The idea of this essay was born out of frustration, rather than inspiration. Inspiration came later. The starting thought was why the country that, just a decade and a half ago, was hailed as an emerging market democracy, a returnee, at long last, to a Europe whole and free, and a strategic partner of the United States, had sunk so low in the opinion of most in the West that China’s current “socialism with a market face” wins hands down in almost any comparison.

True, Russia’s transition has been troubled almost from the beginning. Relatively few in the West recoiled at the armed violence of the 1993 Moscow standoff between President Boris Yeltsin and the Supreme Soviet, but many were astounded by the huge gains by the nationalists in the first democratic elections to the new parliament two and a half months later. A great many more were appalled by the brutalities of the war in Chechnya, begun in 1994. Yeltsin’s re-election in 1996, despite the way it was achieved, brought a sigh of relief, but Yeltsin’s failing health and the rise of the oligarchy symbolized the morass into which Russia had strayed. The 1998 financial default came almost as a coup de grâce: Russia was lost in transition, and the only question debated was who was responsible.
Miraculously, as Russia started to rebound, buoyed by high oil prices and state stabilization efforts, new hopes were born. Western pundits and politicians discovered a glint of modernization in the approach taken by Vladimir Putin, who succeeded Yeltsin a few hours before the advent of the year 2000. At the same time, the new president made it clear that his first priority was to stabilize the country, which had been in turmoil ever since Gorbachev’s perestroika cut at the roots of the Soviet communist system. Stabilization took the familiar form of recentralization of power, which fueled suspicions of a rollback of new freedoms. A common joke in Moscow in the spring of 2000 was that the new president had zeroed in on a Korean model for Russia, but had yet to decide which Korean model to follow, that of the North or the South.

That was no more than a joke which told more of the people passing it around than about its message. Putin’s early reforms (taxation, land, administration, pensions, education, utilities, and so on), many of which were incomplete or struggling, created a new opening in the country’s domestic evolution. His sobriety and healthy pragmatism were in sharp contrast with the practices of his predecessor. After 9/11, Putin’s instant support for the United States, his full embrace of the U.S. military operation in Afghanistan, and his willingness not to oppose the introduction of American military forces into former Soviet Central Asia, were all impressive. Putin’s October 2001 speech in the Bundestag, delivered in German, sounded like a manifesto of Russia’s European vocation.

The new era of universal good will was short-lived. 2002 was a year of missed opportunities, both between Russia and the United States and Russia and the European Union (EU). Strategic partnerships were proclaimed, but never carried out. In 2003, Russia opposed the U.S. invasion of Iraq—in part because Washington failed to understand Moscow’s interests, and in part due to the opportunistic idea of starting a new entente with France and Germany. Domestically, the jailing of Mikhail Khodorkovsky and the destruction of his YUKOS business empire marked a watershed. Toward the end of 2003, the two parties recognized in the West as democratic lost all their seats in the Russian parliament.

Putin’s second term opened in 2004 with the tragedy of a terrorist attack in Beslan, resulting in the deaths of 333 students and teachers. His response was a further centralization of power. Even as these political reforms were branded antidemocratic, Putin, in an astonishing statement that apparently came from the heart, accused the West of a desire to weaken and dismember Russia and of using the terrorists for that
purpose. The Ukrainian presidential elections, culminating in the fall of 2004 in an Orange Revolution, further poisoned the Russian–Western relationship, but helped the Kremlin to complete its turnaround in foreign policy.

In a word, Russia, previously a Pluto in the Western solar system, has spun out of its orbit and gone into a trajectory of its own, powered by a determination to found its own system. The former Soviet borderlands, newly independent, became a focus of Moscow’s policy for the first time. Russia sided with China within the rapidly rising Shanghai Coop-
eration Organization in calling for U.S. military withdrawal from Central Asia, and it managed to win back Uzbekistan, an estranged former U.S. ally in the region.

