was not a fair action on the part of the West because NATO would get to use Russian-built infrastructure in Eastern Europe and because Russia was being excluded from the new European security system. As one participant said, "NATO has no right to enlarge." There was a fear that NATO forces were still aimed at Russia and would now arrive at Russia's borders. The NATO-Russia Founding Act was seen as just a feel-good measure with no practical significance. Enlargement would likely prevent START II ratification, would eliminate Russia's traditional markets for arms sales, and would lead to a reduction in military contacts between the two sides. The Americans by contrast saw enlargement as a political action to allow the new member states to join the European club, rather an action that might threaten Russia. American participants pointed out that NATO states were still reducing forces and that NATO's main future task would be peacekeeping. The Russians were afraid of unilateral NATO military actions and sought to have Russia included in NATO decision-making on areas that influence Russian interests.

Russian military reform was focused on creating a smaller professional force and eliminating non-MOD uniformed personnel. But many in Russia saw reform as just a euphemism for force reduction. Some sought to include the transformation of the military-industrial complex and reform of military financing under military reform. But the problem was that no one was truly responsible for reform policy. The goal was to create a reformed military by 2005, one that would be two-thirds professional, with a reserve force and fewer generals. There was a recognition that the armed forces would never reform themselves.

U.S.-Russian relations were seen as more complicated than in prior years. Major General Vladimirov (retired) argued that the U.S. government was plotting to destroy Russia. At the same time, bilateral cooperation in Bosnia was a real testament to the ability of the two sides to work together. Yet some argued that peacekeeping was an insufficient base on which to build a relationship. There was a need to address the legacy of the Cold War, WMD proliferation, terrorism, and economic and environmental devastation. There was a need for a strategic dialogue at a high level. The main threats to Russia included Islamic radicalism from the

south, China, the development of “a European home” (to use Gorbachev’s term) without Russia, and Japanese desire to get the few Kurile islands back. Russia was still looking for a new identity.

At one point in the seminar in Vladivostok, Admirals Konorev, Fages, and Pauk engaged in what was perhaps the most enlightened dialogue on the deterrent roles of SSBNs that one could have hoped to hear. It confirmed to us that the Russians all along had embraced the U.S. concepts of deterrence. (The exchange is included as an appendix to this paper.)

Admiral Kuroyedov, then the Commander of the Pacific Fleet, said that his fleet did not go to sea much. Pay arrears continued. The maritime border guards in the region were more active, concerned with protecting fisheries, preventing terrorism, interdicting drugs, and stopping arms proliferation (their commander attended our seminar in Vladivostok; he was a former RFN admiral, and the only admiral of Armenian descent in service). We asked them whether they were worried about the Chinese navy, and they said that they never see them.

Admiral Konorev had made arrangements for us to visit at Delta III SSBN in Petropavlosk-Kamchatsky, in reciprocation for the tour of the USS Alaska. Unfortunately, the KGB arranged for two feet of snow to be dumped on the runway there, so we could not go. Instead, overnight, and with the help of Dr. Rogov’s call made to Moscow to Defense Minister Rodionov, we got to tour a Delta I SSBN at Pavlovsk, near Vladivostok. The submarine was 19 years old and had been refueled twice, but was very clean, with a sharp captain and sharp crew—one third officers, one third warrants, and one third enlisted. The captain had been commanding SSBNs for 12 years. Our three U.S. submariners on the trip were surprised that there was no access to the missiles from inside the ship, that equipment had been crammed into the boat by people who didn’t know what life inside a submarine was like, and that the low, circular hatches between compartments were inconvenient. The control room was more open than in the USS Alaska. Otherwise, form followed function: the missile control panel, the torpedo room, and the cushioning of hydraulic lines all looked exactly like those in the Alaska.

## **March 1998: Washington, DC**

The tenth CNA-ISKRAN seminar was perhaps the most disappointing in terms of both content and mutual understanding. The topics covered included Russia’s political and economic situation, Russian security concerns, NATO-Russian cooperation, and naval relations. There was a significant disconnect between the Russian and American outlooks on the world. The seminar made clear that little progress was being made on nuclear deterrence, the submarine issue, or European



security. Furthermore, funding problems were inhibiting contacts between the two sides. Instead of cooperation, representatives of the Russian navy continued to talk of submarine stand-off zones and confidence-building measures.

It seemed that, with the appointment of Marshal Sergeev as the new defense minister, Russia was taking its first steps on military reform. But the military was still in very bad shape. Discussions with Russian admirals no longer mentioned ship visits and it was clear that the Russian Navy could barely participate in exercises. Despite its increasing isolation and sense of drift, the Russian military's pride led it to continue dwelling in the past and in fantasies about future revival. Russian officials were still seeking intricate arms control agreements with the United States. Dr. Rogov continued to seek an alternative to mutual nuclear deterrence, but did not come up with one.

Our discussions of NATO-Russian cooperation focused on eventual joint planning of exercises, but recognized that there was no mechanism yet for this. The Russians were alarmed by NATO-Partnership for Peace exercises in which they were not involved. They were still upset by the prospect of NATO enlargement even though they recognized that NATO was not a threat, saying that they still had to take into account NATO's capabilities. They saw the Permanent Joint Council as mostly cosmetic. The U.S. was seen as too reliant on force, rather than diplomacy, in international affairs.

## **Russia's situation in 1998-2000**

In August 1998, the Russian economy went through a great crisis. Once more the ruble collapsed—and with it the Russian people's savings for at least the third time since the collapse of the Soviet Union. The government could not pay off its internal loans (not the external ones) and defaulted on them. But it meant the end of all the crazy loans-for-shares and barter arrangements. The ruble stabilized at around 30 to the dollar. It turned out that the collapse was just the adjustment the economy needed. It finally began to grow, and by 2000, the growth was around 6-7 percent a year.

Relations between the United States and Russia were more troubled in this period. The admission to NATO of the Visegrad countries—Poland, Czechoslovakia, Hungary—had been decided and formal admission was to take place in April 1999. At the same time, an arrangement was hastily made between NATO and Russia, under the Founding Act, which set up the Permanent Joint Council (PJC) for consultation on matters of mutual interest. But in the interim, the Kosovo situation blew up, and the NATO countries, led by the U.S., undertook to bomb the Serbs out

of Kosovo, including attacks on Serbia itself. The NATO summit embracing the admission of the new members took place as scheduled, in Washington. At the same time, intensive diplomacy took place among Martti Ahtisaari, former president of Finland, representing the EU, Viktor Chernomyrdin, former prime minister of Russia, and Strobe Talbott, Deputy Secretary of State from the U.S. They finally reached agreement in June 1999, and Ahtisaari and Chernomyrdin delivered the bad news to Milosevic that he was alone in his resistance. Milosevic gave up.<sup>28</sup>

Nevertheless, the Russian national security elite has never gotten over Kosovo. It has tended to confirm the predispositions of all those entrenched in the old Soviet model that the major threat comes from the West (NATO) and therefore they must keep the old mobilization model. They thought Russia would be next. It is not, by any account, some deep affection and ethnic connection to Serbia.

But the next step was the reopening of the Chechen war, upon Basayev invading Dagestan. Yeltsin seemed even more feeble, appointed Vladimir Putin as prime minister, replacing Evgeniy Primakov, and then passed the baton as president on to Putin on 31 December 1999. Putin won the presidency in the election of March 2000. He immediately began to consolidate the government, appointing seven super-governors over regions, making the second chamber of the parliament, the Federation Council (or Senate) appointive, and taking state control of television stations. He was wrapped more in the Chechen war than he was in foreign policy.

## December 1998: Moscow and Suzdal

Following meetings with senior officials in Moscow, we and our Russian hosts repaired to Suzdal for our seminar. Suzdal is one of the monastery towns in the Golden Ring around Moscow. We all stayed at a classic Soviet Intourist hotel. This seminar began a new trend in our discussions, as regional issues came to dominate our discussions, largely replacing the immediate post-Cold War topics of bilateral relations and increasing US-Russian cooperation. The topics at this seminar included the contemporary international situation, strategic stability, the security situation to the south of Russia, and problems

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28. Milosevic a short time later said that he gave up because of “NATO solidarity and Russian betrayal.” He did not give up because of some mythical ground threat—no one has quoted him or any other Serb in that regard. One Russian involved in our seminars said that Chernomyrdin exceeded his instructions. Another said that Chernomyrdin was too dumb to understand what he had agreed to. In any case, “NATO bombed Chernomyrdin to the table,” not Milosevic. Another of the sometime-participants in our seminars, General Leonid Ivashov, was the military advisor to Chernomyrdin in Helsinki. He fiercely opposed total NATO control of Kosovo as part of the agreement, arguing for a separate Russia sector, thus prolonging the negotiations and thus the bombing for at least another two weeks. He lost, but he was part of the Russian military cabal that sent Russia troops from Bosnia to Pristina before NATO troops could get to Kosovo.

in Russia's Far East. Attending from CNA, in addition to our usual group, were Hon. David McGiffert, Chairman of CNA's Board of Trustees, and Admiral Thomas J. (Joe) Lopez, who had just recently served as the Commander-in-Chief of NATO's Southern Command. On the Russian side, Colonel General Viktor Yesin (retired), in charge of military reform on the Russian Security Council, Lieutenant General Nikolay Zlenko, Deputy Chief, Main directorate of International Military Cooperation, Ministry of Defense, and Major General Leonid Simeikovich, Commander of the Strategic Rocket Forces Division headquartered in Vladimir, participated, as well as the group from ISKRAN.

The group also visited the SS-25 base at Teykovo, at the invitation of General Yesin.

There was a sense of immobility in U.S.-Russian relations. The Russians feared the deployment of a missile defense system by the U.S., especially since they felt it would lead to the abrogation of the ABM Treaty. But they did not want to modify the treaty either. They argued that there was no genuine missile threat to the U.S. from rogue states. They thought that the best chance for START II ratification was coming up, but would disappear if the ABM Treaty were abrogated. They still sought changes to U.S. submarine operating practices, arguing for exclusion zones and stating that sharing early warning data was not enough. The Russian Navy had no resources to commit to greater interaction with the United States. The Russian military establishment saw the Navy as increasingly irrelevant to national defense, and had pared its budget accordingly.

The main issues in international politics during this period that were discussed at the seminar included the worldwide financial crisis, the threat of terrorism, WMD proliferation, and how to manage Chinese power. Differences over how to deal with Kosovo and Iran were mentioned for the first time. NATO enlargement was less of an issue than in previous seminars, as the Russians talked more about increasing cooperation and developing joint decision-making with NATO. They recognized that NATO would not attack Russia but feared isolation from Western institutions. They argued that U.S. hegemony was inherently unstable, but accepted that it now existed. There was a great deal of concern about U.S. unilateralism, which caused the Russians to seek elaborate procedures to prevent U.S. adventures in the world. They blamed the U.S. for contributing to their economic problems and argued that they needed debt relief to survive the economic crisis.

The two sides shared perceptions on the situation to Russia's south. The main topics included dealing with both sides' energy interests in the region and improving Russia's relations with Turkey. U.S. concerns about Iran's nuclear program and Russian concerns that the U.S. was seeking to displace Russia in the Caspian were also discussed. As the official at the Ministry of Foreign Affairs said (this was in

1998), “You Americans are a one-issue country: it’s Iran, Iran, Iran!” (The issue is still with us all in 2005.)

In the Far East, the Russians were concerned about Chinese immigration and generally felt that there had been little improvement in relations with China. They wanted to participate in the multilateral talks on Korea and were opposed to TBMD in Asia because of the danger of a negative Chinese reaction.

The visit to the SS-25 base in Teykovo was arranged by General Yesin, whose last active position was Chief of Staff of Strategic Rocket Forces (SRF). Before that, he was the chief targeteer of Soviet missiles. We drove across the wintry Russian countryside to the base, which was about 150 miles northeast of Moscow and not far from Suzdal. The base seemed very efficient. We visited the command post, toured one of the missile garages, and climbed aboard the support vehicle. Dr. Gaffney had been quite active on the SS-20 issue—preparing the first briefing on it to the NATO Nuclear Planning Group and devising the process whereby the NATO countries agreed to offset the SS-20 with what became Pershing II and Ground-Launched Cruise Missiles (GLCMs, that is, Tomahawks). He had seen such facilities only from overhead pictures. Now he got to see the successor missile (an ICBM, not an IRBM) in the same sliding-roof garage, and got to literally kick the tires of the transporter-erector-launcher.

## **June 1999: Washington, DC and Norfolk**

This seminar showed the critical importance of unofficial exchanges, since official military contacts between Russia and the United States were suspended after the start of the U.S. bombing campaign in Kosovo, which ended in the very month in which this seminar was held. Kosovo and its impact on bilateral relations dominated the discussions, although the future of arms control, Russian domestic politics and economic recovery, and Asian security issues were also discussed.

While American participants argued that Kosovo was a unique situation undertaken for humanitarian reasons, our Russian interlocutors argued that the United States had no right to use force under any circumstances without UN authorization. The bombing campaign was seen in Russia as a major violation of international law. They argued that Russia had been humiliated and ignored, damaging Russians’ view of the U.S. and affecting all aspects of the bilateral. Russians were increasingly convinced that no one would take them seriously as long as Russia remained weak. They felt that NATO was trying to displace Russia in Eastern Europe and expressed concern about potential NATO intervention in the Caucasus.

While everyone agreed that military contacts should be resumed, both sides saw obstacles to cooperation. For the U.S., these included leadership turnover in Russia and Russia's economic difficulties and financial shortfalls. The Russians felt that the U.S. continually ignored Russian interests and pursued unilateralist policies based on double standards. Both sides agreed that differences over regional security, debt relief, and arms control would persist. The Russians were concerned about a unipolar world and the lack of a European security system. They felt that a counterpole would form inevitably. Some felt that good relations would only be possible with the appearance of a common enemy. The Americans argued that Russia should let NATO expand and itself become more active in it.

In discussing arms control, it became clear that the U.S. was primarily concerned about North Korea, Iran, and Iraq and wanted missile defense to deal with the potential threat from these rogue states. The Russians argued that missile defense would undermine the foundation of arms control and overturn the strategic balance. They argued that the threat of WMD and missile proliferation should be countered by joint action with Russia and China. They argued that Western actions, including NATO enlargement and military action in Kosovo, had prevented the ratification of START II. At the same time, they sought the rapid negotiation of START III and though the two sides could work together to develop BMD (a proposal that U.S. participants rejected as impractical).

The Russians argued that U.S. actions had undermined Russian views of West and promoted anti-Western political parties. NATO policies were now threatening Russian military reform. There was a feeling that the negative impact of Kosovo would persist for a long time. At the same time, the Russians felt that economic recovery could only happen with Western cooperation. Russia needed Western help to restructure its debt.

In the Far East, Russia and China were being brought closer together by a common concern about rising U.S. hegemony. Whereas earlier discussions had been based on a perception that Russia and the U.S. were united by the threat of China, now Russia and China were seen as being united by the threat of the U.S. Both sides felt their security could be threatened by American humanitarian interventions. But Russian-Chinese grass-roots relations were still poor. Russian trade with China had peaked in 1993, there was still a fear of Chinese demographic pressure in the Far East, and the two states had diverging interests in Central Asia.

