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THE FUTURE OF THE SOVIET UNION: WHAT IS THE WESTERN INTEREST?

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The Future of the Soviet Union: What is the Western Interest?

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With the acute military conflict phase of the Persian Gulf crisis now well behind us, the West's attention has properly shifted back to the ongoing crisis in the Soviet Union, a phenomenon of much more fundamental significance for the international system than Sadaam Hussein's foolhardy invasion of Kuwait. Gnawing uncertainty about the shape and character of the post-Cold War international system is dominated above all by uncertainty about the shape and character of its most unstable major component. Uncertainty about the Soviet Union has to do with the most basic questions bearing on the future of any state: its political structure, economic system, territorial configuration and ethno-national composition. Rarely if ever in history have all of these fundamental questions been at issue simultaneously in any single state, certainly not in the absence of defeat in a major war.

The range of possible outcomes of the Soviet crisis covers a large space. Radically different outcomes, none more commandingly plausible than others, could have vastly different consequences for the West. Highly schematic and simplistic visions of alternative Soviet futures have already become part of the Western conventional wisdom, and they are shaping emerging Western preferences and policies. There is a real danger that absent a more refined understanding of the alternative Soviet futures and their possible external implications, our assessment of Western interests will be defective and policies designed to advance or defend them misguided. This paper will seek to explore the implications of some of the most widely discussed Soviet futures and in that light will examine the current Western debate on appropriate economic assistance policies for helping to shape a favorable Soviet outcome.

I.

For most of the post-World War II era, the Soviet Union was widely regarded as among the most stable and predictable factors in world politics, highly resistant to, if not altogether incapable of fundamental change. But beneath the facade of Soviet monolithism and eternal "friendship of peoples," the system was rotting, and toward the end of Brezhnev's rule was so perceived even by some of his lieutenants, notably Mikhail Gorbachev and Eduard Shevardnadze. By the mid-1980s, the cost of enduring both decaying stagnation at home and hostile isolation abroad had become insupportable, and a new, young leader sought to place the country on a different course, to inject dynamism into both its domestic and foreign policies.

From rather modest beginnings in 1985, in a few short years the pace and scope of Gorbachev's reforms were progressively enlarged and radicalized. Initially, Gorbachev appeared to have in mind a revival of the short-lived campaign that had been launched in 1982 by his patron, Yuri Andropov, to reinstill greater discipline and order into the Soviet system. To this campaign, Gorbachev added a new ingredient, *glasnost*, or openness, in an effort to gain greater credibility for the regime and to restore public confidence in the Communist Party. But its principal effect was to hasten the exposure of the rotten foundations of the entire system, to intensify public dissatisfaction, and to raise popular expectations of early change and improvement. *Glasnost* in turn spurred demands for more *demokratizatsiiya*, another theme of what came to be labelled *perestroika*, or restructuring.

It is clear that Gorbachev initially viewed democratization largely in instrumental terms, as the political arm of economic reform. It was designed to help carry out this reform from above by weakening the resistance of conservative parts of the state bureaucracy and party

apparatus. In 1987 this modest conception of democratization was ratcheted up to embrace a shift in legislative and executive power from the party to Soviet structures. This was to be accomplished at first under the leadership of party leaders who would stand at the apex of both the party and Soviet structures in Moscow, as well as in the republics and oblasts. While constrained in a variety of ways to ensure Communist Party dominance, the 1989 all-union elections to a Congress of People's Deputies nevertheless began a shift toward a modified form of consensual rule that revolutionized Soviet politics. In local and republic elections in the spring of 1990, Communist party control in many republics and localities, notably in the Russian Federation and especially in large Russian cities, was severely shaken.

Essentially what happened was that the process of tinkering with the old system snowballed into a process of its wholesale dismantling. This process was partly deliberate--Gorbachev and his lieutenants raised the ante as it became clear that mere tinkering would not suffice--but after 1989 acquired a momentum that largely escaped the control of the leadership.

Meanwhile, Gorbachev was missing the opportunity he had in the first several years of perestroika to use his still considerable powers and authority to launch major reforms of Soviet economic institutions. By the end of 1990, the Soviet Union was in the throes of a profound crisis of governance, crippling the capacity of political leaderships, either at the center or in the republics, to cope with the rapidly deteriorating economy and the growing social malaise of the masses.

