

ISD REPORT

***U.S. DIPLOMACY TOWARD THE
FORMER SOVIET UNION:
BUILDING A STRATEGIC PARTNERSHIP***

*Second Interim Report
of the ISD Working Group*

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INSTITUTE FOR THE STUDY OF DIPLOMACY
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FOREWORD

For the past year, Georgetown University's Institute for the Study of Diplomacy has conducted a series of working group meetings to consider U.S. policy towards the former Soviet Union. In a series of sessions, beginning in December 1991, leading experts on the region presented their views on developments in Russia and the other new Eurasian states and the implications of those developments for the United States. The working group then developed a number of recommendations for U.S. policy. Our first *Interim Report*, published in June 1992, covered the first series of sessions. This *Interim Report* includes reports of the working group sessions held since September 1992, as well as an introductory "Summary and Policy Recommendations."

Our principal findings are that:

- The transformations underway in Russia and the other new Eurasian states constitute the most important and consequential foreign policy challenge faced by the United States.
- Despite some significant progress, the situation in these nations runs a high risk of deterioration—with significant security implications for the United States.
- Western efforts to encourage democratic and economic reforms have been inadequate, hampered by political indecisiveness and slowed by the inability of existing institutions to respond to the challenge.

We therefore urge that the Clinton Administration:

- Forge a broad national consensus on the importance of developing a partnership with Russia and the other new states, convening several meetings with U.S. national leaders to that end.
- Appoint an individual of international stature whose sole responsibility would be to coordinate U.S. policy and programs toward this region and immediately appoint a new Ambassador to Russia.
- Move quickly to complete the current nuclear arms control agenda with Russia, Ukraine, Kazakhstan, and Belarus.
- Provide urgent humanitarian assistance and assist in alleviating disastrous environmental conditions.
- Initiate a program under which Western states with expertise would "adopt" an unsafe nuclear power plant, help bring it up to safety stan-

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dards, and thereby lessen the danger of human and environmental catastrophe.

- Reorganize existing channels of assistance to the new states and stimulate greater multilateral aid through the G-7, in order to avoid the inflexibility and inadequacy of existing national and international institutions.
- Encourage increased private investment and aid to development of civil societies in the new states; develop closer military-to-military ties to foster controlled civil-military relations in the new states.
- Lead the international community in developing means to protect human rights, including the rights of minorities, and in strengthening mechanisms to enhance regional stability.
- Explain to the American people that the long-term advantages of U.S. partnership with these new states should not be obscured by the inevitable political compromises and setbacks they will undergo.

In short, we urge that the Clinton Administration adopt an intense and sustained policy of action toward the new states of the region, designed to draw them into partnership and foster democratic and economic institutions as well as regional stability. In so doing, it will secure the stable international environment critical to U.S. political and economic security.

A list of working group members is provided. The report was not approved by members of the working group nor does it necessarily reflect all of their views. We believe, however, that it represents the general sense of the working group meetings as well as our own conclusions.

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SUMMARY AND POLICY RECOMMENDATIONS

The most serious foreign policy challenge facing the United States is the political, military, and economic transformation of the former Soviet Union. The security and economic stakes for the United States remain extremely high, even though the long-standing military threat has declined and the global ideological confrontation has ended.

The serious obstacles facing continued reform in the new Eurasian states combined with the vital U.S. interest in the success of those reforms, compel a forceful U.S. policy. Indeed, the risks of inaction are too high to permit anything less. A new strategic partnership is needed to strengthen Western ties to Russia and the other new states.

THE STAKES ARE HIGH

Developments in Russia and the other republics of the former Soviet Union are critically important to the United States. The risks are heightened by the huge military arsenal remaining in the region, especially nuclear and chemical warheads, and by the possible proliferation of these weapons, military technology, and scientific expertise. Nuclear problems, military and civilian, are of particular concern because of the potential danger they pose to Western society:

- Russia's nuclear arsenal is still massive and strategic nuclear weapons remain on the territories of Ukraine, Belarus, and Kazakhstan. Russian command and control must be secured and nuclear weapons must be removed from the other three states as soon as possible.
- Proliferation of nuclear expertise and material is a frightening possibility and must be prevented. The export of technology, material, and experts must be controlled.
- Accidents involving nuclear reactors of the Chernobyl variety are inevitable unless action is taken to ensure their safety.
- Radioactive waste is seriously affecting health and a massive cleanup is needed.

