CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

RUSSIA AND ITS NEIGHBORS

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JAMES COLLINS: Ladies and gentleman, I think it's time to begin if we can. First, let me thank you all for coming this noon. We have been doing a series of these events looking at some different aspects of Russia and Eurasia in the onset of a new administration and at a time when the global financial picture has brought a lot of uncertainty in many, many different ways to the region which we have been – where we've been looking on it.

And today I am really very pleased to have Bob Legvold with us, to talk about the Russian relationship with the neighborhood. It seems to me this is as topic which is always central; the way in which American policy evolves in that part of the world and particularly it's important in our bilateral relations.

It is also an area which has had, in my view, too little attention and where the region itself is frequently sacrificed to what I usually call terminal bilateralism; that is that the American policy is frequently – the regional policy is simply a sum of its bilateral relationships with the various actors in the area, and I think we've paid a fairly significant price for that.

And Bob is perhaps one of our most thoughtful and certainly a preeminent scholar who has a long tradition of looking at this set of issues. He is presently the Marshall Shulman Professor Emeritus at Columbia and has been directing a project for the American Academy of Arts and Sciences on U.S.-Russia relations in the present era and looking forward.

He is going to talk to us today about Russia and its relationships with the – sometimes called near abroad – I'll call it the neighborhood. But I would say it's fundamentally looked at in terms of those countries who are not members of European institutions, and which is one way I would like to define it. And so I want to turn it over to Bob and let him give his remarks. We'll have a good discussion after that and I will try to wrap up with a couple of thoughts of my own when we get towards the end of our session. So, Bob, it's your turn.

ROBERT LEGVOLD: Jim, thank you very much. It's a great pleasure to be at Carnegie, to be part of your program, Jim, here; and especially in a room with so many friends, a large number whom I haven't seen for a while, so greetings. Let me start with three basic propositions.

The first is that I think it should be, should not have been for us over time, should not be today a surprise that Russia's relations with this set of states, with its new neighbors, no longer so new, would be the principal framework for Russian foreign policy; indeed the crucible of Russian foreign policy – and therefore that it would also become the fulcrum for Russia's relations with the outside world including the United States.

I think we didn't appreciate that from the beginning; I'm not sure we've come fully to terms with that proposition yet. But it is the heart of the matter from my point of view in looking at Russian foreign policy. I think we may have been misguided at the outset by the way in which Yeltsin and his foreign minister Kozyrev first dealt with this part of the world. This dealt with it by ignoring it, by pretending that it didn't really exist in the larger world of their foreign policy with the West.

Kozyrev went to Angola before he went to Ukraine. He was in South Korea before he was in any other part of the former Soviet Union; that was symptomatic of the priority they were prepared to give to the relationship. It was also during that period of time that trouble began to emerge: post '89 events and Georgia, then '91, '92, the separatist territories, the violence around them and the chaos, and Russian foreign policy in confronting that during that period of time. And throughout all of it, I think, we lost sight of what would begin to emerge much more clearly in '93 and '94 and '95.

The second basic proposition is that if the general evolution of Russian foreign policy since 1991 has been turbulent and characterized by large swings, as I believe it has been over the now 16, 17 years of Russian foreign policy, and relations with this new and alien neighborhood are as central as I just said they are, it shouldn't be surprising that Russian policy toward its neighbors has also evolved and swung rather dramatically during this period of time.

If I were to do a rough, almost caricature of the swings – because I don't want to spend time refining this – it would be from that initial period of what I would call neglect for the near abroad or the post-Soviet region to an emerging, but clouded and often incoherent engagement in the '93, '94, '95, '96 period to a more serious and intent engagement with something of a strategic vision by the time Primakov, his foreign minister, to the Putin period which I would characterize as preoccupation in foreign policy. There are gradations, changes, within each of, as I've said, almost a caricature of phasing and the phasing – the evolution is important but I won't take time on that.

And then the third proposition, and it follows from what Jim said at the beginning as something he's believed in deeply over the years: Any U.S. policy towards Russia that attempts to skirt the very difficult question of Russia and its neighbors, that tries to decouple the issue from the other matters that are key in the relationship, including the bilateral issues such as strategic arms control or energy security or counterterrorism, will come up short.

And I think it will be regularly blindsided by what happens in this other realm; therefore, it needs to be a central and integral part of U.S. policy towards Russia. If in the past, during the Cold War, the essential issue for the United States with the Soviet Union was direct and it was global, it has been from the beginning indirect but in an essential way organized around how Russia behaves within its own neighborhood. That's not secondary in its effects on U.S. – Russian relations or U.S. relations with the West, generally.

If that's true, if I'm right, that it needs to be an integral part of U.S. policy towards Russia and it needs to be confronted and needs to be dealt with the Russians, then it also requires a deep and a comprehensive assessment. I don't pretend to offer that to you this afternoon but it is something that I think all of us, professionals in this room, need to wrestle with.

Russia's interactions within this part of the world, within the post-Soviet space, has many dimensions. I think we often simplify how ramified the Russian relationship is, the complexity of Russia's interaction within the post-Soviet space. They all overlap, they create one large, complex, intermingled tangle and that inter-mingled tangle is now much influenced in my view by the global economic crisis and its impact within this part of the world.

I would divide this complex tangle into a rather prosaic and not terribly original three categories or three spheres. The first is what I would call the security sphere that involves a number of things, beginning with the regional conflicts, including the so-called frozen conflicts, the issue of terrorism of course, and then the role in the security realm for Moscow, the role of domestic transformation or not and the way it takes place within these other societies; the category where you end up putting color revolution to the role of NGOs or things of this sort.

But also the question of strategic frontier, not de jure frontier but strategic frontier: Where is Russia's strategic frontier going to be with respect to the post-Soviet space? It's clear that Moscow for a long time has not wanted that strategic frontier to be the de jure borders of Russia. But how do you define it and formulate it with respect to other portions of the post-Soviet space, as simple a proposition as a way in which you create and deploy an air defense system within the post-Soviet space; or the way in which you think in more profound conceptual terms of where your strategic frontier is.

And, finally, of course, within the security dimension the question of the role of outsiders because I think while that is a factor for Russia as they think about outsiders, including the United States, that operates in other domains, other dimensions; I think it's probably the most acute or the most important within the security realm. The second is, of course, economics and that's: energy and then trade and investment; and I put an asterisk by investment for reasons that I'll come to in a moment.

And then third what I would call political, but political really refers to the process of integration/disintegration and you had a simultaneous process of integration and disintegration within the post-Soviet space from the very beginning. It's been almost kaleidoscopic because you had very powerful forces of disintegration at the same time that there have been attempts, many of them essentially failed, to produce alternative forms of integration within the post-Soviet space. And that process of coping with disintegration and attempting to move towards integration is, as I say, has involved in kaleidoscopic fashion; come back to that as well.

So what then ties this together? What are the fundamental impulses behind Russian foreign policy in dealing with these three spheres within the post-Soviet space? Is it to counter the intrusion of other powers into the sphere, particularly the United States? I think many in this room would believe that's a primary impulse for what Russia does in dealing with these areas.

Is it alternatively to defend against trends within the sphere that impinge on, maybe even threaten, developments within Russia so they think about the post-Soviet space in the context of its impact, implications, ramifications or what goes in within Russia?