At issue now are the most basic questions of Soviet statehood: will there be a Soviet Union occupying the present territorial expanse of the USSR? If so, what will be the nature of the political and economic relationships between the center and the republics? If not, what parts of the present Soviet Union will be in the state and which will

break way? Will the union that survives be a strong federal state, a highly decentralized confederation, or an even looser commonwealth or community? What will be the relationship between the breakaway states and the entity that remains?

When perestroika was launched in 1985, ethno-national issues were barely on the agenda. The unchallenged assumption underlying all proposed economic reforms was that there would be an all-union economy and a unified market. The unchallenged assumption underlying "democratization" was that reformed political structures paralleling those of the center would appear in all of the republics and that the country as a whole would continue to be governed from the Moscow center. Now, however, it is acknowledged by all contending political forces in the Soviet Union that the so-called "nationality question" is the first priority issue confronting the Soviet Union, and that the country's economic and political crises cannot be addressed and will only deepen if this question is not first resolved. So long as the "center" controls union property and the state's currency, borders, armed forces, and most of its economic management and administrative cadres, the scope for local and republican reform--even for a republic as large and well-endowed as the RSFSR--will be too severely constrained to permit it to be effective. But at the same time, no union reform program that does not command the support of the leaders of key republics stands a chance either.

Two major dichotomous possibilities have captured the attention of Western governments and publics in recent months and dominate the Western debate about the future of the Soviet Union and its implications for the West. The two polar alternatives, each seen with dramatically different implications for the outside world, are: preservation of the Soviet Union essentially within its present borders and with a strong center representing it to the outside world; or

chaotic disintegration of the Soviet state into multiple independent republics or clusters of republics.

The prevalent image of a preserved and "renewed" union is vague (as it was in the formulation employed in the March 17 referendum) and embraces a large class of structures from a traditional repressive unitary imperial state to a more liberalized and decentralized version. What all these versions have in common is the presumption of a strong and coherent "center" capable of keeping centrifugal forces under control and serving as a reliable focal point for managing the international relations of the Soviet state. The prevailing image of a "disintegrated empire," on the other hand, tends to have a much more sharply defined focus: a disorderly and inherently unstable, if not explosive, conglomeration of multiple sovereignties.

In the prevailing Western view, the question of whether the Soviet Union survives or disintegrates is largely tied to the fortunes of Mikhail Gorbachev. If he survives, the union can be preserved and the USSR can be a stable and cooperative force in the world; if he falls, the USSR is likely to disintegrate or to be held together by political and social forces uncongenial to the West. This is the way Gorbachev and spokesmen for the "center" have presented the alternatives to the Soviet people and to the outside world and these are the alternatives that have come to dominate the debate in the Western world.

With the alternatives posed this way, virtually all Western governments and most informed opinion have identified Western interests with preservation of the union. The Baltic states excepted as a special case, the conventional Western wisdom is that the breakup of the union is likely to have disastrously destabilizing consequences for the USSR that would also pose potentially grave threats to Western interests.

That the new Western conventional wisdom finds the prospect of the dismantling of the USSR so alarming reflects

the genuine paradigm shift that has occurred in the last half decade in the way the West now conceptualizes the Soviet Union and its place in the world. In the Cold War context of the previous four decades, the breakup of the Soviet Union would surely have been equated unambiguously with the removal of a great threat to vital Western security interests and the realization of the legitimate rights of the peoples of Soviet Union to self-determination. Today, however, the principal potential danger from the Soviet Union and the threat posed by it is seen in the West to emanate not from the strength of a monolithic Soviet Union but from the weakness of a destabilized Soviet state.

For the West the adverse implications of Soviet disintegration have both a short- and long-term dimension. The short-term implications appear to dominate the debate, especially in Germany. The most immediate concerns have to do with the possible disruption of the process of Soviet military withdrawal from Central Europe, scheduled to be concluded only in 1994. Precisely what impact disintegration of the Soviet rear would have on that process would depend almost entirely on circumstances and scenarios. Some disintegration scenarios could just as well accelerate as retard withdrawal, but on any projection a chaotic breakup of the Soviet Union would certainly make this extraordinarily delicate process less predictable and more accident-prone. Related concerns have been widely expressed about the fate of the CFE treaty regime, as well as other arms control agreements and arrangements, if the state with which they have been concluded should cease to exist or be radically reconfigured.