The fragmentation of Russia, its descent into chaos, or its return to authoritarian rule could undermine efforts to deal with these nuclear threats and could create other serious security problems:

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- Russia's UN veto power, military arsenal, and geographic location make its cooperation important to successful guidance of the post Cold War environment. Desert Storm demonstrated that U.S.-Russian partnership in multilateral diplomacy is highly desirable and should not be put at risk.
- Ongoing ethnic tensions and clashes around the Russian rim pose a danger to regional stability.
- Russian nationalist elements are gaining increased influence. Russian revanchism, should it escalate, would create increased tensions with NATO.
- Failure of democratic and economic reforms in Russia could adversely affect efforts by other nations to pursue reform and could reverse the positive global trend.
- Refugees from the area could cause significant instability in Western Europe.

The successful transition to democratic institutions and free-market systems by the new states of the region would offer enormous advantages to the United States both in enhanced security and in trade and investment. As Governor Bill Clinton emphasized in his foreign policy speech of April 1, 1992, the eventual payoff for America lies in lower defense spending, a reduced nuclear threat, a diminished risk of environmental disasters, fewer arms exports with less proliferation, access to Russia's vast resources through peaceful commerce, and the creation of a major new market for American goods and services.

PROSPECTS FOR CONTINUED REFORM IN A DETERIORATING ENVIRONMENT

Russia and many of the other new states of the former Soviet Union have taken significant steps toward democratization and market economies in the relatively short time since the reform process was begun by Mikhail Gorbachev and intensified by Boris Yeltsin.

- Information is flowing freely in many of these states for the first time in their history, and individuals are making meaningful political and economic choices.
- Local officials and entrepreneurs are making decisions about local problems, a prerequisite to successful reform.
- Privatization of assets has begun; the Russian legislature recently voted to permit ownership and resale of small tracts of land.
- A significant portion of the population now has a vested interest in economic reform, political change, and personal freedom, making it difficult to reverse course.
- Food remains available, though expensive, and the decline in industrial production has been slowed.

Despite these positive developments, Russia and the other new Eurasian states face enormous obstacles, and current trends are of great concern:

- Yeltsin faces continuing political challenges, as demonstrated at the Congress of People's Deputies, held in December 1992. His failure to gain support for his government and policies make success of the reform process even more problematic. Several of his possible alternatives could produce heavy criticism from the West.¹
- The reforms undertaken by acting Prime Minister Yegor Gaydar, although desirable in themselves, have been inconsistent. Systemic changes, such as enterprise reform and privatization, have barely begun.²
- Inflation is running at 25 percent a month, creating the continued risk of hyperinflation.
- Existing international economic institutions are unable to meet urgent and necessary requirements. Since Russia cannot meet the current conditions of the IMF, future assistance is at risk.³
- Health standards continue to decline, and ecological hazards continue to grow, seriously undermining the health of future generations.⁴
- The Bush-Yeltsin nuclear arms reduction framework agreement appears to be in jeopardy as a result of economic pressures, resurgent nationalism, and military opposition.⁵
- There is increased resistance in Ukraine and Kazakhstan to returning nuclear weapons on their territories to Russia for destruction. Many in these states also are reluctant to commit to non-nuclear status.⁶
- The Russian military is in crisis and has lost a clear sense of purpose. It is in danger of fragmenting, with serious implications for the spread of weapons and the involvement of undisciplined troops in local conflict situations.⁷
- The Russian Federation is itself in danger of disintegrating, creating the potential for violence and loss of control of weapons systems.⁸

1. For further elaboration of Yeltsin's political options, see comments by Dimitri Simes in Report #9 in the Appendix, *The Russian Federation: Its Future Course*.

2. This argument is provided in comments by Marshall Goldman in Report #10 in the Appendix, *The Russian Federation: Political and Economic Flashpoints*.

3. For further discussion of Russia's monetary problems, see the comments by Jeffrey Sachs and Ernesto Hernandez-Cata in Report #12 of the Appendix, *International Support for Russian Economic Reforms*.

4. Report #11, *The Worsening Health and Environmental Crisis*, by Murray Feshbach provides dramatic evidence of this continuing deterioration.

