

## Russia: Power in Weakness?

What defines a great power if not a colossal geographic expanse, rapid economic growth, a vast nuclear arsenal, a permanent seat on the United Nations Security Council, and the unique ability to obliterate the United States at the flick of a switch? With all of these traits, plus vast quantities of energy resources and vital raw materials, wide-reaching political influence, and a dynamic leader, Russia appears to have what it takes to be a great power. The reality, however, is that these very elements that scholars and observers readily identify as key attributes are actually sources of weakness for Russia and thus significantly limit the country's ability to act as a desirable partner for managing the global challenges of terrorism, proliferation, underdevelopment, and instability.

### The Comeback Giant

---

U.S. perceptions of Russia have undergone a dramatic change in the last five years. In 1998, Russia's financial system collapsed, and the country's standing in the international arena reached a nadir. Then-president Boris Yeltsin—sick, blustery, and unpredictable—personified everything wrong with the country. Since then, Russia's economy has been enjoying several years of strong, uninterrupted growth (4.3 percent in 2002, 7.1 percent in the first half of 2003)<sup>1</sup>; its currency is stable; and its new president, Vladimir Putin, has emerged as one of the world's most dynamic leaders, a frequent and wel-

---

Eugene B. Rumer is a senior fellow at the Institute for National Strategic Studies at the National Defense University (NDU). Celeste A. Wallander is director of the Russia and Eurasia Program and the Trustee Fellow at CSIS. This article draws extensively on the papers and discussion presented at the CSIS-NDU seminar series "The Sources and Limits of Russian Power" throughout the 2002–2003 academic year. The views in this article are the authors' own.

---

© 2003 by The Center for Strategic and International Studies and the Massachusetts Institute of Technology  
*The Washington Quarterly* • 27:1 pp. 57–73.

come interlocutor for President George W. Bush and a force in European diplomacy. The transition on New Year's Day 2000 from Yeltsin to Putin put a strong, new, popular face on Russian policy as well as politics at home and abroad and symbolized the prospects for Russia's return to the ranks of major powers.

Russia appears to have made great strides on Putin's watch. At home, Russia has put behind it the financial crisis of 1998 and returned to economic growth with moderate inflation. Putin himself has enjoyed high approval ratings among the country's voters, and the Kremlin has forged a strong base in the once unmanageable Duma, which has passed several important pieces of legislation since 2000 including the Strategic Offensive Reductions Treaty of 2003, a new tax code, and a bill on land privatization.

The Putin administration has made progress in curtailing the power of two key groups in domestic politics. The regional governors have been made nominally more accountable to the Kremlin through legislative changes regarding their status, and the corporate barons were given a clear signal, through indictments of their politically most active colleagues, to stick to business and stay out of politics. Major media assets have been consolidated under the Kremlin's control, resulting in further marginalization of opposition political parties and movements. In sum, the Putin administration has left a lasting imprint on Russia's domestic political landscape.

Russian diplomacy has undergone an equally impressive change. Putin moved decisively to clear a decade's worth of stagnant issues off Russia's foreign policy agenda, including withdrawal from Soviet-era military bases in Vietnam and Cuba as well as establishment of the NATO-Russia Council, and put Russia's key international relationships back on track. Russian foreign policy under Putin has had a far more pragmatic bent than that of his predecessors. The blustery rhetoric of the previous decade has been replaced by a strategic approach to costs, benefits, and the realm of the possible. When presented with a *fait accompli*, Putin has opted to put a positive spin on potentially difficult situations in a number of instances, including U.S. withdrawal from the Anti-Ballistic Missile Treaty, the invitation to the three Baltic states to join NATO, and a stepped-up U.S. security assistance program to Georgia, where long-declared Russian red lines were crossed without damaging U.S.-Russian relations. Because of Russia's regional presence and weight—bordering, as it does, just about every country and region that the United States cares about in Eurasia, from the Baltics to China—the prospect of partnership with Russia has caught the attention both of U.S. policymakers and of experts outside the U.S. government.<sup>2</sup> Coupled with the firm public stance in support of the U.S. war on terrorism since September 11, 2001, Putin's pragmatism in foreign policy has led to speculation

that the emerging U.S.-Russian global partnership could become even more important than the partnerships between the United States and many of its traditional European allies.<sup>3</sup>

More importantly, the widespread perception that Russia has reestablished itself as a major power is based on its impressive economic achievements over the past five years. The Russian economy grew by 6.4 percent, 10 percent, 5 percent, and 4.3 percent in 1999, 2000, 2001, and 2002, respectively—a stunning growth rate by the standards of the 1990s. Economic growth in the first half of 2003 stood at 7.1 percent. The federal budget shows a surplus, and the Russian government is paying its international debts as well as pensions and wages to its citizens. Inflation in 2003 is projected to be manageable at 10–12 percent. Real disposable income rose 9 percent in 2002, the third year of 8–9 percent growth. Russia runs trade surpluses, and the Central Bank holds reserves of more than \$64 billion.<sup>4</sup>