The issue that has raised the most acute concern is the status of Soviet nuclear weapons in the event of a disintegration of the Soviet state. Warnings that the breakup of the Soviet Union would be accompanied by the most dangerous kinds of instant nuclear proliferation have become staple elements in the center's parade of disintegration

horrors. According to Gorbachev's vice president, Gennadiy Yanaev, if a union treaty is not concluded, "in the end, we will disintegrate into 15 separate principalities with their own armies, customs services, nuclear weapons. In that case, there would be a nuclear bacchanalia."[1] In even more apocalyptic terms, a commentator in the Soviet Army newspaper, *Krasnaya Zvezda*, wrote recently: "It is hardly likely that any of the current claimants to power [in the republics] will voluntary relinquish the status of nuclear power which is dropping into their laps...And so each of the 40 or 50, or however many there will be of these mini-states will begin to threaten their use with or without cause. That is, there could be a god-awful nuclear mess."[2]

The nuclear issue, however, is highly scenario-dependent and has two rather distinct aspects: first, the fate of the Soviet nuclear arsenal in any division of all-union assets among the republics; and second, the physical control of nuclear weapons and means of delivery in a chaotic or violent breakdown of central authority. The quoted passages address the first, technical-legal or constitutional issue. In fact, no separatist leadership or sovereignty movement in the republics has staked out a claim for a share of the Soviet nuclear arsenal. On the contrary, the two republics on which most Soviet nuclear weapons located outside the RSFSR are stored or deployed, the Ukraine and Kazakhstan, have indicated their intention to be nuclear-free zones. In any negotiated break-up of the Soviet Union, the truncated union (with the Russian republic at its core), or the RSFSR alone in the highly unlikely event that the union was entirely dismantled, would almost certainly acquire or retain the Soviet nuclear arsenal. If, on the other hand, a process of disintegration commenced that looked like it was lurching out of control, the central government would almost certainly

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[1] Moscow Central TV, March 9, 1991, FBIS Daily Report-SOV-91-047, March 11, 1991, p. 40.

[2] Major M. Zheglov, "Union or Chaos," *Krasnaya Zvezda*, March 15, 1991.

withdraw remaining nuclear weapons from threatened areas, as it already has reportedly done with tactical weapons from the Baltic and Transcaucasian republics.

The remaining risks of terrorist activity or accident are by no means negligible, especially not in conditions of great political instability and possible violent turmoil. But these possibilities have been recognized and widely discussed for at least several years, and presumably taken into account in actual precautionary withdrawals of weapons to the Russian heartland, or in contingency plans to provide for their security. The prospect of enormous social turmoil, economic collapse, and rampaging criminality, in a huge state with thousands of nuclear weapons and dozens of highly vulnerable nuclear power stations is surely unsettling, but not entirely because of its ethno-national dimension.

Second only to the nuclear weapons control issue in Western anxieties about Soviet disintegration is fear of ripple effects in neighboring countries and ultimately in the West itself of large-scale internal violence or civil war attendant on the breakup of the Soviet state. This contingency also has two aspects, one focusing on spillover and ripple effects emanating outwards from the Soviet Union into surrounding states and the other, on the possible drawing in of neighboring states or non-state actors into communal violence on nearby Soviet territory.

The first aspect, which has attracted considerable attention in both Central and Western Europe, is a real danger, but it does not arise exclusively or even primarily from scenarios involving the dismantling of the Soviet state. In the context of severe economic decline and the prospect of massive unemployment, free emigration, such as is envisaged in recently enacted Soviet legislation, could be a powerful motor of emigration with or without a disintegration of the state. Violence or civil war attendant on disintegration would of course enlarge and accelerate any exodus, perhaps massively so. Given the high degree of ethnic intermingling

in many Soviet republics, and the existence of many ill-defined boundaries, a disorderly or violent dismantling of the Soviet Union would almost certainly precipitate massive migration among the 65 to 70 million Soviet citizens who do not reside in their own republics, including some 20 million Russians who live outside the RSFSR. Most of this migration would presumably be within the present territorial borders of the USSR, but some of the migrants, perhaps many, would seek to escape altogether where departure was possible.