5. For discussion of the status of arms control agreements, see Report #7 of the Appendix, which includes *Nuclear Issues*, by Ted Warner, and *Update on the Bush-Yeltsin Framework Agreement*.

6. This issue is discussed by Sergey Rogov in Report #8 of the Appendix, *Non-Nuclear Military Issues*.

7. A discussion of the Russian military is also found in the comments by Sergey Rogov, *ibid*.

8. See Report #4, *Commonwealth Relations: Russia, Ukraine, Central Asia, Caucasus*, particularly the comments by Marjorie Balzer.

- There is a danger of friction over Russian and other minorities in some of the new states. The risk of conflict is particularly high between Russia and the Baltic states.¹
- Current internal, regional, and international institutions are not adequately structured to deal with problems of conflict resolution and peacekeeping.²
- Disappointment with the lack of Western support and the perception in nationalist circles that the West is taking advantage of the situation is creating a political backlash and threatens disillusionment throughout the region.³

WESTERN CHOICES

The United States has a unique opportunity to take the lead in encouraging an unprecedented transformation of the international environment. While Washington's policies have supported the rejection of communism in Eastern Europe and the former Soviet Union, it has failed thus far to assume a leadership role in shaping the post Cold War order. Its shortcomings in this regard stand in sharp contrast to its post World War II leadership in creation of the United Nations, NATO, and the Bretton Woods institutions, implementation of the Marshall Plan, and development of democratic institutions in Germany and Japan.

The Clinton administration has two distinct options. It could choose to continue the current U.S. approach, which focuses on working through the International Monetary Fund and the World Bank and minimizes bilateral and multilateral support. This approach would not require creation of a new national and international consensus in favor of change. By failing to offer Russia and the other new states incentives to take the risks necessary for reform, however, this policy is unlikely to foster the development of stabilizing political and economic institutions.

Alternatively, the new administration could decide that it is necessary to develop a real partnership with the new states, designed to draw them into the family of nations. This would require development of a national and international consensus in support of a major and sustained effort to bolster political and economic reform. Many nations, including the West European states and Japan, would have to participate, but the United States should lead the way. In his speech in April, Governor Clinton urged that the United States "organize and lead a long-term Western strategy of engagement for democracy." The ISD Working Group strongly endorses adoption of such a dynamic strategy.

1. For discussion of this issue, see comments by Paul Goble in Report #3 of the Appendix, *The Baltic States: The Problem of Russian Minorities*.

2. For further elaboration, see comments by Brian Urquhart and Robert Hunter in Report #5 of the Appendix, *Peacekeeping: The Paralysis of European Institutions*.

3. For elaboration of this point, see comments by Rick Inderfurth in Report #13, *U.S. Humanitarian and Technical Assistance*.

RECOMMENDATIONS

The Working Group urges the Clinton administration to adopt a national policy designed to foster durable democracies and market economies and facilitate a triumph over destabilizing tendencies in Russia and the other new Eurasian states. The administration must explain to the American people why such a policy is necessary and why expenditures of U.S. resources are required to guarantee future U.S. security and economic interests.

Recognizing that the United States has its own domestic needs and continues to face financial constraints, this Interim Report focuses on the importance of redefining the risks to U.S. security interests; restructuring existing institutions; recrafting existing programs; redirecting funding from military to economic security needs; and emphasizing those areas where leadership, diplomacy, coordination, mediation, technical expertise, and institutional experience can frame and inform U.S. approaches. We continue to urge the extension of humanitarian assistance to Russia and the other new Eurasian states as necessary.

Recommendation I: Forging a National Consensus

At the earliest opportunity, President Clinton should convene a White House conference to define U.S. interests and priorities toward the new Eurasian states, recommend possible courses of action, and, most important, generate a national bipartisan consensus with respect to U.S. security interests. Possible participants include former U.S. presidents, secretaries of state, national security assistants, ambassadors to the Soviet Union (or Russia), elder statesmen, and leading experts.

This session should be followed by the convening of a congressional meeting at the White House that would include the key leaders of both the Democratic and Republican parties. Again, the purpose would be to develop bipartisan national support for a focused strategy toward the region and to demonstrate that the United States intends to play a key leadership role.

