Should This Man Lead the G8?

Allowing Putin to assume the post risks the credibility of the G8 and a Bush administration that's staked its name on promoting democracy.

By Jeffrey E. Garten Newsweek International

April 25 issue - Russian President Vladimir Putin is now the world's most prominent backslider on political and economic liberalization. How should the West respond? The debate took fire recently when two heavyweight U.S. senators, John McCain and Joseph Lieberman, introduced a bipartisan resolution proposing that Russia be suspended from the G8, the club of leading industrial nations, if Putin doesn't change course. The Bush administration must decide what to do in the next few weeks.

This is a minefield. Some Russia hands argue that pressuring Moscow too hard will backfire, strengthening the hand of hard-line nationalists and discouraging reformers by signaling that Washington is giving up on them. Strobe Talbott, former deputy secretary of State and now president of the Brookings Institution, says the West should use "quiet, calibrated diplomacy" to encourage Russia to follow more progressive policies. Talbott believes that following Russia's scheduled assumption of the rotating leadership of the G8 this summer, there will be ample opportunity to prod the country over the course of the the next year, when Russia will be in the limelight and eager to avoid embarrassment.

However, allowing Putin to assume this post carries its own risks, both to the credibility of the G8 and to a Bush administration that has staked its name on promoting democracy. Russia is seriously out of step with the G8's push for more open political and economic societies. Putin has grabbed near-absolute political control of his vast country. He has crushed much of Russia's free media and replaced elected regional leaders with his own appointees. He has moved to re-nationalize the Russian oil sector in ways that raise serious questions about his commitment to the rule of law. He has meddled in presidential elections in Ukraine, and supports totalitarian leaders in Belarus and other former Soviet Republics. Indeed, it is but a slight exaggeration to say that allowing Moscow to lead the G8 would be akin to the United Nations having allowed the Sudan and Libya to lead its Human Rights Commission in recent years—a move that so undermined the good name of the commission, Kofi Annan has proposed overhauling it entirely.

I think the appropriately measured response to Putin's policies would fall short of suspending Russia from the G8. But President Bush should attempt to prevent Russia from being named the titular leader of the group this July and from hosting the G8 summit in the summer of 2006, now slated to take place in St. Petersburg.

The costs to the G8 would be minimal. Moscow doesn't add much to the G8 summits. It is not intimately involved in macroeconomic management of the world economy, in creating rules for global trade and finance, or in efforts to reduce global poverty. But membership in this exclusive club of great democratic powers suggests Russia is one of them, a prestigious association the Kremlin would not want to lose.

The time to send a strong signal is now. After Moscow re-nationalized key assets of Yukos Oil for alleged failure to pay back taxes, Putin assured nervous foreign investors they would not be next. Yet last week, tax authorities said they would levy a retroactive tax on a major joint venture involving Russia's TNK and British Petroleum. Clearly, the hard-liners are already emboldened. Allowing Russia to take the helm of the G8 would only encourage them to believe there will be no international consequences to their actions.

If Bush is to focus on Russia's role in the G8, he must persuade his European and Japanese counterparts to back him. Moreover, the decision on whether to let Russia lead the G8 next year would have to be made before this year's July summit in Perthshire, Scotland, where the final communiqué will announce next year's leader.

Bush must also discuss with Putin the requirements of G8 leadership. The way Russia is headed, the worst scenario is that it becomes a totalitarian petro-state, manipulating its enormous oil and gas assets for geopolitical ends. Its leaders and bureaucracy could become increasingly corrupt, and its foreign policy could become even more hostile to democratic change in the region. So Bush should push Putin for assurances on at least three fronts: to further open up the economy, cease interfering in the politics of neighboring countries and allow the resumption of a free media.

There are several upcoming events through which this delicate diplomacy could unfold. On May 9, Bush will meet Putin in Moscow. The day after, the former World War II allies will celebrate the 60th anniversary of the end of the war in Europe. Then in early June, the U.S.-EU summit will take place. In the end, Russia is not going to respond just to words about the importance of democracy in the 21st century—which is all that Bush wielded when he last met with Putin in February. The Kremlin must be put under more pressure than that.

Garten, dean of the Yale School of Management, held economic and foreign policy positions in the Nixon, Ford, Carter and Clinton administrations.

© 2005 Newsweek, Inc.