**E**lements that scholars identify as key attributes are sources of weakness for Russia.

Russia has also resumed its role as one of the leading players in the international energy sector. Russia is the second-largest producer of oil and the largest producer of natural gas in the world. Europe buys increasing amounts of each from Russia, and China and Japan are quietly competing to attract and support Russian pipelines that will supply their needs. Russia's pipeline system is currently the primary method by which energy-rich, post-Soviet states such as Kazakhstan and Turkmenistan, among others, are able to ship their commodities. Russian pipelines traverse other former Soviet states, for example, Ukraine and Belarus, which would suffer were Russia to find alternative routes and cease paying transit fees. Energy for Russia, therefore, appears to be truly a great-power asset because it provides the wealth that sustains the economy, balances the budget, funds national defense, and provides strategic leverage over the country's smaller neighbors.

Russia's geopolitical presence gives it influence throughout Eurasia and importance in U.S. policy in the region. Russia can be influential by working with the United States on policy initiatives, such as herding North Korea into six-party talks or eliminating the Taliban in Afghanistan. At the same time, Russia can be influential insofar as its support for countries can undercut U.S. policies, such as Russian sales of nuclear technology and conventional military arms to Iran. The "Russia card" can give some leaders in Eurasia political and diplomatic options that make them less susceptible to U.S. influence, as is the case with Ukraine's Leonid Kuchma, Belarus's

Aleksandr Lukashenka, and Turkmenistan's Saparmurat Niyazov.<sup>5</sup> In sum, even if Russia does not have usable military power to bring to bear as a source of influence, geopolitics has provided Russia a diplomatic presence in Eurasia that others, including the United States, need to take into account.

Finally, Russia's institutional memberships enhance its government's weight in international affairs. Russia remains the only country that negotiates and signs nuclear strategic arms control treaties with the United States. Simi-

**Russia's institutional memberships enhance its government's weight.**

larly, Russia's views on European security are advanced by virtue of its importance for maintaining and possibly adapting the Conventional Armed Forces in Europe Treaty, which establishes strict limits on its signatories' conventional arsenals and their deployment. Russia is present at the table of the world's major powers whenever G-8 ministers and heads of state gather. Russian participation in the G-8 informal club of leading

industrialized nations—a modern-day version of the nineteenth-century European concert of great powers—gives it further political clout and prestige in the international community at large, as well as in the post-Soviet space where it alone has achieved full G-8 membership. Most importantly, Russia remains one of five permanent members of the UN Security Council, the handful of UN members capable of single-handedly preventing Security Council decisions and whose support and approval must be secured to pass resolutions.

Thus, Russia, along with China, France, and the United Kingdom, has the ability directly to influence a wide range of issues from the Balkans to the Korean peninsula. For example, Russia's vehement opposition in 1999 to NATO's use of force in Kosovo provided Serbian leader Slobodan Milosevic with important diplomatic leverage vis-à-vis NATO. NATO decided to use force despite Russian objections and the lack of appropriate Security Council resolutions, and Russia could do little militarily to counter NATO's air campaign. U.S. and European leaders evidently felt strongly, however, that Russia would have to be brought back to the table to end the conflict on terms that would have international legitimacy and recognition, which in turn called for Security Council and Russian involvement.

Similarly, Russian participation is essential to the success of U.S. efforts to focus the international community's attention on the problem of nuclear proliferation and to secure an end to North Korean and Iranian nuclear pursuits. Russian cooperation is necessary for any U.S. effort to secure the requisite Security Council resolutions, should the United States decide to seek

international sanctions to deter or dissuade North Korean and Iranian nuclear programs.

All of these attributes appear to make Russia a country to be reckoned with. Its sheer presence from European seas to the Pacific Ocean makes the country a global player. Given Russia's size and reach—from Europe to the Middle East to eastern Asia—the Russian government clearly plays a role in several important regions. Combating terrorism and halting the proliferation of weapons of mass destruction (WMD) cannot be achieved without Russian cooperation.

## **A Reality Check**

---

A look beneath the veneer of upbeat aggregate statistics and diplomatic photo-ops suggests that a large gap exists between Russian aspirations and images, on one hand, and the Russian ability to be one of the major pillars of the international system, on the other. Despite several years of economic growth and a new dynamic leader, Russia remains a power in decline. Neither its recent economic success nor its vigorous leadership is sufficient to make up for the long-term losses the country has suffered or to compensate for the contemporary shortcomings that belie key elements of Russian power. These shortcomings will inevitably taint Russia's ability to help solve the most crucial global problems, to cooperate with other great powers, to improve global security and economic well-being, and to prove a reliable partner.

## **A MILITARY IN DISARRAY**

Russia entered the new millennium with its capacity to project military power beyond its borders vastly reduced and its ability to defend its territorial integrity and sovereignty severely tested by the war in Chechnya.<sup>6</sup> After 15 years of attempts at reform, Russian defense forces are essentially a shrunken version of the Soviet military. Neither financial nor political resources were made available for its fundamental transformation. The number of personnel in uniform has decreased from 4 million to about 1.2 million, but even those reduced numbers strain the defense budget, and the forces are still organized for war against NATO in Europe, the United States, and U.S. allies in Asia. As wages fell (or went unpaid), Russia's best officers retired, and fewer young men signed up for military careers.