Finally, the Working Group recommends that the president invite leading U.S. businessmen and industrialists to a White House session in order to encourage private investment in Russia and the other new states. Clearly, government-to-government assistance will be limited. What is needed is large-scale investment from the private sector. Impediments to that objective should be identified. The administration should demonstrate that it seeks a partnership with the private sector in helping the new states create the environment necessary for investment.

Recommendation II: Appointment of Key Officials

We urge that the president appoint a person of international stature in whom he has confidence whose sole responsibility would be coordinating U.S. policy and programs toward the new Eurasian states (under the direction of the secretary of state). This official should have authority to move rapidly to implement

policy and should chair an interdepartmental committee that would sort out and guide the plethora of programs run by the U.S. government, international agencies, and nongovernmental organizations that are engaged in providing assistance to the region. He or she should also guide a review of the needs of the region and generate proposals for dealing with the opportunities and challenges facing the United States.

We also urge the rapid appointment and fast-track Senate confirmation of the new U.S. Ambassador to Russia. The ambassador should be a person of recognized stature, have a close working relationship with President Clinton and with the new secretary of state, be well informed on the situation in Russia, and preferably speak Russian. The United States must have high-level representation in Moscow during this critical period.

Recommendation III: Intensified Action on Nuclear Issues

The vital agenda for nuclear safety and control put into place by the Bush administration is in danger of disintegrating under pressure from the Russian military and Ukrainian nationalists. Immediate action is needed on five fronts to keep this agenda on track.

First, Ukraine and Belarus, as promised, must ratify the Strategic Arms Reduction Treaty (START I) and the accompanying Lisbon Protocol. That agreement creates the foundation for further strategic arms control and for denuclearization of Ukraine, Belarus, and Kazakhstan. Resistance in the Ukrainian parliament to this agreement is growing, and President Leonid Kravchuk is seeking security guarantees and financial assistance in exchange for further steps in the direction of denuclearization. The recent mission by Senators Nunn and Lugar gave Kravchuk assurances that, with ratification and performance of its promises, Ukraine would receive its fair share of assistance.

Second, Ukraine, Kazakhstan, and Belarus must be convinced to sign the Nuclear Non-Proliferation Treaty (NPT) as non-nuclear states. This will remove any remaining legal claims that these states might have to nuclear weapons. While they have pledged to sign the NPT under terms of the Lisbon Protocol, there is no specific deadline and delays are evident. The West must devise a policy of carrots and sticks designed to assure adherence to the agreement. If the Ukrainian legislature fails to ratify START and accept adherence to the NPT by December 14 as planned, the United States might increase pressure with a public invitation to these countries to a high-profile NPT signing ceremony.

Third, immediate efforts must be taken to salvage the failing Bush-Yeltsin framework agreement, otherwise known as START II. This agreement cuts nuclear warheads by more than 50 percent from the START I levels and reduces the enormous risk to U.S. security posed by the former Soviet land-based, MIRVed ICBMs. The Russian military opposes the agreement for at least four reasons:

- The cost of destroying old systems (like the SS-18) and building new ones (like the SS-25 follow-on).
- The break in the tradition of nuclear parity caused by allowances for a larger U.S. bomber force.

- The greater potential for U.S. breakout from treaty provisions due to the ease with which Trident missiles might be uploaded with additional warheads.
- Ukraine's possible unwillingness to accept the terms of the agreement (which would remove all of Ukraine's MIRVed ICBMs).

Once Ukraine accepts non-nuclear status, technical means can be found to deal with some Russian concerns:

- While Russia's idea of retaining 154 SS-18 silos to house the "SS-25 follow-on" is unlikely to be acceptable to the U.S. Congress, it may be possible to download SS-19s to single-warhead missiles.
- Weapons stations on U.S. delivery vehicles can be designed to prevent rapid U.S. breakout.
- Weapons on U.S. bombers might be placed in monitored central storage.
- Ways might be found to reduce the cost to Russia of treaty implementation, using Nunn-Lugar funds.

It will be important to solve these technical problems without appearing to reward Russia's renegeing on a signed agreement.

