
Engaging With Russia—The Next Phase

As the G-8 member countries were preparing for the July 2006 St. Petersburg Summit—the first G-8 summit ever hosted by Russia—a Trilateral Commission task force convened to analyze how the Trilateral countries should respond to a Russia that remains in the midst of a fundamental transition. A draft of the task force’s report was presented at the Tokyo plenary by its co-authors, Roderic Lyne, Koji Watanabe, and Strobe Talbott, each of whom has played a leading role in shaping their respective countries’ policies toward Russia. The following excerpt is the concluding chapter to the task force report, Engaging With Russia: The Next Phase. Information on obtaining the full task force report is online on the Trilateral Commission website <www.trilateral.org>.

HOW SHOULD THE TRILATERAL COUNTRIES RESPOND? STRATEGIC PARTNERSHIP OR PRAGMATIC ENGAGEMENT?

In various ways, the states of the Trilateral area have signed up to “partnership” with Russia—collectively through bodies like the G-8, the EU and APEC, and in a host of bilateral documents and statements. With great relief they moved Russia from the list of problems on the agenda to the list of partners around the table. They welcomed President Putin’s intention to stabilize and modernize Russia, integrate it more closely into the international system and fellowship, and be an ally in the struggle against terrorism. If the present trend in Russia is now heading in a different direction, if Russia for the time being does not wish to accept the constraints of partnership, a different approach is needed. We have important business to conduct with Russia. We should not abandon the long-term goal of partnership. But we have to deal with Russia as it is, not as we might ideally wish it to be.

This final chapter of our report looks first at the general and conceptual approach to Russia; then at certain specific issues of policy; and finally at instruments of engagement.

General and Conceptual Approach

Act with patience and understanding. There remains a gulf of ignorance between Russia and the world around. With regard to Russian policy makers, Sergei Karaganov has complained that “our knowledge and understanding of the rest of the world continues to deteriorate.”¹ Much the same could be said of the Trilateral area, where the attention paid to Russia has declined markedly since the early 1990s. If we view Russia solely through a Western prism, we shall not reach the right conclusions. The current exasperation with Russia stems in part from a failure to appreciate the scale of the task. We need a more realistic understanding of Russian attitudes, of what is achievable, and of the time it will take. Russia has a 70-year gap in its political, social, and economic development to make up. We also need to understand the limits to the ability of outsiders to influence events within Russia. The Trilateral countries are not entirely without influence, but they cannot impose their point of view; attempts to do so tend to be counterproductive. Change will come from within, and the outside world will need to wait for events to unfold. This is not an argument for being mealymouthed. It is an argument for being realistic.

Stand by our principles . . . Part of our patient approach must be to be clear about our principles and stand by them. This is crucial to those in Russia who wish to move their country toward similar principles. Values are in no sense irrelevant to the debate. The dichotomy that some would draw between values and interests is false because promoting (not imposing) recognized values is an important interest and can enhance stability. The Russian state has subscribed to the values embraced by the United Nations Charter, the Universal Declaration of Human Rights, the Helsinki Final Act, and the Council of Europe. President Putin has declared that “the ideals of freedom, human rights, justice and democracy” are Russia’s “determining values.”² The Helsinki Final Act became both a beacon and a yardstick in the Soviet Union. Trilateral states should continue to show where they stand, and not give an impression that they are blind to dereliction of values.

. . . but avoid megaphone diplomacy, zero-sum approaches, and double standards. What we say is important. How we say it—and who says it, and

¹ Sergei Karaganov, “Russia’s Road to Isolation,” *Project Syndicate*, February 2005, www.project-syndicate.org/commentary/karaganov10.

² Vladimir V. Putin, address to the Federal Assembly, April 25, 2005.

even where it is said—is also important. Russian hard-liners like nothing better than Western attacks that they can depict as threatening, as showing a desire to weaken Russia, or as betraying double standards. Name-calling on both sides can play well with sections of domestic opinion but becomes an escalating and counterproductive process that does nothing to advance policy and undermines the advocates of moderation and sensible engagement.

