Talking Points by Andrew Kuchins, Director of the Russian & Eurasian Program

U.S. and Russia on the Eve of the G8 Summit

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There is something appropriate about Russia hosting this G8 meeting given the forum's roots in the mid-1970s when leading Western economies were having a difficult time adjusting to the first oil crisis and its turbulent impact on the world economy. Today the group, originally comprised of the U.S., West Germany, France, UK, and Japan (at the time the five largest capitalist economies in the world) meets at a time of historically high oil prices of more than seventy-five dollars per barrel. The Russian Federation has certainly been one of the largest beneficiaries of this petro-windfall. While Russia's hosting of this meeting has put the spotlight on where Russia is heading, it also raises questions about where the G8 is heading—questions of membership and purpose. Note that when the initial group first became the G7 by adding Canada and Italy in the late 1970s, those countries comprised a bit more than sixty percent of global GDP; today's members comprise only about forty-four percent according to a recent article in the *Financial Times* by William Smyser. The G7/G8 does not carry the same economic clout, and its clout is more likely to relatively continue diminishing. And since Russia is clearly not a very democratic country, why does the G8 exclude other non-democratic countries with huge economic and security impacts like China or the more democratic and similarly rapidly emerging power of India? I doubt this membership question will get serious attention in this meeting, but I also think the G8 will be something else within five years.

Part of the problem for U.S.- Russian policy that Mark Medish alluded to earlier is that Russia changes so quickly in ways that we do not anticipate very well. Note that twenty years ago we did not expect the collapse of the Soviet Union; we did not understand the depth of the trauma that Russia experienced in the 1990s; and nobody predicted the rapidity and the magnitude of the Russian recovery since the 1998 financial crash. Sure it has been aided initially by an undervalued currency and later by rising oil prices, but the numbers are nevertheless impressive. To illustrate the rapid change, remember that only four years ago many of us were concerned about Russia's capacity to make a seventeen billion dollar payment due on Paris Club debt. Also when discussing what Russia could possibly "get" from the U.S. for support of its war in Iraq, many Russian figures were arguing for debt relief. Less than four years later the Russian government has reached agreement to pay off the remaining twenty billion dollars or more early on that debt! There are many other ways to illustrate this point, but I think that both in Washington and even in Moscow people are having a difficult time adjusting to the new 'new' Russia. The Russians are more confidant than in decades, and many in Washington are still stuck in the Cold War, or the 1990s, or they are just plain confused.

While Russia may be more democratic and free today than fifteen to twenty years ago, it will not be a consolidated or mature democracy anytime soon. And there is very little that we can do about it; in fact we are more likely to do harm than good, so I think it best that we take the 'Hippocratic Oath' on this question and avoid hypocritical policies on

democracy that were vividly on display during Vice President Cheney's trip to Lithuania and Kazakhstan a couple of months ago. We have close to 'zip.com' credibility with the Russians on democracy; they view our efforts at democracy promotion very cynically as a fig leaf for the expansion of U.S. hegemony—a view which is neither altogether wrong nor altogether right. Our credibility problem stems mainly from what happened to Russia in the 1990s, a period of historical weakness and state disorder for the Russian people (true our credibility is not enhanced by things like Abu Ghraib, Guantanamo Bay, et.c). The line now from Moscow is not that Washington liked Boris Yeltsin because he was democratic, but because he quickly caved in to American interests because of Russia's relatively weak position. There is a lot of mythmaking going on now about the 1990s, but the basic fact is that for most Russians this is not a period that is recalled fondly. And if Americans are viewed simply as propping up Boris Yeltsin when Russia was down and out and then bashing Putin and lecturing him on democracy when Russia is feeling its oats again, that may leave a negative residue in U.S.-Russian relations for a long time. My hope now is that we accentuate the positive in our ties with the Russians and work hard to bring some concrete achievements that are in both of our interests like the civilian nuclear agreement in the works, getting Russia in the WTO, expanding our economic interdependence, continuing to work together on Iran and North Korea, and more. I am firmly in the pragmatic camp on our ties with Russia, so rather than looking into each others' souls, I hope our two presidents and their respective teams can take some clear steps together in St. Petersburg later this week to reverse the negative momentum and cease this childish war of words or rhetorical war that has been gathering steam especially in recent months.