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RE-ENGAGING RUSSIA

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DR. DOBRIANSKY: All right. Thank you very much, and good morning to all of you. I'm Paula Dobriansky. We are very excited about this morning's panel.

We have two very distinguished panelists who have firsthand experience with, and knowledge of, Russia. And before I say a few words about them, let me put this panel into context.

The Trilateral Commission plans to release a report on Russia. Some of you may remember we've had a couple of reports in the past, for one of which Bob Blackwill was the North American Chair. It was written in 1995. In 2006 Strobe Talbott and his co-chairs completed a second report on Russia. And now we are working on a new Russia report. One of the distinguishing factors of this report is the fact that there are four co-chairs from North America, Europe, Asia and Russia. So, it's a "quad effort." Igor Yurgens is the Russian Co-Chair.

You have in your packet, which we disseminated, a draft that does not include recommendations because we are still in the process of discussing them. But let me begin with the context of today's exchange. Specifically, we will discuss the North American viewpoint on where Russia is today, and what exactly we are looking for from Russia in our relationship. Let me say a few words about where Russia is, and draw from the report. I will give you a synopsis.

Our panel is on Re-Engaging Russia, and what we are facing. Well, we are facing a Russia that is neither an adversary nor an ally, and in some areas it could be cast as a partner, and in some areas a competitor -- a Russia not capable of threatening us at a global level, and not seeking to do so.

In 2011, Graham Allison, who's here today, wrote, along with Bob Blackwill, an excellent piece in *Politico*, which cited 10 reasons why Russia matters. It was valid in 2011, and it's certainly valid now.

Significant North American interests remain at stake in the relationship with Russia. Russia's nuclear weapons make it the only nation that can annihilate us within a matter of minutes. And we also know that Russia is a major global arms supplier and a source of military and diplomatic support to countries that are challenging many of our core interests. A permanent member of the Security Council, we also know that Russia has used its veto to thwart constructive international action on a number of crucial foreign policy crises.

Now, at the same time, Russia is among the most important potential U.S. partners in countering threats ranging from terrorism to proliferation. And let me come to some key issues, where, as we say, the rubber hits the road. I'd say that any realistic hope of preventing Iran from getting a nuclear bomb through non-military means or managing a negotiated peaceful end to the

Syrian civil war, or maximizing the chance for relative stability in Afghanistan, will require successful cooperation with Putin's Russia.

We also spent time debating where Russia is economically today, and what it is doing. Russia is the top global energy producer and the world's sixth largest economy.

Interestingly enough, Ernst & Young just put out a report, and in that report, they forecast that the United States will continue to be one of the leading investors in Russia for the foreseeable future. In fact, they said that American exports are expected to double in the next five years due to the normalization of trade relations.

We held discussions at the Brookings Institution and at Harvard University with Russia experts. We also held in New York, meetings with representatives of corporations doing business in Russia. Western businesses seem to be concerned about the economic climate in Russia, particularly the fact that the environment is rather anemic. There is stagnation, which has fostered low investor confidence, and political risk emanating from both Russia's domestic policies, as well as its foreign policy pursuits.

One of the primary challenges also confronting Russia today -- not often debated and discussed -- is its demographic outlook. In 2012, Russia experienced its 20th year of natural population decrease.

A recent report that came out from *Forbes* stated that Russia's population growth is increasing a bit. However, experts who are tracking these demographic trends do not look at the statistics and the data as positive. These negative trends have political and economic implications for Russia.

Interestingly enough, the fastest growing population within the Russian Federation is the non-Russian ethnic groups, of which a sizeable percentage is Muslim. Ethnic Muslims account for 21 to 23 million of Russia's total population of 143 million. That's approximately 15 percent. And there have been many recent writings analyzing the ramifications of these specific trends, and what they mean for Russia's role and how Russia sees itself.

Domestically, with Putin's formal return to the Presidency in 2012, the Kremlin has embarked on the most systematic crackdown. The crackdown has been not only on political opponents, but also on ordinary citizens who are just protesting against Putin and Putin's government.

Putin's imprint is evident in Russia's erosion of democratic institutions, a weakened rule of law, and controlled media. And one key element of Putin's strategy, which has emerged in our deliberations, has been to portray challengers to the status quo as instruments of foreign manipulation.