Develop a consistent approach and a long-term vision. There has been a tendency for policy in Trilateral countries to lurch from euphoria to despair, from engagement to disengagement, from attention to inattention. We need to anchor policy with a long-term vision of the sort of relationship we are offering and seeking to build with Russia, a vision that looks well beyond the next half decade or presidential term. Three points should be articulated very clearly:

- **We want Russia to be strong, prosperous and successful, not weak, divided, unstable, and poor.** We have no argument with the Russian leadership's aim to build a strong state in the terms in which they define this: that is, a state founded on economic, not military, might. There is no substance to suggestions by certain Russian politicians that Western countries are trying to weaken Russia. This smacks of Cold War paranoia and is irrational to the point of absurdity. From an external perspective, the most threatening situation would be a weak and unstable Russia in which extremist elements might come to the fore, the security of stockpiles of weapons of mass destruction could be jeopardized, localized conflicts could ignite, and Russia would become a much less reliable source of energy and other raw materials. A strong Russia has the capacity to make a large contribution to global stability and the global economy. The more the Russian economy develops, the more important Russia will become as a partner in trade and investment—in both directions.
- **Strong, independent neighbors would be to Russia's advantage, not disadvantage.** Russia's strength should not be and need not be at the expense of the neighboring ex-Soviet countries. It will not benefit Russia to have weak and unstable countries on its borders. The successful development of these countries, and the evolution of a mature relationship between them and the former metropolitan power as sovereign states, will be mutually beneficial and will undoubtedly be good for Russian security and Russian trade. It follows that for Trilateral countries to develop close and supportive relationships

simultaneously with Russia and with other post-Soviet states should imply no conflict of interest.

- **There should be no dividing lines, no closed doors, and no exceptionalism.** Russia should be treated according to its merits and judged by its actions—not by negative emotions from the past, nor by wishful thinking about the future. International associations and relationships should be open to Russia on the same basis as to others, and Russia should abide by the same rules as others. The EU and NATO should make very clear that they have no intention of drawing a new dividing line within the European continent, from the eastern end of the Baltic to the Black Sea; that it remains their aspiration to create a Europe whole and free, within which people and goods can travel freely and securely; and that they recognize the Russian people as part of the European family of nations. It is important to signal to the Russians that the doors are open to them and that there is no intention of treating them as second-class or alien inhabitants of the shared continent. None of this requires decisions to be taken at this stage on the hypothetical questions of Russian membership of the EU or NATO; At present Russia is neither qualified for membership, nor is it seeking it. It may choose never to do so, but there is no need to exclude any possibility for a future that we cannot accurately predict, and no sense in doing so.

Define the relationship honestly. Strategic partnership or pragmatic engagement? The many proclamations of a “strategic partnership based on common values and shared interests” were premature and have acquired a hollow sound. Strategic partnership is a worthy aspiration, but it has become no more than a slogan. To talk in these terms before we can make it a reality debases the language of diplomacy. At present neither Russia nor the Trilateral area (or countries within it) is ready to form a genuine partnership on terms acceptable to the other. We should acknowledge this fact without undue rancor or name-calling, cease to use the term strategic partnership, and find a more honest way of defining the relationship. This would help to limit the mood swings and acrimony that deceptive terminology engenders.

In practice, grandiose, baroque concepts such as strategic partnership do nothing to enhance relations or affect the agenda of day-to-day business. A partnership, like democracy, has to be built from the ground up. At its core is the idea that support will be given and received in the interests of advancing a common cause, not simply traded against countervailing benefits. This

win-win philosophy does not yet fit with the zero-sum approach still embedded in Russian official thinking. Whether in politics or in business, the Russians are deal makers who pursue and respect a hard-headed approach, not one based on sentiment. Where it suits their interests, they are ready to deal very realistically with others. We should do likewise. “Pragmatic engagement” should be our rubric, not strategic partnership.

The essence of pragmatic engagement should be to cooperate as closely as possible in the many and important areas where we have shared or overlapping interests. These will vary, but at the present time clearly include combating international terrorism; counterproliferation; climate change; inhibiting trade in narcotics; and stabilizing the Middle East, energy supply, and other aspects of trade and investment. This is a substantial agenda.