Posing the dangers of a dissolution of the Soviet state in these terms, it is hardly surprising that most Western governments and observers are inclined to see Western interests better served by the preservation than by the disintegration of the Soviet Union; in general, the West favors integration over fragmentation, not only in the Soviet Union, but in the world at large. Fear of the consequences of breaking up multi-national states is dramatically apparent also in tortured Western policies for dealing with the plight of Kurdish and Shiite refugees in and around Iraq and in addressing the crisis of the Yugoslav Federation.

However, to associate stable outcomes with preservation of the existing Soviet Union and chaotic ones with its reconfiguration or dissolution is to misunderstand the underlying dynamics that have brought the USSR to its present crisis of statehood. The character of the outcome of the Soviet constitutional crisis and therefore of the Western interest in it depends primarily on the process by which it comes to pass. A more thoughtful look at the dangers of disintegration indicates that these dangers are associated not so much with the disaggregation of the Soviet imperial state as such as they are with the chaos, disorder, and violence that are likely to attend such a process if it is not voluntary. A dissolution of the Soviet state under such conditions does carry with it a high probability of a chain reaction of instabilities that could eventually threaten Western interests. But an effort to preserve the Soviet

state by force, without the consent of its constituent parts, would almost certainly degenerate into precisely the kinds of disintegration scenarios that characterize the disunion alternative. Moreover, even if successful, the repression required to keep rebellious republics in check would surely mean the end of democratic and reformist processes both in the center and in the republics. The surest path to reviving the kind of Soviet state that could once again become an international menace of the old type would be through a regime dedicated to maintaining the integrity of the union by repressive means.

II.

The West's stake in an outcome of this profound Soviet crisis that is both stable and democratic is enormous and by now virtually undisputed. There is no longer any politically significant constituency in the West for a "worse the better" approach to the Soviet Union. But defining an appropriate Western policy toward the Soviet Union in the light of our stake in a stable and democratic outcome has proven from the onset of perestroika to be both elusive and contentious.

In the United States, the focus of the debate about "helping the Soviet Union" has shifted significantly since it first emerged on the public policy agenda in the waning months of the Reagan presidency. Initially, the question was posed in largely geopolitical terms: given the sheer size, weight, and inherent military power of the USSR, is a modernized, and therefore potentially stronger, Soviet Union, albeit under more moderate, even "liberalized" leadership, in the Western interest? Should the West "help Gorbachev," the leader with whom reform in the USSR and cooperation in easing the East-West political-military confrontation was so closely identified, but whose ultimate intentions, not to speak of his tenure in office, were still open to serious question? In the Spring of 1989, in response chiefly to major Soviet

concessions on conventional force reductions in Europe, the Bush administration's policy began to shift from its initial cautious "watchful waiting" posture to a policy of broad political engagement with the Soviet Union. What made the crucial difference was Moscow's acquiescence in the collapse of Communism in Eastern Europe. It provided dramatic, tangible evidence of a change in both the policies and geopolitical positions of the USSR that could not possibly be explained away as a ruse or a temporary tactical retreat that might leave the Soviet Union free to pursue the old struggle after a respite.

Ironically, while Soviet acceptance of the collapse of Communist rule in Eastern Europe helped to resolve residual Western doubts about whether perestroika in the Soviet Union was a good thing for the West, it also created in the newly independent states of Eastern Europe what were perceived to be worthier claimants for even more urgently needed Western economic assistance. As Western governments grappled with the question of how to help the former Soviet satellite states, the issue of "helping Gorbachev" receded into the background. Meanwhile, in the USSR, a strong political opposition to Gorbachev and the "center" began to emerge in the republics, notably in the Russian Republic, with more unambiguously democratic and free market agendas than Gorbachev's. These political forces, especially Boris Yeltsin, who was elected chairman of the RSFSR Supreme Soviet in May 1990, soon began to compete openly with Gorbachev for Western political support. Many of the new democratic leaders urged Western governments to abstain from providing any substantial economic assistance to the Soviet Government pending adoption of an economic reform program keyed to the devolution of decisionmaking power and property ownership from the center to the republics.