Russia's 2003 defense budget of \$11 billion falls far short of what is needed to recruit, train, equip, and sustain a modern military. A planned increase in the 2004 budget to 412 billion rubles (about \$13.5 billion) is only a very

## Russia remains a power in decline.

small step toward addressing the problem. A military starved for resources has eliminated essentials such as training, leading to an increasing number of fatal accidents, such as the sinking of the *Kursk* submarine in 2001 and the loss of a nuclear-powered submarine being towed to port in August 2003. That same month, during military exercises in Russia's Far East attended by Defense Minister Sergei Ivanov, two MI-24 helicopters collided. The incident sparked a debate in the Russian press about whether the cause

was lack of sufficient training or the age and poor condition of the aircraft, which were more than 20 years old and kept functioning by scavenging parts from even older helicopters. Military bases have faced electricity cutoffs because they have not been provided funds to pay their bills, and Russian newspapers have reported cases of malnutrition and even starvation among conscripts.

Research and development, procurement, and training have consistently fallen prey to more urgent needs such as clothing and feeding recruits, paying officers' salaries, and covering the unpublicized but undoubtedly substantial costs of military operations in Chechnya.<sup>7</sup> Russian defense enterprises sell very little of their current production to the Russian military, depending instead on arms sales abroad to customers such as China, India, and Iran to keep production lines operating and the workforce employed. Even though Soviet-era aircraft are highly capable and in high demand, the failure to invest in research and development in the 1990s means that, well into the twenty-first century, Russia will be relying on technology that is 20–30 years old at best.

The gap between the privileged upper echelons of the military and its rank and file has grown ever wider. Reports of corruption, theft, and abuse of office by senior military personnel have become commonplace. In the meantime, junior officers have been leaving the military because of low pay and lack of career prospects.<sup>8</sup> Desertions of enlisted men have been frequent and, on several occasions, have taken the form of organized protests against unbearable conditions and abuse.<sup>9</sup> Reliance on a conscript pool that is shrinking as a result of low birth rates, poor health care, and widespread draft dodging has left the military structure hollow.

Discussions of military reform have reached an impasse. The military's upper echelons, with their well-being tied to the current, outsized, but hollow force structure, have rebutted reform advocates with the argument that there is simply no money to change the existing institution. Shifting to a professional army, for example, would require billions of rubles in salaries to attract volunteer soldiers. At the same time, reductions have also been

deemed too expensive because of legal obligations to provide housing and other subsidies for military retirees.

The Kremlin has either turned a blind eye to this problem or has been unable to impose its oft-expressed determination to bring about needed reform. Neither case bodes well for Russia's great-power status. Ivanov has been widely perceived as unable to assert his authority over the high command. Senior military officers have flaunted their opposition to the political leadership.<sup>10</sup> Military insubordination has reached an unprecedented level, as evidenced by the highly publicized refusal of the senior Russian general in charge of military operations in the Caucasus to accept a transfer to a new post.<sup>11</sup> Given all of the above, the most succinct description of the Russian military's condition comes from the chief of the General Staff, Gen. Anatolii Kvashnin, who described the condition of his institution as "beyond critical."<sup>12</sup>

Without a crash program to restructure, retrain, and reequip Russia's armed forces, Russia is certain to become further marginalized in security affairs beyond its immediate periphery. If Russia continues along its current path of letting its military atrophy, it is likely to be marginalized in regional security affairs even around its periphery, for Russia's failure to project power and influence is certain to attract other powers that are willing and able to fill the resulting security vacuum. It is difficult to conceive how Russia's poorly trained, ill-equipped, and undisciplined military could be a reliable partner in future multinational military missions.

## **AN UNCERTAIN ECONOMIC OUTLOOK**

Despite Russia's recent, strong economic growth following a decade of unprecedented economic contraction in the 1990s, the economy remains weak by all accounts and precariously dependent on exports of oil, gas, and other raw materials. Accounting for half of Russian exports, energy resources are not a reliable source of long-term stability and prosperity for Russian national income and growth. Oil revenues, although providing a financial lifeline in the near term, have reduced incentives for modernizing Russian industry and for introducing much-needed and long-delayed structural reforms. Far from serving as the facilitator and financier of economic reform and modernization in Russia, the energy and other mineral wealth sectors have subsidized the old economic system and enabled it to coast along.<sup>13</sup>

Furthermore, the extent to which Russia can sustain and increase its energy production is questionable. The wealth is undoubtedly there, but the uncertainty is whether Russia can sustain levels of production or increase them.<sup>14</sup> For the most part, Russia has not revised Soviet oil-production methods, which have resulted in low reserves-to-production ratios, overpro-

duction, and water encroachment in oil fields. Much of Russia's untapped reserves are found in regions where the expense and technological requirements of production will be high. The key to sustaining and potentially increasing production is good corporate governance and effective public policy that will support the rule of law and transparency and thus significant foreign investment.

