

**“Russia’s Transition to Democracy and U.S.-Russia Relations:  
Unfinished Business”**

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Michael McFaul is the Peter and Helen Bing Senior Fellow at the Hoover Institution. He is also an associate professor of political science at Stanford University and a nonresident Senior Associate at the Carnegie Endowment for International Peace.

The future of Russian democracy is the most important issue in U.S.-Russia relations today. If Russia consolidates a liberal democracy at home, then Russia will develop into a reliable and lasting ally of the United States in world affairs. If Russia fails to consolidate liberal democracy at home, then Russia may still be a cooperative partner of the United States occasionally and sporadically, but always with conflicts. If Russia lapses back into dictatorship, U.S.-Russian relations will become strained, competitive, and possibly even confrontational again as they were for most of the twentieth century.

Here are the steps we should take now to help the cause of Russian democracy:

- **Compel the Bush Administration to Clarify Its Policy on Russian Democracy**  
In the last two years, Bush administration officials have made very contradictory statements about their level of concern about democratic backsliding in Russia. Recent statements made by Ambassador Alexander Vershbow in Moscow and Deputy Assistant Secretary of State Stephen Pifer connote real concern about internal developments in Russia, yet statements by President Bush convey the opposite.
- **Speak the Truth about Democratic Erosion in Russia**  
Democracy building takes decades, and America's public condemnation of the problems can make a real difference for reformers inside the country struggling to get their message heard. Because the Bush administration has decided not to focus on these set of issues at this time, Congress should be especially vocal.
- **Show Solidarity with Russian Human Rights Activists**  
U.S. officials and members of Congress should make it clear what side they are on in the struggle for democracy inside Russia. Russian human rights activists are alienated by the lack of American attention devoted to their causes today.
- **Maintain Support for the Freedom Support Act (FSA)**  
Paradoxically, at a time when Russian democracy is eroding, some Bush administration officials have begun to discuss the timetable for Russia's "graduation" from U.S.-funded democracy programs. The job of building democracy in Russia is not only incomplete, but is becoming more difficult. This is no time for "graduation."
- **Assess Democracy Assistance**  
Congress should organize a comprehensive assessment of democracy assistance to Russia over the last decade, which should be made by a blue ribbon, bipartisan commission of independent analysts, scholars, and former statesmen.

## **Russia's Successes at Home and Abroad**

The fate of Russian democracy remains a critical issue in American foreign policy. Many of the issues that mattered a decade ago have been eclipsed as agenda items in Russia politics or U.S.-Russian relations, and promoting democracy in Russia is now the most important aspect of U.S.-Russian relations.

### ***The Empire***

A decade ago the United States worried about the reemergence of a Russian empire. Today, however, the probability of a resurgence of a new Russian empire is low. To be sure, President Putin seeks to expand Russian influence throughout the territory of the former Soviet Union. As the largest economy and most powerful military power in the region, there should be no doubt that Russia will continue to exercise influence in its neighborhood. A *democratic* Russia, though, will be less likely to seek to acquire new territory through the exercise of military force. This threat only becomes real if a dictator returns to the Kremlin.

### ***Foreign Policy***

A decade ago, the United States was alarmed by the cantankerous debate underway in Moscow concerning Russia's place in the world and the internal power of the "new nationalists." While this group and its perspective still exists in Russia today, it is not the dominant view among foreign policy elites and is most certainly not the orientation of the Putin government. Putin and his foreign policy team are still suspicious of American intentions and worried about American hegemonic power. But rather than build alliances to try to balance this power, Putin has decided to move Russia closer to the West and closer to the United States in particular; he sees Russia's national interests as best served through partnership, not rivalry, with the West. On some issues areas, such as the war on terrorism, Putin has even called the United States an "ally" of Russia.

This posture was most apparent during the war against the Taliban in Afghanistan, when Putin and his government provided real assistance to the United States. The Russian government trained and armed the Northern Alliance, shared intelligence with its American counterparts, opened Russian airspace for flights providing humanitarian assistance, and did little to impede the creation of American military bases in Central Asia.

In 2003 Putin's understanding of the strategic interests shared between the United States and Russia and his apparent warm personal feelings toward President Bush did not translate into real breakthroughs in U.S.-Russia relations. Beyond Afghanistan, Russia has done little to assist the American war and reconstruction effort in Iraq. Two weeks ago – after months of stonewalling – Russia finally agreed to negotiate debt relief for the war torn nation, but refused to say how much debt they might erase. Nor, despite the claim of being allies in the war on terrorism, has Putin changed Russia's policy toward Iran. Russia could play a pivotal role in slowing down Iran's acquisition of nuclear weapons, but has not yet (at least publicly) taken serious steps in the direction.

