



U.S.-Russia Relations: Exit Yeltsin

Toby Trister Gati*

The Yeltsin era is over. True to his mercurial ways, Boris Nikolayevich Yeltsin unexpectedly resigned as President of the Russian Federation on New Year's Eve, 1999. "Russia must enter the new millennium with new politicians, with new faces, with new, smart, strong, energetic people," Yeltsin said as he dramatically handed over all power to the Prime Minister and now Acting President, Vladimir Putin. Yeltsin's decision to step down voluntarily is an important step in Russia's democratic development. Never before has a national leader stepped aside and transferred power within a constitutional framework. Amid rampant speculation in Russia and the West that Yeltsin and his close ring of advisers and relatives, commonly called "the family," were preparing various scenarios for Yeltsin to retain power, to dissolve the Duma, to cancel elections, or even to leave the country, Yeltsin pulled a final trick out of his hat – defusing panicmongers and skeptics while at the same time ensuring his legacy as the man who first brought democracy, however imperfect, to Russia.

Yeltsin's decision to leave, however, may be less related to a desire to advance Russian democracy than to a serendipitous series of events that finally assured the leader that he and his family would be safe if he were to step down. He was obviously physically incapable of governing. Yeltsin, after all, is a sick man, one whose capacity to lead was questioned not only by the Russian people, but also by his family and perhaps himself, especially in recent days. Yeltsin was always more of a destroyer than a builder, and, following the collapse of the economy and the evident failure of "reform" in 1998, Yeltsin had lost his direction, and perhaps his zeal. He was in search of an exit strategy. The perpetual firing and hiring of Prime Ministers was always attributed to Yeltsin's infamous capriciousness, but perhaps, in hindsight, it can be seen as a logical and rational search for a successor who would be strong enough to defeat the Communists in a presidential election, who would carry the mantle of democratic reform, and, most importantly, who would ensure a safe transition and immunity for the Yeltsin family in civilian retirement. In Vladimir Putin, Yeltsin finally found his man.

It is perhaps ironic that what finally made Yeltsin's peaceful exit possible was a violent war. The massive support that the Russian people threw behind Putin for his strong stance on Chechnya ushered in the surprising victory of the pro-Kremlin forces in the Parliamentary elections in December, including the pro-war supporters among Russia's "reformers." Putin's ascendancy in presidential polls, his deep connections in the security services, and the support of the military cemented his position as a strong hand. Yeltsin finally felt confident enough to step down, and, indulging his penchant for drama, he used the occasion of the new millennium as a backdrop for his exit. In a revealing move, Putin's first act as temporary President was to sign a decree granting Boris Yeltsin and perhaps his family immunity from criminal investigation and protecting their property from seizure. Now, the next step in Russian democracy is the election of a new President which, according to the Constitution, must be held within three months.

Vladimir Putin will likely win in a landslide, for he is unlikely to feel any real challenge, unless there is a drastic failure in Chechnya.

The U.S. must now find a way to deal with a Russia without Yeltsin. This will likely mean the final end of bilateral relations based on personal rapport, as defined by the “Boris – Bill” relationship. It will mean handling a country that is tired of being told what to do and whose population cares little for U.S. warnings about Chechnya and other international issues. And it will mean dealing with a leader whose popularity depends on asserting his authority and the power of the Kremlin in the international arena as well as at home.

The most important short term U.S. objective in Russia should be to ensure that elections do take place according to the Constitution and that all candidates have access to the media and are given a level playing field. Putin’s overwhelming head start and his control of the resources and power of the Kremlin may make it difficult for any candidate to oppose him, thus undermining the prospects for a fair election. Rhetoric will intensify on both sides as elections in Russia and the U.S. approach, but policymakers in both capitals should be willing to develop a less contentious relationship, taking into account both the lessons and disappointments of the past.

Putin as Acting President

Vladimir Putin has made a name for himself as a strong man through the use of a war that seems justified to most Russians but has been conducted with little regard for world opinion or humanitarian concerns. He has been able to translate Russian military advances into political momentum, and has used that momentum to secure a Duma that will be more cooperative with the Kremlin than in the past. Barring unforeseen consequences, he also stands an excellent chance of securing the presidency of the Russian Federation. However, he is still largely an unknown quantity. Mr. Putin is not a politician by vocation. A former KGB agent and a symbol of “law and order” and national unity, it is difficult to judge his political record. He was involved in St. Petersburg politics, where he was known as the “Grey Cardinal” for the way he exercised influence in Mayor Sobchak’s government. His views on the need for a strong state are clear; his positions on political and economic issues are less well formed. According to National Security Adviser Sandy Berger, “the jury is still out” on what kind of leader he will be.