Maintaining and increasing oil production also depends on global energy prices. New investment in the Russian oil and gas sector, as well as the infra-

structure necessary to bring Russian hydrocarbons to market, is contingent on the price of oil remaining high. The influx of Western capital and know-how in the Russian oil sector, as well as further internal improvements in the oil sector itself, will not cease should the price of oil dip below some benchmark—\$17 or \$20 per barrel, or some other magical number—but Russian assumptions about the country's economic

**Russia will become more marginalized in security affairs beyond its periphery.**

situation as well as aspirations for future growth, expressed most ambitiously by Putin's May 2003 call for doubling Russian gross domestic product by 2010, will be jeopardized.<sup>15</sup> An August 2003 World Bank report on the Russian economy warns that the Russian government's expectations of growth rates at or above those already achieved in the past five years "require unrealistically high prices for oil and gas."<sup>16</sup> Similarly, Russia's current ability to escape the effects of "Dutch disease," whereby dependence on high prices of one's commodity exports drives up the value of the national currency, undermining export competitiveness and thus growth, stems from the appreciation of the euro against the dollar, which is unlikely to be a permanent condition.<sup>17</sup> Dependence on commodity exports remains a structural vulnerability of the Russian economy.

Moreover, although the Putin administration has curtailed the power of a handful of industrial barons known as the oligarchs, it has had little success reforming the system of crony capitalism that had emerged under Yeltsin. Even though the oligarchs have been banned from active and visible participation in domestic politics, their influence in the country's economic life appears to have grown on Putin's watch.<sup>18</sup> The country's handful of large financial-industrial empires reportedly have three-quarters of the Russian economy under their control. Such an unhealthy concentration of industrial and financial power points to the difficulties that lie ahead as Russia proceeds along the path of modernizing its economy, creating open markets, and integrating the country into the global marketplace.



Even more critical, Russia's insufficiently diverse economy has meant that entrenched and concentrated economic interests are able to resist changes that can increase competition and transparency. After progress in fiscal and tax reform, Russia's economic transformation has stalled. Accession to the World Trade Organization, touted as the key to Russia's global competitiveness and as a lure for investment, remains an elusive and increasingly contested goal.<sup>19</sup>

### **A SHRINKING NATION**

Russia's prospects are further clouded by a crisis of depopulation. The country's population has declined from 150 million in 1991, when the Soviet Union broke up, to roughly 144 million at the end of 2002. Optimistic sources project that by 2025 this number will fall to about 136 million; the UN projects 126 million. A combination of high mortality rates and low fertility rates means that in 1999, for example, 177 Russians died for every 100 who were born.<sup>20</sup> Gains made in demographic health following World War II have been lost: a male born in Russia today has the same life expectancy as one born in the war-shattered Soviet Union of 1945. This statistic points to an enormous toll on Russia's future productivity and stability: in 2001, Russia had about 12 million males in the 15–24 age cohort, those entering their most productive years. Given current birth and death rates, the same projection results in less than 8 million males 15–24 years old in 2025.

Russia has to deal not only with a smaller population but also with a much less healthy one. Alcoholism and heart disease have increased as a result of economic dislocation in the 1990s. The tuberculosis rate is 100 cases per 100,000 (the rate in the United States is lower than 10 per 100,000), and the instances of multidrug-resistant strains of the disease are increasing. Russia has the highest rate of growth in HIV infection in the world, and HIV/AIDS is spreading from the intravenous drug-user and commercial sex-worker populations to the general heterosexual population as well as to babies born HIV-positive. By 2005, as many as 5 million Russians could be HIV-positive; given the lack of advanced and systematic care facilities and drug-treatment regimens, by 2010 these individuals will begin to develop full-blown AIDS and die. A World Bank model of the long-term effects of HIV/AIDS on the Russian economy concluded that "the uninhibited spread of HIV would diminish the economy's long-term growth rate, taking off half a percentage point annually by 2010 and a full percentage point annually by 2020."<sup>21</sup>

Russia's shrinking, ailing, and aging population will impose further constraints on the country's recovery and growth. From the size of the labor force that Russia will need to sustain economic growth and support its retir-

ees; to the size of the military it will field; to the amount of tax revenues the Russian government will be able to collect to pay for rebuilding the nation's infrastructure, for meeting the challenge of AIDS, and for investing in education and science, Russia's demographic crisis will affect every aspect of the country's domestic life and international posture.

### THE CURSE OF GEOGRAPHY

Traditionally, Russia's geography has been considered one of the country's strengths. The ability to absorb foreign invaders and exhaust their supply lines, however, is no longer the key to security and geopolitical advantage. Rather, Russia's size has become a constraint on the nation's economy, which can no longer afford the exorbitant subsidies for domestic transportation and is literally being pulled in different geographic directions by the demands and opportunities of twenty-first-century trade patterns.

demands and opportunities of twenty-first-century trade patterns.