And, finally, with regard to Russia's foreign policy, it has been largely driven by political considerations at home. Putin has cited foreign dangers to justify his consolidation of power, and his anti-American rhetoric has loomed large. At the same time, it's worth noting that it resonates with a significant segment of the Russian public, who are concerned about U.S. foreign policy -- where it's going, what it's doing, and its use of force and efforts to shape the internal politics of other states. So, a fundamental question before us is, does the Russian leadership think strategically about global events, and Russia's place in it, as distinct from pursuing short-term, ad hoc policies?

I'll conclude on this note before we go to our panelists. Steve Sestanovich wrote an interesting article in the *Financial Times*. I believe that one quote highlights how experts are

thinking about Russia these days. The quote is, "The old remark about Britain in the 1960s that it had lost an empire but not yet found a role," he says, "I think captures Moscow's predicament today." A central question is where is Russia going? And how does it see itself?

Today's panel will be discussing Russia's domestic and foreign policies, what do we want from Russia, and what do we want them to do? And, what happens if it's not successful? We're lucky, indeed, because we have two very distinguished panelists who have firsthand knowledge of Russia.

Ambassador John Sloan just returned from serving as Canada's Ambassador to Russia, Armenia and Uzbekistan. During his very distinguished career, he has held high-level positions dealing with international economic policies, the G8, the G20, and the OECD, among others.

Gabriel Guerra Castellanos has an interesting personal background. He spent part of his youth in the GDR and later, was posted in Moscow. He has been an active and frequent commentator in a number of publications, including in the Mexican newspaper, *El Universal*, and has been a regular discussant on a number of television programs on international affairs. He has addressed a wide variety of foreign policy matters.

Ambassador, let's go to you first. Give your views on how you see Russia today, and how anti-Americanism has become an integral part of Putin's foreign policy, especially for domestic political reasons.

MR. SLOAN: Okay. Well, thank you very much, Paula, and thank you to the Trilateral Commission for this opportunity to come and address you this morning.

I left Moscow on the 20th of September after having served three years as Canada's Ambassador to the Russian Federation, Armenia and Uzbekistan. My overall sense is that we have entered a difficult period between the West and Russia, and I don't see that difficult period ending any time soon, certainly as long as Mr. Putin remains president.

I think there are several reasons behind that. First, the state of the Russian economy, and I'll come back to that. Second, domestic political developments. And, third, what I would call a mismatch of expectations. Russia is still trying to find its role in the post-Soviet Union world, and it is not yet, I think, comfortable in its own skin as to what the Russian Federation's long-term role is. People often forget that Russia is one-half the size of the Soviet Union, and I think there's an effort, and at times a rather clumsy one, to re-establish some sort of role that Russia and the rest of the world are comfortable with.

Let me start on the economic side. The IMF has downgraded their assessment of Russia. Even last April, it was a projection for 3.5 percent growth. They have now downgraded that to 1.5 percent. The Russian Finance Ministry has also downgraded their projection for growth to 1.8 percent. They'll be lucky to achieve that.

I think there's a general recognition of why the economy is slowing - but there's no silver bullet for short-term remedies. Clearly, one is the lack of both domestic and foreign investment in the economy. The Russian economy has for the last decade been kept going by consumer purchasing. That is now tailing off, and it is going to have to be replaced long-term by both domestic investors, but equally importantly, foreign investors.

Secondly, there's a very serious problem with labor productivity in Russia. The Russian economy is not competitive except in several very specific areas; obviously, oil and gas, mineral extraction, and a few others, and productivity is going to have to improve immensely.

And, thirdly, there is, I think, a lack of sophisticated financial structures to support the economy.

Some of these issues can be addressed relatively easily with technical solutions; others are much more fundamental and will require some important changes in the Russian economy which then immediately come up against vested interests, and the inherent corruption that is evident in the Russian economy.

If one looks at the economic promises that were made during the Presidential election, they included health care, education, transportation infrastructure, the Far East, the Arctic, military modernization and officer housing. The number of promises far, far outweigh the government's ability to deliver. And yet, you've had rising expectations, certainly in the urban classes, for a higher level of government services. And if you look at the recent budget that was published, you're beginning to see the difficult decisions that the government is having to take. And what they have proposed is education spending falling 13 percent, health spending falling 5 percent, but defense spending going up 19 percent, as this is the beginning of a major modernization program for the Russian military.

Clearly, there are going to be economic decisions that will have political consequences, and I think this is something that the government is going to have to deal with. And, yet they've missed the opportunity to restructure the economy away from the extractive industries, and to a stronger, more competitive manufacturing domestic economy. If the IMF projections turn out to be correct, one is looking at a period of extended stagnation economically, and that will have, I think, long-term major political consequences.