We took the Russian group, including Generals Yesin and Dvorkin, to Norfolk. First we received the command briefing from the Deputy Commander (British) of Allied Command, Atlantic (now Allied Command, Transformation). We also received the command briefing from the U.S. Atlantic Fleet: both the Atlantic and Pacific Fleets received \$5 billion a year for operations and maintenance—together more than the

whole Russian defense budget. We then toured the USS Cape St. George, a guided-missile cruiser.

## **June 2000: Washington, DC**

The main topics covered at this seminar included NMD, relations between Russia and the West, differences in threat perception between Russia and the U.S., relations with China, and arms control.

Arms control in general was seen as having become less and less important throughout the last decade. Agreements were still playing catch-up to real declines in force structure. Russian participants were concerned that the U.S. could turn NMD against Russia in 20-30 years and therefore sought a verification regime. They also feared that the deployment of an NMD system could lead to an Asian arms race. They argued that the U.S. should engage the rogue states in dialogue instead. But they were adamantly opposed to a unilateral U.S. withdrawal from the ABM Treaty and were willing to settle for negotiations. The symbolism of negotiations was seen as particularly important, showing that the U.S. still saw Russia as an important international player. U.S. withdrawal, they argued, would confirm the message that Russian national interests do not matter to the U.S. and would lead to the collapse of the arms control regime. A new arms race could even become possible as long as the Russian economy improved. If bilateral relations improved, the two sides could build joint system, but this would be seen as a provocation by China.

Russian military leaders believe that the U.S. and NATO are still a threat to Russia, so Russian military planning is focused on a potential NATO attack. Kosovo was seen as a precedent for interference in Russian internal affairs and Russia continued to feel threatened by further NATO expansion, especially to the Baltics. Our Russian interlocutors said that if the Baltics were admitted into NATO, Russia could again freeze military cooperation with NATO and the U.S. At the same time, Russia wants to be integrated into Western international organizations, including NATO. They also want a stronger Permanent Joint Council and a veto over future NATO military operations. American participants felt that Russia's admission to NATO would complicate the functioning of the alliance. Instead, they proposed a NATO-Russia strategic partnership, with Russia having more than just a consulting role on decisions but no military integration. Both sides pointed to examples of past successful military cooperation, including joint peacekeeping in Yugoslavia and dismantling Russia's nuclear weapons. In the future, they thought the two sides could do anti-piracy and mine-clearing operations. The chief limitations to greater military cooperation were seen to be Russia's economic problems and internal political conflicts, as well as the ongoing war in Chechnya.

There were also some differences in threat perception between the two sides, with the U.S. primarily concerned with rogue nations, while viewing China as a lesser threat. Russia agreed that China was a lesser threat but did not see the rogues as a threat at all. Furthermore, while the U.S. did not see any threat from Russia, Russia saw NATO and the U.S. as potential threats for the future. China was thus seen as an area of potential agreement between the two sides. Both wanted to engage China, although there was some tension over Russian arms sales to China. Russian-Chinese contacts were seen as a potentially useful means to put pressure on North Korea.

## **July 2001: Moscow**

This was the last seminar we held in Russia. The main topics of discussion included strategic nuclear issues and missile defense, European security, and China. We also called on Admiral Kuroyedov and on Marshal Igor Sergeev, former Minister of Defense and now defense advisor to President Putin, and—in literally his last hour in office before retirement—Colonel General Leonid Ivashov, Director of International Affairs on the General Staff. This was a period of hope in U.S.-Russian relations. Putin was seen as a liberal reformer. There was no sign yet of the Putin personality cult. The Russian economy was seen as heading in the right direction, with better tax collection and more investment, although corruption was still a problem.

The future of the ABM Treaty was seen as the issue of the day. No one was thinking about how to change the treaty, with both sides assuming that the U.S. government wanted simply to abrogate it, following the six-month notice provided for in the treaty. The Russians still argued that this would lead to the collapse of the arms control regime. They did not see how North Korea could pose a threat to the U.S. Russia's strategic connection to the U.S. through treaties was the last aspect of its superpower status, and they were loath to abandon it. They felt Russia needed a legally binding treaty because they did not trust the U.S. and even feared it might resume nuclear testing. It seemed impossible for the Russian side to recognize that the Bush 43 administration was not interested in arms control.

European security and NATO issues did not come up in our meetings with government officials, but were discussed at the seminar. There was a consensus that the Permanent Joint Council with NATO had failed and that Kosovo had greatly complicated the NATO-Russia relationship. Russia was seen as a potential member of a political NATO, but not of a military one. Participants thought that a U.S.-Russian strategic partnership was always unrealistic. Due to the failure to establish real and equal dialogues, the Russians were skeptical of promises of close partnership without NATO membership. They saw the Baltics joining NATO as “the

end of the world,” and hinted darkly that Russia would respond by punishing them economically or even invading them.

On China, the U.S. feared the development of a Russia/China bloc, although anti-American Chinese rhetoric was a recent phenomenon. The Russians argued that there was no solid basis for Russian-Chinese trade and that the improved relations between the two countries remained tactical in nature. In our visit to Admiral Kuroyedov, we noted the sale of two Sovremenny destroyers to China, and asked if Russia was providing follow-on training. Kuroyedov said that the RFN had trained the crew of the first ship, and they sailed it away, but that they just sent a crew for the second ship and sailed it away. There had been no follow-on training.

General Ivashov to the last found America threatening and not to be trusted.

While in Moscow, Dr. Gorenburg and Dr. Gaffney also visited two other institutes—the Russian Institute of Strategic Studies (RISS) and its Deputy Director, Dr. Vassily Krivohizha, and PIR, a new institute mainly concerned with proliferation whose president is Vladimir Orlov.<sup>29</sup> While walking to RISS, we passed a huge compound consisting of skyscraper, two huge auditoriums and other buildings. We wondered if it were a ruin or simply unfinished. Dr. Krivohizha said it was “an unfinished ruin,” built for VPK, that is, the Ministry of the Military-Industrial Complex, the first ministry dissolved by Yeltsin upon the collapse of the Soviet Union. As for PIR, it was located in a rather elegant modern institute building, now practically empty, that had been the home of the Soviet institute for biological warfare. We were later told that it had a sausage factory in the basement.

## **Russian-American relations after 9/11/2001**

Russian-American relations took a decisive turn for the better after the United States was attacked by al Qaeda terrorists on 9/11/2001. President, with his own struggle against Chechen terrorists, including their attacks in the heartland of Russia, immediately threw his support to the U.S. The other NATO countries had also decided that NATO as a whole should declare, under Article 5, that it was an attack on all. Putin also supported American overflights of Russian territory for its retaliation in Afghanistan, and the Russian military was helpful in sharing maps and their own parlous experience in that country. Putin posed no objection to the

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29. Dr. Krivohizha was at one point the KGB representative at ISKAN in Soviet times. The KGB insisted on posting people to such institutes. Georgiy Arbatov, in his memoirs, notes that it was better to take those KGB people you know than those you don't know. Right after the coup and its failure in August 1991, Arbatov called in the then-KGB representative and said, “You're out of here!”



Central Asian countries providing staging bases to the U.S. It would seem that the matter of Kosovo was forgotten in the new context.

These relations were strained a little later when the Baltic countries were admitted to NATO, evoking all the old-time fears of the Russian military that NATO was now poised on their doorstep to attack. NATO in turn, insensitive to Russian concerns, stationed four fighter aircraft in one of the Baltic states for air defense, as if Russia might somehow attack.

Russia then had trouble with the U.S. invading Iraq in March 2003, though they were altogether rather passive about it and did nothing to complicate continuing American and NATO operations in Afghanistan. They were worried that the rising oil prices on which their economy had come to depend would drop once Iraqi oil began flowing again, and in greater amounts. But they have nonetheless benefited from soaring prices since, especially as Chinese demand soared (less perhaps because the insurgency in Iraq has restricted Iraqi oil flow somewhat).

## **December 2001: Washington, DC**

This was the first seminar held after the terrorist attacks of September 11, 2001. The discussions focused on new opportunities for Russian-American relations and for NATO-Russian cooperation following September 11, especially given President Putin's initiative to support the United States' anti-terrorist campaign. Putin was seen particularly positively, given his support of U.S. policies in this period. There was also some discussion of the last decade in U.S.-Russian relations and prospects for bilateral naval cooperation.

The last decade was seen as a period of wasted opportunities. According to the Russians, the promise of security partnership was betrayed by NATO enlargement and U.S. insistence on developing missile defense systems. Americans saw this as leftover Cold War thinking and were upset about the lack of Russian support for U.S. policies on Iran and Iraq. To Americans, Russia seemed all too frequently determined to act in ways that destabilized its neighbors. Chechnya was a particular irritant. The Russians blamed the failure of economic reform on the U.S., with some politicians going so far as to claim that bad U.S. advice was a deliberate plot to destroy Russia. The relationship had suffered from a lack of trust on both sides, as well as the disappointment of unmet expectations.

But a significant amount of progress had been made nonetheless. Speakers from both sides pointed to the Cooperative Threat Reduction program, joint peacekeeping operations in Bosnia and Kosovo, and some progress in arms control. There was also a significant increase in government and military contacts, which had

increased understanding and largely erased the dominant image of the other as a hostile power. Even NATO-Russia cooperation had increased with the establishment of the new NATO-Russia Council (NRC), which was really a Committee of 20 equal voices, not the defective Permanent Joint Council (which was a meeting of three—the Russian representative, a representative of all the NATO countries, and the NATO Secretary General) and a NATO liaison mission in Moscow. Optimists saw the problems in the relationship as the result of inflated expectations, rather than an actual lack of progress.

Both sides agreed that the future of the U.S.-Russian relationship would be based on preventing terrorism. At the same time, there was concern that good personal relations between the presidents largely drove the relationship, and that this was not sufficient for building a long-term stable partnership. There was a perceived need for an institutional basis for the relationship to counter the possibility of bureaucratic resistance and to develop mechanisms for common decision-making and realistic partnership goals. Economic integration and reducing nuclear weapons were other potential areas for cooperation. Putin's support for U.S. anti-terrorism efforts was crucial, but there was uncertainty as to what would happen when the U.S. turned against new adversaries. Arms control was no longer the main pillar of the relationship, but Bush was seen as having gone too far in removing it from the agenda entirely. There was still a need to move beyond mutual assured destruction and this could only be done with a binding agreement.

Both sides agreed that there would be tension in the NATO-Russia relationship as long as Russia was not member, as it does not like being outside major international institutions. The Committee of 20 was seen as an important positive step, which could address issues such as terrorism, arms control, peacekeeping, and counter-proliferation. The Russian side sought to include European security in the list, but met resistance because the U.S. did not want to give Russia a voice on enlargement. The Baltics in NATO was now seen as inevitable—but would have few consequences, much like the U.S. withdrawal from the ABM Treaty.<sup>30</sup>

Naval relations were still limited by the RFN's lack of funds. They wanted more U.S. ship visits and joint exercises but could not send their own ships to the U.S. due to lack of money and fuel. They were eager for greater cooperation in intelligence gathering and sharing.

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30. At a separate conference in Moscow on civil-military relations, back in 1996, General Ivashov had delivered a thundering speech on how Russia was now threatened by a huge army from the west...pause...the Estonian army! The Russian sense of irony is ever to be appreciated.

## December 2002: Washington, DC

This seminar turned out to be the last full-fledged seminar between CNA and ISKRAN. The main topics covered included Russian-U.S. and Russian-NATO relations, the political situation in the Caucasus, and the strategic consequences of the situation in Iraq. The discussions were largely consensual and showed the extent to which the two sides had come to an understanding on many major issues.

Both sides agreed that bilateral relations were much improved since 9/11. Positive developments over the last year include the NATO-Russia Council, the Moscow arms control treaty, the accomplishment of the second round of NATO enlargement without causing problem for the bilateral relationship, and the reaching of a consensus on a UN resolution on Iraq. The relationship was seen as good but fragile. There was a need to do more to institutionalize the relationship. Good feelings generated by fighting the war on terrorism together could facilitate other issues, like NATO enlargement. The NATO-Russia relationship was seen as the best it had ever been. NATO was becoming the basis of the European security system. The Permanent Joint Council had failed because neither side was ready for it. Now the situation was much better, although actual military cooperation was still limited to peacekeeping. There were still some tensions in the relationship, including U.S. training of Georgians and the problems over Iran's nuclear programs. Both sides wanted to cooperate on North Korea and may find it necessary to contain China. There was still a perceived need for developing a shared early warning system on nuclear weapons, but generally arms control had been placed on the back burner. There had been no problem with the U.S. abrogating the ABM Treaty.<sup>31</sup>

As for the Caucasus, both sides agreed that Russia and the U.S. must avoid a new "Great Game" in the south.<sup>32</sup> Energy resources were what had made the region interesting to a lot of countries and oil companies. Caspian seabed demarcation was a potential source of local tension, as were relations between Russia and Georgia. The Baku-Tibilisi-Ceyhan pipeline was still seen by the Russians as being motivated by political, rather than economic, factors (as time has passed, the pipeline has been completed and opened as of mid-2005; at the same time, Russia and Turkey have

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31. General Dvorkin's worst-case scenario has been that the Russian strategic nuclear force shrinks to 700 warheads or less as missiles and submarines grow old and are not replaced, the U.S. keeps all it has, carries out a first disarming strike, and mops up any surviving Russian missiles that are fired with its national missile defense. In the course of events, Russia has found the lives of its SS-18 and SS-19 missiles longer than expected and the U.S. has not yet been able to make its missile defenses work. Dr. Rogov was always worried that the U.S. will field a world-wide system of SBIRS-Low (Space-Based Infrared System), but the U.S. has not been able to make SBIRS-High work, and has not yet turned to SBIRS-Low.

32. "Great Game" originally refers to the struggle between Russia and Britain for Afghanistan during the 19th century. The U.S. was not a participant then.

completed the Blue Stream gas line under the Black Sea). There was some concern that Russia might attack Chechens in the Pankisi Gorge in Georgia after the US attacks Iraq.

The Russians saw the Middle East as the site of a civilizational clash. Both Russia and the U.S. were now more supportive of Israel than Palestine. Iraq remained a key point of friction, but the issue was seen as mostly economic for Russia; they wanted to make sure their contracts were fulfilled and Iraqi debt to Russia repaid. Russia would not let the situation in Iraq derail its relationship with the U.S. At the same time, Russia remained concerned that a U.S. attack on Iraq would speed proliferation and radicalize the Arab population in the region. They also feared that the U.S. conquest of Iraq—obviously for the oil, as far as they were concerned—would lead to a drop in oil prices, thus jeopardizing the Russian economy. There was some question as to whether the U.S. could handle nation-building in both Afghanistan and Iraq simultaneously.

In any case, the U.S. invasion of Iraq was taken by both sides as a foregone conclusion and the Russian visitors seemed resigned to it and soft about it.

### **October 2003: Washington, DC, Mini-Seminar**

This seminar focused entirely on the changed strategic situation in the world after the U.S. invasion of Iraq. Our Russian interlocutors saw the U.S. as preoccupied with fighting terror. The U.S. failure to win quickly in Iraq had prevented its consolidation as the sole superpower. The Bush administration was seen as suffering from great power arrogance. Political victory in Iraq was seen as not imminent and might not happen at all. The Russians saw numerous parallels with Russia's situation in Chechnya. There was a consensus that the Bush-Putin relationship would survive Afghanistan and Iraq. But the partnership was still fragile, depending largely on personal chemistry, with no economic foundation, no legal basis, and no mutual security treaty. Furthermore, the bureaucracies in both countries were now not interested in improving relations (there was no longer an equivalent to the Gore-Chernomyrdin Commission that met during the Clinton Administration and created lots of projects). The Russians expressed fear that the U.S. preoccupation with Iraq would lead it to neglect other relationships. They were not sure whether there was real basis for partnership or if it was just talk. There was no roadmap for further cooperation, although there was a good relationship in fighting terrorism and in counter-proliferation.

