Summary

The purpose of this paper is to address the general nature of the "Russian problem" and ways of thinking about Western assistance, and how it might foster "progress", at a level that is sufficiently concrete to avoid abstractions devoid of policy implications, but sufficiently general to avoid narrow program evaluation. I concentrate on general rules, not programs.

I have borrowed the term "selective engagement" and argue that a strategy of assistance based on this precept can be usefully applied to both short-term ameliorative tasks and long-term transformative tasks. Given the limits of our theoretical and contextual knowledge, Western policy should concentrate more attention and resources on the ameliorative tasks. Policy-makers should seek to identify core interrelationships which suggest policies that could have benefits that are simultaneously economic, socio-political, and/or international. Policies of this sort could be based on conscious linkage in a complex "deal" (as in the Soviet-German agreement of 1990), or on unregulated spillover or reverberation of policies from one realm into other realms (Soros' "virtuous circle," for example). The identification of these possibilities, however, needs to be based upon an understanding of the contemporary situation as something different from, and more than, "building market democracy."

Whether tackling ameliorative or transformative tasks, though, potentially positive Western influence is probably greater on technical and economic than on character-defining, socio-political issues. For all these reasons, I argue that our general posture should be tolerant of centrist forces that seek coalitions (and compromises) with radicals. For, given the decisive role of internal factors in these transitions, we should concentrate our limited influence more on trying to hold off or discredit the reactionary forces than on stage-managing the victory of the radicals.
What Difference Can Western Policy Make?¹

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The question of "assistance" to Russia is discussed daily in American newspapers, and regularly in foreign affairs journals. Most commentators agree that the West should help Russia, by some means or others, to weather the transition from communism. At this normative level, disagreement largely revolves around the desirability of varied magnitudes and types of assistance, the goals to be pursued (democratic capitalism? authoritarian capitalism? free-market capitalism? regulated capitalism?), the mix of Western "altruism" versus self-interest,² and the extent to which aid and conditionality should be based on sympathy (or lack thereof) for varied class, gender, national, and religious interests within Russia and the former Soviet Union.

In most scholarly and journalistic discussions, the normative issues are skirted or taken for granted. More often than not, it is taken for granted that: (1) the goal is to assist the creation

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²For example: should Western "aid" be structured primarily in ways that benefit Western economic interests (e.g. credits earmarked for purchases of grain and technology from the United States)?
of a free-market democracy; (2) that Western assistance is largely
benign, if not benevolent, in impact, and altruistic in intent; and
that (3) the transition’s painful impact on varied groups and
strata, while regrettable, is a necessary condition for
success. Most published discussion, therefore, concentrates on
questions of feasibility: what would "work" in the circumstances of
Russia today; and what is "affordable" given political and resource
constraints in the West. As Sergei Khrushchev put it:

"Nobody needs convincing that Russia needs help. But
whom to help and how to help to good effect are more
difficult to say....As things stand now, foreign
aid...would most likely disappear without a trace into
the secret accounts that Russian bureaucrats and
industrial managers hold in Western banks....leaving
behind only the problem of repaying Russian debts." 3

Or as Leslie H. Gelb wrote: "Throwing money at a trillion-dollar
economy that's sinking in political anarchy, waste and corruption
is not a brilliant idea." 4

Let me register my ambivalence and sympathies concerning the
normative issues mentioned above. Free-market democracy may be
neither a desirable nor a feasible goal in Russia. But it is the
goal of Western governments today, and ostensibly the goal of Boris
Yel'tsin and his associates. Let me therefore take these goals as
givens, and devote this chapter to a discussion of on-site

feasibility concerns: how to assist Russia in its transition.5

What contribution can a social scientist make to such discussions? The evaluation of discrete, often technical, programs is better left to experts in those specific policy realms, such as staffers and consultants to the World Bank, the IMF, and other organizations. As a social scientist and a Russia specialist, I will instead address the general nature of the "Russia problem" and ways of thinking about the matter of Western assistance. I will cast my analytic net at a level that is sufficiently concrete to avoid abstractions devoid of policy implications, but sufficiently general to avoid narrow program evaluation. The exercise will yield both statements of feasibility and general prescriptions for policy.

Specifically, I will propose a strategy of "selective engagement." Ernst Haas first suggested the term in the early 1980s,6 as a prescription for moderating but maintaining US containment policy toward the USSR. I will here use the term as a prescription for a US policy of cooperation with post-Soviet Russia. As I present it, the term is a very broad one, and is under-specified. In particular, it begs for specification of the criteria for selectivity and the forms and scope of engagement. In sum, it tells us little more than that we need a strategy that is

5Thus, I will also not be discussing the political feasibility in Washington D.C. of enacting the measures I propose.

wary of over-commitment but determined to get involved.

Rules of Thumb for Specifying Selective Engagement

I begin with a point that is obvious, but that needs to be stated precisely because it is a "first principle": we must base the strategy on realistic goals for the region. It is axiomatic, for example, that contemporary West European levels of affluence, democracy, liberalism, and stability are unachievable in Russia for at least the next three decades, if then. Moreover, it is likely that the process of transformation will take place in fits-and-starts, a rocky road at best, rather than a smooth or even unilinear transition. Thus, progress will have to be measured over long stretches of time. And the outcome of the process, if successful, will likely be a variant of democracy, market, and nation-state that is less liberal, more collectivist, and more statist than the United States in the 1990s. All of which means that selective engagement cannot be based upon an effort to force Russia onto a track that is faster and more far-reaching than her body-politic can bear.