Fourth, much more vigorous and innovative efforts must be made to implement the Nunn-Lugar programs for nuclear safety, security, and dismantlement (SSD). Only about 1 percent of the \$800 million authorized for special assistance has actually arrived in the former Soviet states. U.S. efforts might include:

- Rapid completion of existing projects.
- Accelerated implementation of agreements by immediately deactivating all warheads scheduled for eventual elimination.
- Agreement to halt further production of all fissile material and place existing extracted material under international safeguards.
- Stimulation of faltering efforts by U.S. private and government purchasers to buy former Soviet weapons-grade uranium for reprocessing into commercial fuel.
- Special scholarships for former Soviet nuclear scientists and technicians to study and retrain in the West.

Finally, civilian nuclear power safety must be dealt with quickly. With the coming of winter, the safety hazards posed by the Soviet-built reactors multiply. The last Group of Seven (G-7) Summit was expected to agree on a substantial emergency package to deal with this problem. It did not. The human, economic, and political consequences of another serious accident in the region would be devastating. A viable program might involve asking each Western country with expertise to "adopt" a nuclear power plant of the Chernobyl type (there are about fifteen of these) and to take responsibility for assisting local authorities in bringing that plant up to at least minimal safety standards.

In the long term, the United States and Russia should:

- Seek to shift their relationship from one of nuclear deterrence to nuclear partnership.
- Reduce nuclear warheads to a minimum level consistent with sound national defense.
- Work together to develop a global system to share early warning data on missile attacks and to protect civilian populations from accidental or unauthorized launch of nuclear missiles.
- Formalize informal understandings and agreements, such as the elimination of ground-launched, short-range nuclear weapons.

Recommendation IV: Increased Humanitarian and Environmental Assistance

Conditions in the new states are far worse than is generally realized. For example:

- The number of deaths in Russia and Ukraine exceeds the number of births. Underlying this grim statistic is a worsening in the reproductive health of women, lack of funds for medical services, and increases in infectious and parasitic diseases.
- Environmental pollution continues to worsen. Three quarters of all surface water is polluted; only fifteen percent of the Russian urban population resides in nonhazardous cities; DDT continues to be used, though banned in the world since the 1970s; levels of radioactivity are far worse than previously thought; and twenty-six nuclear reactors are considered unsafe.
- The need for proper distribution of food is great. While starvation is unlikely, malnutrition will have a significant impact on health and productivity.

In the short term, urgent emphasis should be put on providing food (when and where necessary) and medical supplies. Distribution must be monitored. U.S. public and private teams should be fully encouraged to proceed with efforts to support distribution of food and medicine.

Involvement in helping to resolve critical environmental problems must be sustained. Faced with severe budget constraints, most of the new states will defer investment in cleaning up the environment. They must be encouraged not to do so and assisted in efforts to resolve these overwhelming problems.

We recommend that the United States provide experts to assist Russia and the other new states in addressing some of these ecological problems. Support should be given, for example, to the Ecological Rapid Reaction Troops formed by Russia in early 1992. Construction troops could build medical facilities, water pipelines, and sewage systems, and they could install hot water systems.

They also could be used to clean up nuclear waste. Military state farms should be required to produce food for the general population. These "military conversion" activities might be expanded to include conversion of military industry to production of medical and environmental goods, as well as producer and consumer goods.

Recommendation V: Economic Assistance

Existing institutions, both domestic and international, have been unable to cope with the fundamental transition occurring in the territory of the former Soviet Union. These institutions need greater flexibility, and it is necessary to find new mechanisms for providing assistance. The United States must take the lead in creating a consensus within the G-7 for a more extensive, well-coordinated, and politically effective program of economic assistance. It cannot do so without pledging more aid itself.

Several issues require urgent attention: relaxing IMF conditionality, restructuring Russia's external debt, and encouraging Japan to increase its assistance to the region.

The centerpiece of the entire Western financial assistance program to Russia is the IMF standby agreement. Russia is clearly incapable of meeting the conditions that were negotiated with the Fund last June, particularly the requirements that it limit its budget deficit to within five percent of GNP by the end of 1992 and contain inflation. In giving absolute priority to financial stabilization without giving adequate rewards for austerity, the Fund is placing Yeltsin and his government in an extremely dangerous position. The granting of greater flexibility in meeting these conditions is required.