Prospects for adoption of such an economic reform program brightened last summer when experts appointed by Gorbachev and Yeltsin worked out a "500 day program" (the

Shatalin plan) that called for rapid transition to a market economy. But in October, just as the plan was being readied for presentation to the USSR parliament, Gorbachev withdrew his support, primarily, it seems, because the Shatalin plan was predicated on a radical transfer of economic and political powers from the center to the republics. Gorbachev's last minute retreat from the Shatalin plan triggered a sharpening of the political struggle between the center and the republics and between Gorbachev and what he began to refer to as "the so-called democrats." In an effort to end defiance of central authority by the republics, to stabilize the collapsing Soviet economy by administrative means, and to consolidate his own political position in the face of a precipitous decline in his popularity, Gorbachev began to rely more heavily on conservative political forces and authoritarian institutions.

In the United States especially, and to a lesser extent elsewhere in the West, adoption of a democratic opposition to Gorbachev with an elected legal political base, led to the emergence of a kind of "two track" approach to the Soviet Union. Its purpose was to sustain the foreign policy benefits of the maturing Western relationship with Gorbachev while establishing ties with the rising new political forces in the republics.

But the net effect on Western policy of Gorbachev's shift to the right was the virtual suspension of decisions on economic assistance to the Soviet Union and concentration on efforts to limit the damage to major outstanding East-West security issues, notably to prevent a split between Moscow and the Western allies in the Persian Gulf crisis.

III.

By the spring of 1991 it became clear that Gorbachev could neither end the crisis of governance nor stabilize the deteriorating Soviet economy by enlisting authoritarian

institutions to face down the democratic opposition, at least not within the limits of the coercive measures to which Gorbachev was evidently willing to resort. The "whiff of grapeshot" administered to the rebellious Lithuanians in Vilnius in January failed to topple the pro-independence government and provoked what was evidently a much stronger than expected negative reaction abroad, including a freeze on economic assistance already approved by Western governments. It clearly failed to intimidate Gorbachev's opposition on the left, while his refusal to sanction more forceful measures in the Baltic republics alienated reactionaries on the right.

Faced with accelerating economic decline, spreading miner's strikes, and harsh criticism from the disenchanted right, Gorbachev once again sharply reversed course. At an extraordinary April 23 meeting in the Moscow suburb of Novo-Ogarevo, Gorbachev, Yeltsin, and the leaders of the other eight republics that had earlier participated in a national referendum on preserving the Soviet Union signed a joint statement pledging to end the crisis of governance by a series of compromises.

In the key compromise, Gorbachev, on behalf of the center, accepted a "radical enhancement of the union republics' role" in return for the republics' support of a union treaty. The joint statement recognizes the right of the six nonparticipating republics (Latvia, Lithuania, Estonia, Moldova, Georgia, and Armenia) to "decide autonomously" whether to join the union treaty, but indicates that hold-outs would be subject to economic penalties. In return for agreeing to a truce in the "war of laws" pending completion of the union treaty and adoption of a new USSR Constitution, Yeltsin and his colleagues secured Gorbachev's agreement to hold new elections for "union organs of power." Left unclear, presumably to be decided in the new constitution, is the mode of selection of a USSR president and the powers to be attached to his office.

Western governments greeted the 9+1 initiative with considerable relief. Gorbachev's alignment with Soviet authoritarians had threatened to undermine the domestic political bases of Soviet-Western cooperation both in Moscow and in Western capitals. The Novo-Ogarevo truce helped to diminish the tension in Western policy between working the foreign policy agenda with Gorbachev and supporting democratic forces opposed to the Soviet president in the RSFSR and other republics.

The hopeful new phase in Soviet internal politics inaugurated by the 9+1 initiative coincides, not fortuitously, with a drastic worsening of Soviet economic conditions, which the "war of laws" had sharply accelerated during the previous year. While it was the political failure of his shift to the right more than anything else that led Gorbachev to seek a new political opening to the left, he also understood that flagging Western interest in providing economic assistance could not be revived so long as the crisis of governance persisted. The 9+1 agreement quickly thrust the issue of economic aid to the Soviet Union to the forefront of Western policy deliberations and significantly altered the terms of the debate. Concern that Western aid to the Soviet Union might inadvertently strengthen authoritarian forces with which Gorbachev had previously allied himself has now been substantially reduced. The renewed Western debate no longer focuses on the desirability of helping the Soviet Union, but on the conditions under which aid might be offered and its probable effectiveness.

