4 Russia in Europe’s New Equation
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The end of the Cold War and the disintegration of the Soviet Union in late 1991 created a new international political and security climate. The new states generated by the upheavals in Eastern Europe and the Soviet Union have faced substantial obstacles in their efforts to construct – or reconstruct – working market economies, democratic political systems, and the basic elements of civil society that undergird them.

These changes have also created new dilemmas for those states that had opposed the Soviet Union and its allies during the Cold War. The most important challenge confronting the established Western democracies in this new environment has been the task of shaping new ties with Russia. How can they help Russia move in directions that are perceived to be beneficial, both to Russia and to its former opponents in Europe and North America?

That Russia continues to matter to Western security is clear. Russia is the most important country among the new states in Eurasia. It inherited the lion’s share of the USSR’s territory and material resources, and is the sole nuclear successor state to the Soviet Union. The task of restructuring has been particularly difficult for Russia both because of its great size and because it experienced a greater sense of loss from the collapse of Soviet power. One would expect, then, that the West would pay special attention to the development and implementation of policies intended to promote democracy and prevent conflict in Russia. Such policies must be designed to address Russia’s singular circumstances and history if they are to be effective.

Nonetheless, the Western response to the end of the Cold War and the collapse of the Soviet Union has been inconsistent. The major Western powers and institutions have not fully used this opportunity to ensure a more stable and less-threatening environment for Europe and the United States,
and they have been slow to incorporate Russia into new or existing Western institutions. Moreover, by failing to follow through on early promises of substantial support to Russia, the West damaged relations with Moscow in the short run, and may have complicated longer-term relations with the Russian Federation.

Cooperation among the Western powers to formulate policies toward Russia has been limited. This is understandable, since the West has faced significant problems of its own following the Soviet Union’s collapse. The United States and its major allies in Europe and Japan have been struggling to adapt their own relationship in light of the changed international system. Yet, as a consequence of their competing concerns and their subsequent inattention to Russia, Western policies towards Russia have sometimes worked at cross-purposes. Simultaneously with efforts to encourage democratization and steps towards a market economy in Russia, the West has also been searching for new ways to ensure stability and security in Europe and the broader international system. These two goals have not always been compatible. Most conspicuously, NATO’s decision to enlarge undermines Western efforts to integrate Russia into the Western community and has exacerbated fears in Russian political circles about Western intentions towards Russia.

To be sure, efforts to establish new relations with Russia in the post-Soviet period had to deal with Russia’s need for assistance, training and support in establishing a market economy and democratic institutions, while at the same time trying not to offend Russian sensitivities about their weakened circumstances. And whether by plan or by accident, different Western multilateral organizations have focused on different tasks in establishing new relations with Russia. Among the more important fora have been the Group of Seven (G-7) and the International Monetary Fund (IMF), which have supported financial aspects of Russia’s transition, while the North Atlantic Treaty Organization (NATO) has worked to formulate new security ties with Russia.

This chapter will assess the efficacy of policies undertaken by the United States and Europe towards Russia. I will first outline how internal conditions in Russia affect its relations with the West. Next, I will briefly examine external financial