Mr. Putin has, however, begun to show his colors. On the domestic side, he has called for a more assertive role for the state in Russia’s economy, a more dynamic industrial policy, the rooting out of corruption and crime, the passage of new tax and banking legislation, and indicated receptivity to foreign investment. He fired Boris Yeltsin’s daughter, Tatyana Dyachenko, from her post as Kremlin adviser, and initiated a shakeup in the Presidential Administration and the cabinet. Yet, it is still too early to tell if Mr. Putin has either the desire or skill to tackle Russia’s fundamental economic and political problems. At the moment, his all-encompassing objective is a victory in Chechnya, however he and the Russian public define it.

With regards to foreign policy, there are some positive signs. Following the Duma elections, Mr. Putin called on the Parliament to ratify the START II treaty, which has been bogged down for years. In his first conversation with President Clinton in his new capacity, Mr. Putin apparently reaffirmed his commitment “to the core values of democracy,” causing

President Clinton to declare that he and Mr. Putin were “off to a good start.” Still, Mr. Putin’s willingness to use a war to pursue political objectives and, as he declared on December 31, “to enjoy respect from other nations” likely portends a more assertive Russian foreign policy.

If he is elected President, he will be dealing with a lame duck U.S. President, an American Vice President who is on the defensive over the handling of foreign policy, and a host of thorny bilateral problems that do not have an easy solution. One of the most contentious issues is Russia’s objection to modification of the ABM Treaty. Judging by Mr. Putin’s past statements, it would seem that a President Putin would not easily compromise on the issue of national missile defense and would perhaps allow the military to take countervailing steps, such as increased missile production or development of new technologies. Other issues, such as U.S. sanctions on Russian enterprises due to Russian nuclear cooperation with Iran, Caspian energy and pipeline issues, Russian interests in Iraq, and the general Russian desire to counter U.S. dominance in a “unipolar” world, will continue to dog the relationship.

In its efforts to ensure what it terms a “multipolar” world, Russia has been pursuing a more friendly relationship with China. Under President Putin, this trend would likely continue. China has publicly supported Russia’s actions in Chechnya, while Putin has not shown any signs of deviating from the “strategic partnership” pursued by Yeltsin.

Chechnya

The cause of Vladimir Putin’s popularity and a resurgence of optimism among the Russian population is the war in Chechnya. What Vladimir Putin termed an action to create a “security zone” and to destroy “terrorists and their bases” began when the Russian military rolled into the northern part of Chechnya on October 1. It soon became obvious that, unlike the disastrous 1994-1996 war, the Russian population was staunchly behind Putin’s actions, especially following the September bombings in Moscow and two southern cities, which killed hundreds of people and were largely blamed (without conclusive proof) on Chechen terrorists. Riding this wave of support, the military pressed on, quickly conquering the northern, flat part of Chechnya.

After a Russian rocket attack on an open-air marketplace in the center of Grozny on October 22 that left tens of civilians dead and highlighted the possibility of discord between Moscow’s civilian and military leaders, the U.S. increased its criticism of Russia’s actions. Deputy Secretary of State Strobe Talbott, following a meeting with Russian Foreign Minister Igor Ivanov on October 29, said that while the U.S. understands that Russia has the “right and duty to protect the state from terrorism, it nonetheless hope that Moscow will turn to political levers as soon as possible.” Foreign Minister Ivanov rebuffed any criticism, saying Chechnya was Russia’s “internal affair.”

In the days leading up to the Istanbul Organization for Security and Cooperation in Europe (OSCE) summit on November 17, the Yeltsin administration broadened the objectives of the war from “stamping out terrorism” to the subjugation of Chechnya and the restoration of Russian control over the entire territory. Moreover, it became clear that the Kremlin, and Vladimir Putin especially, were enjoying a massive boost in popularity due to successes on the battlefield. This began to raise questions as to the Yeltsin Administration’s motives in the war,

and, although the West did not publicly acknowledge it, many policymakers and analysts began to believe that the Kremlin might be using the war for political purposes. While the U.S. supported Russia's right to maintain its territorial integrity, the lack of a political strategy to negotiate an end to the conflict coupled with overall suspicion regarding the Kremlin's motives greatly heightened U.S. concern.

On November 8, the U.S. State Department accused the Russian government of violating the Geneva Convention. Russia continued to adamantly defend its right to military actions in the breakaway republic and reject U.S. and Western criticism. In fact, some in Russia speculated openly that it was in the U.S. interest to keep the conflicts in the North Caucasus "constantly smoldering." On November 18 President Clinton admonished Boris Yeltsin at the OSCE summit in Istanbul after President Yeltsin vowed Russia would not accept any criticism regarding Chechnya. Yeltsin left the summit early and returned to Moscow.