A second rule of thumb concerns the magnitude of the difference Western policy can make. As Barton Kaplan has put it,

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7I could as easily have written "four or five decades, if then." I resist excessive pessimism in the realization that, thirty years ago, South Korea was dirt poor; and the same was true of Italy and Japan forty years ago. By West European levels, I am referring to the more affluent of these states, not to Portugal or Greece, with which Russia could conceivably converge more quickly.
US influence is "limited [but] not negligible."³ To be sure, this conclusion is but another intellectual way-station toward specifying the scope and limits of possible influence. But it is worth bearing in mind as one devises strategy. For it suggests the need to distinguish those realms in which transformative processes are more and less likely to be susceptible to external influence. I will return to this below, when I will argue that nation-building processes are likely to be only marginally influenced by external "assistance" (though they can of course become militarized by external threat).

A third rule of thumb jumps off from this concern for differentiation among types of processes. The social sciences have developed some conditional generalizations that are applicable to the transition from Leninism, however novel this phenomenon. Sustained hyper-inflation, for example, will scuttle the goals of privatization and marketization. Large-scale bloodshed (as in the Caucasus and Yugoslavia) will overwhelm efforts to build a democratic political community; assuming neither side simply conquers the other, some form of partition is perhaps the only solution after this threshold has been crossed. Strategies of selective engagement must be conceived with these limits in mind. A policy that "works" under peaceable conditions is not likely to work under conditions of hyper-inflation or civil war.

A fourth rule of thumb guiding selectivity and engagement is epistemological: we must recognize the limits of our knowledge of what would work. What is happening in Russia is an unprecedented historical experiment, set within a country with a unique history. Moreover, even were this more familiar terrain, and a more familiar project, we would still face the reality of the overwhelming role of unintended consequences in human affairs. (Lenin himself was dizzy at the thought that the Bolshevik revolution had actually succeeded; less than a year earlier he had assumed he would not live to see the victory.) To some extent, then, we implement selective engagement by a process of trial-and-error, hoping that the errors are not so large as to derail the entire project. But these propositions suggest more than just the need for modesty and prayer. They also suggest a conscious strategy of moderating risks by avoiding over-exposure.

Indeed, all efforts to specify strategies will be subject to an epistemological tension between "understanding" and "prediction." Stephen Toulmin has properly warned that the primary goal of the social scientist is understanding, by which he means an appreciation of the main causal interactions at work in a situation, "a number of general notions and principles which make sense of the observed regularities, and in terms of which they all hang together."9 In the post-Soviet case, this would require ways of conceptualizing the situation that capture the nature of the

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interaction between the liberal and anti-liberal forces at work after the collapse of communism.

This search for understanding, however, is insufficient for policy prescription. The policy-maker does not have the luxury of eschewing prediction. All policy choice is based, implicitly or explicitly, on a prediction about the ways in which the stimulus (policy) is likely to interact with the situation to produce a desired outcome. The social scientist may prefer to dwell on the analytic task of fathoming the nature of the situation; the policy-maker or social scientist-as-policy advisor must venture a predictive guess. The comparative advantage of the specialist lies in his or her understanding of the situation; when this is done poorly, prediction is irrelevant, merely a "lucky guess" when it happens to come true. But the duty of the policy-maker is to do all three: understand, predict and prescribe.

These three tasks (understanding, prediction, prescription) can be treated as logically sequential. Engagement that is selective, then, must be based initially on an appreciation of the situation in Russia today. Let me tackle this task before returning to policy prescriptive considerations.

Understanding the Situation

Talk of transition to a market democracy is an exceedingly narrow shorthand for what we hope Russian leaders are trying to accomplish. It is misleading on two major scores: (1) it understates the breadth of the national goals being pursued even by
those currently in power; and (2) it bears little relation to the nature and intransigence of the transitional reality in which Russia finds itself.

Would-be "market democrats" in Russia today are indeed attempting a transformation that is simultaneously economic and political. In the economic realm, they are seeking to stabilize, marketize, privatize, demonopolize, demilitarize, and restructure the Soviet economy, and thereby to set it on a new path toward sustained growth. In the political realm, they are trying to build democratic institutions, political parties, voluntary associations, an effective state structure, a constitutional, judicial and legal system appropriate to the tasks of coordinating a market democracy, and a popular, civic culture supportive of liberalism and democratic procedure. These are mammoth tasks; it is little wonder that progress is spotty and long in coming, and that relatively few individuals are committed to pursuing all these economic and political goals, much less all of them simultaneously.