Or, third, is it simply to magnify Russia's status, to increase its influence, and to secure the benefits from an increased involvement, capacity to call the shots, influence outcomes within the post-Soviet space? I think most in the room would say that it's no one of these alone, that it's some combination of them, and then I think our discussions and arguments would begin over what the relative importance is of these three motivations.

Next, in terms of Russia's preoccupations in the post-Soviet space over the last five years – only one extends beyond the five years that I'll list for you – over the last five years which means the last half, a little bit better than the last half, of the Putin era – the first I think – and these are almost in order of priority from my point of view – I didn't try to do it in this fashion but I think that's the way it worked out.

The first, I believe, is restoring Russia's place and influence within this space – and do that less in the last five years by manipulating violent conflicts and overt military intervention which may have played more of a role – either consciously or rather – as I said at the outset incoherently – in the early years, less by manipulating violent conflicts and overt military interventions than by enhancing its economic position and by offering a security umbrella or becoming a security provider of sorts within the area. It's a version of what Chubais not so long ago called liberal imperialism within the post-Soviet space, what I think he had in mind and which I believe a number of others in positions of power accept.

I think the second preoccupation, the second out of six that I'll list for you, and obviously related is impeding the establishment of strategic positions by NATO and the United States in the post-Soviet space; that's fairly obvious – but also I believe managing, and I use that verb, managing, the influence of other outsiders; preventing the United States and NATO from establishing strategic positions but also managing the influence of outsiders like China and Iran and Turkey within the post-Soviet space. Third, they clearly wish as a preoccupation to dominate the development and the export of oil and gas from the post-Soviet region.

And then, fourth, they mean to, as a preoccupation, to slow the drift of the sub-regions within Russian now: Central Asia, the Caucasus, the former Western republics. The drift of the sub-regions from the Soviet core towards neighboring regions; Central Asia towards South Asia or East Asia, the Caucasus vaguely toward the West because that's not quite a geographical concept, and the former Western republics towards Europe

Above all else they want to obstruct and end the defection of the post-Soviet states after the Baltic states toward NATO or to NATO. That focuses on Georgia and Ukraine; those were the key immediate plausible cases. But in general, although they made less of an issue of it I think they also have paid some attention to the fact that between 2004 and 2006 Georgia, Azerbaijan, Armenia, Kazakhstan and Moldova all signed individual partnership action plans, IPAPs, with NATO that has led to a reasonably extensive range of practical activity for these states.

Azerbaijan is a good illustration of the way in which this is built; Russians haven't made a major issue of it, but it's not something that they're wildly enthusiastic about, and I think indirectly affects the way in which they deal with these powers in the context of their broader policy.

Next, I think a preoccupation has been what I would call – this may become a little too abstract – but controlling centrifugal forces within the post-Soviet space, and it brings us back to this question of the dual process, which is not sequential; it's simultaneous of integration and disintegration within this part of the world, substituting new forms for the old forms.

At the outset, and over the resistance of the reformers – that is the Gaidars and the Fyodorovs – the process and pressure for integration within the post-Soviet space – I'm speaking about the early 1980s – was somehow trying to reconstitute, or more accurately, to preserve what had been the Soviet system, a state trading system preserving the effect of the old grids and links and division of labor within those – within that physically planned economy but now economies that were moving away from it.

The CIS – and I think it was one of the reasons for its early failures, not its ultimate failure, its early failures – essentially as a kind of, without quite recognizing it, reincarnation or preservation of the Soviet system in a way that made no sense at the time. And as I said, the reformers in Russia itself knew that and were happy to sabotage it. But that has over time now, I say, kaleidoscopically evolved into a different way of thinking about integration.

It's not quite Europe's notion of multi-speeds, multi-levels; it's more a question of finding alternatives to macro global integration by focusing on regional cooperative forms, collective groups often functionally organized. The border guards have been far more effective as a functioning regional integrative entity than have some of the larger ideas, but it's essentially what I would call now collections of the willing with a lot of blurring between the lines among these things.

I'll come back to it a little bit later, but I'm speaking about ideas like the Eurasian Economic Community, the Collective Security Treaty Organization, the now faded notion of a single economic space, and a number of other things that are linked to them, even a Eurasian development bank that's connected to the Eurasian Economic Community idea. But the other part of this process, of the kaleidoscopic evolution of dealing with the simultaneous process of integration – disintegration has been dealing with what I would call the problem of polarization.

It's not that the Russians have wanted polarization among competing groups within the area, but they have seen it as a threat, and they've wanted to deal with it competitively or by countering it. The principal illustration of this was the emergence of Guam some years ago, which has then in turn gone through evolution, but the Russians have seen this as polarizing the post-Soviet space and as aligning these states institutionally with the West, therefore affecting the other part of the agenda.

And that too has been an issue for them in their foreign policy. They, quite rightly, have never accepted the original argument, going back to '95, that Guam was not directed against the Russians. They've understood that it was from the beginning. The only question is, what was the primary agenda? Was it security, was it economic, was it energy, whatever it was along the way.

Next, and next to last, I think the Russian preoccupation with respect to the post-Soviet space has been to keep a lid on the regional conflicts, particularly those that would be capable of exploding or escalating and then drawing in others – the internationalization, if you will, along the way of regional conflicts – but without energetically seeking a resolution of the conflicts. And finally, addressing terrorism, which speaks for itself.

So, how has Russia done addressing these six – or I think in the end it ends up being seven preoccupations – and simultaneously, since I don't want to take more than the time Jim asked me – about 20, 25 minutes – how is this being currently affected by the – how they're doing, how is that currently being affected by the financial crisis?

I would characterize the Russia position in the post-Soviet space today as an unstable equilibrium. I think they have advanced over what, in an important study that this organization sponsored in the early years – a publication that was done by Martha Olcott, by Anders Aslund, and by Sherman Garnett, which was called "Getting It Wrong" – it was a detailed study of how Russia was screwing up the process of dealing with the post-Soviet space. And I think that analysis was quite right on why things went so wrong and therefore why Russia's influence appeared to be going downhill very rapidly within the area, both in terms of countries and sub-regions pulling away from the Soviet core, as I referred to it, from the diminution of Russian influence and access, if you will, at all levels, both security, economic, and political, and of course, the trouble that integration was having in that context.

I think they have recovered. They are much beyond that at this point. I believe they are, at a minimum, primus inter pares, within the post-Soviet space in a dual sense. They certainly are with respect to all the other states within the region. I think they also are with respect to all outside powers within the post-Soviet space: the U.S., Western Europe, Iran, Turkey, China, India, Pakistan. But I think this – I call it an unstable equilibrium because I think it's in constant motion, and I think there is a continual threat to what is a partial but uncertain Russian renewed domination within the area.

The first is in terms of building this what I call unstable but equilibrium with very considerable Russian predominance throughout the area. An important part of that has been what I put an asterisk by earlier, that is the question of investment. Russia's leading companies, as many in this room know, whether it's Gazprom or Lukoil or RAO-UES in electricity or Vimpel Com in communication, have acquired control over entire industrial sectors, a number of them strategic, within many of these CIS countries.