## The Successes and Frustrations of Cooperation

The program of cooperative seminars between CNA and ISKRAN began almost fifteen years ago with high hopes for developing extensive Russian-American cooperation in the military and security spheres and especially in the naval sphere. The program achieved a great deal in promoting understanding, particularly in its early years when bilateral relations were at their strongest and the new Russia was reaching out to the world. These achievements included the critical meeting that directly led to the development of the Nunn-Lugar Cooperative Threat Reduction program, increasing trust and cooperation between U.S. and Russian Naval officers, and providing a forum for frank discussions of bilateral and global security issues in both Washington and Moscow. Along the way, we organized the first visit by Russian Naval officers to a U.S. Navy submarine base and were among the first U.S. visitors to a series of Russian Naval bases in the Pacific and Arctic Oceans and the Baltic Sea—and maybe even the first to tour the inside of a Russian SSBN.

At the same time, the vagaries of the U.S.-Russian bilateral relationship, the changing regional interests of the U.S. Navy, and the continuing decline of the Russian Navy limited our collaborative program. There were also frustrations due to the different perspectives of the two sides. Sometimes leftover Cold War perceptions stymied the discussion, as the two sides seemed to be talking past each other on issues such as NATO enlargement and arms control. As the Russian Navy faded away over the course of the 1990s, it gradually became impossible to discuss new collaborative ventures between it and the U.S. Navy, since all such proposals foundered on the Russians' lack of fuel, low level of funding, and consequent poor state of readiness. The decline of the Russian Navy, combined with the shift in the U.S. Navy's focus to operations in the Middle East, led to the U.S. Navy's loss of interest in Russia and the consequent downgrading and eventual cancellation of the program.



## APPENDIX A

### A dialogue on defense planning, operations, and deterrence in the new era

**Especially between two submariners—Rear Admiral Nikolay Konorev, RFN, Deputy Chief of Staff for Operations, Pacific Fleet, and Rear Admiral Malcolm Fages, USN, Commander, Submarine Group Two. Vladivostok, February 1997.<sup>33</sup>**

**Dr. Rogov.** While military reform is an important component of our domestic agendas, we also must pay attention to how developments are interpreted by the other side. Many decisions about military posture in this decade, and modernization of weapons systems in the next, will influence each other. Thus, the QDR and Russian military reform are mutually connected.

**Admiral Konorev.** Dr. Rogov's main point is that to plan forces, tasks, and structure, we have traditionally needed to know who our enemy will be. The basis of planning has been knowledge of the capabilities of the enemy. Without this knowledge, planning seemed senseless. In the past, all of us with military training had such an enemy against whom we planned.

Today, the government has declared that we do not have any enemies. This statement breeds pacifists, who say that the Russian Federation does not need a Soviet-style army. In any case, the principle of "no enemies" is used as part of the basis for military reform. He personally disagrees with this civilian approach. The military knows from history that new states first create armed forces. Current trends show that with whomever they may have future conflicts, they cannot exclude the possibility that the armed forces will be used to settle them. Wise politicians should understand that people who do not want to feed their own army will end up feeding a foreign army. Russians have learned this lesson since the Napoleonic era.

Now, the basis for planning the armed forces should not be attempts to know what future conflicts they may have, but to serve the nation's interests. It is interesting to find support for this idea in the US Nuclear Posture Review, where there are no

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33. Later, Konorev was promoted to Vice Admiral and was the Deputy Chief of the Main Navy Staff for Operations. Fages was later promoted to Vice Admiral and served as the Deputy Chairman of the NATO Military Committee, in Brussels.

direct descriptions of conflicts for which US strategic forces are kept. It is said only that they exist to deter any enemy.

He shares and likes this approach. The Russian Federation has not yet lost great power status. He supports using the principle of maintaining armed forces capable of sustaining Russia's national interests as the basis for military reform. It enables him to be proud of his navy. This would be better for cooperation, too, because it does not require a determination about whom they will fight. Rather than planning for conflicts, we would use hypothetical scenarios. This would deter negative developments.

They can, at present, agree with Lenin that "reality determines their conscience." While the US budget allows discussion of whether you should plan for one or two major regional conflicts, the Russian defense budget does not allow this. We shouldn't waste our resources on one or two fronts, but should save our military capabilities for the future. Then Russia and the United States together can maintain stability worldwide.

**Ambassador Brooks.** Non-scenario based planning is gaining popularity in the United States, but there is no agreement within the Defense Department about how to proceed with such planning. But he agrees with Admiral Konorev that non-scenario based planning should make cooperation easier.

**Admiral Fages.** He would argue that Russia and the United States both have a threat, but it is, as Admiral Konorev and Ambassador Brooks stated, not threats from another country or from a villain. It is, for each of us, general instability, which threatens global economic development. Proliferation of weapons of mass destruction, global terrorism, and economic and environmental devastation are threats. We should structure the armed forces with an eye to mitigating instability. We should be careful not to make the leap from using Iraq and North Korea as scenarios to the point where they become expectations.

He hopes that the QDR will tell us the force structure we want tomorrow, not just what we want today. There is a window of opportunity now, in which the next villain/threat is relatively remote. He hopes that Russians recognize this low-threat window of opportunity, so that the government will be prepared to take big steps in military reform.

**Admiral Konorev.** To clarify, when he referred to general principles of force planning, the general approach should be the first step, not scenarios. Then one needs to assess one's capabilities in a region, and then the possibility of conflicts emerging in that region and the location of forces to deal with threats. This is the second order principle, or "operational art." One can go further, considering the



real practice of our Pacific fleets, considering a real agreement not to target each other. Our nuclear non-targeting agreement may produce a slogan that is reassuring for publics, but both of us can re-target in a matter of minutes. Their SLBMs go to sea not for fun but for deterrence.

US nuclear deterrent doctrine supposes that forces must be ready to carry out the President's orders at any moment. When he visited Bangor he was left with no doubt that the American commanders he met would follow such orders. Russian commanding officers will also follow orders. The discussion of whether we will have enemies or not will be very durable. As long as there are armed forces, we will have enemies. If there are no enemies, there will be no armed forces. Real-term planning could be provocative and lead inevitably to clashes and conflicts. We need an approach to avoid this.

We discussed the reduction of patrol activity with Admiral Kuroyedov. The Russian fleet has decreased its OPTEMPO. Americans must believe that we are not chasing American submarines today. Our decreased activity is not well-correlated with America's, however, so we have to presume that the Americans still think of the Russian Navy as adversaries. Thus, general discussions about an absence of enemies are good at the political level, but at lower levels, training procedures demonstrate real aims. Attempts to discuss submarine cooperation have been fruitless, perhaps because submarines are invisible to the general public. The very essence of sailing underwater supports collisions of ships if there is a collision of interests (in the first place). We have to deal with that in practical terms.

**Admiral Fages.** An unintended consequence of the emphasis we placed on detargeting was that all those who know about it knew it was purely symbolic and that retargeting could take place in a matter of minutes. But the point is that even when the missiles were targeted it was an abstraction. We were not just targeting the Soviet Union—and we didn't think about it when on patrol—but the strategic patrol was for deterrence, whether targeted or not. So detargeting led to the misleading impression that it was the targets that were important rather than deterrence.

ASW patrols are another element of deterrence—as opposed to an intent to pose a specific threat to a given target. When very capable Russian submarines operate in the vicinity of US carrier battle groups, as they occasionally do, the United States believes that Russia is within its rights to do this. There is no problem. ASW missions also have a deterrent function, but are not missions against a “threat.”

There is much subtlety and nuance here, but this is how he has always tried to think about it and describe it, both as a commander and in preparing officers for patrol. He and others try to instill this feeling in submarine commanding officers—not that they are going after a specific threat.

They are very aware that collisions of interests could produce real collisions. They instill the conservative nature of their missions in their commanding officers. They will not send a cowboy out on patrol.

**Admiral Konorev.** As a submarine commander and as in charge of using the forces today, he feels that Admiral Fages understands what he meant, and that he understands what Admiral Fages meant. All the rest is blah-blah-blah. He also understands that SSBN commanders are not alone at sea. They carry out the decision of the commander-in-chief of the state armed forces. Neither you nor he believes that we send our SSBNs to sea without concrete combat orders, “to be prepared to launch missiles.” What you describe as an abstract attitude toward combat orders is meant to let the commanding officer be free of the decision “to push (the button) or not to push.” We have the same approach to the problem. We both train commanding officers to carry out the combat order “to launch missiles,” not to destroy cities. A conflicted SSBN commander is not a commander.

We also teach commanding officers to respect international law and to be ready to assist at sea.

**Admiral Pauk.** As time passes, these seminars are becoming more transparent, friendly. We could hardly have imagined 8 to 10 years ago telling each other what is written in the standing orders to the commanding officer of the ship.

Yet despite changes, there are still some problems to resolve. This was noted yesterday and today, and during our seminar in Moscow. The reason for the existence of these problems is the legacy of the Cold War in our navies. As veterans of the Cold War, we can see that the Cold War legacy is strongest among submariners.

He agrees with Rogov that nuclear deterrence, as a term, is an anachronism that remains alive in current days. He is sorry that we have not invented something new. Yesterday’s discussion with the Commander of the Pacific Fleet was a good example of this. When he asked the direct question, “What kind of joint SSBN operations could we undertake?” he did not get an answer. We don’t have such tasks for our commanders yet.

In the absence of such tasks for our navies, the task of the seminars is the preparation of proposals, which are to be recommended to leaders dealing with changes in nuclear deterrence strategy. The proposals will allow the possibility of changing the training of submariners, as Admirals Konorev and Fages mentioned. Yet it is not clear what would substitute for the nuclear deterrence concept.

Yet, “Where there’s a will there’s a way.” Four years ago, we were actively discussing submarine collisions in our training area. Now the problem has been dramatically reduced. It is definitely one result of our seminars that we managed to deliver a message to the leaders of our respective navies about the sharpness of the problem. This single fact makes our seminars worth it.

To Admiral Fages: he commanded attack submarines, and he knew that surfacing and showing the periscope inside the escort circle meant punishment for breaking the rules. This is not true today, but that does not mean that they do not know that submarines are in the area.



# APPENDIX B

## Russian and American participants in seminars and visits

(The lists below do not include all participants in all seminars and visits, but only the most regular and prominent names.)

### U.S. PRINCIPALS IN SEMINARS AND VISITS

Mr. Robert Murray, President of The CNA Corporation

Ambassador Linton Brooks, Vice President of CNAC

Admiral William Smith, USN (Retired), Senior Fellow, CNAC

Mr. William Bell, Vice President and Counsel, CNAC

Rear Admiral Michael McDevitt, Director and later Vice President, Center for Strategic Studies, CNAC

Mr. David McGiffert, Chairman of the Board of Trustees, CNAC

### CNAC SUPPORTING STAFF

Dr. H. H. Gaffney

Mr. Floyd (Ken) Kennedy

Ms. Lauren Van Metre

Mr. Scott Atkinson

Mr. Paul Olkhovsky

Ambassador Marshall Bremont

Ms. Betsy Jacobs

Mr. Stephen Guerra

Dr. Dmitry Gorenburg

Dr. Richard Weitz

Mr. Eugene Cobble

U.S. ADMIRALS ATTENDING SEMINARS IN RUSSIA

Admiral T. J. (Joe) Lopez

Rear Admiral Malcolm Fages

Rear Admiral David Polatty

Rear Admiral Philip Quast

Vice Admiral (Retired) Henry (Hank) Mustin

U.S. ADMIRALS ATTENDING SEMINARS IN THE UNITED STATES

Admiral Jeremy (Mike) Boorda

Vice Admiral William Owens

Vice Admiral Dennis Jones (Anchorage)

Rear Admiral Edward Giambastiani (Anchorage)

Rear Admiral Joseph Metzger

Rear Admiral Joseph Enright

U.S. SENATORS VISITED BY THE RUSSIANS

Sen. Richard Lugar (R-Indiana)

Sen. Sam Nunn (D-Georgia)

Sen. Joseph Biden (D-Delaware)

Sen. Carl Levin (D-Michigan)

Sen. Thad Cochran (R-Mississippi)

NSC STAFF INTERVIEWED

Dr. Hans Binnendijk

Dr. Rose Gottemoeller

Mr. Robert Bell

Mr. Frank Miller

STATE DEPARTMENT PEOPLE INTERVIEWED

Deputy Secretary Richard Armitage

Under Secretary John Holum

Amb. Linton Brooks (then in ACDA)

Assistant Secretary Carl Ford, INR

Assistant Secretary Avis Bohlen

Director of Policy Planning Morton Halperin

U.S. DEFENSE DEPARTMENT OFFICIALS INTERVIEWED

Principal Deputy Under Secretary Jan Lodal

Assistant Secretary Ted Warner

Deputy Assistant Secretary Frank Miller

Assistant to the Chairman Lt. Gen. Dan Christman, USA

Assistant to the Chairman Lt. Gen. Richard Myers, USAF

U.S. NAVAL ATTACHES, MOSCOW, PARTICIPATING IN SEMINARS

Captain Thomas Fedyszyn

Captain Roger Cooper

Captain Robert Brannon

And many thanks to Dr. George Fedoroff...

RUSSIA: ISKRAN PRINCIPALS

Dr. Andrey Kokoshin

Dr. Sergey Rogov

ISKRAN STAFF PARTICIPATING IN SEMINARS

Dr. Mihail Gerasev

Dr. Sergey Oznobishchev

Dr. Alexander Konovalov

Dr. Igor Sutyagin

Dr. Irina Modnikova

Dr. Valeriy Mazing

Dr. Mikhail Nosov

Dr. Alexiy Bogaturov

Dr. Yuri Fedorov

Dr. Alexander Shumilin

#### RUSSIA: OFFICIALS ATTENDING SEMINARS

Lt. General Valeriy Manilov

Dr. Alexey Arbatov

Maj. Gen. Pavel Zolotarev (Retired)

Col. Gen. Viktor Yesin (Retired)

Maj. Gen. Vladimir Dvorkin

Col. Gen. Leonid Ivashov

Vice Admiral Nikolay Konorev

Rear Admiral Arkady Pauk

Maj. Gen. Alexander Vladimirov (Retired)

Rear Admiral Alexey Ovcharenko

Maj. Gen. Piskunov (Retired)

#### RUSSIA: NOTABLES INTERVIEWED

Dr. Yuri Baturin, Defense Advisor to President Yeltsin

Dr. Vladimir Lukin, Chairman, Foreign Affairs Committee, Duma



Marshal Igor Sergeev, former MOD, Advisor to President Putin

Marshal Shaposhnikov, former MOD

Admiral Gromov, Commander in Chief, RFN

Admiral Kuroyedov, as Commander, Pacific Fleet, and as Commander-in-Chief, RFN

Admiral Kasatonov, Deputy Commander in Chief, RFN

Admiral Selivanov, Deputy Commander in Chief, RFN

Admiral Yerofeev, Commander, Northern Fleet

Admiral Yegorov, Commander, Baltic Fleet



# APPENDIX C

## REPORTS OF THE SEMINARS AND OTHER PAPERS, INCLUDING THOSE WRITTEN BY THE RUSSIANS FOR US

*The Future of the Russia and the Russian Navy: Report of Discussions in Moscow, November 2-6, 2003*, with Dmitry P. Gorenburg; CNA Information Memorandum CIM D0009376.A1/Final, January 2004.