Another urgent need is for a rapid restructuring of the former Soviet Union's external debt. This financial legacy of the Communist era threatens to overwhelm Russia's attempts to move to a market economy. A top Russian economist has stated that his country is now unable to negotiate new Western loans because it cannot meet overdue payments on previous debts. In addition, many lenders may be unwilling to extend credit given the already heavy burden of repayment. Roughly \$19 billion in interest and principal payments will fall due next year, mostly owed to Europeans. The United States should encourage both governmental and private lenders to accept Yeltsin's request for a fifteen-year rescheduling of the debt.

The United States should take the lead in proposing other, longer-term, approaches to fostering economic reform in the new states. It should support creation of a payments union, similar to the European Payments Union, that would assist in restoring inter-republic trade and reversing declines in output. It should provide direct technical assistance to industrial reconstruction, including conversion of military industries.

Finally, the United States should urge Japan to provide greater assistance and more investment to Russia and the other states. Japan has been inhibited by the Northern Territories dispute, but Tokyo must recognize that its greater long-term security interests lie in the success of political and economic reform in the new Eurasian states.

Recommendation VI: Encouragement of Private Investment

Governmental assistance to Russia and the other new states of Eurasia will be limited and will not be sufficient to transform these developing economies. Only long-term, direct foreign investment will provide adequate capital for Russian growth. The Working Group urges that the United States work both with U.S. businessmen and with officials in the new states to create an environment conducive to foreign investment. The leaders of Russia and the other states must understand that foreign investment will come only after these countries have built the structures necessary to support and secure investment. They must adopt laws on taxation, property rights, enforcement of contracts, and investment guarantees. The United States should significantly expand political-risk investment insurance programs, based on those provided by the Overseas Private Investment Corporation, to encourage U.S. business to become involved as soon as possible.

Recommendation VII: Assistance in Developing Civil Societies

The Freedom Support Act, finally signed into law in October 1992, is far from another Marshall Plan. But it is the most comprehensive authority President Clinton has for providing direct assistance to Russia and the other new states. The legislation is a flexible, low-cost instrument, providing considerable authority to the president for institution building, market economy training, economic conversion, and people-to-people exchanges. A top priority should be to provide the necessary policy guidelines and amendments, as well as possible waivers, to enable the quick implementation of the provisions of the act. It also is necessary to overcome bureaucratic obstacles, particularly on the part of the U.S. Agency for International Development (A.I.D.). Time has been wasted in the past several months; authorized programs should be up and running without further delay.

We urge that the United States expand its efforts to foster the development of civil societies in the new states. Numerous private institutions are actively engaged in developing connections with parallel institutions, and the U.S. government should help coordinate these activities and encourage private organizations to intensify and prolong their programs.

The United States should make creative use of public diplomacy, expanding U.S. Information Agency programs (such as the International Visitors and Academic Specialists programs) as well as the Peace Corps and the Citizens' Democracy Corps. A program of educational exchange should be expanded, and universities and foundations should be encouraged to sponsor such programs. People-to-people exchanges should be encouraged in order to link the United States with those citizens who will be the real forces for change in the new nations.

Recommendation VIII: Policies to Protect Human Rights, Including the Rights of Minorities

Existing international and regional institutions are not being fully and adequately used to address emerging problems in the new states. The mechanisms

that controlled the Cold War bipolar confrontation must be redefined to be responsive to a multipolar world and to a resurgence of ethnic and nationalist tensions. New criteria for action must be created reflecting the fact that many future crises will be intrastate in nature. A portion of the resources that would have been directed to sustaining a Cold War defense must be redirected to prevent the descent of the former Soviet Union into anarchy and widespread intraregional and interethnic conflict. The other members of the G-7 must be firmly engaged in these policies.

The new Eurasian states must be encouraged to recognize the territorial status quo, while accepting the principle of peaceful negotiation of change. An environment conducive to acceptance of the territorial status quo and to peaceful negotiation must provide guaranteed protection of human rights which includes the rights of minorities. Many minority groups reside in each of the new states; twenty-five million Russians, for example, live outside the Russian Federation and within the other new states. In many of these areas, particularly the Caucasus, there is great potential for conflict. To help alleviate tensions, the United States should insist that all the new states adhere to UN and CSCE guidelines on treatment of minority groups.