Having proclaimed itself an energy superpower, Russia in 2005 can-
celed gas price subsidies to the new states and went ahead toward a showdown with the largest of them, Ukraine. It did not shy away from shutting off gas supplies to Ukraine until the latter agreed to new prices. Russia then indicated its readiness to rethink the solution to the frozen conflicts in Georgia and Moldova along the lines of the Kosovo model, i.e., full independence for the separatist enclaves. The fact that Ukraine, Georgia, and Moldova are all led by pro-Western governments was not lost on anyone. Moscow’s strong-arm methods in dealing with them led to accusations that Russia was employing the “energy weapon” to punish them for their foreign policy. The fact that similar treatment was meted out in 2007 to dictatorial and supposedly pro-Moscow Belarus was attributed to Russia’s desire to annex that country or at least to fully dominate it economically.

Within Russia itself, “sovereignty” became the favorite buzzword with senior government officials and their political allies. The idea of making the country impervious to political influence from abroad was enshrined in the law governing the activities of nongovernmental organizations (NGOs), which had been originally conceived by the security services in the wake of the “color revolutions” and had become effective in 2006. The killing in Moscow of a top investigative journalist, Anna Politkovskaya, and the poisoning by polonium of a former security officer, Alexander Litvinenko, in London helped build an image of a country where security services reign supreme, free to eliminate the Kremlin’s enemies at will.

Russia not only refused to join the United States and the EU countries in imposing harsh sanctions against Iran at the United Nations, after
Tehran persisted in its unabated nuclear program and took an abrasive and provocative public stance. Moscow also sold Iran antiaircraft missile systems. Commenting on U.S. policies in the Middle East, Russian foreign minister Sergey Lavrov repeatedly said his country would not be drawn into a confrontation between civilizations. Russia would not take sides, but would follow its own interests. The crescendo came, on the Russian side, when President Putin descended on the Munich security conference in February 2007 to personally deliver a scathing and totally undiplomatic criticism of U.S. foreign policy.

These and other events led a number of Western observers to conclude that Russia had departed from the path of democracy and gone back to its authoritarian tradition. In descriptions of the Russian domestic scene, Back in the USSR or, at least, Welcome to the Soviet Union 2.0 became a common conclusion. In terms of foreign policy, “neoimperialism” was the most-often heard charge: Russia was using its energy abundance as a weapon and applied economic sanctions to punish Western-leaning young democracies, such as Georgia. The regional bully in Eurasia, my longtime colleague Andrew Kuchins said wryly, was issuing a new battle cry: Authoritarians of the world, unite!

The Kremlin managed to withstand the barrage of unprecedented criticism and controversy that accompanied its chairmanship of the G8. In July 2006, it hosted the summit in St. Petersburg without giving an inch to its critics and would-be detractors. The Kremlin took a hard line toward the European Union and read the riot act to its new members, which included Poland and Estonia. It berated its longtime darling, the Organization for Security and Co-operation in Europe (OSCE), for focusing too much on elections in the post-Soviet republics and indicated that its interest in the Council of Europe and the European Court of Human Rights was waning.

The Russian leadership has definitely found a new confidence and established a new paradigm for dealing with the West, while the West has not created a new one for dealing with Russia. Obviously, the principles, incentives, and sanctions developed in the 1990s no longer apply. But what should the new paradigm look like? Should it be a new containment policy, as some propose? Or, more robustly, a rollback of Russia’s new influence? Or even regime change in Russia itself?

To be able to formulate a new policy course, one needs to take a closer, harder, and longer look at the country in question. Is it really going in the wrong direction, sliding back ever faster and becoming a threat-in-
waiting, or is it moving along and even forward in a familiar pattern of two steps forward, one-and-a-half-steps back? Or is it something else, something nonlinear?

While the interest in Russian affairs has slackened considerably in comparison to both Soviet times and the heady 1990s, there is no shortage of publications on contemporary Russia. Even a cursory analysis reveals that they focus heavily on Russian politics. It is astounding but also telling that a long list of books bear a similar title, Putin’s Russia. As the title suggests, their authors frankly focus on Kremlin power and Kremlin politics.