Nonetheless, even if tangible “deliverables” cannot be seen yet from today’s Russian-American partnership, the general orientation of Russian foreign policy is not in doubt. Putin looks to the West, not the East or South, when thinking about Russia’s long term strategic interests in the world.

### ***The Economy***

What has taken shape so far in Russia is still not what most in the West would recognize as a market economy. Nonetheless, the trajectory is in the right direction. Since becoming president, Putin has done much to accelerate Russian economic reform. He introduced the flat income tax of 13 percent, which has raised state revenues. Putin’s government and the new pro-Putin Duma passed into law a series of fundamental reforms, including a new land and legal codes; a new regime to prevent money laundering; new legislation on currency liberalization; and a reduction in the profits tax. Under Putin, the Russian government also has balanced the budget and sharply reduced international lending.

It is still unclear how big a role these reforms have helped in helping the Russian economy, or whether other factors – such as the devaluation of the ruble in 1998 or rising oil prices since 1999 – are the real causes of growth. No one, however, debates that the Russian economy is growing. Since 1999, the first year of positive growth in Russia since independence in 1991, Russian GDP has grown steadily. Still, real problems remain. The Russian economy is still too reliant on volatile oil and gas prices; too many monopolies have not been reformed; the state sector is still large for an emerging economy; no real banking system exists; corruption still plays too huge of a role in business transactions; and the government has yet to tackle hard structural reforms such as pensions and housing. But there is little doubt about the general pro-market direction of Russia’s economy today.

### **The Big Unfinished Agenda Item: Russian Democracy**

Of the big agenda items from the 1990s in Russian reform and Russian foreign policy, only one remains: the future of the Russian political system. The empire is gone and will never come back. Russia is a market economy and will never return to a command economy. The future of Russian democracy, however, is much more uncertain. The conduct of the recent parliamentary elections – deemed neither free nor fair by outside observers – is only the latest sign of democracy in decline.

### ***Russia is not a dictatorship***

The regime in place in Russia today is radically different from the one-party autocracy that ruled the Soviet Union for seven decades. During the late 1980s and 1990s, democratic practices took hold in Russia. Although non-elected officials from the Federal Security Service or FSB (formerly known as the KGB) have assumed an increasingly large role in the federal government in recent years, elected officials still control the highest levels of the Russian state.

## ***Russia, however, is moving in an autocratic direction***

The regime in Russia has never, however, met all the criteria of liberal democracy. After his election as president in the spring of 2000, Vladimir Putin inherited a political system with weak democratic institutions – the balance of power between the president and legislative branch was skewed too far in favor of the president, rule of law had only begun to take root, and the political party system, as well as civil society, was underdeveloped. Since coming to power, Putin has done little to strengthen democratic institutions. Instead, most of Putin’s political reforms have served to strengthen his political power while carefully avoiding any formal appearance of undermining the democratic rules of the game.

### **Chechnya**

Putin’s armed forces continue to abuse the human rights innocent citizens on a massive scale in Chechnya. Russia may have had the right to use force to defend its borders, but the means deployed to fight this war – summary executions, torture, bombings of villages, the rape of Chechen women, and the inhumane treatment of prisoners of war – cannot be defended. This kind of war has not made Russia more secure or helped the United States and our allies in the battle against terrorism. On the contrary, the war has inspired more fanaticism among enemies of both Russia and the United States.

### **Media**

Since coming to power, Putin and his government have seized control of Russia’s last independent national television networks and silenced or changed the editorial teams at several national newspapers. Freedom House recently downgraded Russia’s freedom of the press ranking to “not free.” IREX, which recently published its second annual Media Sustainability Index for Europe and Eurasia, reported that Russia had witnessed serious backsliding in freedom of speech, the ability of its citizens to receive a variety of independent news sources, and the quality of news and information its citizens receive. Reporters Without Borders, in their worldwide freedom of the press index, ranked Russia 121<sup>st</sup> out of 139 countries assessed. This made Russia one of the worst performers in the post-communist world, below even Uzbekistan and Kazakhstan.