But excessive focus on these goals obscures the fact that three other tasks are being tackled as well, and most participants in Russian politics today probably consider them to be more important issues than marketization and democratization. These could be labeled "nation-building," "state-building," and the construction of a "post-imperial identity." Nation-building is the effort to build a sense of political community based on a distinctive identity, be it ethnic ("Russianness"), civic ("citizen of Russia"), or an amalgam of the two. We hope the result is more
civic than ethnic in emphasis,¹⁰ and is compatible with democratic politics and international cooperation. But we also know that all "nationalism" is self-serving, and defines the "national interest" in ways that will often conflict, or at least compete, with the national interests of other states, including the US'.

"State-building" is the process of constructing authoritative institutions of governance and public administration, and of defining authority relations among them. This is what the current constitutional crisis in Russia is largely about. The task overlaps, of course, with the process and goal of democratization, but is not identical to it. The issue of statehood in Russia today is focused on both horizontal and vertical authority relations: among the main branches of central government, and between the center and the periphery. The outcome of this struggle may determine whether Western assistance is directed to Russia, or to many smaller "Russias."

The construction of a "post-imperial identity" is the foreign policy counterpart of the construction of a national identity. Current Russian leaders (and citizens) are trying to come to terms with both the loss of empire and the loss of global power status. They must redefine Russia's role in the world, deciding which roles are both desirable and feasible. And they must cope with pressures to demonstrate that they are neither "selling out" Russian national interests to outside powers nor abandoning Russian nationals in the

new states of the former Soviet Union.

Glib talk of "building market democracy" also obscures the realities of the transition process. In economics, Russia is in a phase marked by a supply-side economic depression, a high open inflation, corruption as a way of life, a racket economy in some sectors, "Wild West capitalism" in others, speculative "merchant capitalism" in still others, radical redistribution of wealth, theft of state property, and vast capital flight. Under these circumstances, the question is not whether they can make the transition from "plan" to "market," but whether they can break out of the grip of organized crime, protectionist tendencies, and monopolistic networks that currently dominate (and cannibalize) the economy. To be sure, there are counter-tendencies at work in the expanding, productive private sector, and in sectors decisively influenced by foreign investors. But it remains to be seen whether these will prove strong enough to resist the opposition or obstruction of those who oppose them. A strong state, and a corps of "Untouchables" were required to battle mafia control of portions of the Chicago economy in the 1920s, with mixed results. Such a strong state does not exist in Russia, and it is questionable whether it could be created in the near future.

Politically, at the center, the situation more closely

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resembles "plebiscitarian" politics, marked by weak or non-existent
democratic institutions (parties, interest groups, an independent
judiciary) to mediate the relationship between the population and
the authorities. Personalities and referenda therefore dominate
central politics. At the local levels, the picture is somewhat
different but no more "democratic." There, the old guard has
frequently managed to retain its hold over the bureaucracy and the
new institutions of governance, leading provincial politics more
often to resemble New York City's Tammany Hall, or Mississippi in
the 1930s, than democratic pluralism, liberalism, and
accountability. As in economics, so in politics, the question is
whether monopolistic tendencies consolidate their grip or,
alternatively, are broken through on the way to a stage of further
democratic development.

In the realms of nation-building and the construction of a
post-imperial identity, the challenges are being addressed in
circumstances of severe popular disorientation and high elite
polarization. Russians are being asked, for the first time in
their modern history, to define an identity that is non-imperial
and non-globalist. In the past, even moderates equated
"Russianness" with empire, whether the Tsarist Russian empire or
the submergence of Russian identity within a larger Soviet imperial
state that Russians controlled. Today, even among liberals and
democrats, the liberation from Soviet repression is offset to
varying degrees by the disorientation of coming to terms with the
loss of historical roots (Kievan Rus'). The disorientation is
compounded by guilt toward the twenty five million Russians living as minorities in newly independent states of the former USSR. And all these emotions are intensified by a sense of humiliation that Russia has come to be viewed internationally as a basket case, dependent on the outside world for hand-outs. In sum, the search for national identity and a new relationship with the outside world touches upon emotions that are intense and basic.

Obviously, these tasks are being tackled simultaneously, and interact with each other. For example, the democratic project, and the pace of demonopolization of the economy, may be hostage to the ability of moderate forces to steer the search for national identity away from xenophobic channels. Their ability to do so will also determine the prospects for regional and international peace. Less obviously, the construction of a strong state to support a nationwide market economy, or to prevent the fragmentation of Russia itself, must be based upon a normative glue that legitimizes the building of such a state. As things stand today, the only available normative message with sufficient power to provide such a glue is an ethnically-intolerant form of Russian nationalism.

Many other interaction effects could be cited, and still more will become clearer to outside observers only as they surprise us by surfacing. It is likely that the results of the interaction of complex but contradictory social processes are inherently unpredictable. If this is the case, the observation has profound implications for policy prescription, which must be based on some
prediction or other. At a minimum, these conundra must temper both our expectations as to how much is achievable and our strategies for influencing the situation in desirable directions. Tempering our strategies in the name of selective engagement means avoiding overcommitment to a policy that might prove counter-productive.