If so-called "parent" states are to understand that they are not responsible for ethnic minorities in other states, they must be assured that these minorities will be protected. The United States should cooperate with and consider ways by which it can accept the jurisdiction of the Court of Conciliation and Arbitration, proposed by the Conference on Security and Cooperation (CSCE), and should consider other proposals to establish meaningful oversight of such issues.

An important role also can be played by the CSCE's high commissioner for minorities, especially in investigating minority problems before they reach crisis proportions. The CSCE nations must be prepared to give the high commissioner maximum independence and to establish CSCE procedures to give immediate high-level consideration to the high commissioner's recommendations.

Recommendation IX: Mediation in the Baltics

Continuing tensions between Russia and Latvia and Estonia, the presence of Russian troops in those states, and the potential for conflict could significantly complicate U.S. relations in the region. The United States should take the lead in helping these states move toward the necessary compromises. Russia should be assured that there are alternatives to unilateral action. A third party—either the United States, using its good offices, or, preferably, an acceptable regional (such as the Nordic Council) or multilateral (CSCE or United Nations) institution—might be engaged to head off increased tensions. Steps toward an agreement might include:

- A clear message to Russia that adhering to its commitment to withdraw troops from the Baltics in a prompt and orderly fashion is essential.
- An equally clear message to Latvia and Estonia that, in addressing the concerns of their Russian minorities, they must meet recognized CSCE standards. The regular CSCE presence in these states to monitor treatment of minorities is desirable.

- Provision of assistance to build facilities for returning Russian military personnel and their families.

Recommendation X: Policies to Enhance Regional Stability

It is necessary to modify existing institutions to fill the gap that currently exists between peacekeeping and peace enforcement. The criteria for intervention in the internal affairs of states are shifting and must be further examined in this new era of intrastate and interethnic conflict. Existing mechanisms should be adapted to particular situations. The United States, in concert with other concerned nations, must review each situation carefully to determine which global (UN) or regional (CSCE, Western European Union [WEU], Commonwealth of Independent States [CIS], NATO) institution is best suited to take action. In some cases, cooperation between two organizations, such as the CIS and NATO (working through the North Atlantic Cooperation Council [NACC]), might be the most viable approach.

The United Nations is the international organization with the greatest credibility for mediation and peacekeeping. It has institutions that can be strengthened to serve the interests of the new environment. The existing Military Staff Committee could be expanded, for example, to help coordinate approaches to the complex conflicts that will be facing the world in coming years. The United Nations should establish coordinating mechanisms with key regional institutions to facilitate prompt and effective responses to crises.

The United States should support Secretary General Boutros Boutros-Ghali's *Agenda for Peace*, with its call for an increased UN peacekeeping capability. Operating under the authority of the Security Council, the secretary general should have at his disposal:

- A small, mobile, permanent force for rapid dispatch in emergency situations.
- A standby, airlift and sealift capability to which the United States and Russia could make significant contributions.
- Larger, previously designated forces capable of moving into a variety of roles.
- A coordinating mechanism with regional security organizations (such as NATO), capable of assisting in implementing UN mandates.

The Clinton administration should announce early on that enhancing peacekeeping capabilities is an important national security goal. As part of this goal, we recommend that the United States:

- Develop a military force that is structured, trained, and able to operate in various multilateral combinations and a range of operations, including enforcement of embargoes, preventive military deployments, peacekeeping, and peacemaking.
- Immediately designate peacekeeping as a specified U.S. military mission area with requisite assignment of roles and missions.

The United Nations is in desperate need of funding to continue the peacekeeping operations in which it is already engaged. Given its lack of funds, it

will be unable to undertake future operations of any magnitude. It is essential that the United States pay its dues and assessments to the United Nations and demonstrate that it is, in fact, the leader of the post Cold War world. After paying its arrears, the United States should push for reexamination of the formula used to make peacekeeping assessments to assure fair burden sharing.

Recommendation XI: Strategic Cooperation on Weapons Sales

The new states of Eurasia have a common strategic interest in limiting the sales of advanced conventional weapons, ballistic missiles, and nuclear technology to regional trouble spots. Potential recipients of these weapons are generally neighbors of the former Soviet states, and thus are also potential adversaries. But pressures to sell abroad have increased as defense conversion has failed to produce results and as domestic government purchases have declined. Sales are increasingly made for economic rather than security reasons and without adequate government oversight. In addition, U.S. arms sales are at a record high and undercut U.S. influence on the issue.