Consider the cost of keeping Russia together: Its territory covers 11 time zones and stretches from Arctic lands in the north to desert in the south. Communication is difficult, and transportation costs have rendered commerce among Russia's many far-flung regions a losing proposition. The climate is harsh and mostly cold. Agricultural production is limited, and manufacturing

entails enormous energy costs just to keep factories and residences warm. Construction is expensive in the permafrost regions (more than half of Russia's territory), and drought and erosion plague Russia's southern climates. Russia has a long coastline, but because nearly all of it is in the Arctic north, the coastline cannot be used for ports and trade.<sup>22</sup>

The legacy of Soviet central planning compounds the costs imposed by Russia's complicated geography. Motivated by strategic objectives rather than economic calculations, the Soviet Union committed huge resources to settling and developing inhospitable areas. Russia now must deal with the legacy of industries and populations planted where costs exceed resources and transportation costs impose a heavy burden on manufacturing and extractive industries.

Russia's ethnic and regional diversity, combined with an unwieldy federal structure that confers state-like rights on 89 constituencies from Kaliningrad to Kamchatka, imposes huge demands on central government resources. Putin's early efforts to revamp the federal structure of the Russian Federation have achieved little success. Despite some progress reining in regional

**Despite recent economic growth, the economy remains weak and precariously dependent.**

governors and curtailing their independence and thus restoring some of the federal government's authority, domestic power, in the sense of forcing local political leaders to implement federal policy, has proven elusive.

In sum, Russia's geography is more of a contemporary source of fragility than of national power. If Russian economic growth continues, if society remains stable and immigration helps boost the domestic labor force, if new investments give rise to enterprises in regions where they can produce their goods economically, and if Russia can sustain some measure of energy subsidies to ease the costs of production and transportation in such a large and cold country, Russia's wealth of resources and geopolitical bulk could possibly become a source of national power in the coming decades. Currently, however, it presents serious constraints.

### **A DIVIDED POLITY**

For all his dynamism and political agility, many of Putin's initiatives, from improved relations with the United States and integration in the Euro-Atlantic structures to WTO accession, have been opposed by entrenched bureaucratic and corporate interests in the country. After a full decade of these interests dominating Russian politics and policymaking,<sup>23</sup> change is likely to come slowly, if at all. The new corporate power-centers in Russian politics have taken full advantage of the government's weakness and have forged close links with the career bureaucracy inherited by the Russian government from the Soviet era. Together, these sectors represent a formidable coalition.

Repeated testimony from senior Russian economic officials refers to their inability to overcome the power of the bureaucracy, which is aligned with equally powerful commercial interests. On a number of occasions, Putin himself has publicly referred to the need for far-reaching government reforms in an effort to overcome these obstacles.<sup>24</sup> Putin's unprecedented offer of partnership to Bush and cooperation with the United States in the aftermath of the September 11 attacks was clearly at odds with the statements of even his closest advisers.<sup>25</sup> His message of support for and unconditional cooperation with the United States went far beyond the comfort level of the political establishment in Moscow at the time.

To combat these entrenched corporate and bureaucratic power-centers, Putin appears to have only a limited ability to adjudicate among competing lobbies and between their commercial interests and the common good. As president of Russia, he may well be inclined to take important steps toward improving relations with the United States, for example, curtailing the nuclear relationship with Iran because of its obvious negative implications for Russian security, but his power to do so is likely to be quite limited, given

the nature of the system that propelled him to Russia's presidency.<sup>26</sup> Putin himself is a product of that system, having emerged from obscurity to the presidency in just a few months, propelled to the top by the money and political prowess of the Yeltsin family clan, otherwise known as the "family."<sup>27</sup>

Putin has cracked down on the most independent and politically ambitious corporate interests and their leaders, the oligarchs. But he has yet to drive a wedge between power and property, to successfully change the underlying system, one in which political and bureaucratic power is seen as the necessary precondition for acquiring property and is dominated by clans—tight-knit coalitions of business, political, and bureaucratic interests that compete for property and power. The World Bank's most recent study on corruption ranks Russia among the top 25 percent of countries that are the most corrupt.<sup>28</sup>

Putin's failure to change the underlying system looms large as the most formidable obstacle in the way of closer relations between Russia and its fellow G-8 members. Putin has the ability to forge the personal relationships with key leaders and hold out the promise of leading Russia into the ranks of major powers, but he has yet to demonstrate the ability to bring about the systemic change necessary to work with those key leaders effectively. Does Putin have the motivation and ability to change the Russian system in his second and—as the Russian constitution currently mandates—final term, for which he is virtually certain to be reelected in 2004?

The significant weight that this question bears for Russia's future further indicates the limits of Russian power: for the effectiveness and coherence of the political institutions to depend so heavily on the determination and political skill of the nation's leadership is a measure of the political system's limits. The experience of the last Russian leader who tried to reform the very system that brought him to the top cannot be lost on Putin. Mikhail Gorbachev ultimately discovered that the system could not be changed—it could only be broken. Unless Putin succeeds in actually changing this system, Russia's ability to deal with the host of problems that stands in the way of its return to the ranks of full-fledged great powers will be severely limited.