In Ukraine, for instance, Russian oil companies have an estimated share in the retail petroleum market that stands between 80 and 90 percent. Four out of five leading mobile cell phone operators in Ukraine are majority-owned by Russian entities. In telecommunications generally – not only Vimpel Com, but it's the principal agency in this instance – regularly controls between 50 and 75 percent of the largest mobile providers in Ukraine, in Moldova, in Belarus, in Kazakhstan and now in Uzbekistan. In electric power generation and supply, not just wholesale but to end-users, again there is a vast growth of the influence of RAO-UES within these societies. Often it's done through their offshore companies, so it doesn't show up in the formal investment statistics that are recorded in this area.

And it has been growing very rapidly, especially since 2003, in Georgia, in Belarus, in Moldova, in Kazakhstan, Ukraine, and especially in Armenia, where RAO-UES manages several of the power facilities and where it has five of the hydroelectric plants. And together now, some control over the cross-border transmission links to Georgia, to Iran, and to Turkey. There are also metals, and there are railroads. And that's not to mention oil and gas both upstream and downstream, which is the very core of the issue.

You know the celebrated cases because you read the headlines when there's conflict over pricing with Ukraine or Belarus, but take the case of Kyrgyzstan. Gazprom today controls 90 percent of the petroleum product market in Kyrgyzstan. In October 2008, Gazprom bought 75 percent of Krygys gas. So, in sum, as a strategic investor in both senses, in terms of its impact on strategic sectors as well as broad significance, Russia today has no rival in the post-Soviet space even though if you look at DFI figures for the post-Soviet space, that doesn't show up. It doesn't look that way.

In central Asia, however, China, I believe, is a new and vigorous entrant not just in terms of trade but in terms of investment. And they're doing it in the same areas. That is, they're doing it in hydropower, they're doing it in energy, they're doing it in mining, and they're doing it in railroads. And they're doing it with loans that are without the political or economic conditions that come either from Moscow or from Western IFIs.

Now, I would argue that in this respect, the economic crisis appears to have strengthened Russia's hand in the – of what I've just been talking about. But that comes with a very large qualification, a very large unpredictability about the future because that depends on whether or not the Russian hand itself is not enormously weakened by the impact of the financial crisis on Russia, whether it can in fact take advantage of the hand it's been given by the financial crisis.

The economies in this area have been hit hard. You know it. You're reading it in the New York Times and the other newspapers when everything is combined with Eastern and Central Europe, but when it comes to the post-Soviet states themselves it's particularly true. It's especially true for Ukraine, as many in this room know. It's less true at the opposite end for a country like Armenia, but not without its effects in that case.

These countries were already suffering from rapidly rising energy prices in the neighborhood of annual 30 percent increases before the financial crisis of this fall and particularly, by surging food prices. Remember, we were focusing on the impact of the increase in food prices around the world about eight months ago before the tsunami hit in the financial markets. The average family in central Asia, excluding Kazakhstan, spends more than half of its household income on food.

The collapse of dynamic GNP is another consequence. These countries have actually been growing quite handsomely, even better than Russia for the last year or two. Belarus' growth rates have been in the neighborhood of 10 percent. Tajikistan had a growth rate in 2008 of 7.9 percent. Kyrgyzstan had a growth rate of 7.6 percent. All of those are going to be negative growth rates in 2009, almost certainly, with the exception, probably, of Belarus.

But accompanied as well, even before the financial crisis, by very high inflation: 15 percent in Belarus ranging up to 25 percent in Kyrgyzstan in 2008, 17 percent in Kazakhstan, somewhere between 13, 14 percent in Russia, depending on which part of the year you're looking at. The IMF now expects Ukrainian GDP to fall by 8 percent this coming year. The formal estimates that you're normally seeing are within two and 3 percent. The IMF says 8 percent. Inflation is expected to be 16 percent in 2009. You had, because it then complicates the situation, a rapid depreciation of currency in all of these areas, none as bad as Russia, which was a 40-percent depreciation over the years.

But in early February, the Kazakh National Bank stopped supporting the tenge, and the result was a 20-percent devaluation. In January, Belarus after saying it wouldn't do it – governments normally do say they won't do it – devalued the Belarusian ruble by 20 percent, which led to panic buying in Belarus over this period. The Ukrainian currency has lost – I should have not said Russia was the leading – the Ukrainian hryvina lost 50 percent against the dollar in 2008. And other currencies, especially in central Asia, have fallen by a minimum of 10 percent this month in February. This compounds the inflation problem that I referred to a moment ago, and it adds to the debt crunch because all of these countries are overextended, especially the central Asian countries – well, I shouldn't say especially – all of them are overextended.

And thus the significance of financial aid and why from Russia and then why I say it'd strengthen their hand. And you've been reading about what the Russians have been offering up, what they're saying they're going to do. There is the $1.7 billion package, the 150 (million dollars), gratis the grant, the $300 million, and then the rest of it that the Russians were said to have ponied up or promised. You've been reading about it because it's in connection with the Manas base and shutting the Manas base down in early February. That's 50 percent more than the annual budget of Kyrgyzstan, were it to be delivered. The $5 billion loan that Timoshenko appears to have arranged in Moscow for Ukraine to deal with its current urgency, the $2 billion, half of which has been dispersed to the Belarusians in this context, $500 million in a loan that's ambiguous in its terms to Armenia.

And then early this month at the summit of the Eurasian Economic Community, they established a $10 billion rescue fund. It's supposed to be a stabilization fund, 90 percent of it is promissory notes but $10 billion stabilization fund. $7.5 billion of that is to be Russian money, a billion of that Kazakh and then others that will see these countries through the crisis. We'll see. $10 billion in the circumstance. But it considerably, in these circumstances, adds to Russian clout if Russia can deliver. But then you're back to what I said. Will the hand itself remain strong enough to seize the opportunity that it's afforded.

The Russians count on the crisis to help reinforce the other dimension, which is integration. They believe this will end up strengthening the Eurasian Economic Community, and at that May – at that February 4th summit, in fact, Sergey Mironov, the speaker of the Federation Council said as much. They see the crisis as strengthening integration around something like the Eurasian Economic Community. At that meeting, Nazarbayev and Medvedev announced that the customs union they've been talking about within this context that's built on Russia Belarus, and Kazakhstan would be completed by 2009 and formally introduced in 2010. But then you run into the problems in my adjective: unstable equilibrium.

While the Tajiks and the Kyrgyz are said to be invited to joint the customs union, are expected to do so; they haven't yet passed the national legislation. And not so long ago, Uzbekistan withdrew from the Eurasian Economic Community. And Uzbekistan withdrew A, because they said EEC wasn't doing anything and Eur-Evraz wasn't doing anything and, B, they didn't like a custom union had been worked out by the three without consultations.

Similarly, Russia has reinforced its – let me finish in the next five minutes because I'm going over – has strengthened itself by exploiting – as I said – security issues or providing the security umbrella. It's done it directly for some time with Armenia, with Belarus, with Armenia going back to the Mutual Assistance Pact in 1997 and before that with fairly substantial military assistance in the context of Armenia's national defense issues; still more elaborately with Belarus in ways that integrated into the Russian program, both air defense, the strategic radar for the strategic nuclear program, and then with the central Asians.