While substantial differences have emerged among Western leaders regarding the appropriate character, magnitude, and timing of Western assistance, they have already indicated their common readiness to: release holds that had been placed on various assistance measures after the January events in the Baltics; accelerate the relaxation of political restrictions on trade with the Soviet Union; and adopt a more positive stance toward Soviet access to and participation in

international economic organizations. With the agreement of the G-7 leaders to invite Gorbachev to London in July, the Western governments also signified their willingness to begin a direct dialogue with Gorbachev on a longer term program of cooperation with the USSR in support of a comprehensive reform program for moving the Soviet Union to a market economy.

The significance of this evolution in Western policy on aid to the Soviet Union has been largely obscured, however, by a surging debate about the feasibility and desirability of a quantum leap forward in Western policy, moving it beyond piecemeal, specialized assistance to a full Soviet-Western partnership in Soviet economic development. The partnership would take the form of what has been called a "grand bargain" in which the West would provide massive inputs of capital, technology, and know-how in exchange for Soviet adoption of a Western-approved blueprint for the transformation of the Soviet Union into a democratic, free market, "normal" (in the Western sense) society. The scale of Western assistance suggested in various versions of this program ranges from $100 to $250 billion over a period of three to five years.

Given that the ink is hardly dry on the 9+1 agreement that provides the Soviet political undergirding for the "grand bargain," the proposal is at the very least premature. A suitable Soviet partner for negotiating and implementing such a partnership is not yet in place. The 9+1 agreement only lays out a road map for ending the crisis of governance that has paralyzed the ability of Soviet governments at all levels to implement coherent economic programs of any kind. The agreement is extremely fragile. Given the bitter legacy of past political struggle, it will take time for sufficient mutual trust and confidence to be established, particularly between Gorbachev and Yeltsin.

Even with a major good faith effort, the timetable for political reform envisaged in the joint statement will almost certainly not be met. The 9+1 agreement calls for the union

and the republics to conclude a new union treaty "in the immediate future," but each of the republican legislatures insists on its own say, and the process of ironing out differences could consume months rather than weeks. Moreover, the conservative-dominated USSR Congress of Peoples Deputies, most of whose members would not be returned to office in free elections, is unlikely to rush completion of a new USSR Constitution within the six month time period called for in the 9+1 agreement. The time limit specified reflects the republics' suspicion that the USSR parliament will be in no hurry to disestablish itself with more than half of its term remaining under the existing constitution. However, the injunction to make haste has no legal standing and Gorbachev may lack the power to ram through a new constitution even if he is inclined to do so.

Gorbachev's own political future will depend on the details of how the new constitution divides power between the union and the republics and on the mode it specifies for the election of a USSR president. It is not clear that Gorbachev will be prepared to risk popular election. If not, he might be grandfathered in office until the completion of his original term (1995). Alternatively, the election of a USSR president might conceivably be left to a vote by the presidents of the republics, in effect creating a "brokered presidency" which would leave Gorbachev accountable to Yeltsin and the other republican leaders.

In any case, the political consensus required for the adoption of a blueprint for transformation as ambitious as the "grand bargain" envisages virtually demands new elections or, at the very least, a new union government answerable to the republics as well as to the USSR president. The "anti-crisis program" previewed in Washington in June by Gorbachev's representative, Evgeniy Primakov, is based essentially on Soviet Prime Minister Pavlov's stabilization program that was universally condemned before Novo-Ogarevo by Western observers and Soviet liberals alike for its continued

reliance on purely administrative measures and its failure to elaborate a concrete plan for transition to the market. The prospect of committing the West now to a "grand bargain" only encourages Gorbachev to explore the lowest common denominator package that might fly in the West rather than to concentrate on building a reform program based on political consensus in the Soviet Union itself. Speculation about the possibility of a huge financial aid package, moreover, arouses expectations that are certain to be disappointed, thus diminishing the positive political and psychological impact of whatever Western economic assistance turns out to be forthcoming.