### **A Limited but Still Valuable Power**

---

The internal political, economic, societal, and defense challenges with which the Russian leadership continues to struggle will preclude Russia from achieving great-power status in the near future. This reality has profound implications for U.S. policy and expectations that Russia can be a partner that can and will help the United States shoulder the burdens of the international system. Russia's internal trends suggest that it is unlikely to bring to

the international table the kind of resources and reliability needed to take a leading role in solving complex global problems and threats.

To be sure, Russian cooperation in many areas would contribute to global security and prosperity. Cooperation to secure and dismantle its Soviet inheritance of WMD would make everyone safer. Still, this much-desired contribution arises not from any aspect of Russia's strength but rather would constitute an attempt to address and correct a major aspect of its weakness, for the greatest concern harbored by the international community, including many citizens and officials within Russia itself, regarding that enormously destructive arsenal is proliferation—hardware or know-how ending up in the hands of a rogue regime or a terrorist group.

Similarly, active Russian cooperation in efforts to penetrate and break apart transnational criminal and terrorist networks operating on Russian borders and throughout Russian territories would dramatically improve U.S. and global security. Here again, however, ceasing to be a source of insecurity does not exactly qualify a country as a great power.

As Bush's national security adviser, Condoleezza Rice, has noted, it is not Russia's power that threatens the United States, it is its weakness. One hopes that recognizing this reality will continue to motivate both countries to work together to secure their common interests. Nevertheless, as long as Russia is weak and internally divided, it can be only a limited partner in efforts to deal with pressing security challenges and global problems, particularly global terrorism and WMD proliferation.

Russia's ability to project power around its periphery and beyond will also remain limited until a serious effort to reform the military is underway. Russian leaders' declaratory posture may at times prove quite ambitious, as was the case with the establishment of a Russian air base at Kant in Kyrgyzstan, presumably to show the Russian flag next to the U.S. air base at Manas. Russia's ability to deliver on that rhetoric and show more than just a flag is likely to fall short, considering the severe budgetary constraints and overall condition of the Russian military.

Russia is unlikely to emerge as a member of a potential military coalition hostile to the United States. The very notion of Russia becoming a member of an anti-U.S. alliance intended to balance U.S. military preponderance seems highly implausible. Will Russia make common cause with China, with whom it shares a long and unprotected border and which many Russian ana-

**Russia's demographic crisis will affect every aspect of the country's international posture.**

lysts suspect harbors long-standing territorial designs on Russia? Such a turn of events appears highly improbable. Will Russia join Europe in a common anti-U.S. stance? That too would call for the kind of break in transatlantic relations that even the worst tensions of the past few months and years could not justify. Will Russia join Iran and North Korea? This is hardly an attractive option for a country whose elite aspires to world leadership more than anything else and looks down on Iran and North Korea as backward,

Third World regimes.

**Russia is unlikely to be able to take a leading role in solving complex global problems.**

Russia is more likely to forge a diplomatic alliance to balance U.S. preponderance, as it did during the 2002–2003 Iraq crisis. In this particular alliance, however, Russia was a junior partner to Germany and France, whose leaders place far more stock in their relationships with the United States than they place in their relations with Russia. Without a fundamental change in Russia's own internal circumstances, the strength of such coalitions of

convenience in the future will be far more dependent on the quality of German and French relations with the United States than Russia's ability to flex its diplomatic muscle.

Given Russia's geopolitical predicament, it is difficult to imagine how a rational, even selfish, assessment of Russian interests would lead Russia to conclude that it would be best served by undermining the United States. The fallout from a weaker and diminished U.S. role in global security affairs would carry with it a number of serious challenges to Russian security interests, ranging from a strong Russian stake in partnership with the United States on geopolitically balancing China to the immediate threat to Russian security in the event of U.S. abandonment of its security assistance to Central Asia to the prospect of Iran armed with nuclear weapons and ballistic missiles with Moscow well within range. Thus, although Russia apparently has a strong interest in making clear to the United States that it is not to be taken for granted and that its interests and sensitivities are not to be brushed aside, Russia has no compelling rational interest in undermining or geopolitically balancing the United States' international position.

Until Russia decides on and implements defense reform, its military forces will be unable to make any more than a token contribution at best to future multilateral military missions from the Balkans to Iraq to Africa. Until the government implements policies that encourage the development of a diversified, modern, and responsive economy, Russia's wealth will remain concentrated and its vulnerability to shocks will remain high, preventing it from

occupying the ranks of major world powers to which it rightly aspires by virtue of its size, history, intellectual tradition, and potential. As long as corruption remains a central reality on Russia's political and economic landscape, the system will be unable to generate significant resources for tackling domestic, regional, and global problems. Until Russia is able to provide for the health and well-being of its own citizens, it cannot be a leading partner in efforts to solve global social and demographic crises.