*US-Russian Relations After Iraq: Report of a CNAC-ISKRAN Mini-Seminar*, 3 October 2003, with W. Eugene Cobble; CNA Information Memorandum CIM D0009190.A1/Final Unclassified, 10/1/ 2003.

*Sustaining US-Russian Strategic Relations: Report of the 16th CNAC-ISKRAN Seminar, 10 December 2002*, with D. P. Gorenburg, W. E. Cobble, M. K. DuMont; CNA Information Memorandum CIM D0008302.A1/Final, May 2003.

*U.S.-Russian Cooperation after September 11, 2001*, with Dmitry P. Gorenburg; CNA Information Memorandum CIM D0005645.A1/Final, January 2002.

*European Security & Russia: A Workshop at CNAC, 13 April 2001*, with D. P. Gorenburg and D.J. Whiteneck; CNA Information Memorandum CIM D0004282.A1/Final, July 2001.

*Renewing the US-Russian Strategic Partnership: Conference Report*, with D. P. Gorenburg; CNA Information Memorandum CIM D0002407.A1/Final, November 2000.

*Report on the Ninth CNA-ISKRAN Seminar on Russian-American Naval Cooperation, Moscow and Vladivostok, 17-21 February 1997*, with Stephen J. Guerra and Linton F. Brooks, CNA Information Memorandum 523, August 1997.

*Explaining the QDR to the Russians*, CNA Professional Paper 542, March 1997

*Relations with Russian Counterparts: Coast Guards and Navies*, CNA Information Memorandum 491, December 1996

*Report on the Eighth CNA-ISKRAN Seminar on Russian-American Naval Cooperation*, with Betsy Jacobs and Lyall Breckon, CNA Information Memorandum 487, November 1996

*CNA-ISKRAN Seminar on Russian-American Naval Cooperation: the Sixth of the Series of Seminars*, CNA Information Memorandum 490, October 1996

*Future Visions of United States-Russian Naval Cooperation: What is to be Done?* Principal author T. P. M. Barnett, with contributions by H. H. Gaffney and F. D. Kennedy, CNA Annotated Briefing 96-61, June 1996.

*Why Should Civilians Control the Military and How Should They Do It?* CNA Professional Paper 538, June 1996

*CNA Visit to Russia, 28 November-5 December 1995*, CNA Information Memoranda 460, April 1996

*National-Security Decision-Making in Russia and in the United States*, CNA Information Memorandum 388, February 1995

*Russian-American Naval Relations: A Plan for 1995 and Beyond—A Proposal for the CNO*, with P. Olkhovsky, CNA Information Memorandum 398, February 1995

*Report on a CNA group's trip to Russia, 1-13 February 1994*, with R.J. Murray, W.L. Bell et al., CNA Information Memorandum 357, June 1994

*Notes From a Seminar: Moscow, May 1993*, with S.R. Atkinson, CNA Occasional Paper 131, July 1993

### **Reports written by the Russians**

*Russia Between West and East*, by Mikhail Nosov; edited by H. H. Gaffney and D. P. Gorenburg; CNA Information Memorandum CIM D0009191.A1/Final, October 2003.

*The Evolution of Military Reform in Russia, 2001*, by Sergey Rogov, edited by H. H. Gaffney and D. P. Gorenburg; CNA Information Memorandum CIM D0004857.A1/Final, October 2001.

*The New Russian National Security Concept*, by Sergey Rogov, edited by H. H. Gaffney; CNA Information Memorandum CIM D0002810.A1/Final Unclassified, November 2000.

*Military Reform and the Defense Budget of the Russian Federation*, by S. Rogov, CNA Information Memorandum 527, August 1997.

*Russia and NATO's Enlargement: the Search for a Compromise at the Helsinki Summit*, S. Rogov, CNA Information Memorandum 513, May 1997

*The Russian Navy: Now and in the Future*, A. Pauk and I. Sutyagin, CNA Information Memorandum 503, March 1997

*Arms Control after the End of the Cold War*, S. Rogov, CNA Information Memorandum 495, January 1997

*Social Problems of the Russian Military*, I. Modnikova, CNA Information Memorandum 496, January 1997

*Russia: the Difficult Road to the Market Economy*, S. Rogov, CNA Information Memorandum 493, December 1996

*Security Concerns of the New Russia, Volume II: Russia and International Security Cooperation*, S. Rogov et al., CNA Occasional Paper 190, August 1995

*Security Concerns of the New Russia Volume I: The Challenges of Defending Russia*, S. Rogov et al. CNA Miscellaneous 189, July 1995

*The Evolving Russian Navy: Challenges and Responses*, with S. Rogov et al., CNA Occasional Paper 132, August 1993

*Russian Arms Exports: Issues of Policy and the Linkage to Conversion of Military Industries*, with G. Arbatov et al., CNA Occasional Paper 119, February 1993



# APPENDIX D

## A Tribute to Dr. Sergey Mikhailovich Rogov

Dr. Sergey Rogov was our most constant contact for this 14-year program. He co-chaired all our seminars with either Bob Murray, President of CNA, or Linton Brooks, Vice President of CNA. He arranged innumerable meetings with senior civilian and military officials in Moscow and attracted many of them to join our seminars. He also took advantage of his long association with U.S. Senators and other officials to arrange meetings of the visiting Russian groups with them, especially Senators Nunn, Lugar, and Biden. He wrote many papers for us to circulate in the United States, on such disparate subjects as the Russian economy and strategic relations.

Dr. Rogov has done as much as anybody in either country to form a bridge between the two countries. He has deep knowledge and sincere admiration for both countries and is as well-informed as anyone in the world on strategic issues. He is deeply concerned about maintaining peace and stability.

I have known Dr. Rogov since 1991, and have had many meals, car rides, and beers with him, in addition to all the seminars and other group discussions. He is very nearly a tragic character, and with his heavy smoking, long hours of work, trying to do everything all by himself, and perpetual jet lag, he has been a candidate to lower the average male life span in Russia, now 57.3 years, even more.

Dr. Rogov was elected by his colleagues as the director of ISKRAN in 1996, succeeding its founder, Georgiy Arbatov, who had passed retirement age. Andrey Kokoshin had been the heir-apparent at ISKRAN to Georgiy Arbatov, but when Kokoshin went to the MOD as First Deputy Minister early in the new Russia, Rogov took his place as deputy director and then was elected to succeed Arbatov.

Rogov has long been bent on being a real bridge between Russia and the West—and risks or may be stuck on that bridge, belonging to neither side. One possible drawback is that he comes from the old arms-control-community bridge and is still stuck on resolving some of those old problems. He still carries on the old Arbatov mission: explaining the American system to the Russians, but now they are less interested. I cannot find any fault with his appreciation and knowledge of the American system.

Nikolay Babich of the Russian Embassy, a classmate in college of Rogov's, noted poignantly that Rogov had said to him, apparently with some bewilderment, "You

know, some of these people in Washington even think I am connected to the KGB.” Old spooks always nod sagely—to a spook, everyone is a spook. He was the ISKAN (now ISKRAN) representative in Washington from 1982 through 1987. Back in Soviet times, everyone was an employee of the government, and like all of us who have clearances from the U.S. Government, were probably obliged to report whatever they came across—but not to collect. That kind of thing completely disappeared with the fall of the Soviet Union (though Dr. Rogov retained a security clearance—the only one to do so at ISKRAN).

Rogov's father was an air force colonel, and his last assignment before retirement was as commander of a bomber regiment in Irkutsk (where Rogov missed some months of school in his primary years because he caught pneumonia). His father retired in 1957. The good news was that the father had a sister in Moscow, so he could get permission to reside there. The bad news was that the Rogov family of five moved into one room in a communal apartment (father, mother, two sons, and mother's mother). The retired pay was really not adequate, and they struggled. Some time in the early sixties, Rogov's mother filed for divorce, but then she was hospitalized for a year and died. His father's struggles after retirement strongly prejudiced Rogov against Khrushchev's attempts to reduce the Soviet military.

Rogov entered the Moscow Institute of International Affairs (MGIMO—sponsored by the Ministry of Foreign Affairs) in 1966, and was assigned to learn English. He said it was a struggle in the first year. In his second year, he married his high school sweetheart. They were married for seven years, had no children, and it didn't work. He met his second wife, Natasha, at the Arbatov Institute when they were both assigned to study American foreign policy in the Middle East. Natasha is Ukrainian. It appears to be a happy marriage (“happiness” has to be a relative term in the case of Rogov); they have a daughter who is married and has a child, and a son who graduated from Moscow University.

I had noted to Rogov that, whatever the state of the Russian forces, they had to have a lot of bright and competent officers. He said he was not so sure of that. He said that military service ceased to be a path of upward mobility for Russian youth in the early 1960s, even before Czechoslovakia. He said it was because of Khrushchev's policies toward the military and that the pay and benefits just didn't measure up.

Rogov took a vacation in Czechoslovakia a couple of years ago. He told me that his only previous visit to Czechoslovakia had been around 1989 or 1990, when Gorbachev was unilaterally moving troops out of Eastern Europe. He asked Rogov to go there and check to make sure the generals were not cheating. Sure enough, Rogov found that they were, that is, they were consolidating the best equipment and best people in the units that were to remain, and Rogov so reported to Gorbachev.



Rogov also said that they (probably his fellow students at the Institute of International Relations, that is, his undergraduate school) were really intrigued by Dubcek and the Prague Spring. The impression I got was that they really hoped for the liberalization of the system. Of course, that was dashed by the invasion and the later period of stagnation under Brezhnev. He in effect said they lost their chance to develop what might be called “a humane socialism.” He seemed very regretful of that. Indeed, I mentioned that my roommate at Columbia was named Bernstein, and was a grand-nephew of the Eduard Bernstein of *Evolutionary Socialism*, and Rogov seemed quite moved by that.

Rogov expresses regret for the passing of the Soviet Union, but he knows the people who ruined it. He probably was a member of the Communist Party, but he has never expressed the slightest regard for the CPSU or regret at its passing. He is simply not “a Communist.” He notes that they were all Soviet citizens—that’s the way they grew up. He once said that he is bewildered that he must now consider his wife a foreigner, but Chechens as Russians (though the Chechens are taking care of that). Of course, as an Instituchik, he was a major beneficiary of the old system. He had 10,000 rubles in the bank when the Soviet Union collapsed—but that gets you a little more than 6 rides on the Metro these days.

According to Rogov, the greatest influence on him has been Georgiy Arbatov.

To summarize it all, what you see of Rogov is what you get. His views are quite clear. They are directed at both sides from the middle. He preserves an independent point of view. He has a Russian soul and is proud of it—but is not sure what it is at this juncture of history.

H. H. Gaffney



# APPENDIX E

## Great Promise Unfulfilled: How Russia lost its way after independence

**Dmitry Gorenburg**

This section reviews the most important events in Russian history since the collapse of the Soviet Union in 1991. It focuses on general trends in Russian development as the country underwent a triple transition to democracy, market economy, and federal state. At first, Russia hoped to quickly become part of the world community and to join the ranks of the fully developed market economies. The failure of market reforms through at least 1998 to improve living standards among the vast majority of the population, the rapid increase in crime and corruption in the country, and the waning of Russian influence in world affairs all combined to create a climate of disillusionment with the post-communist transition.

In this atmosphere, many of the failures of the transition were blamed on Western policies that, it was argued, either did not take into account Russia's unique historical and cultural characteristics or were deliberately designed to weaken Russia politically and economically. These attitudes first appeared among communists and other leftist groups. As the general Russian malaise lingered through the mid-1990s, these attitudes spread to ever-larger segments of both the political elite and the electorate. As Russian politicians realized that they had to attend to these popular perceptions, and given their intense concentration on internal affairs—that is, the necessity of building a Russia that worked, which had never existed before—Russian cooperation with Western states and particularly with the U.S. stagnated.

By the end of Yeltsin's presidency, that is, at the very end of the century, Russian distrust of Western policies had led to the suspension of most military cooperation programs and a concurrent decline in political cooperation. President Putin undertook an effort to revive this cooperation, at least in the realm of the fight against global terror. At the same time, his curtailing of civil liberties and partial dismantling of democratic institutions brought unease in the West and prevented a fuller alliance between the U.S. and Russia against Islamic terrorism from developing.

Whatever its discomfort about relations with the rest of the world, and the West in particular, growth picked up upon the salutary effects of the crash in 1998, and with it

average wages and salaries growing fast than the overall growth of the economy. The Russian people are, in 2005, generally content with their personal situations and the political situation. Putin remains popular, but with diminishing returns. The people still fear terror, and the Chechen situation remains intractable, with some signs of disorder spreading across the Caucasus region and into Dagestan. The country is benefiting greatly from higher oil prices, but, because smaller industry is not taking off yet, higher incomes go to buy greater imports—the classic Dutch disease when own goods are priced out of the market.

## **Yeltsin's First Term: The disappointment with the Western model**

Although most Western leaders initially preferred Mikhail Gorbachev to Boris Yeltsin, Yeltsin's performance during the August 1991 coup solidified his reputation as the leading figure of Russian democracy. His first term as the president of Russia thus began with great hope for Russia's transformation into both a Western-style democracy and a state with a well-functioning market economy. But long before his reelection campaign began in 1996, these hopes had been disappointed and Russia had begun a long, slow turn inward. Disillusionment with the West was caused primarily by the collapse of the country's economy through 1998, although the decline of Russia's importance in world politics and the attribution of various internal and external political conflicts to the incompatibility of American-style democracy ("that government's best that governs least") with Russian culture, values, and the need for strong government also played a role.

### **The failure of economic reform**

As initially conceived, Russia's economic reform program was designed to transform the country as quickly as possible into what some thought was a Western-style free market economy, though that looked like "wild capitalism" rather than the law-based regulation of predatory activity. The first steps in this effort took place in January 1992, with price liberalization and the end of restrictions on private economic activity. The subsequent sharp increase in prices of retail goods, combined with a pre-existing economic recession, led to a sharp decline in manufacturing, with industrial production falling by twenty percent in 1992, on top of an eleven percent drop in 1991—notwithstanding that much of that drop was in useless military production, coupled with a severely deficient consumer goods base.

The combined impact of price increases and production declines led to widespread shortages of goods and food during the winter of 1991-92, although these shortages

disappeared after prices reached market levels and imported products began to flow into the country. In an effort to reduce inflation, the government pursued tight monetary policies in the first half of 1992. The result was a cash shortage, which led to the non-payment of wages to government employees, who in 1992 still comprised about ninety percent of the workforce. The combination of price increases and wage arrears caused financial hardship for most of the country's population. By 1993, the ubiquitous empty store shelves of the late Soviet period had been replaced with stores fully stocked with goods that the majority of the population could not afford.