Secondly, if we look at domestic political developments, clearly, they are not going in the right direction. What Mr. Putin is doing is playing to his core. That's not just in the United States that people play to their core supporters; they also do in Russia. And what he has done is set up a traditional conservative Russian vision versus what he considers to be the incongruous Western European vision of what the state, the population can become.

There have been a series of initiatives, some coming from the Presidential administration, some coming from the DUMA. This is a basic sort of anti-Americanism which does, as you quite rightly pointed out, play well with the majority of the population. But there was also the anti-adoption legislation in response to the Magnitsky bill, there was the anti-blasphemy bill and the bill forcing NGOs receiving foreign funding having to define themselves as "foreign agents". There was the outlawing of propaganda on behalf of non-traditional lifestyles - basically a series of illiberal measures that plays well with Mr. Putin's core support.

The problem with that is that those measures are also measures that will ultimately undermine the urban elites whom the government is going to have to rely on to modernize the economy. And I think that what the government, and I'd say many outside observers, don't fully take into account is the fundamental changes that have taken place in Russian society, particularly urban society, over the last couple of years.

You had the beginnings of these changes in the spring of 2011 at the Regional Elections. Everything changed on the 24th of September, 2011 when Mr. Putin announced that he and Mr. Medvedev were going to do a "reverse tandem" and he was going to reassume the Presidency. You then had the major street demonstrations in December 2011 and into 2012, up to and after the election, and then the inauguration. Something fundamental has changed in Russian urban society, and my sense is that there's no going back for those sort of changes. The problem the

government is going to have is that for the educated urban elites, what Mr. Putin gave Russia between 2000 and 2008 was stability, and he's still given full credit for that. But in today's world, post 2012, stability in and of itself is no longer sufficient.

Russia has changed, the urban elites have changed, you now have a young generation coming up, they are wired and they are traveled. In 2012, Russians took 60 million international trips, that's not 60 million individuals, but 60 million international trips, and increasingly, particularly the post-Soviet educated generation, knows what makes the world go round. And the problem, I think the biggest challenge for the government, is giving these people something to aspire to.

And, as I said, stability in and of itself, while it was necessary in the early 2000s, is no longer sufficient. And if the up and coming generation does not have something more to aspire to, they will leave, and they can. They are. Most of them don't want to. There's something fundamentally Russian about Russians, and they would like to stay and contribute to the development of a new Russian society. But if they are frustrated in that, they can and they will leave. And, unfortunately, some are.

DR. DOBRIANSKY: Ambassador, let me ask you a few follow-up questions before we go to Gabriel.

On the question of anti-Americanism, do you see it as fundamentally rooted in Putin's desire to bolster his popularity, and that it strengthens his domestic objectives? Also does it contribute to Russia's national security goals, or not? Is it just purely one or the other, or a combination of both?

MR. SLOAN: I would -- well, I would draw a bit of an analogy to France. In France there is a -- certainly, if you watch the French news, there's a streak of anti-Americanism, as well, but scratch the surface and the French can be extremely envious of the United States, as well.

I think the same to some degree applies in Russia. Yes, there is an element of anti-Americanism -- and there's also an element of Russian nationalism that in its extreme form can be very easily turned into anti-Americanism.

Clearly, one of the challenges is Mr. Putin wants parity with the United States and therefore is concerned how Russia is treated internationally. I think parity is unrealistic and certainly one step too far. Russia is not the old Soviet Union. Russia does not bring with it the weight that the Soviet Union brought to international affairs.

That said, and I think this is where we're in this process of Russia feeling its way with its Near Abroad, with the CIS states, with Europe, Middle East and elsewhere, there are international issues where Russia has legitimate interests, legitimate experiences. I would put Syria in this camp as the Russians have long experience there. The Arctic is another as are Iran and Afghanistan. And I think what we need to do is to work out in our own minds where the Russians have legitimate interests and where we can work with them in order to develop, shall we say, mutually acceptable conditions, or at least develop an understanding as to where they're coming from.

In Syria, we don't have to agree with them, but we certainly needed to understand where they were coming from. And I think if we can do that, there is, and certainly with Mr. Putin, there's a certain element of a paranoia vis a vis the United States. I mean, I think he genuinely believed that Hillary Clinton was trying to ferment a color revolution in Russia. And somehow we have to work our way through that paranoia and establish legitimate channels of communication in areas

where we recognize that the Russians have legitimate interests.