But tempering also has an epistemological component: avoiding the illusion of comprehensiveness. The more one commits to a comprehensive strategy that seeks to integrate and coordinate Western policy toward economic, political, military, and foreign policies of Russia, the more one is hostage to untested theories of marketization, democratization, nation-building, state-building and international relations (which were derived largely from the West European experience) and to ad hoc theories about the interaction among these processes. These may be elegant in their exposition, but are likely to be misleading (or worse) in their implementation. For we have no theories even remotely specific and relevant enough to guide policy prescription in the unique circumstances of a post-Leninist empire attempting simultaneously to tackle all five tasks.

How, then, to proceed? If synoptic planning is impossible because interaction effects are unpredictable at our current state of knowledge, what can be the basis for policy prescription? Let me suggest that we begin by distinguishing between short-term ameliorative goals and long-term transformative goals in each of the realms of policy discussed above (see Table 1). The distinction is elementary, but it has sorting power. Selective engagement, I would argue, calls for much greater Western
concentration on short-term amelioration than on long-term transformation.

Table 1. Tasks and Goals

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<th>Types of Tasks</th>
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<td>Amelioration</td>
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<td>Economic/Technical</td>
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Short-term Amelioration

We know what we want to avoid: anarchy, fascism, economic collapse, civil war, and interstate warfare between Russia and her neighbors. We also have a sense of what conditions or eventualities might be symptomatic or predictive of these apocalyptic outcomes. In the socio-economic realm, these would include: prolonged hyper-inflation; a foreign debt that precluded economic progress; mass destitution, epidemics, or lawlessness; ecological catastrophe; and collapse of the basic infrastructure of an industrial economy: energy, transportation, and/or telecommunications.

In the socio-political and military realms, the most dangerous conditions would include: a mass of Russian immigrants from former republics, and demobilized soldiers, who live in impoverished conditions and who seek scapegoats for their sudden deprivations; the mobilization of inter-ethnic resentments and the cultivation of a pogrom mentality; wildcats strikes in industries capable of paralyzing the economy; nuclear accidents associated with reactors, waste storage, or weaponry; and nuclear proliferation. With respect to nation-building and inter-state relations, the condition to avoid is the rise to power of xenophobic, chauvinistic, and neo-
imperialist forces.

Western policy may be able to help prevent "the worst" in a variety of ways, many of which are currently being implemented. Debt relief (of varied types), trade credits, humanitarian assistance, direct investment in upgrading the technological standards of nuclear reactors, construction of housing for demobilized soldiers, employment and retraining programs for scientists and military personnel, reduction or abolition of COCOM restrictions on high-technology transfers (for example, fiber optic cables for upgrading telecommunications), direct investment in the Russian energy industry---these and many other programs are already in place or being negotiated.  

To be sure, tactical problems abound, some of which may negate the intended impact. How should aid be delivered so as to serve the intended purpose? How much assistance, and of what kinds, is needed and affordable to the West? How should conditionality be

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14As indicated in the quotations from Sergei Khrushchev and Leslie Gelb, reproduced at the beginning of this chapter.

15For example, Leonid Khotin (personal communications) has argued that the only reliable conduit are the managers of large enterprises. Andrei Melville (personal communication) has argued for joint Russian-American soup kitchens, with American organizations sub-contracted to deliver supplies.
defined and enforced?16 How should Russian pride be protected in conditions of dependency?17

These are the types of questions on which entire essays could be written, each devoted to addressing that question with respect to a specific program. Many of the controversies hinge on highly technical evaluations of conditions, which would not be appropriate in this chapter. One way to evaluate programs, however, would be to ask whether they are sensitive to the realities of the racket economy, machine politics at the local level, the disorientation and identity vacuum in Russia today, the lack of a strong central state, and the possible interaction among economic, political, nation-building, and foreign policy agendas.

In this vein, let me therefore suggest another general rule-of-thumb that can guide the search for programs that are likely to supply the greatest amelioration for the buck.18 We should seek programs that stand at the intersection of multiple interrelationships within the society, economy and international order, and that are therefore likely to supply simultaneous social.

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16For example, Western policy cannot control Russian inflation, but Western aid of certain types can be conditioned on the Russians controlling their inflation. For a recent development in this realm, see Steven Greenhouse, "I.M.F. Plans New Russia Aid Linked to Lowering Inflation," *The New York Times*, May 20, 1993, p. A4.

17For example, S. Frederick Starr has proposed "a Pentagon-sponsored program for retraining former Red Army officers, using American businessmen and academics, and meeting at abandoned United States Army bases in Germany" ("Year One of Capitalism in Russia," typescript, January 1993).

18Ned Walker, in a personal communication, felicitously refers to this as a strategy of "minimizing the maximal damage."
economic, political, and international benefits. Let me give a few illustrations.

The Soviet-German agreement of July 1990 was an example of precisely such a program. The Berlin Wall had fallen, East Germany was collapsing, and the preference in both Bonn and Washington was for the reunification of Germany within NATO. This prospect had been denounced emotionally in Moscow but, except for military action, would be difficult for the USSR to prevent. The Soviets did, however, still have some 300,000 troops in East Germany, whom most Germans wanted to see go home in the context of reunification. A rapid withdrawal of those troops, though, would create immense social dislocation in the USSR. Given these dilemmas, West German Chancellor Helmut Kohl and Soviet President Mikhail Gorbachev worked out a deal whereby Moscow would accept German reunification within NATO and would agree to withdraw its troops, in exchange for which: 1) Soviet troops would be withdrawn over a four-year period; 2) Germany would invest 7 - 8 billion dollars in the construction of high-quality housing for returning Soviet soldiers and their families, and would pay the costs of Soviet troop maintenance in eastern Germany in the interim; 3) Germany would assume East Germany’s trade commitments to the USSR, and would fulfill them at West German standards of technological quality; and 4) Germany would release humanitarian assistance drawn from West Berlin’s now-superfluous emergency stocks of food and medicine.