While the initial economic decline was widely expected by the shock therapy reformers, they believed that conditions would improve within one to two years. However, these expectations were not met, both because the reformers were not able to fully implement their program and because the parts of the program that were implemented were overwhelmed by corruption. While price liberalization was extensive, it was not carried out in all sectors of the economy. Most significantly, energy prices continued to be set by the government at below world market levels. In addition, many state-owned industrial firms continued to operate (as they did in the Soviet economic system) by using fictional electronic currency rather than real money. These policies contributed to the cash shortage discussed above.

As far as the Russian public was concerned, the real Achilles' heel of the economic reform program was the corrupt privatization of most state owned companies. The initial privatization scheme involved the issue of vouchers to each Russian citizen. In theory, these vouchers could be used to purchase shares of companies during privatization auctions. In actual practice, most of the vouchers were purchased for relatively small amounts of money by speculators or managers of the plants being privatized. In the end, the first round of privatization concluded with the most valuable companies owned either by their directors or by former highly placed Communist Party or Komsomol functionaries. These officials were able to use their positions to purchase company shares at significantly lower prices than the actual value of the assets offered for sale. In many cases, these new owners stripped the physical and capital assets of their newly purchased factories and then refused to pay salaries to the employees, usually citing a lack of revenues due to the economic downturn as the culprit for the firm's poor financial situation. Incomes from the stripped assets were usually deposited in offshore bank accounts or used to build ostentatious private dwellings (derisively called cottages) for the Russian nouveau riche. The evident corruption that accompanied the first stage of privatization led most of the Russian population to lose faith in the politicians in charge of the economic reform program, as evidenced by the emergence of the pun label "prikhvatizatsiia" (meaning grabbing) in place of the Russian word "privatizatsiia."

The spread of corruption went hand in hand with a rapid increase in both economic and violent crime. Much of the violent crime in fact had economic motivations, as rival criminal gangs faced off for control of protection rackets in most major Russian cities. These protection rackets came into being because local police were either incapable of protecting legitimate economic activity or had become corrupt and were themselves involved in protection schemes. Businesses that refused to pay protection money were routinely ransacked and, in some cases, their owners were killed. For several years during the early 1990s, contract killings of businessmen became a virtually routine part of the Russian economic scene. This environment resulted in the virtual elimination of honest people from the Russian business scene.

The corruption of Russian business contributed to yet another problem that plagued the Russian economic during the early and mid 1990s – the non-payment of taxes. The combination of a cumbersome tax code and a culture where evasion of payments to the government was considered acceptable led to very low rates of payment of both individual and corporate taxes. The result was a large budget deficit and the exacerbation of the non-payment of wages in the state sector of the economy.

By the end of Yeltsin's first term in 1996, the Russian economy had suffered five years of steady decline, most of the population was economically much worse off than at the start of his rule, and corruption had become an integral part of the Russian economic system. The few bright spots included the proliferation of goods that had previously been in short supply, the liberalization of foreign economic activity, and the emergence of private small businesses. Since many of the newly available goods were not affordable for most people, who had seen their savings wiped out by inflation and their incomes dry up due to the non-payment of wages, this was not really regarded as a positive achievement of Yeltsin's economic team. Overall, the failure of Yeltsin's economic policies was the most important factor in his low popularity in the mid-1990s.

## **Internal political conflicts and the stalemate over reform**

Although most of the Russian political establishment was (at least on the surface) united in opposition to the August 1991, conflicts began to emerge even before Russia became an independent state in December 1991. Initially, the conflicts centered on the respective powers of the president and parliament, with parliamentary leaders attempting to limit Yeltsin's ability to rule by decree in the fall of 1991. During 1992, this conflict gradually became more personal, with Ruslan Khasbulatov, the speaker of parliament, and Alexander Rutskoi, Yeltsin's vice-president, coming to personify the opposition to Yeltsin and his policies on economic and political reform. As early as February 1992, Rutskoi labeled the economic reform program as "economic

genocide.”<sup>34</sup> As this confrontation shifted from institutional rivalry to personal vendetta, Russian policy-making largely ground to a halt. From late 1992 through September 1993, the president usually vetoed laws passed by the Congress of People’s Deputies, while parliament often overturned the president’s decrees. Various unsuccessful measures were undertaken to resolve this stalemate, beginning with unproductive negotiations between Yeltsin and Khasbulatov’s representatives in 1992, followed by an inconclusive April 1993 referendum on early elections for the president and/or parliament.

The stalemate was finally resolved in the fall of 1993, although the way it was resolved signaled the beginning of the decline of Russian democracy as the West envisaged it. In September, Yeltsin, acting in violation of the existing constitution, attempted to dissolve parliament and call a referendum on a new constitution. Parliamentary leaders refused to agree to Yeltsin’s demands, impeached him and declared Rutskoi to be the new president. Mass protests against Yeltsin’s actions culminated with clashes between protesters and army and interior ministry troops at the parliament building and at the Ostankino television tower. In the end, the Russian security forces stormed the parliament building and arrested the top leaders of the opposition to Yeltsin.

After crushing his opponents, Yeltsin quickly moved to consolidate power. In addition to following through in December 1993 with a referendum on a new constitution that gave the executive branch much greater power than the legislature, he called for quick elections to a new bicameral parliament. Although the constitution was approved by a narrow margin, the results of the 1993 parliamentary election were entirely unexpected and amounted to a significant setback for Yeltsin and his supporters. Yeltsin’s team was confident that the pro-Yeltsin Russia’s Democratic Choice party would win the elections and get a majority of seats in the new parliament. As it turned out, the populist/nationalist Liberal Democratic Party, led by Vladimir Zhirinovskiy won 23 percent of the vote and took 64 seats in the 450-member Duma. Russia’s choice finished a distant second, with only 15.5 percent of the vote. Overall, democratically-inclined parties controlled only about 100 seats, with communists and their allies controlling another 100, with the remaining 180-200 seats going to small parties and to independent candidates running in single-mandate districts.

The unexpectedly poor showing for Yeltsin’s team in the 1993 elections led to more political inactivity, as the Communist Party came to replace Ruslan Khasbulatov as Yeltsin’s nemesis. In the 1995 election, the Communists achieved 35 percent of the popular vote, almost triple that of Our Home is Russia, the pro-government party. The

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34. Celestine Bohlen, "Yeltsin Deputy Calls Reforms 'Economic Genocide,'" [\*New York Times\*](#), February 9, 1992.

result was the same deadlock between President and Duma. Economic and political reform measures either failed to pass parliament or passed only in compromise forms that did not necessarily help to revive the Russian economy. Yeltsin and his policies became more and more unpopular, as the majority of the population blamed him for their impoverishment, for the lack of political stability in the country, and for Russia's loss of prestige in international affairs.

## **Center-periphery conflicts and the weakening of the Russian state**

At the same time as the political conflicts in Moscow intensified, the Russian government also faced a crisis in its relations with its regions. The peak of the crisis came in the fall and winter of 1991-92, when several ethnic republics declared independence and refused to participate in Russian central political institutions or to follow Moscow's mandates on their own territory. While Chechnya and Tatarstan went the furthest, with the former acting as a de facto independent state from 1991 to 1994 and the latter boycotting all federal elections during the same time period, several other regions also sought to upgrade their status. Some ethnic Russian regions, such as Sverdlovsk, sought to become republics in order to increase their political status vis-à-vis Moscow. During the first half of Yeltsin's first term, several provinces and ethnic republics were only selectively enforcing Russian laws, while a number of ethnic republics refused to transfer tax revenues and proceeds from the sale of natural resources to the central government. Most of the conflicts were resolved in the Federal Treaty of 1992, which eventually became part of the Russian constitution. The conflict with Tatarstan was resolved in February 1994, with the signing of a bilateral treaty on relations between the region and the federation. This treaty became a model for treaties that were signed with other ethnic republics and non-ethnic provinces throughout the 1990s. By the end of Yeltsin's presidency, such treaties had been signed with more than half of the 89 regions of the Russian Federation.

At the time of Russian independence in 1991, Moscow faced a center-periphery relations crisis. Although initially the Russian state was too weak to control regional leaders, by the end of Yeltsin's first term, it had come to an understanding with the leaders of all of the regions except Chechnya, where it had to launch a military campaign in October 1994.

## **The decline of the Russian military**

For the Russian military, the early 1990s were a time of catastrophic underfunding, which also meant there were no funds for reform. The military's status and morale had already been shaken by the war in Afghanistan during the 1980s, which culminated in the Soviet Union's withdrawal from that country in 1989. The



democratic revolutions in Eastern Europe and the collapse of the Soviet Union led to a round of military withdrawals from East Europe, first from East Germany and Poland, and eventually from the Baltic States. These withdrawals taxed the military's finances, since new bases had to be built for units formerly stationed in Eastern Europe (where the local government paid their housing costs) and pensions had to be paid to an unexpectedly large number of retirees. These extra expenses came at a time of budget cuts for the military, as the government ran out of money during the economic crisis. In 1992 Russian military expenditures were set at a maximum of 10 percent of the total government budget. The budget cuts led to a sharp decline in training and the almost complete cessation of the procurement of new equipment for the troops. At the same time, pay for active troops failed to keep up with inflation, even leading some officers to sell equipment to paramilitaries in places like the Caucasus in order to supplement their salaries.

The problems plaguing the Russian military led to calls by hitherto suppressed military reformers, especially those in the Supreme Soviet, for a thorough reform of the institution. The main measures advocated included the replacement of conscription with a volunteer force, reform of the budgeting and planning processes to make them more transparent, and cuts in the size of the military to make the institution fit the needs and resources of the post-Soviet Russian state. Of these three measures, only cuts in the size of the military were implemented during the 1990s. There was much talk of more civilian control in the Ministry of Defense, but only one civilian (Kokoshin) was appointed a Deputy Minister, while all other positions continued to be held by the military. Many new laws and reform measures were passed by the Supreme Soviet, but were ultimately thwarted by the military bureaucracy. By the end of the 1990s, the details of the military budget were still kept secret even from the State Duma and only token efforts at creating all-volunteer combat units had been undertaken.<sup>35</sup>

The first Chechen war was one of the causes of the lack of progress in military reform during Yeltsin's first term. The invasion of Chechnya in December 1994 was supposed to be a quick victorious war that would improve the government's standing with the population, strengthen Moscow's hand in its battles with regional leaders throughout Russia, and show that the Russian military was still a force to be reckoned with, at least at a regional level. Instead, the Russian army found itself bogged down in a seemingly endless counter-insurgency campaign that was characterized by high numbers of casualties among both the civilian population in the region (who were ostensibly Russian citizens) and the woefully under-prepared recruits that had been sent to

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35. For more information on the limits of Russian military reform, see *The Evolution of Military Reform in Russia*, by Sergei Rogov, edited by H.H. Gaffney and Dmitry Gorenburg, CNA Information Memorandum CIM D0004857.A1, October 2001.

Chechnya by Russian military commanders. Negative publicity about casualties and the lack of preparedness in the Russian army further damaged morale in the military and led to internal conflicts that showed that the defense ministry did not fully control the military's general staff. The single most ready Russian division became bogged down in trying to curb civil war in Tajikistan.

By the end of Yeltsin's first term in office, the Russian military was in very bad shape. Because of the procurement freeze and lack of proper maintenance, a large percentage of the military's equipment was essentially unusable. This was particularly a problem for the Russian Navy, which had a large number of derelict and rusting ships and submarines that were still listed as active in the force. Because of casualties in the Chechen war and constant reports of hazing of new recruits, the population had largely turned against the military. Most draft age men sought to avoid conscription, either through deferments or by avoiding the draft. Finally, poor compensation and living conditions were forcing many experienced officers to leave the military, reducing the quality of existing troops.

## **Foreign Policy: Conflicts on the periphery, disenchantment with the West**

During the early 1990s, Russia's foreign policy was characterized by the development of relationships with the newly independent states that formerly comprised the Soviet Union, efforts to deal with instability on its southern borders, and back-and-forth steps from initially close relations with the U.S. and European states, reflecting Yeltsin's erratic moods and actions by the West that Russia felt it couldn't influence. This was particularly reflected in the Partnership for Peace, the initial program by which Eastern countries could relate to NATO, for which Russia's association was on-and-off, depending on Yeltsin's mood or opposition noise.

The breakup of the Soviet Union created a new diplomatic space. The former republics of the Soviet Union had to get used to dealing with each other as independent states. These states' relationships with Russia can be divided into two categories. About two-thirds of the states were suspicious that Russia would seek to control their countries once more through covert or overt means. These countries included the Baltic States, Georgia, Ukraine, and, to a lesser extent, Moldova, Azerbaijan, and Uzbekistan. Relations between Russia and these states during the early 1990s were characterized by mutual suspicions, accusations of violations of international law, and negotiations over the removal of Russian troops from their territory. The rest of the newly independent states were not really prepared for independence and sought to maintain close relations with Russia for either security or economic reasons or because of confidence they could (like Kazakhstan). These countries were willing to maintain Russian military bases and other facilities on their territory and were willing to join with Russia to develop the Commonwealth of

Independent States (CIS) into a supra-national organization with actual power.<sup>36</sup> Over time, internal troubles and changes in government led Azerbaijan, Moldova, and, to some extent, Georgia from the first camp to the second.

Russia was not a passive observer in this process, seeking to ensure its dominance in the region by using its economic position, control over energy resources, and appeals to the international community. These efforts were particularly obvious in the Baltic States, where the large ethnic Russian community became a pawn in Russian efforts to slow the Baltic shift from the Russian sphere of influence to becoming a part of Western Europe. Russian leaders argued that citizenship and language laws in Estonia and Latvia were a violation of ethnic Russians' human rights and should derail these states' efforts to join NATO and the European Union. For a time, the Russian government tied the withdrawal of its troops to changes in Baltic policy toward the Russian population, although these issues were quickly de-linked after European pressure and the troops were withdrawn in 1994.

Russia also became involved in the internal conflicts that plagued several of the former Soviet republics. In Moldova, the 14th Russian army intervened directly on the side of secessionist groups seeking to prevent Transdniestria from being subject to Moldovan laws on language. By providing arms to the secessionist groups, the 14th army ensured that the Transdniestrian forces defeated the Moldovan army. The Russian military played a similar role in the Tajik civil war, ensuring the victory of Kulyabi forces by supplying them with equipment and military advisors from the 201st Motorized Rifle Division, stationed in Tajikistan. Russian forces provided more covert assistance to secessionist forces in Abkhazia and South Ossetia, leading to a stalemate between these groups and the Georgian armed forces. Finally, Russian troops sold weapons and other equipment to both sides in the Nagorno-Karabakh conflict between Armenia and Azerbaijan. In this case, the profit motive arguably played a greater role than policy considerations—the Russian economy is now a market economy, after all.

Yeltsin's first term was characterized by a gradual cooling of Russian relations with the West after its initial enthusiasm, under Foreign Minister Kozyrev, for moving closer. Initially, the West hailed Yeltsin as the champion of Russian democracy. Yeltsin, in turn, sought to break conclusively with the legacy of the Cold War by signing the START-II arms reduction treaty and encouraging parliament to ratify the START-I and CFE treaties. In exchange, Western states provided extensive financial assistance

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36. In 1996, Dr. Gaffney interviewed Lt. Gen. Ivashov, then the Secretary of the CIS Military Commission, at his office in the old Warsaw Pact headquarters in Moscow. General Ivashov's instincts on reaching consensus with the other CIS countries were entirely consistent with how Dr. Gaffney had observed NATO in action. Unfortunately, that headquarters was a place where it was said that they turn the lights off when you go out the door, and Dr. Gaffney witnessed this very phenomenon.