### **Civil Society and the Rule of Law**

On Putin’s watch, state intrusion in Russian society has increased dramatically and civil rights have come under attack. The arrest of oil tycoon Mikhail Khodorovsky is the latest symbol of the declining value of the rule of law in Russia and the Putin administration’s intolerance for its political opponents and their backers. Even the most powerful Russians must submit to the selection application of laws and decisions of a resurgent state – a state run increasingly by former KGB officers, rather than civilians – without being guaranteed that rights concerning due process outlined in the constitution will be respected. The Putin government has arrested and harassed human rights activists, academic researchers, and environmentalists. And it has created state-

sponsored “civil society” organizations whose mission is to crowd out independent actors.

### **Keeping out “the West”**

Putin also seems determined to limit Western contacts with Russian society. His government has tossed out the Peace Corps, closed down the office in Chechnya of the Organization for Security and Cooperation in Europe, declared *persona non grata* the AFL-CIO’s representative in Moscow, and denied visas to American academics.

### **Elections**

Candidates seeking elected office have never enjoyed a level playing when participating in Russian elections. Those politicians supported by the Kremlin have always enjoyed an advantage. The December 2003 parliamentary election, however, was less free and fair than previous parliamentary votes. Putin’s party, Unified Russia, enjoyed constant, positive coverage on all of Russia’s national television networks, while regional heads of administration and most of Russia’s oligarchs provided vast resources to candidates loyal to Putin. For the first time in Russia’s postcommunist election history, the Organization for Security and Cooperation in Europe (OSCE) issued a critical preliminary report on Russia’s 2003 parliamentary election, stressing that “the State Duma elections failed to meet many OSCE and Council of Europe commitments for democratic elections. In addition, important safeguards in domestic legislation were not enforced by the Russian authorities. This is a worrisome development that calls into question Russia’s fundamental willingness to meet European and international standard for democratic elections.”

## **The Relationship between Russian Democracy and U.S. National Security**

At the most general level of analysis, there should be no question that the United States has a strategic interest in fostering democratic regimes abroad, and especially in large, powerful countries like Russia. History shows that democracies do not attack each other. In the first half of the last century, imperial Japan and fascist Germany constituted the greatest threats to American national security. The destruction of these tyrannical regimes *followed by* the imposition of democratic regimes in Germany and Japan helped make these two countries American allies. In the second half of the last century, Soviet communism and its supporters represented the greatest threat to American national security.

Regime change inside Russia was not the sole cause of the sea change in Russian behavior internationally. Russia today is much weaker, militarily and economically, than the Soviet Union was at the time of its collapse. Even if Russia wanted to underwrite anti-American movements in third countries or construct anti-NATO alliances, it probably does not have the means to do so. Still, it is important to remember that Russia has thousands of nuclear weapons. A new fascist regime would make this arsenal threatening once again.

The chances of Putin or his successor restoring full-blown autocracy in Russia are remote. Yet, well before the reinstallation of Russian dictatorship, the negative effects on American national interests of partial democratic reform in Russia can already be observed. The United States should encourage democracy to reduce the growing influence of Putin's former KGB colleagues; to help ensure economic growth; and to ally ourselves with the Russian people.

Today Putin enjoys high approval ratings, giving him the capacity to rule without the support of anti-democratic elements and unreformed units of the Russian state if he chose to do so. Nonetheless, Putin appears at times to be beholden to these forces. Many Kremlin watchers already ascribe incredible power to the former FSB officers now serving in Putin's government both in the ministries and in the presidential administration. If Putin's popularity were to decline, he would be forced to rely even more heavily on these FSB officers. In the worst case scenario, if democracy were suspended completely, Putin or his successor would become completely dependent on this faction.

Russia's economic transformation is also threatened by democracy in decline. In contemporary dictatorships, capitalism rarely thrives. After a decade of post-communist transition, one of the striking outcomes across the board is the correlation between democracy and economic growth.<sup>1</sup> Recent studies of transitional economies suggest that an independent media and a strong party system are more important for fighting corruption than a bloated police force. The best watchdogs for bad policy and corrupt government are hungry politicians who want to get back into power through the ballot box or investigative journalists who want to make their name by exposing company and government fraud.

Finally, the United States should want to see the consolidation of democracy in Russia because the people of Russia want democracy. In poll after poll, Russians report that they value democratic ideals and practices, even if they are not ready at this time to fight for the protection or promotion of these practices.<sup>2</sup>

## **Steps to Help the Cause of Russian Democracy**

The battle for democracy within Russia will largely be won or lost by internal forces. In the margins, however, the United States can help to tilt the balance in favor of those who support freedom. The U.S. Congress has an important, independent role to play, especially today when the Bush administration is distracted with other foreign policy issues. While many issues in U.S.-Russian relations should be tackled principally and primarily by the executive branch, democracy promotion is one issue in which the Congress should take an active role.