Russian weakness will have important implications for security throughout the former Soviet Union, well beyond Russia's national borders. In the years ahead, if Russia is to remain a security consumer rather than a provider, its government is unlikely to help provide for the security of other states, even on its periphery. One can hope that Russia will act constructively, responsibly, and predictably in relations with its neighbors and will join efforts to promote stability and security in the former Soviet borderlands. A constructive and responsible Russian stance is essential to the international community's efforts to shepherd countries as diverse as Georgia, Belarus, and Kazakhstan to a more stable and secure future as well as to a more integrated position in the international community and economy. Russia retains a great deal of residual influence around its periphery, if only by virtue of its history and geography. From transporting Kazakhstan's hydrocarbons via pipelines traversing Russian territory, to resisting the temptation of playing factional politics in Georgia and in its political succession in the years to come, to reining in the worst excesses of the Belarusian dictator, Russia can play a major role in stabilizing Eurasia at no cost to itself.

Russia retains a great deal of influence in the international arena by virtue of its institutional memberships. As the United States continues to wage the war on terrorism in many theaters and fora, a constructive Russian stance on issues ranging from the U.S. military presence in Central Asia to Security Council deliberations about Iraq is far more preferable to obstructionism. To that end, Russia can prove a useful diplomatic partner even if Russian consent is no longer necessary for a country, particularly the United States, to achieve its objectives, whatever they may be, and even if Russia's status as a global power continues to decline.

## Notes

---

1. *Economist*, September 27–October 3, 2003, p. 104; Economist Intelligence Unit, *Country Profile: Russia*, May 1, 2003.
2. For information about the views of U.S. officials, see U.S. Department of Commerce, "Commerce Secretary Notes Growing U.S.-Russia Commercial Partnership," September 30, 2002, <http://usinfo.state.gov/regional/eur/russia/evans-houston0930.htm> (accessed October 10, 2003). For the views of nongovernmental specialists, see Edward Morse

- and James Richard, "The Battle for Energy Dominance," *Foreign Affairs*, March/April 2002, [www.foreignaffairs.org/20020301faessay7969/edward-l-morse-james-richard/the-battle-for-energy-dominance.html](http://www.foreignaffairs.org/20020301faessay7969/edward-l-morse-james-richard/the-battle-for-energy-dominance.html) (accessed October 12, 2003).
3. See Angela Stent and Lilia Shevtsova, "America, Russia, and Europe: A Realignment?" *Survival* 44, no. 4 (winter 2003): 121–134.
  4. Keith Bush, *Russian Economic Survey: June 2003* (Washington, D.C.: CSIS, 2003).
  5. "Kuchma: Forget EU, We Have Russia," Reuters, October 1, 2003.
  6. The facts and figures cited in this section are drawn in large measure from Dmitri Trenin, "Options for the Russian Military in the Next Decade," presentation at the CSIS-NDU seminar "The Sources and Limits of Russian Power," Washington, D.C., January 29, 2003.
  7. *Otechestvennye zapiski*, no. 8, 2002, [www.strana-oz.ru/?numid=9&article=68](http://www.strana-oz.ru/?numid=9&article=68) (accessed October 9, 2003).
  8. "Bol'she poloviny rossiiskikh ofitserov zhivut za chertoj bednosti" (More than half of Russian officers live below the poverty line), located at [www.grani.ru](http://www.grani.ru), February 28, 2003; Vadim Solviev, "Chrezvychaino zapushchennyi silovoi vopros" (The extremely overlooked power question), *Nezavisimaia gazeta*, September 12, 2002.
  9. Oleg Kruglov, "Eezhednevno samoubiistvo v kazarme" (Daily suicide in the barracks), *Nezavisimoe voennoe obozreniie*, May 30, 2003; Fred Weir, "In Russia, an Army of Deserters," *Christian Science Monitor*, September 30, 2002; Nabi Abdullaev, "54 Soldiers Abandon Unit Over Beatings," *Moscow Times*, September 11, 2002.
  10. "Kvashnin to Persuade 'These Alekperovs,'" *Gazeta*, July 26, 2002, translated in FBIS CEP20020729000352.
  11. Simon Saradzhyan, "Putin Fires Defiant General Gennady Troshev," *Moscow Times*, December 19, 2002.
  12. "Kvashnin nazval polozhenie rossiiskoi armii 'zakriticheskim,'" (Kvashnin has called the state of the Russian army "beyond critical"), *Vesti.Ru*, May 30, 2002, [www.vesti.ru/news.html?id=7038](http://www.vesti.ru/news.html?id=7038).
  13. Harry Broadman and David Tarr, "Russian Accession to the WTO and Its Impact on the Russian Economy," presentation at the CSIS-NDU seminar "The Sources and Limits of Russian Power," Washington, D.C., March 26, 2003. In addition, see Yegor Gaydar, "The Political and Economic Situation in Russia," remarks at the Carnegie Endowment for International Peace, Washington, D.C., January 29, 2001, [www.ceip.org/files/events/gaidar.asp?pr=2&EventID=125](http://www.ceip.org/files/events/gaidar.asp?pr=2&EventID=125) (accessed October 9, 2003); "Illarionov Critiques Russia's Oil Addiction," *Jamestown Foundation Monitor*, October 26, 2000, [www.jamestown.org/pubs/view/mon\\_006\\_200\\_000.htm](http://www.jamestown.org/pubs/view/mon_006_200_000.htm) (accessed October 9, 2003); World Bank, *Russian Economic Report* no. 6, Washington, D.C., August 2003, located at [www.worldbank.org.ru](http://www.worldbank.org.ru) (accessed October 9, 2003).
  14. The analysis in this section is based on Robert E. Ebel, "Russian Energy and the Power of Oil," presentation at the CSIS-NDU seminar "The Sources and Limits of Russian Power," Washington, D.C., December 17, 2002.
  15. Vladimir Putin, "Address to the Federal Assembly of the Russian Federation," May 16, 2003, [www.kremlin.ru/events/detail/2003/05/44646.shtml](http://www.kremlin.ru/events/detail/2003/05/44646.shtml) (accessed October 9, 2003) (hereinafter Putin address).
  16. World Bank, *Russian Economic Report*, p. 2.
  17. Although the ruble appreciated in value against the dollar, the ruble's value depreciated against the euro because the euro appreciated against the dollar; therefore, on balance, the value of the Russian ruble in trade relations did not move as much as it might have. The authors are grateful to Mark Kramer for discussion on this point.