Given Western liquidity constraints and public opposition (at least in the United States) to direct financial assistance to the USSR, any large-scale aid deal would almost certainly have to be front-loaded with far-reaching Soviet political concessions in order to pass domestic political muster. For openers, Secretary of State Baker has already said that to provide a "suitable context" for direct financial aid, the USSR, among other things, would have to cut military spending more sharply, terminate aid to Cuba, and permit the Baltic republics to move peacefully to independence. Japan is unlikely to participate in any major deal without first obtaining concessions on the Northern Territories that Gorbachev was unwilling to provide as recently as April during his Tokyo summit with Prime Minister Kaifu. Gorbachev himself will surely reject any explicit linkage between what he calls "economic cooperation with the West" and the conduct of Soviet foreign policy. He alternates between calling for Western economic assistance as payment due the Soviet Union for ending the Cold War and appealing to Western self-interest in helping to avert the threatening consequences of the Soviet Union's disintegration. This is not to say that "grand bargains" involving incommensurable values cannot in principle be struck in inter-state relations, but they require subtlety,

sensitivity, confidentiality, and an indirect approach that political processes in the democratic West and in today's Soviet Union are most unlikely to permit.

Finally, it is doubtful that such a "grand bargain," even in the unlikely event it could be struck, would survive very long. Its failure might in the end do more damage to Western interests in promoting a stable cooperative relationship with the Soviet Union than it would help toward easing the USSR's transition to political and economic "normalcy." For a "grand bargain" of the kind presently envisaged implies nothing less than assuming Western co-responsibility for the success or failure of the Soviet Union to remake itself in accordance with a jointly drawn Western-Soviet blueprint. This is a formula for continuing tension and perhaps even crises over compliance issues of a kind that would be infinitely more complex than in the arms control realm and far less susceptible to unambiguous verification. Political, social, and economic conditions in the USSR will change during the coming months and years many times in ways that cannot possibly be anticipated in any plan or blueprint. Mutual recriminations and disputes over conditionality and compliance would be inevitable. As the most painful parts of economic reform began to bite hard in Soviet domestic politics, Soviet authorities would almost certainly seek more assistance abroad, or blame the West for imposing unbearable conditions. In the West, slow progress or failure of Soviet reform would be attributed to Soviet non-compliance with agreed aid conditions. Political fallout from failures in implementation of the "grand bargain" could pollute the international environment, adding an extraneous obstacle to cooperation on outstanding international issues.

IV.

The alternative to a "grand bargain" is not indifference or benign neglect regarding economic assistance to the Soviet

Union. There is much that can and should be done now short of providing massive direct financial aid. The appropriate issues to which direct financial aid may eventually be applied, however, are narrower and more specific than what is implied by a "grand bargain." The Soviet Union's more or less autonomous process of political development must first advance to the point where a sufficiently strong consensus has evolved about what is a socially acceptable new economic system to replace the old command economy. The issues at stake are not mere technical ones susceptible to technocratic solutions. They involve the very essence of the new societies that are evolving out of the Soviet imperial-communist system. As these fundamental issues are resolved, the Soviet Union's economic development will be brought to the point at which specific and focused kinds of Western financial aid will become relevant. Within the framework of a Soviet designed economic reform that commands a sufficiently strong political consensus to be implementable, strategically targeted Western financial aid could help substantially as a shock absorber against the severe jolts to which a reforming Soviet economy will inevitably be subjected. International economic organizations such as the International Monetary Fund and the World Bank will be more appropriate than individual Western governments for negotiating agreements on conditionality with the Soviet Union. The range of issues likely to be relevant include policy on rate of growth of money supply, interest rates, and exchange rates.

No matter what prevailing Western convictions, preferences, and tastes about economic development may be, the West's vital interests in the future of the Soviet Union are not keyed to any particular finely tuned model of the Soviet economy per se. The West's vital interests are not directly affected by the precise balance that will ultimately be struck in the Soviet economy between free-wheeling entrepreneurship and a predictably heavy dose of social

welfare. What matters is that the economy of the USSR, and especially the Russian economy, should evolve in ways that do not make its viability dependent on authoritarian political structures or leave its assets and outputs too freely at the disposal of authoritarian rulers.