Here, then, was a deal that simultaneously addressed economic, social, military, and international problems. It facilitated
Gorbachev's "selling" of German reunification to domestic audiences, marginally assuaging the fury of those who saw this as rolling back Soviet victory in World War II. It mitigated the economic disruption caused by the collapse of East German-Soviet trade relations. It hoped to mitigate the resentments of returning Soviet soldiers and their families, as well as the social and economic disruption of a precipitous withdrawal. And it promised to help (at least some) Soviet citizens cope with the forthcoming winter. The value of this model is the attention to varieties of interrelationships on which it was based.

Coping with the task of amelioration requires searching for analogously complex programs. For example, Vaclav Havel has suggested that the West invest in development of the Russian oil industry, on condition that the countries of Eastern Europe and the former Soviet Union receive oil supplies from the Russians at subsidized prices, as used to be the case under the old system. This approach would simultaneously help develop a key sector of the Russian economy on which Russian hard currency earnings depend, would promote (not guarantee!) economic recovery and political stability throughout the region (including Russia), and would

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19A high foreign ministry official told Strobe Talbott in 1990 that the collapse of East Germany made clear that the Soviet Union had lost the Cold War, but the reunification of Germany within NATO would make Russians feel they had lost World War II! See Strobe Talbott, "The Fear of Weimar Russia," *Time Magazine*, June 4, 1990, p. 36.
Diversify world energy sources to boot.\textsuperscript{20}

Complex programs that seek multiple \textit{types} of benefits need not be as wide-ranging as these examples have been. One could focus attention on key sectors, the collapse of which would reverberate dangerously throughout the economy and society, and the further development of which would be highly beneficial to economic recovery and development. Energy is one such sector; transportation and telecommunications are others. Nor need this be a very expensive proposition. If short-term cost is the consideration, the West could accomplish much by simply dropping COCOM restrictions on the transfer of fiber-optic technology. Western companies have been eager to sell this technology to Moscow to modernize Russian telephone systems. The result would presumably facilitate the use of both telephones and fax machines throughout that vast country, and thereby increase the attractiveness of private investment in Russia.\textsuperscript{21}

Thinking through interrelationships and interdependencies is

\textsuperscript{20}The issue, for my purposes, is not whether Havel's idea is technically sound. It is rather that it is the product of a thought-process that seeks simultaneous beneficial impact in multiple realms. For a most recent example of such thinking, see the proposal advanced in Roald Sagdeev and Michael Nacht, "Space Policy is Foreign Policy," \textit{The New York Times}, June 26, 1993, p. 15.

\textsuperscript{21}Of course, modernization of the entire Russian telephone system would take time, but short-term benefits would be available along the way. To be sure, improved telecommunications would not be a sufficient condition for making Russia attractive to foreign investors, but it is probably a necessary condition. Most sufficient conditions are in areas that are largely the homework of Russian officials, such as contract enforcement and property rights protection.
never easy, especially when these are not confined within the economy and must take account of unknowable socio-political reactions. Brainstorming among groups of Russia specialists drawn from several disciplines might highlight interconnections that are not immediately obvious to more specialized or casual observers. For example, George Soros has suggested that Western financing of a social safety net within Russia would be quite inexpensive given the galloping devaluation of the ruble, would head off mass destitution, and would have the added benefit of setting off a "virtuous circle" of economic improvements. For another example, Robert Legvold has noted that a near-accident in a Ukrainian nuclear reactor was a product, not of technological obsolescence but of human error induced by pressures to expand production in light of Ukraine's energy shortage. Thus, merely upgrading the technological level of reactors would be insufficient to prevent accidents in the absence of simultaneous measures to expand energy supplies—an observation that takes us back to Havel's proposal, noted above.

In a similar spirit, Andrei Kortunov (personal communication) points out that US credits for Russian purchase of American grain have deprived Ukraine of markets in Russia for Ukrainian grain, and of leverage on Russia for negotiation of an energy-for-grain swap.

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Whether technically accurate or not, this example highlights a key issue in the pondering of interrelationships: how many countries’ interests should one seek simultaneously to advance? This question is partly normative: with which countries or peoples does one identify? But it is partly analytical: how do interconnections among events in different countries impact on the prospects for catastrophe in Russia? For example, pogroms against Russians in neighboring countries might well trigger a militarist restoration in Moscow.

A strategy of short-term amelioration, therefore, cannot afford to think only about the interconnections among events within Russia. Selective engagement, in turn, must be less selective than that, while not being so comprehensive as to try to reconcile the interests of all the states of the region. Such reconciliation is probably impossible, anyway. But even if it were possible in principle, devising a strategy that anticipated the interaction effects among events and tendencies within so many countries would surely defy human capacity for calculation.