DR. DOBRIANSKY: Let's examine what Russia is doing economically. President Putin was very aggressive in getting Russia membership in the WTO. But now we see him courting a number of countries in the region and pressuring them to become part of a Moscow-led Customs Union. How do you explain it? What are Russia's economic goals?

MR. SLOAN: First, WTO I think was actually a huge success. But for Russia, unlike for China, it was never going to be a short-term win. This is very much a long-term process - Russia becoming a member of the WTO and going through the WTO processes. And what this will do long-term will bring a certain discipline to the Russian economy that hasn't been there. It will squeeze out some of the anomalies, some of the useless subsidies, and I think ultimately make the Russian economy more competitive.

DR. DOBRIANSKY: But, Russia has been criticized because they have been ignoring their WTO commitments. What are your views?

MR. SLOAN: And the G20, and elsewhere. But, again, I think that will happen. And, again, I'm a supporter of Russia joining the OECD, but only if they move sufficiently so that we can in good heart say that they actually meet the OECD "acquis".

You know, I think this is very much a long-term process. If you look, you know, from where Russia has come in 20 years, which is not all that long a time, they've come a long way, they really have. And I think we need to not give in. The OECD process should not become a political process. This has to be a proper legitimate accession to a club of countries that basically see the world in more or less the same way. And this is going to require some major changes in Russia.

DR. DOBRIANSKY: But let me push you a little bit further on this issue, and then we will turn to Gabriel.

Russia is in the WTO, but is ignoring its commitments. Instead, Moscow is trying to establish a sphere of influence in the region. So, what does this mean in terms of Russia's overall objectives? Does Russia want to become a responsible international player and part of the international global economic community, or not?

MR. SLOAN: Yes. My view is that the Customs Union, in particular, but also the large Eurasian Economic area, is very much the triumph of politics over economics. There's no economic rationale for Belarus, Kazakhstan and Russia.

The key to this from a sort of geo-strategic perspective is Ukraine. And I think we should all be looking very closely at the meeting in Vilnius the end of November this year where Ukraine, Moldova, and others will be signing partnership agreements with the European Union. And I think this very much will set the framework for the future direction of Eastern Europe. The Russians are putting incredible pressure on the Ukrainians. I think they're shooting themselves in the foot by saying that if you go with the Europeans, we are going to respond economically and ban Ukrainian exports into Russia, and doing similar threats to Moldova, to Georgia, to Belarus, as well.

It doesn't make sense. And, again, coming back to my comment, it's not just politically,

it's also economically wrong. Russia is feeling its way to what is going to work and what is not going to work.

My own view is that the Eurasian Economic area will not work. That said, Ukraine is going to continue to have to have good economic relations with Russia. Ukraine wants to turn to Europe. There's somewhere in between that I think ultimately we're all going to have to land on. We don't know what it is yet, but we're certainly in the process of seeing it worked out. And, again, I think the Vilnius meeting in November is going to be quite crucial.

DR. DOBRIANSKY: Gabriel, you lived and spent an early part of your formative years in the GDR, and then you were a diplomat in Moscow. Give us your views on where you see Russia today. And I know one of the things that you would like to discuss is why Russia is the way it is.

MR. CASTELLANOS: Okay. Thank you, Paula, and thank you everybody.

I would probably start off by saying, yes, I did live in East Berlin in the late '70s, early '80s, and in Moscow in the late '80s, close to when everybody was infused with Gorbachev. And we were seeing Russia as the alternative for the Communist world to kind of evolve into something better.

I can't help remembering in '89 after Tiananmen, Gorbachev going to Beijing and lecturing the Chinese leadership on the need for political reform simultaneous with economic reform, if not prior to. And I can't help imaging Deng Xiaoping rolling in his grave with laughter at what has happened in the meantime with both countries.

When I was reflecting on this session, Paula, I couldn't help think nostalgia teaches the way we all see Russia. In the U.S., and in what we could call the West, there's been nostalgia for the simplicity of the Cold War Era when things were very clear cut, and you knew who you were dealing with, and you knew how to deal with them. And at the end of the day, you always had this backup in the form of mutual destruction that contained things.

In the West of the world there is nostalgia for the convenience of having the Soviet Union as a counterweight to the United States, or to the West. And in Russia, definitely, there is a lot of nostalgia for what Russia used to be, and not just the Soviet Union, but Russia itself.

Russia is not, and I think this is an important distinction, is not just the successor to the Soviet Union, nor is it just a continuation of the old Russia.