The Clinton administration should develop a coherent policy to deal with both conventional arms transfers and nuclear non-proliferation. Cooperation with Russia, Ukraine, and Kazakhstan will be critical to the success of this effort and could form the basis of new efforts at security cooperation. Aspects of this effort might include:

- Greater U.S. restraint in arms exports.
- Some market-sharing agreements for conventional weapons sales.
- Full participation in the U.N. voluntary arms registry; encouragement to Russia and the other states to participate; and amendments to make the registry both obligatory and applicable to notification prior to delivery of weapons.
- Mutual agreement on which states pose the greatest proliferation risks.

Strengthening and harmonizing the efforts of "supplier groups" (such as the Coordinating Committee for Multilateral Export Controls [COCOM], the Nuclear Suppliers Group, the Australia Group for Chemical Weapons, the Missile Technology Control Regime) and full inclusion of key former Soviet states in the activities of these groups.

- Joint efforts to encourage regional plans to limit arms imports.
- Renewed efforts to encourage defense conversion in the new Eurasian states.
- A phased multilateral approach to a global, comprehensive nuclear test ban by the middle of the decade.

Recommendation XII: Strengthening Civil-Military Relations

The Russian military remains one of the most powerful institutions in the country. It is having great difficulty redefining its identity and mission and

poses a potential threat to the future of reform in Russia. The danger is less that a powerful centralized organization will seize control than that the military will fragment, disrupting command and control structures, and thereby facilitate proliferation of weapons.

A large portion of the Russian Army continues to be deployed outside Russia. The presence of these units is creating problems in some of the other new states, but there are severe obstacles to bringing them home. As in Recommendation IX, we urge immediate provision of financial and logistic support to the building of housing in Russia for returning Russian military personnel and their families.

The United States must reinforce its existing efforts to foster cooperative relations with the Russian military and to encourage the view that the United States is a partner—not a threat. The Working Group urges the expansion of mechanisms for bilateral exchanges, particularly on civil-military relations; creation of special working groups meeting periodically to deal with specific military issues; intelligence exchanges and the sharing of threat assessments; and the exchange of senior liaison officers in key, high-level positions.

There is a fundamental need to proceed expeditiously with defense conversion. Both the United States and Russia are experiencing the difficulty of “demilitarizing” their economies, but the task facing Russia is far more daunting. Its entire economy must be transformed from a military to a civilian base, and there has been virtually no progress toward this objective. This process will require large-scale foreign investment and technical support. A framework for this important security-related work can be developed under the “Nunn-Lugar” legislation.

Recommendation XIII: Maintaining Political Perspective

Reform in Russia and the other new states will be a slow process, and there will be many setbacks. The current stream of assistance to these states is dependent on Western perceptions of continued reform and is therefore politically fragile. Political and economic shifts are inevitable, however, as new leaders seek to build stable political bases in very difficult situations. Except for fringe elements, the issue is not whether reforms should continue but the pace of reform.

Every effort should be made to sustain support for reform in the region—despite the erratic nature of the process. The United States and other Western nations must consistently encourage progress toward creation of democratic institutions and market economies and should remain firm in their commitment to cooperate with the new states as they move through difficult times.

CONCLUSION

In helping Russia and the other new states move toward a stable and secure future, the United States will be helping itself. A stable international environment is critical to U.S. security and economic interests. Only by drawing these states into partnership can such a stable environment be secured.

It must be made clear to Russia and the other new states that, as they receive real and visible Western support, they must maintain and demonstrate their commitment to political and economic reform; continue movement toward the control and safeguarding of both military and civilian nuclear devices, as well as other dangerous weapons and technologies; demilitarize their economies; maintain responsible foreign policies; and limit resurgent nationalism. They must understand the danger that Western governments and peoples will not continue to give priority to these relationships if they abandon their commitment to move toward democratic institutions and market economies.

The United States has opportunities to pursue as well as challenges to face in these new states. There are long-term benefits to be gained through adoption of an active policy and creative encouragement of investment in this region of vast political, economic, and human potential. We must urge our allies to join us in becoming more deeply engaged in the transformation of the new nations. While the process will be long and difficult and there will be setbacks along the way, the opportunities and risks involved compel adoption of a strong, focused, and sustained policy.