A strategy of selective engagement, for purposes of short-term amelioration, must also be based on prudence. In the economic

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realm, this means avoiding over-exposure to risk of total loss, and searching for novel and reliable means of channeling assistance. It means searching for low-cost solutions that might have large impact. In the other realms, it means preparation of fallback positions should things spin out of control. In contrast, an over-committed strategy of selective engagement would tempt the outside actor to deepen commitments rather than cut losses.

Avoiding Fascism: Politics in Moscow

I have largely been discussing programs of amelioration, in the economic and technical realms, that can have some predictable beneficial impact. I have also noted that the failure of amelioration could produce social conditions conducive to the rise of fascism, anarchy, or civil war. My emphasis has been on what the West could do to avoid such conditions. There is one additional prescription, however, that is of the "don't" variety, and that has substantial theoretical grounding. Western hostility, or condescending dictation of terms, would likely have a negative impact on democratic state-building and nation-building. As Ned Walker has put it in a personal communication:

Outside threats have historically probably done more to foster the creation of a sense of

25A simple linkage strategy that fits the spirit could be Western conditioning of economic assistance and credits on Russian enhancement of the safety of their nuclear arsenal, or on Russian compliance with nuclear reduction agreements, or on Russian abjuring of nuclear threats against former Soviet republics. Such a linkage of economic aid to nuclear issues might be dubbed "less bang for the buck"!
national identity than anything else....Likewise, outside threats have done an enormous amount to stimulate an increase in the size and reach of the state, and probably were responsible for the very emergence of the state.

Avoiding fascism, then, is a matter of both policy and style. Amelioration of economic and social conditions requires policy choices that are largely technical in nature. And while building a democratic nation-state is largely beyond our control, we do have great capacity to facilitate the ambitions of those who prefer a fascist state. This could result from a posture of hostility (whether directly threatening or by refusal to offer technical-economic amelioration) or from a style that fuels xenophobic sentiments in Russia.

For example, we must avoid over-reacting to the Russian search for a national identity and national interest. If the Russian radical democrats do not embrace Russian nationalism, they will cede this function to more intolerant forces. Building a nation requires a definition of the political community that differentiates it from other communities. However tolerant and non-invidious the definition they embrace, it will demand policies that will often not coincide with US definitions of national interest. We may wish to treat Russia as an ally, but we should bear in mind that allies disagree on many, many things.

Similarly, if we wish to avoid negatively impacting the
nation-building process, we should avoid gratuitous deepening of Russian humiliation through triumphalist demands, missionary intrusiveness, and double standards in the evaluation of Russian foreign and domestic policies as we observe the rough-and-tumble of early Russian democracy. For democratization and nation-building are emotional processes; Western postures that do not deepen the humiliation already widespread in Russian political circles are something to strive for.

Of course, as Russians seek to redefine their role in the world, and to legitimize new roles, they can be influenced by the usual fare of international diplomacy, both bilateral and multilateral. Western policy can reduce the transaction costs of regional cooperation by offering services as mediators, facilitators, peace-keepers, fact-finders, and the like, in regional disputes. More ambitiously, Western policy can reward peaceful conflict resolution, urge respect for existing borders (unless renegotiated peacably), and help to foster intra-regional economic cooperation (the Havel plan for the Russian oil industry comes back to mind). But the more ambitious these schemes for stage-managing the creation of regional order, the more likely they are to fail, and then to create backlashes both in the West and within Russia. The intellectual, political, and coordinative requirements of such a task are prohibitive. Instead, we should modestly select forms of engagement that foster a context that will

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undermine the credibility of the Russian right-wing.

Long-term Transformative Goals

Is it sufficient to pursue short-term ameliorative goals? Or must Russia simultaneously make progress on transformative goals to prevent things from eventually breaking down? I would argue that amelioration without transformation is a prescription for eventual failure. It is a finger-in-the-dike approach, when construction of a new system of dikes is required. At some point we are bound to run out of fingers as new holes get punched in the defenses. But the question being addressed in this essay is somewhat different, for in principle one could argue that amelioration is partially Western "homework" while transformation is almost entirely up to the Russians to bring about. Reaching these conclusions would in turn suggest, at best, a conditioning of Western ameliorative assistance on Russian transformative initiatives.

But whether these initiatives come principally from Russians or the West, a common epistemological problem arises. Designing policies that are likely to foster progress toward transformative goals strains the limits of our knowledge of what would work. Policy prescription for long-term transformation requires more than "just" an understanding of the situation in Russia today; it also requires dynamic theories of system-transformation and nation-building, rather than static identification of interrelationships. And it is precisely such dynamic theories that are in shortage in
the social sciences today.

For example, it is obvious that reliable distribution of antibiotics can ameliorate a public health crisis, or that improved telecommunications make for a more attractive business environment. We also know how to upgrade the technical safety requirements of nuclear reactors, and how to clean up or avert environmental disasters. But it is not obvious how to build capitalism at a price Russian elites and social groups will be willing to pay. Nor is it obvious how to resolve, or even manage, the contradictions among the major transformative tasks being tackled: marketization, democratization, nation-building, state-building, and the redefinition of Russia's role in the world.