Global and Security Issues and Areas of Divergence

Design Western policy for Russia’s long-term adjustment. The sovereignty and future of the post-Soviet states have become the fault line between Russia and the West. It is here that the corpse of the Cold War risks being exhumed. Western policy needs to be designed to help manage this process through a long period of adjustment.

It needs to be made clear that for the West this is not a zero-sum game. The West is not seeking to advance strategic interests at Russia’s expense or to oppose legitimate Russian interests in these regions. It is not seeking to detach neighbors from Russia, and has no interest in encircling Russia (as some Russian politicians are prone to claim) or in neo-containment—for the simple reason that there is no need and no cause for such a policy. The West’s prime interest is in the stability of the regions neighboring Russia (some of which also neighbor the EU). This ought to be Russia’s prime interest, too.

Stability can best be achieved by ensuring that the sovereignty and right of the states concerned freely to determine their own future are inviolable; that ethnic and border conflicts within and between them are resolved through negotiation, not force; and that they are able to develop their governance, institutions, and economies. It is the belief of Trilateral countries that these countries would be best served by the growth of democracy; but this cannot be imposed, and the ideal must be tempered by the reality of the history, traditions, and culture of, especially, the Central Asian states, where fully functioning democracy is at best a very remote

prospect. It is in everyone's interests that, on a sovereign basis free from interference and bullying, Russia's neighbors should enjoy harmonious and productive relations with Moscow.

Four of the post-Soviet states are currently a source of tension between Russia and the West:

- **Belarus.** Aleksandr Lukashenko was reelected fraudulently (there is no way of telling how he would have fared in a fair election) and has a long record of abusing human rights, but he continues to enjoy Russian protection. Until the Lukashenko dictatorship is ended, the Trilateral countries will not be able to have normal relations with Belarus. Thereafter they should give primacy to the wishes of the Belarusian people—when they are able to express them freely. If the Belarusians freely and without coercion were to choose to unite or merge with the Russian Federation, the Trilateral countries would have no justification for opposing this. If, on the other hand, Belarus, as an independent state, sought to forge a closer relationship with the EU, perhaps with a view to eventual membership, the EU should respond positively. It has no need to try to attract Belarus into the union but would have no rational basis for turning Belarus away, should it at some distant point meet the criteria, especially as neighbors such as Poland and Lithuania are inside the EU.
- **Ukraine.** Principles similar to those in Belarus should apply in Ukraine. The West should oppose Russian coercion of Ukraine, not because it seeks to capture Ukraine or has strategic designs on the country, but in order to uphold the sovereign right of the Ukrainians to determine their own future. The EU has sat on the fence over Ukraine's eligibility for membership. It should cease using weasel words and state clearly that it recognizes Ukraine as a European country (no less so than others now in the queue) and would be ready to consider an application—at a point when Ukraine is ready to meet the criteria and so long as this is the democratic wish of a clear majority of the electorate. NATO should do the same. But what the EU and NATO should not do is apply coercion of their own or engage in a geostrategic game with Russia over the heads of the Ukrainian people. It should not be a Western objective artificially to accelerate the integration of states such as Ukraine into the EU and NATO; instead the West should defend the right of the Ukrainians to make a free decision. Opinion surveys in Ukraine suggest that there is no clear majority yet for EU membership, and a clear majority against NATO accession. On any assessment, it will be a long time before Ukraine is in a position to meet the necessary

conditions. Forcing the pace would play into the hands of hard-liners in Ukraine and Russia.