They have now, most recently – and I won't go into the detail of it – at the same time as the effort to create the rescue fund within the Eurasian Economic Community. Within the CSTO, the Collective Security Treaty Organization, just announced the formation of a collective rapid deployment force that's supposed to be a combination of different forces, not just regular military but emergency forces and counterterrorism forces and deal with a wide range of issues from the threat of terrorism to literally Article-V-like guarantees in case of attack across a border to dealing with emergencies even with drug enforcement or counter-drug activity.

Now, Russia, to give you some sense of what they think will be the scale of it, Russia's to contribute a division and a brigade, probably the 98th Guards Airborne Division, which participated in the Georgian war. And the others are expected to contribute mobile and air-mobile units to it. They're talking about joint combat training; they're talking about a single command for it. It's Russian-based. It will be Russian-located, and as Medvedev has says, it's not to be inferior to NATO in its capabilities.

But they've actually talked about this kind of thing, including rapid deployment forces, for now more than three years, and it's all remained on paper. Where this will go I think is uncertain. I come back to my adjective unstable because the Uzbeks, who are a part of this, did so only with a special protocol that says that any military decision will be made on a case-by-case base – case-by-case basis with Uzbekistan, and Uzbekistan will not be a part of the other stuff, the emergency, the anti-drug, even the counterterrorism maybe.

And instead, what it's allowing is a lot of free-riding, which has been the case with a lot of these things in the past. Plus, economic bargaining – the Tajiks see something like the rapid deployment force and what the Russians are interested in getting in Tajikistan as a basis for demanding a higher price for facilities just as Manas is all about money and not about anything else that you see figuring in the newspapers. The Americans understand; the Kyrgyz and the Russians understand: It's all about money.

Energy, I'll skip over even though it's central. I think Russia is in the catbird seat, but it needs to be realistic about its position. It has worked very hard, and it's paid a substantial price for it, but it's not as though it goes utterly unchallenged. And there are a whole series of things along that line. When they announced the Pricaspiysky gas pipeline for the eastern side of the Caspian Sea to double gas transport from the south forward in May of – or March, I think it was, of 2007 – there was a lot of gloating in Moscow about how they had now at last undermined the Trans-Caspian pipeline. And within days, Berdymukhammedov was saying how interested – he was saying in with European diplomats how interested he remained in the Trans-Caspian pipeline. And the Pricaspiysky pipeline has really gone no place. It was supposed to be underway in '08. There's no sign that it will be underway in 2009.

The most striking instance was when a year ago, the three, Kazakhstan, Uzbekistan, and Turkmenistan got together and for the first time decided on common price close to world prices. And the Russians bought it. They bought it so they could continue to control the flow of Turkmen gas to Europe, but notice now they're paying for it. That's what I mean when I said they're paying a high price to retain their dominance over supply and access in this context. November of last year, Baku was very proud to host a summit of 15 countries including the European Commission without Russian participation that – whose purpose was – these are the quotes around the purpose of the meeting – to support a further policy of diversification of oil and gas supplies from the Caspian region to European markets.

So, finally, this would be my summary judgment. I have some thoughts about implications for U.S. policy, but I'll finish with the underlying – the summary of the underlying reality. The underlying reality from my point of view is – this is my phrase, but it's an idea embraced all along by Nazarbayev – and that is that geography is destiny. Kazakhstan is where it is. It is not in the Western Hemisphere, and therefore that has to influence its policy. It is reinforced by energy and market dependency, and we shouldn't underestimate market dependency on the Russian market for a number of these countries from Moldova to some of the central Asians in some ways and then in turn by security and by political legitimacy.

Because the Russians are the ones that continually, as the Russians would say, look through their fingers and justify what the authoritarians do in these post-Soviet spaces and allow the United States and the Europeans and the Council of Europe to be beaten up when they raise issues around democracy and domestic trends within these societies. It serves them well. It's serving them very well with Bakiev and Kyrgyzstan today.

And it certainly has been crucial with Lukashenko and people like that over time. But for both historic reasons and because of Russia's contemporary behavior, I think most of these countries, now including Lukashenko in Belarus, are wary of Russia and for historic reasons wary of China as well. The two major outside powers and therefore very eager to have a European presence – in the case of the central Asians, also a Japanese presence – and cooperation, which they would like to be unobtrusive but real, present as a counterbalance.

And all of you in the room who have dealt with them know that this comes out very clearly in conversations, and you can see it in the policy as well. Even the hard case of Belarus – and the interesting thing in the case of Belarus is that the EU now has decided they want to reengage Belarus, so October 13th the EU took a decision to lift the travel ban on the 35 who couldn't travel, including Lukashenko. They also reduced the 12 conditions for moving forward to five, which I won't list now because I'm going on too long, and that, reinforced by the haggling over gas, Belarusians need to get a better deal than Timoshenko got on the gas.

In order to get that, I think the Russians are going to put an awful lot of pressure on Lukashenko to at last come across and recognize South Ossetia and Abkhazia. The Belarus case on South Ossetia and Abkhazia, I think, is very telling. In late August, the Belarusians were making it quite plain they were about to extend recognition after the Russians did it. In fact, at the end of August, Lukashenko more or less intimated that it was going to be done at the next meeting of the Belarusian parliament, which was going to occur in the first week of September. It never happened.

And I think what happened is that Lukashenko – I think what occurred is that Lukashenko saw what kind of a firestorm – quiet, firestorm is too dramatic an adjective – but the enormous difficulty that the Russians had within the CSTO and within the SCO, which in the end, for me, was the most important part of the outside world's reaction to recognition of independence, indeed the Georgian war itself. And that combined, as I said, with the haggling which has been going on now for five – or for three years now over gas, I think, has led Lukashenko to somehow want to give himself a little wiggle room. In the end, he doesn't want to capitulate and will not capitulate to the EU, but there's movement in that area. And you can see it in a number of other respects.

The last point about the reality of the post-Soviet space is what has been a problem all along the line, and that is the degree to which post-Soviet states do not see eye to eye with one another. In central Asia, the extent to which one central Asian leader badmouths another central Asian leader in private, the extent to which you've not only got overt and conspicuous problems as that between Armenia and Azerbaijan, but in literally every bilateral relationship, there are very serious problems. There's very little making for partnership or cooperation.

Look at the problem of thinking in terms of integration and cooperation within the Caucasus. I had a preposterous conversation with Gamsakhurdia while he was still around before he was president in the early 1990s when he was railing against U.S. policy, even the betrayal of

Sigua (ph), for not being sufficiently anti-Russian and insisting on independence, I said, what would you do with an independent Georgia? Where are you going, and what's going to happen? And he said – (in Russian) – our common Caucasian home. What an incredible illusion about the world in which he lived at that point.

So, as I said, there are implications for U.S. foreign policy from all of this, but I've taken too much of your time. Jim?

MR. COLLINS: Well, thank you, Bob. I would like to, sort of, open it up to the floor for comment, discussion, questions at this point. So, let me see what people would like to contribute to the conversation. Who's going to be first? Rich?

Q: Good.

MR. COLLINS: Identify yourself.

Q: Sure. Rich Herold with BP. Thanks for so much food for thought. Accepting your argument that the financial crisis makes Russia relatively stronger than the neighborhood –

MR. LEGVOLD: Provided it doesn't undermine Russia itself.