In early December the International Monetary Fund decided not to issue the next scheduled tranche of \$640 million. Although IMF officials cited a lack of "required structural measures," there was little doubt in Russians' minds that the decision to withhold the funds was directly related to Western concerns over Chechnya. Russia largely blamed the European powers for the decision, and the U.S. denied any other motivation for the decision other than that specific economic criteria had not been met.

On December 6, Russian forces dropped leaflets on Grozny warning that intensive bombing of the city would begin on December 11, and that anyone in the area should "leave or die." The ultimatum caused an uproar in the international community. President Clinton warned that Russia would pay a "heavy price" if it went through with its threats, and many European leaders stepped up their condemnation. In the face of the world's criticism, the Russian military backed down and did not carry out its bombing threats. However, Russian forces did finally initiate an advance on Grozny on December 25. They encountered ferocious resistance and suffered relatively heavy losses. Russian casualties are beginning to mount as the battle for Grozny continues, and the U.S. is struggling to find an appropriate response that could have some impact on Russian decisionmaking and bring about negotiations to end the war.

Parliamentary Elections

The third parliamentary elections in Russia's post-Soviet history were held on December 19. Although the Communist Party was able to gain the largest share with 24.29 percent of the vote, against most expectations, the pro-Kremlin party, Edinstvo, came in second place, with 23.32 percent. Fatherland All-Russia won 13.33 percent, the Union of Rightist Forces won 8.52 percent, the Zhirinovskii Bloc 5.98 percent, and Yabloko 5.98 percent.

It appears that reform-oriented parties did quite well, and that the Communists will not be able to muster a majority in the new Duma. At first glance, this would seem a positive sign for Russia's democratic prospects. However, a closer look reveals a muddier picture. Edinstvo is not so much the party of democratic reform as a creation of the Kremlin; three months ago it was a political non-entity. Only through the public support of Putin was Edinstvo able to create an identity and garner support. Edinstvo does not have a clear platform or agenda, and the

party's composition itself is in flux. It is a phantom party populated by regional leaders eager to maintain support from the center, but with no sense of loyalty to it.

The elections themselves were conducted by and large with few procedural irregularities. But the manipulation of the press and of patriotic sentiments and the influence of money and raw power were so great that to call them a victory for democracy would be stretching the point. What these elections represent is the extraordinary ability of incumbent powers, especially the executive, to manipulate the Russian political system. Furthermore, they showcase the Russian population's willingness and desire to elect a strong leader who can provide security at home and give the people a sense of pride. The war in Chechnya has been able to give the Russians, for the time being, a reason to feel good, even if it turns out to be an artificial optimism based on early military successes in the North Caucasus.

In the days leading up to the Parliamentary elections, Chechnya became the major "cleavage issue" among the parties, while the fundamental political and economic choices facing the Russian people were glossed over. Those parties, like Edinstvo and the Union of Rightist Forces, which were seen as closely aligned with Putin, enjoyed tremendous success, while anyone who was seen in opposition to the Kremlin, such as Fatherland All-Russia and Yabloko, suffered. True, the Russian population did exercise its right to vote, and that in itself represents a democratic victory. However, building a civil society and democratic institutions between elections will prove to be a more important -- and a much more elusive -- goal than adopting the trappings of electoral democracy.

The most difficult tasks lie ahead. The necessary legislative and structural reforms that Russia so desperately needs are still to be undertaken, the fight against corruption and organized crime is yet to be fought, and the difficult compromises necessary for an appreciable improvement in U.S. -- Russia relations have yet to be negotiated.

Other Bilateral Issues

Money Laundering. The issue of Russian corruption and money laundering has taken a back seat to concerns over Chechnya. In early October, Prime Minister Putin met with U.S. Attorney General Janet Reno and pledged to cooperate to end the transfer of "dirty money." Putin declared that government officials were working on a new version of a draft law on money laundering. It is unclear what has become of that pledge, or what will happen to U.S. concerns over corruption during the next three months, especially when access to financial resources is so important in the runup to the presidential elections.

Spy Wars. One day after it was announced that U.S. diplomat Cheri Leberknight will depart Moscow on 10 December, news agencies reported that a Russian citizen working at the Russian Embassy in Washington was detained on suspicion of spying. Stanislav Gusev is accused of gathering intelligence by means of a listening device planted in the State Department and has been declared persona non grata. Leberknight, who was detained 30 November, was later declared persona non grata and asked to leave Russia forever. According to the *New York Times*, a listening device was found in a conference room in the State Department, just outside the Secretary of State's offices. A Foreign Intelligence Service spokesman, Boris

Labusov, called reports of the device "implausible" and said the arrest was probably a retaliation for Leberknight's expulsion.