(e.g., IMF and EBRD loans) and advice on reforming the Russian economic and political systems.

As it became clear in 1993-94 that the reform process was producing more chaos, more “wild capitalism,” and little growth, the government retreated, in part to neutralize nationalist and communist politicians. The Yeltsin government was particularly opposed to the expansion of NATO to include East European states. It also began to complain of an anti-Serbian bias in American and European policy on the conflict in disintegrating Yugoslavia. Nevertheless, Russia gradually joined the most important European institutions, such as the Council of Europe and OSCE, and became a de facto associate member of the G-7 club. Although relations between Russia and the West were better during this period than during any period since World War II, Russia had to increasingly turn inward because that’s where its real problems were—economy, crime, Chechnya, etc. Playing the old Soviet “great power” role didn’t help in any of this.

## **Yeltsin’s Second Term: Muddling Through**

The period from 1996 to 1999 was not a particularly positive one for the Russian state. Significant vote rigging and corrupt financial dealings with economic oligarchs marred Yeltsin’s re-election campaign. After the election, the president’s ill health and continued battle with Communists in parliament prevented significant reform measures. The Chechen problem was (temporarily) solved with the assistance of General Lebed. The economy continued to decline until the 1998 financial collapse. Relations with the West foundered over NATO expansion and the Kosovo conflict. Yet, by the end of the term, some signs of light began to appear at the end of the tunnel, with the first signs of economic growth and the emergence of Vladimir Putin as a strong Prime Minister.

### **Reelection campaign**

In the winter of 1996, few Russians believed that Yeltsin was a viable candidate for reelection. His policies were unpopular, his approval ratings hovered in the single digits, and his health remained questionable. Members of Yeltsin’s team were engaged in discussions with politicians like Grigory Yavlinsky about the possibility of uniting behind a single pro-democracy candidate that might have a chance of beating the Communist leader Gennady Zyuganov in the general election. In the end, no agreement could be reached and Yeltsin’s handlers decided that they had no choice but to have him run for reelection. What followed was one of the most successful

election campaigns in history, in terms of bringing a candidate with 5 percent popularity at the beginning to an over 50 percent vote result:

- The campaign team succeeded in portraying Zyuganov as a throwback to the scary old days of communism by arguing that a CPRF victory would lead to the end of private property, the end of free speech and a renewed ban on foreign travel.
- Government money was (illegally) used to purchase advertising that blanketed the airwaves with criticism of Zyuganov and the CPRF. At the same time, ostensibly private television networks stopped criticizing the government while broadcasting only limited, and uniformly negative, coverage of the Communists.
- Oligarchs threw in their support in exchange for rigged privatization auctions that allowed them to buy major industrial plants for a small fraction of their true value (see below).

In the end, Yeltsin got 35 percent of the vote in the first round, compared to 32 percent for Zyuganov and 15 percent for Alexander Lebed. Between the two rounds, Yeltsin got the endorsement of Lebed in exchange for appointing him national security advisor. This move, combined with the falsification of second round election results in a few regions was enough to secure Yeltsin's reelection with 54 percent of the vote, compared to Zyuganov's 40 percent. Soon after the vote, Yeltsin's approval rating dropped back into the single digits.

## **Yeltsin's health and the health of the Russian political system**

A major reason for Yeltsin's quick drop in popularity was the revelation that he had suffered a heart attack between the first and second rounds of the presidential election and that this had been kept secret from the voters. He had suffered two earlier heart attacks in 1995. These health problems, combined with occasional, and highly embarrassing, episodes of public inebriation, had already established Yeltsin's image as a sickly and ineffective politician. This image was a radical change from his image in the early 1990s, when even those who hated him and his policies agreed that he was a master at sensing and exploiting political opportunities in order to achieve his goals.

During his second term, Yeltsin continued to suffer from periods of ill health. He was absent for several months beginning in November 1996, when he underwent a quintuple heart bypass surgery. He returned to the hospital in January of the following year when his recovery from the surgery was set back due to pneumonia. For

the next two years, no health problems were officially reported but he was often absent from public view for relatively long periods of time, sparking speculation that his health was worse than publicly admitted. In January 1999, Yeltsin was again hospitalized, this time for a gastric ulcer. Yeltsin's health problems contributed to calls for his impeachment from the Communist leadership of the State Duma. As it was, Yeltsin easily survived an impeachment vote in May 1999 and left office on his own terms at the end of that year. However, Yeltsin's poor health towards the end of his first term and throughout his second term contributed to the sense that there were few accomplishments during this period of Russian politics. In particular, the Duma, with no dominant government party, was obstinate about passing any reform legislation or ratifying START II—while across the same period the ABM debate in the U.S. was making American START II ratification more and more doubtful.

### **(Temporarily) solving the Chechen War**

One initial accomplishment proved to be ephemeral. Soon after Yeltsin's reelection, Russian troops lost control of Grozny, the Chechen capital, to rebel fighters. Shortly thereafter, Alexander Lebed negotiated a truce that called for Russian troops to withdraw from the republic by the end of 1996. Although the question of de jure Chechen independence was put off for five years, Chechnya became de facto independent after the last Russian troops left the republic in December. Unfortunately, the peace agreement did not put an end to the region's problems. Although Aslan Maskhadov won a relatively free and fair presidential election in 1997, he was unable to establish control over the entire territory of the republic. Other rebel and clan leaders controlled various parts of Chechnya. Money that was supposed to be earmarked for reconstruction of infrastructure either never arrived or was stolen by local officials.

Given the abundance of weapons and the lack of security infrastructure, it was not surprising that many former rebel commanders turned to kidnapping locals and visitors from Russia and the West as a source of income. At the same time, some rebel commanders, led by Shamil Basayev, were not satisfied with the political settlement and continued to plan for a new round of fighting. Meanwhile, Russian officials and the Russian public ignored Chechnya—the officials because they sought to forget the humiliating defeat of the Russian army and the public because its chief concern had always been the high number of casualties among Russian conscripts serving in the army there. Although in retrospect it seems obvious that the situation in Chechnya in the late 1990s was inherently unstable, at the time there was great hope that Russia had put behind it an episode that had been highly destructive to its international reputation and had dramatically slowed domestic political and military reforms.

## The economy hits bottom and begins to rebound

After the 1996 election, the economy continued to gradually decline, while the oligarchs who had financed Yeltsin's reelection campaign took control of the most valuable assets, particularly in the natural resources, communications, and media industries. This takeover of assets was made possible by the loans for shares scheme, in which the Russian government sold state-owned industrial assets through limited auctions in which the list of bidders included only those individuals who had provided loans to the Russian government. The result was the selling of the most profitable industrial assets by the state for a fraction of their actual value. These auctions were the source of much of the oligarchs' wealth and solidified their hold on the Russian economy and Russian politics for the rest of Yeltsin's presidency.

Russia experienced a rapid increase in income inequality throughout the 1990s, with its spread of inequality of incomes (the Gini coefficient) doubling during the first six years of transition.<sup>37</sup> While much of the Russian countryside remained mired in poverty, some of the largest cities experienced a revival due to the influx of capital derived from privatization and the exploitation of natural resources. Moscow, in particular benefited from its status as the capital and the country's gateway to the West. By the end of the 1990s, estimates showed that eighty percent of Russia's financial assets were concentrated in the city. This wealth led to the establishment of expensive restaurants and boutiques, as well as a lavish rebuilding and renovation program undertaken by the city government together with private investors. At the same time, even in Moscow only a small part of the population was able to benefit from these new amenities. In fact, income inequality in Moscow was higher than anywhere else in Russia, with the average income of the top ten percent of the city's population being 53 times higher than that of the bottom ten percent.<sup>38</sup> The high level of income inequality throughout the country fueled popular discontent with the government's economic policies, as the majority's experience with declining living standards at a time when the wealthy were clearly getting richer led to the widespread perception that the economic and political elites were enriching themselves at the expense of the rest of the population.

By 1998, the government was facing a budgetary crisis, due to the non-payment of taxes by individuals and corporations, an overvalued currency, and low oil prices on world markets. The Russian financial system appeared to be teetering on the brink of failure through the spring and early summer of 1998, as the Central Bank struggled to

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37. Grzegorz W. Kolodko, "Incomes Policy, Equity Issues, and Poverty Reduction in Transition Economies," *Finance and Development* 36 (3), 1999.

38. Natalya Arkhangel'skaya, "Who's poor in Russia?" *Expert* #16, April 24, 2004. <http://eng.expert.ru/society/04-16bedn.htm>

maintain the exchange rate within its target range. During this period, interest rates began to climb rapidly while stock prices fell. Finally, in August 1998 the crisis came to a head, the government devalued the ruble, defaulted on its treasury bill obligations, and declared a 90-day moratorium on paying off foreign commercial debts. As a result, a large number of Russian banks failed, many regions introduced local price controls and export restrictions in order to ensure the continued supply of basic necessities at prices affordable for the population, and the IMF and other world lending organizations suspended loans to Russia.

The 1998 financial crisis proved to be a blessing in disguise for the Russian economy. The devaluation of the ruble made most imported goods too expensive for the Russian population, leading to a revival in the manufacturing sector. Light industry and consumer goods producers benefited especially from the new economic environment. At the same time, an increase in world oil prices led to an increase in revenue for the Russian state, allowing it to stop relying on IMF loans for the first time since the collapse of the Soviet Union and even to resume paying off its debts by 1999. By the time Yeltsin left office in December 1999, the government had succeeded in stabilizing the ruble and had come close to balancing the budget. The stage was set for the rapid economic growth of the early Putin years.

## **Relations with the West hit bottom (and don't rebound)**

The replacement of Andrei Kozyrev by Evgenii Primakov as foreign minister in January 1996 signaled that those in the Russian foreign policy community who continued to be suspicious of Western intentions toward Russia were now in ascendance. The next several years saw continued cooling of Russian-Western, and particularly Russian-American, relations. The proximate causes included NATO expansion and NATO's intervention in Kosovo. Russian foreign policy elites were opposed to NATO expansion, arguing that the end of the Cold War and the dissolution of the Warsaw Pact had made the organization obsolete. They said that since NATO was established to counter potential Soviet aggression against Western Europe, in a world where Russia and Western states were allies it was no longer needed. Furthermore, they argued that in exchange for the withdrawal of Soviet troops from Eastern Europe, Western leaders had promised Gorbachev that Western forces would not replace them. The expansion of NATO, they argued, was a betrayal of that promise since it integrated East European states into a single military space with other NATO states.

When NATO chose to admit Poland, Hungary, and the Czech Republic in 1997 despite these arguments, Russian politicians condemned the move as a betrayal of Russian trust and a sign that Western leaders and military planners still perceived Russia as a potential military threat. The NATO-Russia Permanent Joint Council that



was created simultaneously with the expansion was widely perceived as an ineffective effort to win Russian acquiescence for the enlargement. Russian leaders argued that council was not useful because NATO member states worked out their position in advance and did not give Russia a voice in the proceedings, using the council only to inform Russia of decisions that were already made—they were right; the United States faces the same once the EU achieves a common foreign policy.

Russian-Western relations deteriorated further in 1999 as the result of disagreements over the conduct of NATO's bombing campaign to stop Milosevic's ethnic cleansing of Albanians in Kosovo. Some have argued that the Kosovo war was the single most damaging event to Russia-NATO relations since 1991.<sup>39</sup> In the various wars of the Yugoslav succession throughout the 1990s, Russian politicians had consistently supported Serbia and its president, Slobodan Milosevic. This alliance was in large part a cultural one, with Russian politicians stating openly that they saw the Slavic and Eastern Orthodox Serbians as their traditional allies against the Muslims and Catholics inhabiting other former Yugoslav republics.<sup>40</sup> Russian leaders also felt betrayed and humiliated by the lack of consultation by NATO and Western state officials during the process leading up to the decision to bomb Serbia. They saw the bombing campaign, undertaken without UN authorization, as a violation of Yugoslav state sovereignty and international law. They argued that since primary bombing targets included Serbia's industrial and transport infrastructure, the main victims of the campaign were Serbian civilians. Russian media played up the inevitable Serbian civilian casualties, even though such casualties were quite minimal. In response to the campaign, Russia suspended all cooperation with NATO and all military cooperation with NATO member states. Hostility toward the West was not limited to political circles. Popular attitudes toward the United States, as expressed in polling data, reached a post-Soviet low in the immediate aftermath of the bombing campaign and did not really recover until after the terrorist attacks of September 11.

Despite its hostility toward the air campaign, Russian assistance proved critical in ending the conflict. Victor Chernomyrdin played the key role in convincing Milosevic to back down, withdraw his troops from Kosovo, and accept an international presence in the province. In the aftermath of the ceasefire, Russian troops provoked Western alarm by arriving at the Pristina airport in the middle of the night and ahead of NATO troops. In subsequent discussions, it became clear that top Russian military commanders had carried out the troop transfer without political authorization. The episode came close to provoking a serious diplomatic crisis, although it was resolved

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39. Vladimir Brovkin, "Discourse on NATO in Russia during the Kosovo War," *Demokratizatsiia*, September 1999.

40. Some Russians have told us that there is no really strong cultural affinity; others remind us that Anna Karenin's lover was heading for Serbia when she threw herself under the train. The main reason was that a weakened Russia felt they were next.

satisfactorily and Russian troops stayed on as part of the Kosovo Stabilization Force (KFOR) for another four years.

The combination of NATO enlargement, the financial crisis of 1998, and the Kosovo War led to widespread Russian disillusionment with the West. In the late 1990s, both Russian politicians and the public came to believe that Western leaders still believed that Russia was a potential military threat to Western Europe. By 1999, a majority of the Russian population believed that Western economic advice, instead of helping Russia develop a working market economy, had been deliberately designed to weaken the country and to enrich Western corporations and businessmen at Russian expense. Finally, Russians believed that the Kosovo War showed that Russia had become so weak that its opinion no longer mattered in determining world reaction to regional crises.

The disillusionment with the West reflected on those Russian leaders who were most closely tied to the West in public perception. The young economic reformers, led by Yegor Gaidar, Sergei Kirienko, and Anatoly Chubais, largely left positions of power and were replaced by old Soviet technocrats such as Victor Chernomyrdin, Evgeniy Primakov, and Yuri Maslyukov. But even these politicians seemed too disloyal (or competent) to Yeltsin and his top advisors, leading to the search for an acceptable compromise figure that could succeed Yeltsin while ensuring that the interests of Yeltsin's allies were protected. After a false start with Sergei Stepashin, they found an acceptable leader in Vladimir Putin.

## **The rise of Putin and the fall of Chechnya**

Putin was appointed prime minister in August 1999. Within a week of his appointment, Chechen guerrillas led by Shamil Basayev attacked neighboring Dagestan and captured two villages near its border with Chechnya. Although the attacking forces were driven off after sporadic conflict over more than a month, this episode marked the beginning of the second Chechen war. In mid-September, a series of apartment bombings in Moscow and other Russian cities killed several hundred people.<sup>41</sup> These attacks were blamed on Chechen terrorists. In response to the incursion into Dagestan and the apartment bombings, the Russian government launched a full-scale assault on Chechnya that began with an extensive and indiscriminate aerial bombardment of Grozny. In carrying out this attack, the Russian army showed that it had marginally improved its ability to gain and control territory. This time, there were no embarrassing reversals, such as the loss of Grozny in 1996. Much of the improvement had to do with the greater use of more experienced

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41. For an excellent timeline of this conflict, see the Center for Defense Information website: <http://www.cdi.org/issues/Europe/timeline.htm>

contract soldiers, rather than the recent conscripts that were sent to fight in the first Chechen war.