Q: Well, that's what I want to get to. If we look ahead to the next year, projections right now that I think there's broad consensus on suggest that Russia – if the crisis in oil prices stay low for beyond the next year – Russia will largely exhaust its currency reserves. And there is, sort of, growing discussion among Russia analysts that the economic situation may well foment leadership crisis, or at least doubt about the continued ability of the duarchy to lead.

Obviously, this is hypothetical, but it's pretty realistic to assume these things from this point of view for the next year to year-and-a-half. In that situation, how would you adjust your, sort of, projection on Russia's ability to remain a strong leader in the region, and what behavior would you expect from countries in the near abroad?

MR. LEGVOLD: Well, Rick, first of all, the premise or the basis of your point obviously influences all of Russian foreign policy, so the way Russia behaves within its own neighborhood would simply be a function of that in the broader sense. If it produces the effects that you're describing, that is, that it undermines or destroys or saps, dissipates Russia's resources, then a lot of the things that they now are planning, whether it's the collective rapid deployment force or whether it is the stabilization fund, the rescue fund, they're simply not going to be able to deliver on.

And, therefore, the extent to which Russia gets leverage because the central Europeans see them as a not a life raft but an inner tube that's being thrown to them, I think, will disappear. Then it depends on what the outside world can do, because if the outside world can provide options that allow these countries to face their economic crisis – not clear the outside world can or will in the circumstance. You're seeing it in the way in which the IMF is dealing with Ukraine today. Then I think this unstable equilibrium in terms of Russia's quasi dominance versus anybody else from the outside within the region will grow increasingly unstable and will be weakened in the circumstances.

What the Russian – what kind of an alternative strategy Russia would resort to in these circumstances when, for shorthand purposes, liberal imperialism is no longer available to them, I'm not sure. I think at that point, Russian foreign policy is going to be – is going to have to rethink its general thrust, not merely what it's doing within the neighborhood, even though I come back to what I said at the beginning.

I believe that what Russia does in the neighborhood is the very core of Russian foreign policy. I think it's central to the U.S.-Russia relationship, as I've said. So I don't know – we'll have to see. That is the question of the day. Everybody that deals with Russia, whether it's in the business community or whether it's in the analytical community or within the administration or elsewhere, that's the question everybody is asking – how bad is it going to be and what will its effect be?

I think at a minimum, what most of us would agree is that suddenly Russia is more unpredictable – unpredictable as it has been at times, but more unpredictable than it's been before – and unpredictable in the sense that there are rather starkly contrasting alternative scenarios, if you will. I think the range of scenarios was narrower 18 months ago than it is now.

My own sense is that the leadership – I don't want to go on at length because this is a conference in itself – certainly a separate session. I think the leadership continues to believe that the crisis is manageable – nervous as they are, jittery as they are – and they are behaving accordingly. If that turns out to be – and that means that I don't see them moving in a – in the present circumstances, since they believe it's manageable, moving away from the behavior that we've seen in the last several weeks or in the last month.

But if they turn out to be wrong and it's unmanageable and it escalates to, or mutates into very substantial political instability, then I think bets are off.

MR. COLLINS: Marvin?

Q: Marvin Kalb, with the Shorenstein Center at Harvard. I want to take you back – first of all, Bob, that was an excellent presentation, and thank you very much for it – take you back to last August with Georgia. At that time, Barack Obama was a candidate and it wasn't quite clear what his response was. It started soft then got firm as McCain's was firm from the very beginning.

There has been in the last couple of weeks, we are told, an exchange between the new administration and Moscow. I have no idea how the Georgia piece fits into this, but it is so unstable – to pick up your word – that something could happen, perhaps this year. What is your sense of where that would then fit in to a Russia-American relationship – a confrontation – what happens? What's your sense?

MR. LEGVOLD: Well, were it to escalate, were it to repeat itself, there's no question that it would be enormously disruptive. And whatever hopes the Obama administration has – which is considerable – that by setting a new tone, which is what they're doing now, it will then lead to progress in substantive areas once people can begin deciding what that agenda is – how to focus and how to proceed.

I think – whether it would be thrown completely off track, it certainly would be dealt a very serious blow in the circumstances. On the scenario itself, there are Russians – the position is not surprising – but there are Russians like Pavel Felgenhauer, who believes that inevitably, there is going to be a new war because the Russians haven't finished the job, and they won't finish the job until they control Georgia. Well, that's Felgenhauer – I'm not sure I'm persuaded that that's the way in which the Russians are seeing the Georgian situation right now.

I think it's the – in fact, at least from my point of view, at the moment, the Georgians and the Russians are actually talking to one another. Whether they can make progress is not clear; some of that will depend on the way politics works out within Georgia itself. And as those of you who followed the Georgian events know, that Burjanadze has been joined by people like Irakli Alasania, their U.N. ambassador, in the opposition who are raising questions about how Georgia got itself into the fix that it's in.

Alasania is interesting because he has credibility with the Abkhaz and Shamba, the foreign minister for Abkhazia has already said that were this element within to Georgia to ascend – unlikely that it will – they are calling for early elections, but whether that would happen – that they would be willing to talk with the Georgians. The say the precondition is that you accept no talk of confederation, let alone reintegration, but that you accept an independent Abkhazia – but we can at least talk along the way.

I think the West is, in effect – the U.S. and the Europeans – particularly the Europeans since the EU and Sarkozy took a major role in the August events – are for the moment hoping for time. And they are begging key issues by still discussing the original six point plan and the August 12th amendment, because the real issue now is the deployment of Russian military power in the three bases in Abkhazia. And one hopes that it won't occur – that the Russians move forward with the incorporation of South Ossetia into the Russian Federation.

Both of those – I mean, if the Russians really beef up – start dredging the naval base or really begin deploying in the major airbase, which is a very suitable military base for them, let alone begin moving politically on South Ossetia, I think that will be very, very difficult for the administration to deal with. But I'm not convinced that's where it will go.

I think one of the key things now is passage of time – if we can get a little time to see what will settle down, because my own notion is that if you can create a more positive context – I don't mean to be Pollyannaish about it – but if you can create a more positive context in Russia's relationship with the broader world, including the United States, without arguing that there's an absolute direct link, I think it makes it a little easier to push for Russian restraint on an issue like Georgia.

Q: Yes, Flynt Leverett from the New America Foundation. I wanted to ask you to pick up on your discussion of energy issues toward the end of your presentation, please. You mentioned that Russia is, and I would agree with you, in a relatively dominant position in terms of being able to direct energy flows out of Central Asia. But you also noted the Pricaspiyski Pipeline hasn't moved on the schedule that was originally anticipated. The Russians are having to pay more for gas from Central Asia.

If you look a little – broaden the focus and think about Russian-sponsored alternative pipelines – whether it's North Stream or South Stream, you know, Gazprom is going to have to do some heavy investing to source those projects. And I wondered if I could get you to talk in a little more depth about how you see Russia's ability to exercise determinative influence over the production and marketing of hydrocarbons from Central Asia – how that plays out over the next several years.