- **Georgia.** Georgia's history since independence has been unenviable. It has suffered from internal conflict, continuous Russian interference, Western inattention, and incompetent and corrupt government. The administration of President Saakashvili, carried to power on a wave of popular support, has disappointed the hopes vested in it for more honest and democratic government and better management of the country's problems. The West should not encourage the delusion that the solution to Georgia's problems lies through NATO or EU membership. It is hard to imagine circumstances in which Georgia could properly qualify for either organization within a time span of many years or could make a meaningful contribution to them; and NATO should think long and hard before even contemplating a footprint in such a fraught and sensitive area as the Caucasus. This is not a step to be taken lightly or frivolously. The Trilateral countries should firmly support Georgian sovereignty and equally firmly encourage attention to internal stability and institution building, a rational approach to relations with Russia and negotiated resolution of the frozen conflicts.
- **Uzbekistan.** The West does not have an untarnished record in Uzbekistan. Uzbekistan's support and willingness to accept the basing of U.S. forces played a crucial part in the operation to oust the Taliban in Afghanistan. The Russian government was supportive, on the understanding that the bases were needed only for a short term. In the interests of realpolitik, Western governments turned a blind eye to the dictatorial behavior of the Karimov regime, until they were forced to take a different attitude by the Andijan massacres. Since Andijan, Karimov has made common cause with Russia and China and has ordered U.S. forces out. This certainly represents a change in the Russian, as well as the Uzbek, stance, but to suggest, as some do, that it is a change in the Russian attitude to terrorism is to oversimplify a complex set of issues. More accurately, it reflects Russian opportunism and hypersensitivity to Western, especially American, military activity around Russia's fringes. In Uzbekistan, as throughout Central Asia, it is unrealistic to envisage a flowering of Western-style democracy in any measurable timescale. A more practical approach would be to build up economic links and seek to play a constructive role in countering instability, terrorism, and drug trafficking in the region while also paying close attention to respect for human rights obligations.

Insufficient attention is being paid to Central Asia. The EU, in particular, should devote more resources to the region, as a 2006 report by the International Crisis Group has recommended.³ The continuing conflict in Afghanistan is adding to existing pressures on regional stability. There is competition between Russian and Chinese interests in Central Asia. The Western and Asian powers should not seek to compete there with Russia and China but to forge a basis for cooperation to promote stable development.

Support Russia in the North Caucasus if Russia shifts its focus. On Chechnya and the North Caucasus, we have set out the approach that we believe would lie in Russia's best interests. We think the international community should be alive to the risk that conflict may become more extensive through the region of the North Caucasus. The international community should be ready to give active support to Russia, to the extent that the Russian government is receptive and is ready to adopt policies that respect human rights and international humanitarian law and that are geared to a broad approach to conflict resolution rather than solely to draconian use of force.

Promote a more sophisticated approach to Russia's energy security. Russia is a significant supplier to the world energy market, especially to former Soviet states and the EU; and Russia can have a large influence on price levels in the market. However, the market does not literally depend on Russia because there are alternative sources, albeit more expensive. The reality is that there is a high level of mutual interdependence. Russia depends heavily on energy exports. Russian energy companies depend on external finance. For future production, Russia will need to exploit resources in more remote areas and will need external technology and partnership with foreign energy and oil field service companies. This interdependence offers a self-evident basis for a market-led approach, under clear and transparent rules on all sides, whereby Russian companies could extend their activities more widely on the international market (Gazprom, for example, has declared its interest in downstream acquisitions) while Russia benefits from investment by multinational companies.

Recognize overlapping interests in the Middle East. Our interests overlap in the Middle East, including in Iran. Sensible handling of Iran and other

³ *Central Asia: What Role for the European Union?* Asia Report no. 113 (Bishkek/Brussels: International Crisis Group, April 10, 2006).

Middle Eastern problems risks becoming a casualty of the deteriorating Russo-Western relationship. As a neighbor of Iran (in the sensitive Caspian and Caucasus region) and a substantial trading partner, Russia has interests and a perspective not identical with those of Western Europe or the United States. Russia has a strong interest in an outcome that would be peaceful and would avoid the emergence of another nuclear-armed state on its borders. Western policy makers need to recognize this interest and work with Russia to find solutions, but they should not have to pay a price for Russian cooperation where it is manifestly in Russia's interests to work for the same outcome.