When I was living in the Soviet Union the joke making the rounds was an old man turning 100 and being interviewed by the media, and asked well, where were you born? And he said, well, I was born in St. Petersburg. And where did you grow up? In Petrograd. And where do you live now? In Leningrad. And where would you like to die? In St. Petersburg. And that reflected sort of this circular view of the Russians with history.

At the end of the day, Russia has always been an empire, has always had a love-hate relationship with the abroad, and particularly with the West, and has never ceased to attempt to join the different clubs, be it the palatial courts in Western Europe in its day, or today OECD, but always having mixed feelings about it. Again, a little bit like I mentioned to you on the phone, having been Marxists as the Russians were for a time, they adhered to Groucho's statement that, you know, you should never belong to a club that would admit you as a member. But at the same time, you always want them to admit you as a member.

They've always been expansionists. They've always been imperialistic. And as you very

well put it, they've always been paranoid. In terms of the Russian way of doing things, I don't know whether the KGB was a reaction to the paranoia or a creator of that paranoia, but every time you look into Russian history there is always someone there following you and listening to you.

Russia always has also been a country that skipped periods in history. They went from fighting the Mongols to joining Europe, they went from a feudal society to a communist society, skipping pre-industrial and industrial capitalism. They went from there to a "democracy" under Yeltsin with all of its failings and shortcomings, from the back water to evoke power, to a giant on its knees. And I think Putin is trying to find the sense and the purpose for all of this.

We tend to see Putin just from the perspective of what is he doing vis a vis the West or the U.S.? I think he has a much wider and broader domestic agenda, and a set of challenges that he is trying to deal with.

In your paper, three positions are outlined regarding re-engagement with Russia. One of them, if I remember correctly, is overall containment, another is selective containment or engagement, and the final one is comprehensive engagement. I have just a few reflections on that.

First of all, I think we should realize it's not all about us, and I sometimes have a hard time remembering that, and my wife usually reminds me of that. But, you know, what Putin is doing, I think, is grasping the Russian angst with the decline of the old Russia and with the empire with the graft and corruption, because Russia has always been a very corrupt society. It was so during the Communist years, but it was an organized, structured, hierarchical corruption that was followed by massive uncontained corruption during the Yeltsin years. And also the anxiety over what many Russians perceive as excessive Westernization which they're not entirely comfortable with.

The second point is we should try to understand what they want, and what they need. And a lot of that is a place in the world, a role, as you so well put it, a seat at the table. I'm not sure which table, or which of many tables, but they definitely want to be sitting there. Then when looking at the opposition and the whole issue of democratization or not, Western values or not, I would warn against overrating the opposition and what I would call the yuppies, you know, this young dupery mobile middle-class in Russia that is Westernized, that is looking for, you know, Russia being more like the UK, or West Germany, or even the U.S. They are not the ones who -- they may be the ones who reflect values we share -- but they're not necessarily the ones who reflect the values that most Russians share, be it post Soviet, be it the gay and lesbian community now making many points about equality and rights or not. The majority of Russians are inherently conservative, and they are accustomed and very comfortable with an authoritarian state. It is not something that has been imposed on them, it is something that they have lived with for centuries, and only briefly interrupted in the Yeltsin years.

If we glorify this opposition that we were referring to, we ignore that the real opposition to Putin, and the real successors to him were he to fail, are the nationalists or the ultra nationalists. So, we should be aware, and this is something that has happened to U.S. foreign policy in the past where you bet on a particular set of actors in a given country where you think a change would be healthy, and you end up with entirely the contrary of what you were looking for. So, in Russia that is what would happen.

And, finally, I would say engagement is not an option. It is a reality. There is no way around it. Russia has such a size, such dynamics economically, politically, geopolitically, that it just cannot be ignored.

DR. DOBRIANSKY: Before I open the session up to questions from the floor, I would like to describe some of the deliberations of the Russia Working Group. There are differing opinions, and some very strongly held views on certain issues -- like how to handle human rights matters. Our group is somewhat polarized. There are three strategic categories outlined in the paper: comprehensive containment, selective engagement with selective containment, and deep engagement. I found that the majority fell into that middle category of selective engagement.

MR. SLOAN: Very interesting - you said selective "engagement" whereas the papers have selective "containment"; and I think actually what you've just said is a better approach to Russia because it is more positive in that you choose that areas where you're going to engage rather than choose those areas that you're going to contain.

DR. DOBRIANSKY: If you saw an earlier draft of the paper, we had different language. I use the term "selective engagement" The report is a work in progress, but it is a good point that you have made.