MR. LEGVOLD: I think it's a very good question and depending on how the impact of the financial crisis influences Russian policy overall and the U.S.-Russia relationship, when we come to the energy sphere, that would be an area, for the reasons that you've begun sketching, where I would be optimistic about the possibility.

Were we really to focus on an energy dialogue and the issue of energy security – try to get back to 2002 where we started the energy dialogue, and do something deeper and more elaborate than what the Bush administration did in its last year with the economic and energy dialogue, that there are prospects, because I think while the Russians, as I said, are in the catbird seat, it's not secure; A, because the Central Asians in particular in the Azeris who don't have – or Azerbaijanis – who don't have great alternatives, would like to have alternatives.

And where they can move in that direction, they've been doing so – hence the illustrations that I gave you. Secondly in terms of the alternatives, while both South Stream and particularly Nord Stream face real problems – probably insurmountable problems depending on the impact of the economic crisis, at least in the near term. Nabucco – the alternative in the West – has gotten a more favorable look because the Azerbaijanis and the Turkmens have begun to think about it – at least talk about it – in a somewhat different way, at least for the southern portion of the way it would work in the circumstance.

But I think the fundamental point is the one that you make. Beyond 2010 and gas, the Russians – I mean, Rick, you know more about this than others – than I, in the room – the Russians need the outside world. The Russians need investment going forward. And unless we can begin finding cooperative frameworks for dealing both with transit and even access to these facilities, we're all losers – we're all going to be losers. The Russians are going to be losers too.

So I don't unsay what I said about the Russians being in the catbird seat. But, A, they are – as I say the other parties would like to have alternatives. I think the damage that the Russians did to themselves – Ukrainians as well – during the last gas standoff – whether the Europeans will actually get their act together, that's another matter, especially in these circumstances. But I think people are now much more serious about what needs to be done in terms of market consolidation, diversification in Western Europe.

And it makes some of these things that look commercially unpalatable or unattractive earlier I think begin to look a little more attractive. Now, I don't want to, again, suggest I'm operating with illusions that any of this stuff happen or that it will happen easily. But there are more possibilities now in the world that you started sketching, than there were six, eight, 10 months ago.

MR. COLLINS: Yes, Wayne?

Q: Wayne Limberg, State Department. Thanks, Bob – great talk. Two related questions, going back to your opening remarks. When you said that you thought that the Russians took the neighborhood for – or neglected it at the outset, do you think this was a matter of sort of taking it for granted; that they imagined that they were always going to be closely linked and the major influence in the area and they didn't have to work at it? That leads to a somewhat related question – and I agree with you entirely with this idea of the fulcrum of the near abroad of the neighborhood being in the bilateral relationship or a series of East-West whatever.

Do you think the Russians are as conscious and aware of that, that what they do can define how the larger relationship with the West – U.S. in particular – will go?

MR. LEGVOLD: I don't know whether to start to with what you – Wayne – what you finished with. I don't know whether the Russians are sensitive, at least in an appropriate way – in an adequate way – that their behavior in their neighborhood is key to the relationship they have with the West. I think they are more inclined to assume a different instrumentality, and that is that the West is up to no good within the neighborhood and using it against them. And therefore, they tend to see their proposition or their challenge in a strategic defensive sense, if you will.

It certainly means that they have not looked upon a more positive, constructive approach to their neighbors as a way of improving their relationship with the West – that would be the practical effect of this from my point of view. What they thought at the outset is not clear because the people who dominated policy – and the one I'm referring to is Kozyrev, and Yeltsin went along with it. Remember in those days, others not making policy but important voices – a man like Ambartsumov in the international commission within, at that point still, the supreme soviet – had already begun defecting.

And Ambartsumov, for those of you know and remember him from the Soviet period, was not a radical Russian nationalist, but he'd already said, you know, we've given up too much territory, we've got to start paying attention to this area. I think the neglect on Kozyrev's part, and the extent to which Yeltsin bought it, is because he simply had another agenda, and his agenda was to become part of the West – to work with the U.S. – you know, the Atlantic relationship that he was working on.

And I think he thought the relations with this part of the world would take care of themselves. That was reinforced by the reformers. The person who wanted to destroy the Ruble Zone at that point – or the Ruble – was Boris Fyodor. He was the guy who had no time for maintaining the currency. They wanted to modernize the economic relations with this part of the world – with that territory.

So I think it was less the notion that everything would fall in place and their old influence would remain as much as not thinking about that as they concentrated on their pro-Western agenda.

MR. COLLINS: Wayne.

Q: Thank you. Wayne Merry, the American Foreign Policy Council. The lord knows my memory, unsubstantiated by documentation, is a bad guide, but I recall that for a while there, the CIS countries were not within the foreign ministry's remit; that for a while, Kozyrev didn't have them – that the idea is that was a separate structure, sort of like before the foreign and commonwealth offices merged in London – it didn't work. But part of the reason that Kozyrev didn't do this is because technically when he moved into smolenskaya ploshad (ph) that was not part of his turf.

And I don't remember exactly when that changed, but I think initially that was part of the issue. What I'd like to ask is to sort of follow up on Jim's comment at the beginning about our relations being sort of the sum of our bilateral ties. And the extent – the way in which the United States sort of carves up this part of the world for policy purposes – I mean initially, we treated, other than the Baltic states, we treated the 12 successor states as an entity, and then that started to change – the Pentagon was first when it changed the unified command plan – you know, divvying it up. And the State Department has done that and other departments have done it.

But if you look around the U.S. government, there clearly is no unity of concept as to what these countries represent and where their gravitational spheres of influence are – whether it's Central Asia or the Caucasus or the western Slavic countries. But increasingly it seems to me that the unity of the former Soviet space – for better or worse – is probably a logic which, you know, as geography is destiny might indicate, means that having changed our bureaucratic structures, we may now again be behind reality and that the reality may increasingly look like that which we started out with, and that American policy in terms of its regionalism – let alone its bilateralism – is out of touch with the reality we're likely to face, say, during the period of the Obama presidency.

And I'd welcome comments from either of you on that.

MR. LEGVOLD: Well, you've been listening to me perhaps too long. Jim? (Laughter.) I mean, you're the ones – the two of you have been watching it from the inside bureaucratically. I have a thought about it, but Jim?

MR. COLLINS: Well, I mean, just to be transparent, I fought the breakup of this bureaucratically for several years in my time successfully. And I did it not necessarily for any kind of imperial idea, but simply because I didn't understand what we would gain by having the territory broken up, and particularly how it would benefit Central Asia, which was always the object of people's concern, to be, in some sense, subordinate to our preoccupations or policies in Afghanistan or Iran or whatever -- that we had other fish to fry, that if you looked at the energy picture, if you looked at most of the interest in where these countries were looking at the time, it didn't look south. It looked west – this was where the new opportunity lay.

So I thought it was a mistake, I still think it's a mistake. This has nothing to do with whether or not Russia is more or less predominant. It has more do to with where we think we would like to see these countries look and where we would like them to approach their future. And I would simply submit that we did – and if we will – ask them to be parts of the European institutions for which they could aspire at the time, they still are in things like OSCE and other such organizations.

And it makes little sense to me now to carve them up and not make those relevant, because I do think those institutions have the potential to have an influence across the region. Yes?