### ***Compel the Bush Administration to Clarify Its Policy on Russian Democracy***

In the last two years, Bush administration officials have sent very contradictory signals to Moscow about their level of concern about democratic backsliding. Recent statements made by Ambassador Alexander Vershbow in Moscow or Deputy Assistant Secretary of State Stephen Pifer connote real concern about internal developments in Russia. Statements by President

Bush convey the opposite. Bush administration officials responsible for Russia argue that Putin wants to build a political system in which democracy, freedom and rule of law thrive.

### ***Speak the Truth about Democratic Erosion in Russia***

Just weeks before assuming her responsibilities as National Security Adviser, Condoleezza Rice wrote about the deleterious consequences of not speaking honestly about Russia's internal problems: "The United States should not be faulted for trying to help. But, as the Russian reformer Grigori Yavlinsky has said, the United States should have 'told the truth' about what was happening [inside his country]." She then attacked "the 'happy talk' in which the Clinton administration engaged."<sup>3</sup> Dr. Rice's message is even truer today. Yavlinsky still wants U.S. officials to tell the truth. Democracy building takes decades, and America's public condemnation of the problems can make a real difference for reformers inside the country who are struggling to get their message heard. Because the Bush administration has decided not to follow Dr. Rice's advice at this time, Congress has a duty to speak up.

### ***Show Solidarity with Russian Human Rights Activists***

In speaking the truth, U.S. officials, and especially members of Congress should make it clear where the United States stands in the struggle for democracy inside Russia. Many Russian human rights activists today feel alienated by the lack of American attention devoted to their causes. Congress should take the lead in embracing individuals, recognizing their achievements, and giving them a platform to explain to the American people what is the real state of democracy and human rights inside Russia today.

### ***Maintain Support for the Freedom Support Act (FSA)***

Paradoxically, at a time when Russian democracy is eroding, some Bush administration officials have begun to discuss the timetable for Russia's "graduation" from American-funded democracy programs. In fact, the Bush administration originally requested to cut funds for Russia under the Freedom Support Act from \$148 million in 2003 to \$73 million in 2004. The job of democracy building in Russia is not only incomplete, but becoming more difficult. This is no time for "graduation." A U.S. decision to abandon democratic activists and reform in Russia now – well before democracy has taken root – will also send an ominous message about American staying power to leaders in Iraq and Afghanistan.

### ***Assess Democracy Assistance***

Congress should organize a comprehensive assessment of democracy assistance to Russia over the last decade, to be undertaken by a blue ribbon, bipartisan commission of independent analysts, scholars, and former statesmen. We need to know what works and what does not work, both to improve programs in Russia, but also to offer up a list of best practices for new democracy assistance programs in Afghanistan and Iraq. To date, the accumulated knowledge on this subject both in government and academia is appallingly thin. President Bush's happy talk on Russia undermines the credibility and authority of lower level officials with a different,

more critical message. To be effective and sound credible, the Bush administration must speak with one voice.

## Conclusion

Speaking before the national convention of the Veterans of Foreign Wars last August, National Security Advisor Condoleezza Rice argued, “The people of the Middle East share the desire for freedom. We have an opportunity – and an obligation – to help them turn this desire into reality.” Russians also want freedom. We still have an obligation to help them as well. It is an obligation not only to the Russian people, but to the American people. Active, vocal support for Russian democracy and its supporters serves not only the political and economic interests of Russia’s citizens but will advance the national security interests of the American people.

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<sup>1</sup> Joel S. Hellman, “Winners Take All: The Politics of Partial Reform in Postcommunist Transitions,” *World Politics*, vol. 50 (January 1998), pp. 203--34; Valerie Bunce, “The Political Economy of Postsocialism,” *Slavic Review*, vol. 58 (Winter 1999), pp. 756--93; Anders Åslund, *Building Capitalism: The Transformation of the Former Soviet Bloc* (Cambridge University Press, 2002), chap. 9.

<sup>2</sup> Timothy Colton and Michael McFaul, *Popular Choice and Managed Democracy: The Russian Elections of 1999 and 2000* (Washington: Brookings Institution Press, 2003), chapter eight.

<sup>3</sup> Condoleezza Rice, “Exercising Power without Arrogance,” *Chicago Tribune*, December 31, 2000