There is nothing wrong with that. Political leadership remains tremendously important in Russia, and little of anything significant in Russian politics today can be achieved without the Kremlin, much less against it. However, since the advent of the twenty-first century, politics, while still dominant, has become the least dynamic part of the Russian picture. This is not where promising beginnings are happening, or a new wave of democratic change is rising. Yet, there is a Russia beyond Putin’s, and it stretches far and wide outside the long shadows of the Kremlin towers. This Russia, a land of capitalism and private interest, will be our first way station toward finding an answer to the question of Western policy.

The second station, or chapter, will deal with the phenomenon of the West. It will study the main stages of its evolution and seek to define its meaning at the beginning of the twenty-first century. The key issues here are Westernization and Western integration. This will be important as we proceed to compare Russia to others, those who have made themselves part of the West, and those who are now in the process of modernizing their institutions to become Western. Comparisons can be very helpful, both when they are contemporary vis-à-vis other post-communist countries and when they are historical vis-à-vis Western countries at various stages of their development.

Distinguishing between institutionally Western and politically (or strategically) pro-Western, the third chapter will look at Russia’s own policy toward the West. A discussion of the country’s identity and its ever-changing historical attitudes toward Western Europe and later North America will precede the analysis of Moscow’s relations with the West since the breakup of the Soviet Union.

Drawing the lessons from U.S. and EU policies toward the Russian Federation will be the mission of chapter four, a companion to its
predecessor. This will seek to yield part of the answer to the question, “What Went Wrong?” Finally, the conclusion will attempt to lay out a new paradigm for Russia’s relations with America and Europe in the early part of the twenty-first century. Ten or fifteen years from now, are we headed toward a new confrontation, a belated second stage of the half-century-old conflict, or some new era of interaction, competitive for sure, but increasingly integrative?

Finally and inevitably, one has to squarely deal with the question, “Does Russia matter?” In other words, will the things this short book sets out to discuss make any big difference? To quite a few, post-Soviet Russia continues to be irrelevant, except for its capacity to make occasional mischief. It is believed to be a declining power that has just entered the third decade of downward slide. The current rise of the Kremlin is thought to be merely the function of exceptionally high energy prices, which will fall, sooner or later, cutting Russia down to its right size. Russia’s true size, according to this school of thought, is determined by its dwindling population, the deteriorating health of its people, its inability to innovate, and its incompetence at keeping together a vast territory which lies between the world’s richest region, Europe, its most dynamic area, Northeast Asia, and its most turbulent neighborhood, the Greater Middle East.

This view mistakes reconfiguration for decline. It fails to give credit to the Russians for their resilience despite the loss of a state, their economic and value systems, and their capacity to move on. It prefers to focus on the old, like the KGB and its successor, the FSB, which is familiar, if reprehensible, rather than on the new, which has been emerging since the liberation of the private interest. Russia is coming back, but not as an archaic empire. It is becoming a qualitatively new actor, an economic and a cultural force, rather than simply a military power, a competitor rather than an opponent. Russia is no longer “the Other.” In pursuit of its interests, it is increasingly dealing with the West on the West’s own terms, primarily through the use of economic instruments in a globalized world.

This could be the unsettling thing. It might help explain the difference between America’s and Europe’s approaches to Russia and China. However, understanding Russia is critical for Western policy makers. In its post-Iraq foreign policy, a new U.S. administration, whether Democratic or Republican, will have to face up to the need to rebuild relationships with the world’s key players. Attempts at reconstituting the West as a union of democracies, no matter how successful, will be
Woefully insufficient for ensuring global governance, the natural primary foreign policy task for an enlightened American leadership. As for Europe, sorting out its relationship with Russia would help it define its geographical boundaries and its global strategy.

In order to set out a credible and long-term Russia policy, the United States and Europe need a set of new first principles about Russia. The two rival approaches of today—pretending that things are not so bad versus protesting that they, in fact, are—are not working. Threats to throw Russia out of the G8 and treat it as a renegade show frustration, but they do not offer a new and better way forward. An analysis of Russian social and economic trends should illuminate the future. Russia is probably not going to join the West, but it is on a long march to become Western, “European,” and capitalist, even if not for a long while democratic. I mean European in terms of civilization rather than part of the European Union, and gradually more Western rather than pro-Western (or pro-American). Russia will matter in the foreseeable future, and that is why it is important to read it right.