Q: Thank you. John Daly, UPI. I was wondering if you would care to comment on something which has puzzled me for years, which is the wishful thinking aspect of western governments when it comes into developing Caspian energy – in particular the Bush administration's mantra of happiness is multiple pipelines, providing they exclude Russia and Iran.

Now, we have Nabucco being bandied about. We – as you mentioned – the Turkmen and Uzbeks and Kazaks recently – last year – talked to Gazprom and pulled out the card of higher prices. No one in Washington seems to notice that the Caspian seabed division is yet to occur, with Iran saying 20 percent, Russia saying proportional coastline. I fail to see who is going to invest in undersea pipeline when you don't have direct title to the territory, number one.

Number two is with the Georgia war – two days before you had an explosion on the BTC line in Turkey, which the PKK initially claimed. And now, on the discussions on Nabucco, the Turks are saying we will be able to take a percentage off and they are arguing for percentage – or high transit prices. And yet, Nabucco, since the Ukrainian-Russian dust-up, seems to have acquired almost a reality of its own, which I just find bizarre.

The Turkman, Bardi Mohammedov, has just been in Tehran and agreed to double the amount of gas they provide to the Iranians. He also has his agreements with the Chinese. So if you can explain to me why has Nabucco suddenly got legs when you don't own property, when you've got transit nations arguing about this, when you have no suppliers? I mean, is the mindset to keep Russia and Iran out of the loop so strong that we avoid reality on this? Thank you very much.

MR. LEGVOLD: Let me skip the second part of the question – avoid reality – and answer the first part. And the answer is, yes, it is that strong. And if it has been given legs, it has happened because of the last dust-up with the Ukrainians over gas over gas. I think that in the case of the Azerbaijanis, when you look at the satisfaction they are taking, and they start talking about their interest in Nabucco, it's because they see this as creating an opportunity for themselves in this context.

Whether it makes sense – I mean, it's like – as you know, I can tell from the way you're describing the issue – it's like the early stages of BTC, when people felt that John Brown and BP were going to have to be dragged screaming and kicking because it was essentially a U.S. political enterprise done by the U.S. government. But in the end, they found their own rationale – maybe they will be able to make it work.

The seabed issue in Caspian Sea is interesting in terms of all the complexities that you're talking about. I'm begging the question of whether the West is simply pursuing pie in the sky and unrealistic policy – I'll come back to that. But the complexities, they simply mount. You take the seabed issue. Because the Russians and the Kazakhs are at loggerheads over how that seabed is to be managed in terms of transport and pipeline, the Kazakhs have now cut their own deal with the Azerbaijanis in order to make now a commitment they played with for four or five years to Akto, Baku, Ceyhan.

And I think you're going to continue to see all of that around these uncertainties until, as I've said – you can have some kind of a sensible discussion that has to be a three-way discussion – it would have to be Russia, the European Union and the United States – that would begin sorting these things out. Whether you can do it, I don't know. But I think that depending again on what kind of constraints the current economic crisis will put on all of this stuff, I think Nabucco is more alive today than it was a year ago. But that's – I don't claim expertise, I'm just a consumer.

MR. COLLINS: Yes. No, I'm behind you – I think you're good. Then I'll come to you, Steve.

Q: Thank you, Ambassador. Jayhun Mollazade with the U.S.-Azerbaijan Council. I just wanted to make a quick comment on the issues related to Yeltsin administration and Kozyrev. I think, at that time, Mr. Grachev was a strong player in shaping Russian policy in the Caucasus and all of the occupation of Ossetia, Aphasia or Nagorno-Karabakh adjacent territories to Nagorno-Karabakh – Mr. Grachev was personally involved in all that, you know, operations in providing logistical and military support.

So even though Kozyrev may have had different, you know, pro-Western foreign policy from foreign minister perspective, but intelligence community in Russian defense – they've been playing the old kind of control kind of – divide the rule control type of policy, which they were really changed even today, if it was in the past, you know, behind things. Now, events in Georgia were more open, you know, sort of invasion – and transfer recently of $800 million worth of equipment to Armenia. It's a continuation of what happened in the '90s when Russia transferred a billion dollars of armaments.

So in a way, I think that there was a little bit of – kind of change from more liberal to more hard-line talk in Kremlin. But for the region itself, nothing much changes – even worsen because now you are seeing even more pressure. And in terms of the transportation of the Nabucco and BTC, first of all, BTC was not Bush administration design, it was successfully implemented under Clinton administration and was the policy of multiple pipelines – in the sense one of the U.S. foreign policy goals is to strengthen the independence of these republics and pipelines like BTC and Nabucco exactly serve the purpose of strengthening the independence of the republics.

And it's not clear what would have happened in Georgia in August if there was no BTC there. What could have happened to Georgians? And still that fear is there. And I think the pipeline, in a way, is some sort of protection by international players like EU and U.S. are raising their voice.

My question is really related to the role of Russia in this regional conflict and the mediation from Moldova, where there's no progress, and Georgia, forget about what happened there, whether it's revenge to Kosovo or whether it has different reasons, why they decided to give a diplomatic recognition, which was stupid, I think, to me, to Abkhazia and Ossetia. And Nagorno-Karabakh, I mean, U.S. and, for many, many years, along with the Europeans, are still playing this sort of diplomacy. But the reality is that simply Russians don't want any settlement on that. Either it's Nagorno-Karabakh or Moldova. I mean, how long all this theater will continue?

MR. LEGVOLD: Yeah. First a quick comment on your point about the purpose of multiple pipelines. And the history of it, you're quite right; it does go back to the Clinton period, particularly post-1995, when we began focusing on Caspian Sea oil. And the things that Bill Richardson would say when he traveled in the area are exactly what Richard Baucher says when he's out there, as he was in April, in terms of independence of these states, we're still making that same argument. Its purpose, though, as John was suggesting, is larger than that.

When you say independence, that's independence from one state. And its further purpose is denial to Iran, but I think the concern is less about independence from Iran than it is independence from Russia in the circumstances. So there are multiple reasons for making the argument.

The discussion, however, is whether it makes sense to approach the issue, not that they shouldn't have independence, but whether approaching the pipeline issue in this way is useful.][

On the regional conflict issues – the separatist territories, the frozen conflicts – I think there are a couple of things. First of all, it looks to me as though the Russians, without paying a lot of attention to it, I don't think they're investing very much in it, but I think there is some slight movement on the Transnistria issue. Now, so long as there's movement between the two contending parties in Tiraspol and Chisinau. And there's some signs that there is a little movement there and, conceivably – I haven't looked at it closely, lately. I think I will because it's important – we may get a better version than we got in the Dmitri Kozak effort on Transnistria a couple of years ago that the Americans, in particular, undid.

So we'll see whether the Russians – because there were some signs that the Russians saw the chance to make a little progress, provided the parties could be moved along as a kind of compensation or gesture after what they'd done in Georgia. I don't think that was central and I'm not sure that it was even accurate.

In the case of Karabakh, again, I think it depends on whether Aliyev and Sarkisian can actually make some progress on the issue. Now, I don't think – so far as I can tell – anyone around the Minsk Group either in Washington – I doubt that the Obama administration has even begun thinking about it at this stage – or in Moscow, are investing in that. So I think that remains.