Nikitin Trial. In a highly watched trial that could set a precedent for the Russian judicial system, a St. Petersburg court on December 29 declared retired Naval Captain Alexander Nikitin not guilty of espionage and treason in connection with his efforts to publicize the Russian Navy's environmentally hazardous practices. In a boost to the rule of law in Russia, the court found that the accusations were unconstitutional.

Y2K Bug Fears. As in the rest of the world, the feared Y2K difficulties did not materialize in Russia. U.S. and Russian nuclear missile systems were unaffected, and the monitoring delegations in both the U.S. and Russia reported no problems.

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Chronology of U.S.-Russia Relations October - December 1999

Oct 1: Russian forces launch a ground invasion of Chechnya.

Oct 5: Russian Foreign Minister Igor Ivanov states that Moscow does not need the help of any international troops or observers to resolve its "problems" in Chechnya.

Oct 14: A Swiss bank official confirms earlier press reports that his bank provided a guarantee for three credit cards on the order of the construction firm Mabetex for Russian President Boris Yeltsin and his two daughters.

Oct 19: U.S. Deputy Secretary of State Strobe Talbott admits to Congress that "mistakes were made" in the Clinton administration's policy toward Russia.

Oct 21: In Moscow, U.S. Undersecretary of State for Arms Control and International Security Affairs John Holum and Russian Deputy Foreign Minister Grigori Berdennikov begin the next round of talks on disarmament, covering START3 as well as U.S. and Russian stances on possible changes to the 1972 Anti-Ballistic Missile (ABM) Treaty. In advance of discussions, First Deputy Chief of the Russian General Staff Colonel General Manilov states that Russia considers attempts to destroy the "existing system of arms treaties and agreements as a threat and [as] destabilizing regional and global situation." He added that there can be "no compromise" on the 1972 ABM Treaty.

Oct 28: The leaders of the Fatherland-All Russia (OVR) alliance publish an open letter appealing to Russian President Boris Yeltsin to break out of his political isolation and rein in his staff who "openly interfere with the State Duma electoral campaign" as well as abuse their office and "exert unprecedented pressure on the electoral process."

Nov 9: President Clinton calls the U.S.'s stake in Russia's success "profound," and declares that "years from now, I don't think we will be criticized, any of us, for doing too much to help" establish a stable and democratic Russia engaged with the West. He adds that the U.S. "should protect [its] interests with Russia" and, in an obvious reference to Chechnya, "speak plainly about actions that we believe are wrong."

Nov 15: Chief of the General Staff of the Russian Armed Forces General Anatolii Kvashnin states that if the U.S. sets up a national defense system, Russia will have to take "retaliatory steps and raise the effectiveness of [its] strategic nuclear forces."

Nov 18: Russian President Boris Yeltsin states in Istanbul that Western countries have "no right to criticize Russia for Chechnya." He then storms out of the OSCE meeting, after hearing the admonitions of U.S. President Bill Clinton.

Nov 27: IMF Managing Director Michel Camdessus warns, "we cannot go on with our financing [of Russia] if the rest of the world doesn't want us to." He adds that public opinion of Russia's military campaign in Chechnya "is very negative."

Nov 30: Russian Foreign Minister Igor Ivanov asks that U.S. diplomat Cheri Lieberknight leave Russia due to charges she was working as a spy. The previous week, the U.S. detained a U.S. Navy officer on charges of spying for the Russians.

Dec 6: U.S. President Bill Clinton, in response to Russia's threats to the population of Grozny to "leave or die," states that Russia may "pay a heavy price" for its actions in Chechnya.

Dec 9: President Yeltsin, on a trip to Beijing, states that Bill Clinton "appears to have forgotten for a few seconds what Russia is. Russia has a full arsenal of nuclear weapons, but Clinton decided to flex his muscles." He adds that Clinton cannot dictate to people how to live: "A multipolar world is the basis of everything. It will be as we agreed with Jiang Zemin. We will dictate how to live, not he."

Dec 15: More than 100 hundred Russian troops and a large, but unspecified number of Chechens, are killed in a three-hour battle in Grozny's Minutka Square.

Dec 19: Russians vote for a new Duma and other regional posts. The Communists win 24 percent, but fail to win an outright majority as the pro-Kremlin Edinstvo party finishes a surprising second. Moscow Mayor Yuri Luzhkov is reelected.

Dec 28: Russian Defense Minister Igor Sergeev claims that the "active phase" of the Russian military operation in Chechnya is nearing completion. Sergeev states the Russian leadership is ready to begin peace talks but only on condition that the Chechens release hostages, extradite terrorists, and disarm illegal armed formations.

Dec 31: President Boris Yeltsin resigns, transferring all power to Prime Minister Vladimir Putin. New presidential elections are tentatively scheduled for March 26, but may occur sooner.