Welcome improved Russia-China relations. The improvement in relations between Russia and China should be generally welcomed. Only a generation ago, there was intermittent conflict between these two huge powers. It is far better for the world that they should be friends, having resolved their border dispute. There is a large degree of complementarity between their economies. Deeper cooperation, including the investment of Chinese human and material resources in the development of eastern Russia, would be a rational step. It would help to build confidence and underpin a more stable relationship in the future. On some issues, the closer relationship between China and Russia will turn out to be inconvenient to the interests of Trilateral countries, but this does not make it illegitimate. We should not overreact when this happens, or naively assume that Russia will take the side of the West when the latter is in disagreement with China. Nor is it illegitimate for Russia to supply armaments to China. Russia is not in breach of any United Nations sanctions. It inherited a huge defense industry from the USSR. With the end of the Cold War, it has lost many of its traditional markets to Western suppliers. China (followed by India) is by far Russia's largest remaining market for defense equipment, its largest manufactured export. The Russians have evidently decided that they cannot afford to forgo exports worth billions, despite their own concerns about China's military buildup. Some Russian politicians like to taunt the West and Japan with the notion that Russia might team up with China in an anti-Western axis. If our analysis is correct, the wariness and suspicion between these two neighbors (indeed, for many Russians, fear) and the strength of their separate interests in and with the West, including trade, make this an improbable scenario. It is more likely that, over time, nervousness about China's growing power could impel Russia to seek closer relations with the West.

Encourage Russia to enhance its cooperation with leading economies and advanced democracies. Russia's membership and chairmanship of the G-8 has been called in question. Russia plainly is not one of the world's eight leading economies and advanced democracies. It has disappointed the hopes vested in it when the decisions were taken on admission and chairmanship. But Russia's membership is a fact and, short of an outrage occurring, the decision to include Russia will not be reversed. To do so would be to create a very deep rift, in no one's best interests. Attention should therefore be focused on how best to use the G-8 summit to encourage Russia to return to a more cooperative path and on how to handle it so that the summit is not falsely presented as a seal of approval.

The controversy over Russian membership should also stimulate further thought about the future of the G-8, which, as we have noted, is not to be taken for granted. The G-8 is not a formal international institution, and it has no legal status or powers. That of itself makes Russia's anomalous membership an easier proposition. Since the group first began 31 years ago at an informal get-together of six leaders to discuss the world economy, it has proved to be an intermittently useful tool, essentially for high-level brainstorming and coordination. Russia's accession broadened the group beyond its origins as a small club of the West and Japan. Rather than seek to remove Russia or to wind the club up, there is a strong case now for the G-8 to institute, under the next chair (the German chancellor), a review of its purposes and methods. This could include the question of whether the membership should be broadened. China and India are obvious candidates (with a case also for thinking, perhaps at a later stage, about South Africa and Brazil). Ten members (actually eleven, as the EU also attends) would not be unmanageable. To those who argue that enlargement would change the nature of the event, we would say that it has already changed, thanks to Russia.

Instruments of Engagement

Reinforce mutually advantageous cooperation. Seeking to isolate or punish Russia, or to withdraw cooperation, would bring no benefit to the interests of the Trilateral countries. It would play into the hands of backward-looking isolationist elements within Russia. Far from thinking along such unproductive lines, we need, to the extent possible, to reinforce the channels through which we can foster mutually advantageous cooperation and narrow the ignorance gap, mentioned above. Six channels are especially important:

- **Business.** With politics in stagnation business has become potentially the most dynamic force for change in Russia. It attracts the young elite and interacts with the outside world; in a growing number of companies, it requires conformity with international standards of law, accountancy, and governance. Wider interaction—business partnerships, Russian entry into rules-based foreign markets, IPOs, shareholder pressure—will have a beneficial influence on all concerned. Trilateral governments and businesses should actively encourage this process, with the proviso that the rules of fair competition should apply equally to all actors. Trilateral governments should do all they can to promote open markets, the education and training of young Russian businesspeople, and interchange between businesspeople at all levels. This would be to mutual advantage, commercially and more widely. The freeing of trade can be a motor for change.
- **Information.** This is best left to market forces and the private sector, although there is a small role for governments, for example, in supporting broadcasting. The rapid dissemination of information has acquired such importance in the global economy that any attempt to constrict it by the Russian authorities would be not only highly unpopular but also damaging to Russian economic interests. Nevertheless, Trilateral governments need to be vigilant in defending the flow of information to and from Russia and should take very seriously any interference with it.
- **Travel.** From a standing start, Russia has become one of the world's main exporters of tourism. Russians are also traveling abroad on business in large numbers. Their exit from the country is not impeded, but getting a visa to enter Western countries is often not straightforward, especially for those outside the elite. Some countries refuse up to half the applications they receive, others as few as 5 percent, while others no longer demand visas from Russians. These are procedures worth keeping under constant review. Facilitating travel by Russians to other countries is one of the most obvious ways of helping them experience the benefits of modern and democratic societies.
- **Education.** Along with business, education should be the most significant instrument for bridging the gap over the next generation. Where there are resources available, there can be no better use of them than in sustaining and expanding the volume of educational interchange between Russia and the Trilateral countries. This can be effected at different levels, from school pupils to postgraduates and professionals, and in different ways, including delivery of education by

international institutions within Russia. Some countries, notably but not only the United States, have been generous in funding exchanges. The Russian government has also played a part, through scholarship schemes and a presidential program. The results can be seen in the success of young Russians who have benefited from educational experience abroad. If we are concerned about Russia's future, these various efforts should be redoubled.

- **Opinion formers and policy makers.** The spotlight of international attention has moved away from Russia, and a degree of Russia fatigue has set in abroad. In consequence, the level of interchange between opinion formers—parliamentarians, media figures, policy experts, academics—has declined. So, therefore, has the level of understanding. One finding from our consultations for this report was that the circuit of experts in Russia and the Trilateral area who meet to exchange views has become very narrow. Expertise is strongest and best resourced in the United States; it is thin in Asia; and it has become surprisingly weak in much of Europe. Given the scale and importance of the EU-Russia relationship, Europe would benefit from a better-connected network of expertise, linking with opinion in the United States and elsewhere and developing exchanges and contacts with a wider group of Russians than is currently the case.
- **NGOs.** There are estimated to be more than 300,000 NGOs of one kind or another in Russia. Most are small and purely indigenous, but some have benefited enormously from links with comparable organizations in other countries. This has certainly been the case in the broad area of learning about democratic practices, of which Russia had no previous experience, but international contact and best practices have been no less important in the social sector, for example in dealing with disability, homelessness, alcoholism, domestic violence, and a wide range of health-care problems. For such activity to be conducted by independent groups and associations is new to Russia; in Soviet times, it was handled exclusively under state or Communist Party control. As we have noted in the report, the urge to control civil society and NGOs, and suspicion about international contacts, has returned. We should do all we can to prevent unfounded suspicions from preventing normal and transparent support and encouragement being given to people who are working to improve life in their own country.

Endpiece

The year 2006 is not the easiest time to be advocating engagement with Russia—albeit engagement, as we have argued, grounded on mutual interests, with less starry-eyed rhetoric, fewer unrealizable ambitions, a firm approach to principles and standards, and a realistic appreciation of Russia's direction of travel. Russia is moving into a tense and difficult period as the Duma and presidential elections, of late 2007 and early 2008, respectively, approach.

The 2008 U.S. presidential election is beginning to cast its shadow. Leaders will be changing within this period also in Japan, the UK, and France. The conflicts in Iraq and Afghanistan are a major preoccupation, as is Iran's aspiration to nuclear status. The high price of oil imposes its own pressures. All of these have the capacity to complicate the management of relations with Russia.

Notwithstanding these distractions and the negative tone that has entered into the relationship with Russia of late, it is the common view of the three coauthors, from three continents, that the best interests of their regions will be served by pursuing a patient, long-term, and, to the extent possible, constructive policy of engagement. As they have stressed throughout the report, they see this as a task for a generation or more, from which we should not be deflected by twists, turns, and bumps along the way. Above all, engagement with Russia should not just, or even primarily, be a matter of engagement with state actors at the highest level. The most effective contribution that the outside world can make to Russia will be to use the many opportunities that now exist to engage with as wide a range of people and organizations as possible.

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