

How To Squeeze The Bear

Empty words from the West encourage the Kremlin. But there are ways to push Russia in the right direction.

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The escalating but empty rhetoric out of Washington and Brussels only encourages the Kremlin to ignore Western threats over the invasion of Georgia. While it's true that there is no good military option, and that traditional economic sanctions would boomerang on the West, there is a middle way. The opportunity for the West and Japan lies in the impact of globalization on the Russians, who are now far more integrated into the international system, and in touch with the rest of the world, than the Soviets were during the cold war.

Actions that fall between armed conflict and economic sanctions could over time inspire many Russians to question the Kremlin's cold-war mind-set and pressure it to move in more progressive directions. Putin may pay more attention to his countrymen than to his official counterparts in the West. He certainly couldn't pay any less.

The United States, the European Union and Japan should explore options like these:

Isolate Russia in international forums. Any negotiations with Moscow over membership in the World Trade Organization and other international forums should be abruptly curtailed and not resumed until the Russians observe the conditions of pullback negotiated with French President Nicolas Sarkozy. Russian representatives in the World Bank, the International Monetary Fund and other institutions should be presented with *démarches* from delegates of key Western capitals and Tokyo expressing extreme dismay that Moscow is violating the rules of the international system. Russians should no longer be invited to key global conferences that are sponsored by governments and international organizations, including those relating to education, science and medicine.

It will be said that there is a great danger in politicizing international economic institutions, and that engagement is more likely to moderate Russian behavior than isolation. But let's get real: economic institutions are already highly political, and history shows that engagement doesn't always moderate political and military aggression.

Make life far more difficult for Russians doing global business. Influential Russian companies and CEOs should be subjected to pressure, too. Western governments and Japan could immediately increase scrutiny of Russian firms on transparency, antitrust and financial-accounting issues. They should also closely examine Russia's growing foreign investments on national- security grounds and begin tightening up on visas for Russian tycoons. Those who object that these measures would politicize global business are too late: Moscow's use of state companies such as Gazprom to punish political foes has already crossed that line.

Draw Russian public attention to massive shortcomings of the country ' s economic and social system. The G7 could collectively publicize the way the Kremlin is using Russian wealth to fight imperialist wars, even as problems of poverty, inequality and health grow at home. It could shine a spotlight on widespread corruption, which now consumes more than 30 percent of procurement contracts, by some estimates. Yes, this will be deemed interference in the affairs of a sovereign country, but what was Russia's incursion into Georgia?

Announce plans to boycott the 2014 Winter Olympics in Sochi. The G7 should also urge the International Olympic Committee to find a new site. Those ultimatums would take effect soon unless Russia changes course in Georgia. The Games are supposed to be above politics, and the West was right not to boycott Beijing over human rights and Tibet, but the invasion of a democratic, sovereign state is a more serious violation of the international order.

Draw closer to former Soviet countries. The G7 should look at ways to tighten commercial ties and cooperation in science, education and cultural exchanges with the aim of strengthening democracy and free markets in former Soviet states.

Target the overseas bank accounts of top Russian officials. The threat of confiscation should be raised, and acted on if Moscow goes into another country, such as Ukraine. If the West prepared to seize assets—and leaked those plans to the press— it would likely set off alarms in Putin's circle. G7 financial authorities should also begin more serious investigations of Russian money laundering.

Condemn Russian actions by resolutions in Western and Japanese parliaments. Heads of state and their ministers have done the heavy lifting so far, but prominent legislative voices can add to the pressure. In an era of mass communication, don't underestimate the power of embarrassment.

To be effective, the G7 nations must work together on all these measures. Only a broad, collective campaign can significantly deter future Russian aggression. The Russians are very tough. And they are comfortable using raw power and exploiting every bit of real and psychological leverage they have. By comparison, the G7 nations operate as if governed by polite social etiquette. They should change their game, or they should shut their mouths.

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