In each of these realms, disputes rage over the theoretical underpinnings of alternative strategies for building capitalism, democracy, and a new, post-imperial nation-state. Economists debate "shock therapy" versus "evolutionary" strategies of transformation.27 Political scientists debate "presidentialism versus parliamentarism," proportional representation versus winner-take-all electoral rules, the requisites for elite cohesion, political tolerance, and civic culture, strategies of nation-building and state-building, federalism vs. confederation, and the

27The most substantial juxtaposition of these arguments is Josef C. Brada, "The Transformation From Communism to Capitalism: How Far? How Fast?," Post-Soviet Affairs, 9, 2:87-110 (April-June 1993), and Peter Murrell, "What Is Shock Therapy? What Did It Do In Poland and Russia?" in ibid., pp. 111-140.
relevance of lessons from other locales.\textsuperscript{28} International relations theorists debate the requisites of peace in the region.\textsuperscript{29}

Most daunting, however, is the indeterminacy of any of these realm-specific theories in light of the unprecedented and comprehensive nature of the task. Because the context is post-Leninist, and because all these challenges are being tackled simultaneously, it is unclear that any realm-specific theory can provide deductive guidance to policy.\textsuperscript{30} Nor can highly generalized theoretical debates about human nature, often called "rationalist" versus "culturalist" theories, decide the issue.\textsuperscript{31} At best, one could argue that, if the market incentives are set correctly and maintained long enough, cultural aversions, predilections, and "meanings" may eventually be adjusted in the directions indicated by the incentives. But at best this applies to economic relations only, whereas socio-political relations are more cultural and identity-driven than rational-materialist in inspiration. When dealing with the interaction among these tasks,

\textsuperscript{28} Many useful articles and debates along these lines have appeared in \textit{Journal of Democracy} (quarterly).

\textsuperscript{29} See, for example, articles by Robert Jervis, Jack Snyder, John Mearsheimer, and others in the quarterlies \textit{Foreign Affairs}, \textit{Foreign Policy}, and \textit{International Security}.

\textsuperscript{30} For example, one major debate in both Russia and the West concerns the mutual compatibility of marketization and democratization processes in a post-Leninist context.

\textsuperscript{31} For a penetrating discussion of rationalist versus culturalist theories, see Harry Eckstein, \textit{Regarding Politics} (Berkeley and Los Angeles: University of California Press, 1992), chapters 1, 7, 11.
we will not have the luxury of embracing rationalist or cultural theories to the exclusion of the other. In any case, as time goes on, we will surely learn more about how these interaction effects condition the generalizability of specific theories developed in other locales. But in the meantime, the question of how Western policy might affect those interactions remains an open one.

A prudent strategy of selective engagement might approach the question with a certain measure of theoretical agnosticism. In turn, this would call for tolerating the policies of a relatively broad range of political forces. In Russia today, as in many post-Leninist societies, the political spectrum has been occupied by three general tendencies: liberal, centrist, and reactionary. Depending on the country and the issue, the labels will vary. Andrew Janos conceptualizes these in Eastern Europe as "liberal," "technocratic nationalist," and "populist nationalist." In Russia, these camps are called the "democrats"/"radicals," the centrists, and the "Red-Browns"/"fascists."

Short-term amelioration strategies should be oriented toward avoiding a victory for the populists, Red-Browns, or fascists, since these are the groups that feed on catastrophe. Long-term transformation strategies, in turn, should facilitate the eventual victory of liberals and democrats. But given our theoretical

confusion over which strategies are likely to eventuate in such a victory, Western strategy should give priority to avoidance goals. That is, Western policy, and the conditionality attached to Western aid, should be tolerant of both leftism and centrisim, but unambiguously intolerant of reactionary tendencies. Conditions in different countries may dictate the tolerable speed and form of radical change; as long as centrists are not "stand-patters," and are willing to foster movement (however slow) toward market democracy, they should be treated as a legitimate force to be accommodated.

This approach dovetails with my sense that, in contrast to ameliorative goals, most progress toward transformative goals is largely out of Western control. Western policy can be facilitative, and can provide selective material, diplomatic, and military inducements. But the trajectory of development in the economic, political, and nation-building realms is largely the "homework" of the Russians. And it is probably appropriate that it be so. Even within the context of a commitment to building a peaceful market democracy, basic choices will have to be made about the balance between equity and efficiency, collectivism and individualism, social security and individual achievement, nationalism and cosmopolitanism, statism and liberalism, federalism and decentralism, exclusivism and inclusivism. These are character-defining issues. And such issues are least susceptible to dictation by non-members of the political community, especially in a country with the size, power, and traditions of Russia. Even
if such dictation were successful in the near-term, it would not be likely to "stick" for very long, as the body-politic and body-societal would likely reject, deflect, or absorb alien patterns of behavior.

Centrists who eschew reactionary programs will likely disagree with radicals about the desirable and feasible balance among these conflicting imperatives. But that does not necessarily make a given centrist anti-market or anti-democratic. A prudent strategy of selective engagement calls for efforts to facilitate and reward, but not dictate, the formation of center-left coalitions, as well as for patience about the time-frame for measuring "success."