In the aftermath of the apartment bombings and the incursion into Chechnya, the second Chechen war proved to be far more popular with the Russian public than the first had been. To a certain extent, its popularity was maintained by the limits on media freedom that had been imposed since the early 1990s, although this was not yet the problem in 1999 that it would become under Putin's presidency. In 1999, media freedom was circumscribed less by legal restrictions and more by the concentration of media ownership among a few oligarchs that were generally supportive of the government and its policies.

The popularity and initial successes of the Chechen war established an image of Vladimir Putin as a strong politician. This image proved particularly popular with the public, which was ready for a change from the weak and sickly President Yeltsin. As a result, Unity, Putin's political party, performed much better than expected in the December 1999 parliamentary elections. It took 23 percent of the vote, only one percent less than the Communist Party and ten percent more than the Fatherland – All Russia party headed by Yuri Luzhkov and Evgeniy Primakov. Having seen that Putin was a popular and electable candidate for the presidency, Yeltsin's handlers decided to secure the transition by having Yeltsin resign early and allow Putin to become acting president for three months until a presidential election could be held. Yeltsin announced his surprise resignation on December 31, 1999 and publicly designated Putin as his preferred successor. Fatherland's comparatively weak showing in the parliamentary elections, as well as Putin's incumbent advantage, discouraged Primakov from challenging Putin for the presidency. In the end, only Gennady Zyuganov of the Communist Party presented a potentially serious challenge to Putin's election. Zyuganov again showed, however, that he could not get support above the 25-30 percent core Communist voters. Putin received 53 percent of the vote, winning in the first round.

## **Putin's first term: Centralization, fighting terrorism, and economic growth**

During Putin's first term, most Russians felt that their country had finally begun to turn itself around. The Russian economy grew rapidly, the president seemed intent on establishing a strong system of authority and was actively promulgating political and economic reforms through a compliant Duma that had eluded his predecessor, and Russia came to be seen as a key ally of the United States in the fight against terrorism. At the same time, natural and man-made disasters, followed by increasingly frequent and deadly terrorist attacks, kept the society in a state of tension. Members of the

educated elite expressed concern about the erosion of personal freedoms and civil liberties brought about by Putin's campaign to centralize power, but most of the population did not seem to care about this issue and accepted limits on media independence and the increasingly blatant manipulation of elections with indifference. Putin maintained his popularity throughout the period and easily won reelection to a second term in March 2004.

## **Establishing the vertical of power**

After being elected president, Putin sought to quickly strengthen the authority of the central government. His first proposal, made in May 2000 and enacted in July, was to weaken the power of regional governors by establishing seven federal districts, each with an overseer appointed by the president. These federal districts took control of many regional branches of federal ministries away from the governors. The most significant transfers included control over internal security and taxation. In fact, five of the seven initially appointed presidential representatives came out of the central security ministries, thus giving an early indication of the main group of allies that Putin would come to rely on in his first term as president. Putin also revoked most of the bilateral treaties that Yeltsin's government had signed with regions in the mid and late 1990s, arguing that all regions should have the same rights and responsibilities vis-à-vis the central government. As a result of this reform, resource rich ethnic republics such as Tatarstan and Bashkortostan saw their share of oil revenue and tax receipts decline dramatically, since the highly favorable arrangements they negotiated at the height of the center-periphery standoff in 1994 were no longer valid. Initially, Putin also sought to limit all governors to no more than two terms in office, although this policy was later abandoned in favor of the cherished old Soviet goal of "stability of cadres." The new reforms did allow governors to be removed or regional legislatures dissolved for violations of federal law, a potentially powerful tool given the various inconsistencies in federal law and the potential for discretion in its use. However, the tool was rarely used and has not had a major impact on center-periphery relations.

Putin also sought to weaken regional leaders by removing them from the Federation Council. Since 1995, each region's two representatives to the Federation Council had been the governor and the head of the regional legislature. Under Putin's new rules, Federation Council members had to be appointed by the governor and the legislature, but could not concurrently serve in local government positions. The new legislation also removed the requirement that regional representatives to the Federation Council had to be from the regions they represented. In practice, this reform meant that a majority of the Council's new members were part of the Moscow political elite, often more beholden to Putin and his political party than to politicians in the region that they ostensibly represented. In this way, the Federation Council

ceased to serve as a mechanism for representing regional interests in Moscow and became relatively obedient to the dictates of the presidential administration.

The president also sought to take control of the State Duma. Having seen how the opposition-led Duma had continuously challenged his predecessor and prevented him from implementing most of his reform program, Putin was determined to ensure that the Duma did not hinder the implementation of his agenda. This task was made easier by the genuine popularity of both Putin and the political party he had supported in the 1999 legislative elections. In 2001, the Unity, Fatherland—All Russia, and Russian Regions factions merged to create a pro-Kremlin majority in parliament. The following year, the Communist Party was stripped of all leadership positions in the Duma.

Halfway through Putin's first term, the once contentious Duma had become essentially a rubber-stamp organ that unquestioningly implemented Putin's agenda. Duma deputies from the Unity faction were rumored to receive daily voting instructions from faction leaders on their pagers and deviation from these instructions without prior approval could lead the deputy to be expelled from the party. Putin's control over the Duma was fully cemented in the 2003 parliamentary election, when Unified Russia (then renamed Unity) won 38 percent of the party list vote and 49 percent of the total seats, while the Communists received only 13 percent and pro-democracy parties such as Yabloko and the Union of Right Forces failed to clear the five percent barrier. After adding the bulk of the Duma's independent deputies to its faction, Unified Russia controlled more than two-thirds of the Duma's seats, allowing it to change the constitution without the support of other parties, although it has not done this so far.

Reigning in the independent media turned out to be the final pillar of Putin's program of centralizing authority. This effort began concurrently with the campaign against regional leaders, with raids on the offices of Media-Most in May 2000.<sup>42</sup> Beginning in the spring of that year, Putin frequently criticized Russian media outlets for engaging in activities that were harmful to the state. On these occasions, he argued that he was not opposed to media freedom, but that the media had to respect the state's authority and ensure that its reporting did not harm the national interest. The implication was that media outlets that engaged in such criticism might be subject to harassment or could even be shut down under some pretext.

In November 2000, Boris Berezovsky announced that he was going into exile in Britain and gave up his controlling stake in ORT, the television network with the

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42. These events may strike some of us more personally these days. The daughter of our good friend Alexey Arbatov was employed at Media-Most during the raid. She continues to be employed elsewhere in the TV industry and has recently made a well-regarded documentary about her grandfather, Georgiy Arbatov.

widest reach. In 2001, Media-Most's independent NTV television network was taken over by the partially state-owned Gazprom natural gas conglomerate. This takeover had all of the hallmarks of previous and subsequent campaigns against the Russian oligarchs: selective prosecution of oligarchs who criticized the government for corruption and financial improprieties, the use of the courts to issue verdicts favorable to the government and its allies, and frequent statements by government officials that the resultant takeover of particular media assets was the result of financial disputes rather than an attack on media freedoms.

By the end of his first term, Putin had succeeded in consolidating virtually all political authority in the hands of his administration. Most governors supported his policies without reservation, while those who were seen as too independent minded were forced to step down in favor of new candidates hand-picked by Moscow. While the Communist Party remained a voice of opposition in the Duma, it had been stripped of all ability to influence legislation. While independent voices could still be heard in newspapers and on the internet, national television networks were all either directly or indirectly controlled by the government and there was only one independent radio station with any influence.

The government sought to increase its control still further, however, by manipulating regional elections with the goal of assuring that regional governors would support Moscow's policies and did not harbor political ambitions to challenge the center. This manipulation primarily involved ensuring either that potential candidates opposed by the Kremlin were refused registration or, if one particular candidate was supposed to win, eliminating all serious alternative candidates. The latter system was used in local presidential elections in Ingushetia and Chechnya. A particularly egregious example occurred in the 2003 Bashkortostan presidential elections, where Kremlin officials changed their minds between the first and second rounds about which candidate to support, leading the likely winner (based on first round results) to declare that he was ending his campaign a week before the second round election. The effort to control all aspects of the political system reached new heights after Putin's reelection, when the government sought to eliminate the popular election of governors and the single mandate districts in the State Duma.

Putin's effort to reassert central control over the Russian political system was the most successful political campaign of his presidency thus far. In four years in office, he has succeeded in turning a decentralized, semi-pluralistic political system into a strongly centralized political environment where all important decisions are made at the top. It remains to be seen whether the new model will be any more effective at dealing with the problems confronting the Russian state.

## **Growing the economy and reaping the profits**

Putin's ascendance coincided with the revival of the Russian economy, which grew at an average annual rate of six percent from 1999-2002 and seven percent in 2003-04. At the beginning of Putin's first term, he set a goal for doubling Russia's GDP within ten years. If the Russian economy were to grow at the rates forecasted a couple of years ago, he might have achieved that goal by 2008, but the date is now slipping past 2010. As discussed above, the main sources of the Russian economic turnaround were the increases in world oil prices to three times their level in the mid-1990s and the manufacturing revival that followed the 1998 devaluation. Putin inherited these positive trends and used the opportunity to accelerate the economic reform program. He began with a sweeping tax reform that established a flat personal income tax rate of thirteen percent. He followed by simplifying corporate taxes, with a base rate of 24 percent. These tax reforms, combined with stronger enforcement policies, resulted in a large drop in the non-payment of taxes. The increase in tax payments, combined with the growth in GDP, allowed the government to balance its budgets for the first time since independence without resorting to foreign borrowing.

After completing the tax reform, Putin announced that he would next turn to combating corruption. This effort has turned out far less successfully than the tax reform. Instead of seeking to end corruption across the board, the government has focused on using the fight against corruption as a pretext for picking off selected oligarchs who oppose Putin politically. At the same time as companies like Media-Most, Yukos, and Sibneft come under investigation for non-payment of taxes and corrupt practices in the 1990s, Putin's allies in the security apparatus have been vying to take over properties that the targeted oligarchs are forced to sell. The end result is most likely to be a redistribution of wealth among the elites. The potential downside is that most of the existing owners had decided that their business future lay in allying with Western corporations and had therefore begun to transition to greater accounting transparency and Western style business practices. It seems less likely that members of the security community will be as eager to pursue transparent accounting or ties with the Western corporations.

Some of the government's most recent economic reform initiatives have had a negative reaction from the Russian population. Benefits reform has proven particularly unpopular, as the replacement of various discounts and subsidies with a monthly cash payment raised fears that the payment would initially be smaller than the value of the eliminated benefits and subsequently would not keep pace with inflation. Besides, the system was unlikely to be managed well with the consequence that many of the benefits probably would not have reached their beneficiaries. The enactment of this reform in the spring and summer of 2004 led to the first decline in

President Putin's popularity since he was first elected president and he had to back off.

## **Joining the world alliance against terrorism**

Initially, Putin's foreign policy attached prime importance to the reemergence of a multipolar world. To this end, Putin sought allies to balance against the dominant role of the United States in world affairs. During the first year of his term, he traveled to countries such as China, Cuba, and North Korea, while also making overtures to Libya and Iran. U.S. officials were concerned that Russia was ready to harden its opposition to U.S. foreign policy and believed that they could get little cooperation from Putin on critical international security issues such as containing Iraq and preventing nuclear proliferation to rogue states.

Putin's foreign policy shifted dramatically in the wake of the September 11 terrorist attacks on the United States. Despite opposition from top officials in his government and from most of the Russian foreign policy elite, Putin declared his strong support for U.S. efforts to destroy the terrorist safe havens in Afghanistan. To this end, he declared that Russia would not oppose the establishment of temporary U.S. bases in Central Asia and would provide assistance for the U.S. campaign to eliminate the Taliban regime. Putin's decision to support the United States led to a temporary turnaround from the gradual decline in U.S.-Russian relations over the previous decade. However, much of the Russian political elite believed that Russia should get concessions from the United States in exchange for its support.

At the same time, Russia became an even lower priority for the Bush administration, which became entirely preoccupied with terrorism and the Middle East. As a result, the rapprochement between the two states culminated in few lasting accomplishments. The two states had negotiated a nuclear arms reduction treaty—the Treaty of Moscow, or the Strategic Offensive Reductions Treaty (SORT), which would reduce levels of “operational” warheads to 1700-2200 (START II would have reduced the levels only to 3500) by 2012. It was widely derided as not actually requiring reductions until the very end, at which time the treaty would expire, but it has led to stability, at least in the debate. The greater worries are the number of warheads the U.S. wishes to keep in reserve (unmounted on delivery vehicles) and the uncounted Russian stockpile of so-called “tactical” nuclear weapons. More importantly, nuclear weapons continue to be dismantled on both sides. The two states also developed a mechanism for anti-terrorist intelligence cooperation. At the same time, Russia resumed its limited cooperation with NATO.

In subsequent months, US-Russian cooperation was continually tested by a number of the by-now traditional irritants in post-cold war bilateral relations. First, the United



States declared that it was withdrawing from the Anti-Ballistic Missile Treaty. After the election of President Bush in 2000, the United States moved steadily in the direction of withdrawal, while Russia repeatedly made clear its opposition to the end of the treaty. By the time the formal announcement was made in December 2001, it had been clear for several months that the U.S. was about to withdraw. The Russian government's reaction to the withdrawal was muted, although many Russian foreign policy analysts protested that the Putin administration should have made the survival of the ABM Treaty a *quid pro quo* for its acceptance of U.S. bases in Central Asia.

A similar scenario played out around the admission of the three Baltic States to NATO in 2002. Although Russian leaders had long protested NATO enlargement and were particularly incensed at the possibility that former Soviet republics would become NATO members, by the time NATO invited the Baltics to join in November 2002, the Russian government had already come to terms with the development and had made it clear that it was not interested in derailing U.S.-Russian cooperation in other areas over this issue. The enlargement was made somewhat easier to swallow by the establishment of a new NATO-Russia Council for dealing with issues of common concern, where Russia had an equal voice to the 19 NATO member states—that is, it was a true council of 20 equal members.

Russian relations with the U.S. suffered somewhat in the run-up to the U.S. intervention in Iraq. At the same time, although Russia opposed military intervention, it was not singled out for the kind of criticism that the Bush administration leveled against France and Germany. It seemed that there was a tacit agreement-to-disagree between Bush and Putin that allowed both sides to maintain their positions without increasing tensions in the bilateral relationship. At the same time, Russia undertook some efforts to counter increasing U.S. influence in Central Asia by opening a new military base in Kyrgyzstan and by reaffirming its commitment to maintain troops in Tajikistan. In general, Putin's policy toward the former Soviet republics was characterized by greater pragmatism than his predecessor. Under Putin, Russia sought to achieve its policy goals in these states by economic means rather than by using tough rhetoric about potential Russian reactions to violations of ethnic Russians' civil rights or the establishment of closer ties between these states and the West. During Putin's first term, Russian companies bought controlling shares in major utilities and energy suppliers systems in a number of former Soviet states, with Ukraine and Georgia most significant among them. With the end of most hostile rhetoric, Russia's relations with its neighbors generally improved, although Russian-Georgian relations remained tense because Russian officials believed that Georgia was supporting Chechen rebels while Georgian officials believed that Russia was propping up secessionist governments in Abkhazia and South Ossetia.