18. Robert Cottrell, "Russia's Rising Tycoons: As the Concentration of Ownership in the Country Grows, the Resemblance to South Korean Chaebols Suggests a Potential for Strong Growth—But Also Instability," *Financial Times*, August 6, 2002.
19. In May 2003, the leading Russian WTO accession negotiator, Deputy Minister of Economic Development Maksim Medvedkov, told Russian news media that Russia would not be able to join the WTO until 2007. "Torgovlya s VTO prodolzhitsya do 2007 goda" (Haggling with the WTO will last until 2007), *SMI.Ru*, May 21, 2003, [www.smi.ru/03/05/21/1344200.html](http://www.smi.ru/03/05/21/1344200.html) (accessed October 9, 2003). For an assessment of Russia and the WTO, see Broadman and Tarr, "Russian Accession to the WTO and Its Impact on the Russian Economy."
20. The data in this and the following paragraph are from Nicholas Eberstadt, "The Demographic Factor in Russian Development," presentation at the CSIS-NDU seminar "The Sources and Limits of Russian Power," Washington, D.C., October 29, 2002; National Intelligence Council, U.S. Central Intelligence Agency, *Global Trends 2015: A Dialogue About the Future With Nongovernment Experts* (Washington, D.C.: National Foreign Intelligence Board, December 2000), [www.cia.gov/nic/pubs/index.htm](http://www.cia.gov/nic/pubs/index.htm) (accessed October 9, 2003).
21. Christof Rühl, Vadim Pokrovsky, and Viatchslav Vinogradov, "The Economic Consequences of HIV in Russia," May 2002, [www.worldbank.org.ru/ECA/Russia.nsf/ECADocByUnid/56435B1EA108E164C3256CD1003FBE54](http://www.worldbank.org.ru/ECA/Russia.nsf/ECADocByUnid/56435B1EA108E164C3256CD1003FBE54) (accessed October 9, 2003).
22. The information in this paragraph and the next is taken from Michael Bradshaw, "The Geographic Factor in Russia's Economic Modernization," presentation at the CSIS-NDU seminar "The Sources and Limits of Russian Power," Washington, D.C., November 7, 2002.
23. Thomas Graham, "Novyi rossiiskii rezhim" (The new Russian regime), *Nezavisimaia gazeta*, November 23, 1995; Lilia Shevtsova, *Putin's Russia* (Washington, D.C.: Carnegie Endowment for International Peace, 2003); Lilia Shevtsova, "Whither Putin After the Yukos Affair?" *Moscow Times*, August 27, 2003; Gleb Pavlovskii, "Brat-3" (Brother-3), *Ekspert* no. 32 (2003).
24. Putin address.
25. Susan Glasser, "Russia May See U.S. Concessions; Support on Terrorism Promised, but Moscow Sees Chance to Press Other Issues," *Washington Post*, September 22, 2001; "Russia Rejects Joint Military Action With U.S.; Official Says Central Asia Shouldn't Be Staging Area," *Washington Post*, September 16, 2001.
26. For a fascinating insight into the insular nature and corporate power of the Russian Ministry of Nuclear Energy, best known by its Russian acronym MINATOM, see "Prezidentu dolozhili o MINATOME" (The president was informed about MINATOM), *Novaia gazeta*, August 4, 2002 (Documents from Russian Presidential Administration). See also Simon Ostrovsky, "Bendukidze Celebrates Listing With Jibe at U.S.," *Moscow Times*, October 1, 2003.
27. Shevtsova, *Putin's Russia*.
28. See Daniel Kaufmann, Aart Kraay, and Massimo Mastruzzi, *Governance Matters III: Governance Indicators for 1996–2002* (Washington, D.C.: World Bank, 2003), [www.worldbank.org/wbi/governance/pdf/govmatters3.pdf](http://www.worldbank.org/wbi/governance/pdf/govmatters3.pdf) (accessed October 9, 2003).