Most of the structural transformation of the Russian economy and polity will be products of political will and state capacity within that country. But there are things Western policy can do to facilitate transformation. A number of them are strikingly low-cost items. A Peace Corps of retired government and business executive to teach the skills required in a market economy can have an important micro-economic impact, while fostering cosmopolitan attitudes if the executives do not behave like "ugly Americans." Tax and trade treaties, according of Most Favored Nation status, marginal changes in anti-dumping laws: all these could facilitate Russian access to US and West European markets, thus encouraging but not bankrolling the development of export-oriented sectors of the Russian economy.  

33On the other hand, Richard Temsch, in a personal communication, argues that Russia would be better served by a development strategy that emphasized sales to its domestic market,
Similarly, a (materially) low-cost change in the Foreign Corrupt Practices Act would make it easier for would-be US investors to do business in Russia. Western governments could use their influence also to pry loose from secret bank accounts the billions of dollars that have been illegally secreted out of Russia by corrupt officials and their underworld allies. Elimination of COCOM restrictions would allow Russia to import fiber-optic cables for telecommunications improvement, and advanced information-processing technologies for building a modern banking system. Though potentially more risky and expensive, one can recommend an expansion of OPIC (Overseas Private Insurance Corporation) insurance for selected private ventures in sectors of the Russian economic that are likely to develop an international niche or a domestic market. Then too, the recently-proposed joint project between the U.S. National Aeronautics and Space Administration (NASA) and the Russian space program would reduce costs on both sides while salvaging a sector of the Russian economy that has export potential. There may be other projects that fit this model.

Some programs and policies could be costly to Western budgets, but would foster demilitarization of the economy and the growth of a private sector. Financial and technical assistance in rather than an export-driven strategy of development.

Indeed, I am told that Henry Kissinger recently proposed that Western investors put the local head of the Russian mafia on their board of directors! This may be risky. Richard Temsch, in a personal communication, argues that this would compromise both capitalism and foreign investment in the eyes of the bulk of the population, which hates the "mafia's" control of some sectors of the economy.
dismantling Russian nuclear weapons is one such program, as is the partial funding of defense conversion efforts. Direct aid to, and investment in, the productive private sector, including assistance in institution-building (legal structures, small business associations, regulatory experience, managerial training) could nurture the growth of free enterprise---and the strengthening of a currently tiny entrepreneurial "middle class" to provide the political base for sustained reform. The recent decisions of the G-7 (the governments of the rich democracies) to funnel aid toward privatization of Russian state enterprises is in the same spirit.35

Many of the programs I have suggested are already being undertaken at the initiative of Western governments, foundations, citizen groups, nongovernmental organizations, and multilateral institutions. I mention them not for the purpose of technical program evaluation, nor of exhaustive enumeration of Western initiatives, but rather as illustrations of programs that, inexpensive or expensive, might have a limited but not negligible impact on the course of economic transformation. We should have no illusions, however, that their impact will be decisive, rather than merely facilitative.

When we look beyond economic transformation to the political projects of democratization, state-building, and nation-building, we should temper our expectations even further. These character-defining issues will be determined even more fully by internal...

considerations than will the economic. I have already argued that, with respect to short-term amelioration, salutary Western influence is more limited in these realms than in the economic or technical. With respect to long-term transformation, I assume it is even less than that. And given the theoretical uncertainties about which paths to a democratic nation-state "work" in a post-Leninist context, I would suggest that we again set our sights more on "avoiding the worst" (fascism) than on "imposing the best" (radicalism). Again, this means settling for center-left coalitions when internal forces within Russia bring them into being. It means fostering an international context that bolsters the credibility of claims advanced by both radicals and centrists, and that discredits the claims of right-wing extremists.

Summary

The general theme of this article should be clear. In thinking about ways in which Western policies might foster "progress" (as we define it) in Russia, I have concentrated on general rules of thumb rather than specific program evaluations. I have borrowed the term "selective engagement" and argued that a strategy of assistance based on this precept can be usefully applied to both short-term ameliorative tasks and long-term transformative tasks. I have argued that, given the limits of our theoretical and contextual knowledge, Western policy should concentrate more attention and resources on the ameliorative tasks. Policy-makers should seek to identify core interrelationships which
suggest policies that could have benefits that are simultaneously economic, socio-political, and/or international. Policies of this sort could be based on conscious linkage in a complex "deal" (as in the Soviet-German agreement of 1990), or on unregulated spillover or reverberation of policies from one realm into other realms (Soros' "virtuous circle," for example). The identification of these possibilities, however, needs to be based upon an understanding of the contemporary situation as something different from, and more than, "building market democracy."

Whether tackling ameliorative or transformative tasks, though, potentially positive Western influence is probably greater on technical and economic than on character-defining, socio-political issues. For all these reasons, I have argued that our general posture should be tolerant of centrist forces that seek coalitions (and compromises) with radicals. For, given the decisive role of internal factors in these transitions, we should concentrate our limited influence more on trying to hold off or discredit the reactionary forces than on stage-managing the victory of the radicals.