Please describe President Putin. What is his vision? We grappled with whether he's a strategic thinker, or whether we are witnessing a kind of ad hocism here? What are your views?

MR. CASTELLANOS: I think Putin is a very skillful, almost one could say, masterful politician. And great politicians are usually not visionaries, and they're usually not long-term strategic thinkers. There are -- you know -- very few that end up being statesmen or stateswomen. But usually a good and effective head of state has to be a combination of medium, short-term to medium-term thinker, and a very able ad hoc tactician.

I think Putin has been very good at capturing this need of the Russians, let me simplify by saying the Russians are a relatively homogenous society, with this need for a strong father figure, for a strong leader. The contrast to Yeltsin could not be more extreme. This is a man who was not in control of himself, and many Russians were very uncomfortable with the idea.

We were speaking just before the session with one of our Canadian friends and colleagues, and talking about the Mayor of Toronto and how his antics have, nevertheless, led him to have very high approval ratings. Well, in Russia that is not the case. Even though most Russians would tend to behave like the mayor of Toronto, they do not want a president who behaves like them. So, Putin has been, I think, very good at that. And this idea he has of re-establishing Russia as a power to be reckoned with, I think that is incredibly attractive to most Russians.

MR. SLOAN: Could I just make two comments?

DR. DOBRIANSKY: Sure. By the way, I was just checking for the record. We mentioned both. That is what I thought.

MR. SLOAN: Okay.

DR. DOBRIANSKY: The second category is selective engagement with selective containment.

MR. SLOAN: Okay. I think Gabriel made a very good point. If the current economic policies and revised policies fail, the future opposition to the current government is not going to be the liberal urban elites. I think Putin has come to a conclusion that he can almost ignore them. Rather it will be the xenophobic nationalist populist elements. And one of the most striking things while I was in Russia was the reaction in December 2010 to a nationalist unemployed xenophobic riot in Moscow. The government came down so hard on that event, and I think that something they really feared was this coming together of various strands. In some ways Mr. Putin much more fears Dmitry Rogozin, who is currently his Deputy Minister of Defense responsible for procurement, than Mr. Navalny. And I think come 2018 when the next election is scheduled, if the current set of economic policies have not worked, I think that's where the opposition is going to come from.

The other point I would like to make - one of the problems -- I mean, the strengths and the weakness of the current system, is what they call "the vertical of power". It's this intense personalization of decision making beginning with the President, and moving right down. And this is also, I think, the origins of much of the corruption.

What has to happen long-term in Russia is the creation and the embedding of institutions, the institutionalization of the country. And I think, again, that is something that we can work with the Russians on through the WTO, through the OECD - to move away from this personal decision-making where nothing happens unless the President approves of it. And I think the most recent example was the incredible flooding in the Far East where you had disaster piled upon disaster, and absolutely nothing happened until Putin himself went out there and started directing people to do things.

What needs to happen is to move away from that system, and you move to a much more institutionalized system which gives real law and gives people a certain security. And it is happening. One of the things that most people do not see is that the commercial court system in Russia is actually beginning to work. Foreign companies and others can go and they can get a judgment, and they can get an enforcement of a judgment in the commercial courts.

Now, that's juxtaposed with what happens with the political court system. But there are elements today, and increasingly, where aspects of Russia life are institutionalized, and are being governed by institutions. And I think we need to encourage that more and more.

MR. CASTELLANOS: Let me just jump in quickly.

DR. DOBRIANSKY: Okay.

MR. CASTELLANOS: I think we do need to realize that that is a very long-term process.

MR. SLOAN: Oh, yes, no doubt about it.

MR. CASTELLANOS: We Mexicans can sympathize with the Russia situation where individualistic power has always been foremost. When you were talking about the floods, I couldn't help thinking about the recent floods in Mexico where things didn't really start happening in terms of rescue efforts and so on until the President decided to go there, and lead them.

But just as Mexico has been gradually trying to institutionalize itself, probably beginning in the early '90s in terms of economic institutions, late '80s/early '90s, this is going to be a very long process. And the supporters of this are just an elite few, you know. Herminio Blanco was

pointing out in his comment just now that the private sector in Russia wants that. Yes, but probably not that part of the private sector that is really big because they know how to deal with the government. And not the one that is really small because they don't really care. This is more the middle sector.

And, again, we should not emphasize building relations with those who think like us because they are definitely the minority there.

DR. DOBRIANSKY: We must conclude our panel. Thank you gentlemen. Please join me in thanking our distinguished panelists.