And the others ones – Abkhazia, South Ossetia – that's a different universe. We've just crossed another threshold. Is it a kind of eternal Russian position to have neither war nor peace to keep these pots sort of boiling but try to keep them safe, keep the lid on them, but let them boil? I don't know. I don't know. They certainly have not turned themselves into genuine honest brokers if they would like it different.

MR. COLLINS: Yeah, Jessica. Oh, Steve.

Q: Jeff Goldstein from Freedom House. Professor Legvold, in your opening presentation, you laid out three things that people had posited as drivers of Russian foreign policy in the region. And one of them is preventing what they see as negative phenomena from spilling over the border and, similarly, the reaction to the colored revolution.

And, yet, in your preoccupations, that didn't figure anywhere. So do I take that to mean that, from your point of view of the three rationales you posited at the beginning that's one you don't see as very important in Russian policy?

MR. LEGVOLD: No. I skipped over a lot because I had gone on too long on certain parts. So, no, I don't regard that as negligible. I think I would probably rank it third. But it's longstanding. I mean, I put it in terms of the color revolution; I put it in terms of change within these societies, especially if the Russians believe it's authored or significantly promoted by the outside world, NGOs or, in their phrase, "agencies."

But they have thought about the impact of developments in the post-Soviet space on Russia security for a long time. If you go back and look at military doctrine as it developed, including the stuff early in 1993 – and they were beginning to talk about security challenges – they were discussing – and the military itself really resisted – the discussion of assigning the military the task of dealing with ethnic conflict within Russia. But the issue of coping with regional conflicts in the area that spilled over and that could affect Russia has been there for more than 15 years.

But in terms of – and that's only sensible. Any country that lives in a region, we worry about stability within our region. Surely the Russians do and they know that, at various points, with differing degrees of intensity, that their immediate neighborhood has potential risks.

Now, sometimes they contribute to it. And one of the great fears this last eight or nine months, which I think is now easing, is the way in which potential tension, even violence, in the context of Ukraine and Crimea could affect an awful lot of stuff, including Russia-Ukrainian relations. But were it to do so, the Russians would be party to it in the circumstances.

In other cases where the Russians don't see themselves as necessarily party but potentially victim, including violence in other regions – Fergana Valley in Central Asia, for example, which I think they do worry about the way in which that will reverberate back in Russia and particularly the North Caucasus but also in other areas. I think that's real.

So I don't mean to reduce it only to whatever level of paranoia or whatever level or cynicism there was around the notion that the color revolutions could have an echo back in Russia. I've always thought that – what was it: Kissinger? Probably somebody else even more originally said, even paranoids can have enemies – that it wasn't outrageous for the Russians, given their own sense of insecurity about their capacity to implement the kind of authoritarian, the kind of semi-authoritarianism they have in Russia, the insecurity that underlies that, that that was utterly impervious to similar events.

I thought they were wrong. I thought they didn't face that threat. But I think they wove a picture together from Serbia through Georgia to Ukraine that produced some outsized fears.

MR. COLLINS: Jessica? Last question.

JESSICA MATHEWS: Jessica Mathews. Bob, you may have done this in the first five minutes that I missed. So, if so, please tell me to – and I will find out the answer. But when you, in beautiful analytic fashion, broke down Russia's interests in the region and policy goals, I find it hard to add them back up again.

And I wonder what they add up to for you because, I mean, there's one way to sort of look down this list. You could come out with a summary of a very aggressive Russian posture that, from this list, could even justify further military action or you could sort of interpret it differently. And I was interested in how you add them back up. What's the academic bumper sticker? (Laughter.)

MR. LEGVOLD: Jessica, A, I don't know that I could add them up, but the more important answer is I don't know that I should because I doubt that the Russians do. I can't imagine that in any circle, whether it's the National Security Council or the presidential administration or the planning staff of the foreign ministry that anybody has sat down and said, what are our priorities in the post-Soviet space? And what are the principal concerns that we should have?

I think a lot of it is impulse. I think you see it in the person of Putin himself, the way in which he reacts to various things that happen. But, in the end, if I were then to try to tease out my own notion of what actually is at work, whether it's conscious and organized and conceptualized or not, I believe that it is primarily this concern as a kind of minimum large negative objective to make sure that other major powers cannot establish strategic positions within the region.

And, as a secondary, supplementary position, since they're not worried about the Chinese doing that at the point – let alone the Iranians or the Turks doing it for the moment – it is a matter of managing their influence. It's been clear in the case of the Chinese that the Russians are nervous about the Chinese economic agenda and potential clout within Central Asia. That's not the same thing as establishing a strategic position.

But the way the Russians have behaved in speaking with the Chinese and then publicly about Shanghai Cooperation Organization meetings when it comes to development assistance and the rest of it, the Chinese in the SCO emphasize economic; the Russians in the SCO emphasize security.

Now, on your more fundamental proposition of, well, if you try to add this list of six or seven preoccupations up, does it lead to a foreign policy agenda that suggests they should be looking for ways to cooperate or should they be looking for ways to assert their power even if by military means, I think it cuts in different ways. That's the problem. And since they don't think about it in an organized and coordinated fashion, I don't think they end up with a clear answer.

I would be interested, if they – I mean, were they to agree with the seven and were they to attach weights and priorities and then ask themselves what do we do about it, how should it affect grand strategy or strategy, I'd be very interested in knowing which they'd think about. I don't think they do.

MS. MATHEWS: Does that mean you don't think they have a policy?

MR. LEGVOLD: That's right. I don't think they do. I think they have very powerful impulses they respond to because this part of the world, as I said from the beginning, is so central to their sense of themselves and their foreign policy. But, no, but I think in a way that's not unreflective or uncharacteristic of the general state of Russian foreign policy. I don't think Russian foreign policy is terribly well-conceptualized at this point. I think it responds to a lot of very powerful impulses.

I don't mean to say that they don't have things in mind. And I don't mean to say they don't have an agenda, maybe an evolving agenda. But that's different from, dare I say, the vision thing?

MS. MATHEWS: I didn't mean vision. I meant policy.

MR. LEGVOLD: Yeah. No, no, I do, too. But that flows from being able to think conceptually.

MR. COLLINS: I think we really need to sort of wrap this up. It's 2:00. Bob, I want to thank you very much. I do think this is going to be perhaps the central issue that will continuously crop up no matter what other agenda items the United States is pursuing in that part of the world. It has a nasty way of presenting surprises. It has a nasty way of presenting emotional moments.

And I guess my one hope is that we will give more attention to thinking through what kind of a constructive or positive set of relationships we would like to see in that part of the world as opposed to simply being reactive or knowing what we don't want. I don't think we've had these discussions with any of the states in the region, including the Russians.

And it's perhaps time, given the fluidity brought on by the global financial picture, the various uncertainties that are out there in terms of the kinds of seven points you've mentioned, for everyone really to be thinking about what is it we would like to see in that region? And what are the constructive ways in which it could develop as opposed to the usual destructive ways?

And here I think it's important, in that sense, that we try to think regionally and conceptually in a rather different way from what we have done for most of the last 20 years, which is to think about this, essentially, in bilateral terms.

And so, with that, I will close the meeting. And thank you, Bob, very much for doing it.

MR. LEGVOLD: Thank you.

(END)