In general, Russian foreign policy under Putin has been characterized by a greater pragmatism and consistency than had been the case under Yeltsin. Russia's top priority was to ensure cooperation in the war on terrorism and to tie the Chechen conflict to this war. Other disagreements with Western states were played down for the sake of maintaining cooperation on this issue. Even Western criticism of the conduct of Russian elections in 2003-04 drew no more than a verbal rebuke from Russian officials. This trend in Russian foreign policy was a natural outgrowth of the government's realization that Chechen terrorism posed the greatest challenge to Russia's stability in the coming years.

Putin's foreign policy took a huge blow in 2004 with the Orange Revolution in Ukraine. Ukraine, despite 12 percent growth a year in GDP lately, was becoming more corrupt and engaging in political murders under President Kuchma. Kuchma nevertheless maintained good relations with Putin, and Putin resolved to support Kuchma's hand-picked successor, Yanukovich, who was also from the predominantly Russian-speaking and heavily-industrialized part of Ukraine. Putin's political operatives were sent down to Ukraine explicitly to stuff the ballot boxes for Yanukovich, but the Orange Revolution intervened, Kuchma called off the dogs (his security forces), and Yushchenko won the second run-off election. Many Russians still blame Yushchenko's victory on American political intervention.

## **Military reform under Putin in his second term**

With the surge in government revenues from a more effective tax system and the receipts from oil price rises, the Putin government has been able to double the defense budget, from about \$9 billion a year to \$18-21 billion, over the last four years. However, it still represents about 3.5 percent of GDP (another 1.5 percent goes to other security ministries, especially the Ministry of Interior, or MVD, which is doing the bulk of policing in Chechnya). Moreover, Sergey Ivanov from the KGB was appointed as the first civilian defense minister and he brought with him a senior official from the Finance Ministry to oversee budgeting and spending. He relieved General Kashin from his post as Chief of the General Staff, appointing a more compliant and diplomatic Yuri Baluyevskiy. He removed the operational role from the General Staff, reducing it to a planning organization. He is reducing total manpower to one million (from around 1.2 million for several years) and is on track to increase contract personnel to 140,000 in a few years. That still leaves most enlisted personnel as conscripts, and by all accounts the *devdovschina* hazing of them continues. There are minor increases in procurement of equipment and more exercising of the forces.

## **Responding to disasters and homegrown terrorists**

Putin's greatest challenge throughout his term was a series of natural and man-made disasters that culminated with several devastating terrorist acts after his reelection in 2004. The Russian state's actions in trying to handle these events showed the fragility of the country's governing system and the perseverance of Soviet modes of thinking in action among both government bureaucrats and top politicians. In all of these crises, secrecy appeared to be paramount, a low value was placed on human lives, top officials displayed little accountability for their mistakes before and during the crises, and foreign agents were, at least initially, blamed for the catastrophe. In addition, the endemic corruption that plagues all aspects of Russian politics and daily life was at least partially responsible for the success of each of the terrorist strikes.

The series of events began with the accidental sinking of the Kursk nuclear submarine during a training exercise in August 2001. The hallmarks of Soviet disaster response were present throughout this crisis. The explosion on the submarine was not made public for over 24 hours after it occurred, delaying rescue efforts and probably sacrificing the lives of those sailors who survived the initial blast. After the government admitted that a submarine had gone down, it refused to allow foreign navies to send divers and assist in rescue operations, even though it was clear that Russian rescue teams did not have the experience or equipment necessary to open the rear emergency hatch that led to the compartment where any survivors might have taken shelter. The Russian Navy and top government officials initially blamed foreign vessels secretly observing the naval exercise for causing the Kursk's sinking by colliding with the submarine. They stuck to this story even after all credible evidence pointed to the explosion of a torpedo onboard the submarine as the proximate cause. The press was also condemned for being excessively critical of the government, leading to the first crackdown on independent electronic media. The general disregard for the lives and safety of the crew was in evidence because the Russian navy continued to use propellant whose use had long been discontinued by Western navies because of its volatility. After an investigation blamed top officials in the Russian Navy for permitting the conditions that led to the explosion and for mismanaging the rescue efforts, several top admirals in charge of the Northern Fleet did resign. All of them were immediately given other important positions. One even became a regional representative to the Federation Council.

Although there were several other less significant disasters caused by negligence, including a fire at the Ostankino TV tower and the sinking of another submarine as it was being towed to the scrap yard, the rest of Putin's first term was regularly rocked by often spectacular terrorist acts carried out by Chechen rebels.

The first major terrorist act since the 1999 apartment bombings occurred in October 2002, when about 40 Chechen rebels seized more than 800 hostages at a Moscow

theater and wired the theater with explosives. After a three-day standoff, the Russian security services launched an assault on the theater. The assault teams used a knockout gas to incapacitate the attackers. Unfortunately, the gas also affected the hostages, 129 of whom died from its effects. While the raid itself was far more successful than most observers expected, the rescue effort itself was poorly planned. The security services refused to reveal the nature of the gas that was used and there were an inadequate number of ambulances and medical personnel on hand to treat the rescued hostages for the effects of the gas.

Many people blamed the government for mishandling the rescue effort and thereby causing the deaths of a significant number of hostages. The government argued that given the circumstances, the number of hostages killed was relatively low and the operation was deemed a success. After the hostages were rescued, the government displayed its characteristic secrecy, refusing to post lists of which injured hostages were located at which hospitals and for several days refusing to allow even relatives to visit the injured. The president argued that the Chechen terrorists were part of the international terrorist network run by al-Qaeda. Members of the independent media were criticized for revealing too much information about the hostage taking. Some government representatives went so far as to argue that too many reports from the scene of such incidents aided the terrorists' cause by spreading panic among the population.

In the months after the hostage taking at the Dubrovka Theater, Chechen rebels turned to suicide bombing as their preferred type of terrorist attack. Between July 2003 and March 2004, five individual suicide bombing attacks and two truck bomb attacks occurred in Russia, primarily in Moscow and in the Caucasus. The deadliest attack was the truck bombing of a military hospital in Mozdok, where 50 people died. The attack that received the most notice was the suicide bombing of a subway train in Moscow in February 2004, which led to the deaths of 41 people and the realization among the authorities that the Chechen terrorism crisis was escalating. Throughout this period, the Chechen rebels sought to show the Russian people that the continuing conflict in Chechnya was going to extract a high cost from Russians living throughout the country, not just in Chechnya's immediate vicinity.

The attacks reached a new level after Putin's reelection in March 2004. Akhmad Kadyrov, the Kremlin-sponsored president of Chechnya was assassinated while attending a Victory Day rally on May 9, 2004. It turned out that the remote-controlled bomb used to kill him had been planted in the stadium's VIP section during renovations well in advance of the event. The following month, Chechen rebels, assisted for the first time by neighboring Ingush, attacked the capital of Ingushetia. During this attack, they killed 92 people, targeting mostly local security and law enforcement officers, and burned a number of police and government buildings

before withdrawing from the city. The carried out a similar attack on Grozny in August, although this attack received little media attention because it occurred at the same time as a series of particularly gruesome terrorist attacks outside of Chechnya.

These attacks began on August 25, with the downing of two Russian commercial airplanes by female Chechen suicide bombers. On August 31, another Chechen woman detonated explosives outside a subway station in Moscow after failing to evade security and enter the station. Ten people were killed. The next day, a group of over 30 terrorists attacked a school in North Ossetia, taking over 1200 hostages. They held the hostages for three days, until an accidental detonation of some of their explosives led to a chaotic firefight between the terrorists, members of the security services, and local vigilantes. During this confrontation, at least 330 hostages were killed. Moscow's reaction to this attack was almost identical to its reaction to previous terrorist incidents and accidents. Government officials gave misleading information to the media, most significantly by underestimating the number of hostages by a factor of three. There was also an effort by government officials to portray the terrorists as members of an international terrorist conspiracy. Initial reports stated that several of the terrorists were Arabs and that none were ethnically Chechen.

After the end of the siege it became clear that neither of these statements were true. At the same time, the government's lack of concern for civilian casualties was shown in its unwillingness to negotiate with the terrorists and its failure to restrain armed locals from becoming involved in the final shootout. After the tragic end of the siege, the government blamed the media for critical reporting, forcing the removal of the editor of *Izvestia* for "overly emotional coverage." It also criticized any attempts by the international community to connect the terrorist attack to Russian behavior in Chechnya, arguing that one cannot negotiate with child-killers and that no one expects the Bush administration to invite Osama bin Laden for lunch at the White House. As with the previous incidents, none of the senior officials responsible for dealing with the attack resigned or were fired in the aftermath of the incident. Although two public commissions has been established to investigate failures in dealing with the incident, it is unlikely that either one will lead to punishment for top officials.

Each terrorist attack and disaster that occurred under Putin has exposed the essentially unreformed and Soviet nature of the government administration. Unwillingness to share information, disregard for human lives, and an almost paranoid tendency to blame foreign actors for domestic problems have all prevented any serious steps toward systemic reform in Russian crisis management. The initial steps taken to address the security failures that led to Beslan are also not encouraging. President Putin's proposals to eliminate direct gubernatorial elections and single-mandate Duma districts in the name of fighting terrorism have been (correctly)

perceived as efforts to use the terrorist attack as an excuse to implement the next stage in Putin's campaign to concentrate all authority in his own hands. While he is almost certain to be successful in this effort, it carries the risk that when Putin has all authority, there will be no one but him to blame for subsequent failures.

## **Russia's Future: Putin and beyond**

While political forecasting is never an exact science, this section attempts to map out the likely direction of the Russian political system over the next several years. Whatever democratic aspects of the Russian political system remain in 2004 are likely to disappear by the end of Putin's second term as president. By eliminating gubernatorial elections and single mandate Duma districts, Putin is removing the last potential independent actors from the Russian political scene. After this is accomplished, it will be relatively straightforward for him to either amend the constitution to allow himself to serve additional terms as president or, if he chooses to step down, to ensure that his hand-picked successor replaces him in that position.

If this were the end of democracy in Russia as Americans envisage it, it does not mean that all aspects of competition will be removed from the Russian political system. Instead, competition will take place inside the presidential camp, as various factions vie for influence and control, much as they did under the Communist regime in the Soviet Union, with the formal procedures of elections still being carried out to ratify the results. But it may not be this bad if the Russian economy continues to diversify and generate new aspirants to leadership.

At the same time, Moscow is abuzz with discussions of whether a "color" revolution could happen in Russia, following the Rose Revolution in Georgia and the Orange Revolution in Ukraine. The general feeling is that it is unlikely because the Russian people are generally satisfied with their rising real wages. But the sense that corruption is once more running wild might cause the people to change their minds.

Terrorism will remain the dominant issues in Russian foreign and security policy. Given Putin's unwillingness to negotiate with Chechen rebels and the brutal actions by forces on both sides of this conflict, it seems likely that conflict will continue in the northern Caucasus for at least the rest of the present decade. The current military stalemate is likely to continue, with Russian troops controlling major population centers and the northern plains while Chechen rebels maintain enclaves in mountainous southern Chechnya. Even if the Russian military is able to destroy some or most of these enclaves, Chechen fighters will retain the ability to cause major casualties among the civilian population by carrying out suicide bombings throughout Russia.

Given the dominance of individuals from the security apparatus in Putin's administration (the *siloviki*, or "forces of force") and the popular fear of terrorism and instability and conflict in the surrounding countries to the south and east, it is possible that the coming years will see a gradual revival of the fortunes of the military and other security ministries. Security agencies such as the FSB have already had most of their Soviet powers restored. Military revival is less advanced, in large part because the security community and the military do not trust each other. While Russia will not be able to afford a significant expansion of military procurement in the near future, continued conflict in the Caucasus and terrorist attacks throughout Russia will increase the influence of the power ministries in society.

Putin will maintain the present course in foreign relations unless forced to change his position by Western pressure over his creeping authoritarianism. He will continue to emphasize shared goals between Russia and the West in the fight against global terrorism, both because he truly believes that this is the key threat to both parties and as a means of diverting criticism from his domestic policies. Russian policies toward neighboring states will be focused on extending Russia's influence in the region through economic means and the willingness of top politicians in other countries (like Kazakhstan) to play ball with him in order to keep their own positions. But these methods have already been tried in Ukraine, with Russian media and politicians playing a covert role in that country's presidential election, but messing it up and suffering what Russians now consider a farcical and bitter defeat. It is the economic ties, however, that keep the two countries dealing with each other.

At the same time, Putin feels relatively frozen out in his attempts to join the West. The question of Russia joining NATO as a full member seems to have disappeared off the scope. The EU's expansion followed by its closing of collective borders (the Shengen accords) means Russia is even further aside. It views the EU accepting it as a member as even more remote than its joining NATO. The G-7 is now the G-8, with Russia as a full member. Russia joining the World Trade Organization (WTO) is still being considered, but there has no new about that in months. Russia feels hostility to the south, from Moldova, Ukraine, and Georgia. As a result of this feeling of isolation, Putin seems to be turning more to the east, to relations with the Central Asian countries, to ensuring the Caspian Sea is stable, and to more dialogues with China. This is reflected in the apparently enhanced position of the Shanghai Cooperation Organization (SCO), though it is still a talk-shop.

Russian economic growth will continue for the next several years, but at a slower rate. Growth will slow in part because the windfall from increases in oil prices and the 1998 ruble devaluation will have played itself out, but also in part because of an increase in the flight of foreign and domestic capital as the result of further crackdowns against Yeltsin-era oligarchs. Putin and his economic advisors (who are not *siloviki*) know full

well that reversing the slowing of growth requires much more stimulation of small private enterprises, especially as the greater incomes of the people and the cash flowing in from oil and gas sales have led to much greater imports, e.g., in automobiles. After the Khodorkovsky case, the remaining oligarchs may have learned their lesson and seem to be left alone for the time being. On the other hand, it is said that the siloviki want their opportunity to make fortunes, and it is possible that there could be another drive to get the oligarchs to sell their assets at relatively low prices or face time in prison for non-payment of taxes or for privatization improprieties in the mid-1990s. In any case, the government will continue to control the key energy, communication, and industrial enterprises that have strategic value for the Russian economy.

One final comment: Will Russia ever be a superpower again? The answer is that the Russians themselves want it to be a “normal” country. Putin and the people especially want the economy to grow so that people’s incomes will grow. To do this, Putin knows he has to keep taxes low, that the government must provide the incentives and keep corruption down so that private entrepreneurs can generate consumer goods—and even eventually be competitive in the world market. Further to do this, Putin and his economic advisors know they have to provide infrastructure, education, and health services to the people. None of this can be accomplished by building a big new military establishment and military industrial base, and thus these things have been low on Putin’s priority list. They would certainly ruin the economy again if attempted. Two large factors complicate these aspirations. First is too much reliance on export of oil and other natural resources. The second is that the health of the population is bad and the population numbers are dropping drastically. This also militates against Russia being a superpower again.





