

**Meeting of Russia Experts and Donors  
The Brookings Institution  
May 11, 2012**

***U.S. Donors who have been active in Russia – MacArthur among them – have had intensified discussions and exchanges on the trajectory of Russia against the backdrop of the return of Vladimir Putin to the Presidency. The first major gathering occurred in May of this year, two months after the Russian presidential election. Our discussion is summarized below.***

***We decided that these gatherings were useful in facilitating better exchange of views and experiences and in discussing unfolding developments in Russia. Accordingly, we are reconvening a similar group for November and intend to post a précis of that discussion as well.***

**Summary**

On May 11, 2012, the Brookings Institution hosted a roundtable discussion with senior leaders from the international foundation community and foreign policy experts on the situation in Russia some two months after the presidential election. The high-level discussions covered Russia's internal trajectory (including the development of its civil society sector), Russia's external relations, and U.S.-Russia relations. The aim of the conversations was to help enrich donor understanding of the possibilities for constructive grantmaking in Russia.

The meeting was financed by a group of U.S. donors active in Russia, including the Eurasia Foundation, the Carnegie Corporation of New York, the John D. and Catherine T. MacArthur Foundation, the Charles Stewart Mott Foundation, the Oak Foundation, and Open Society Foundations.

This meeting took place at the very beginning of Putin's third term as president of Russia. The discussions summarized here thus do not reflect subsequent developments of mid-2012, including new laws and regulations restricting rallies and demonstrations, recriminalizing slander, on child pornography and the Internet, and on foreign funding for NGOs.

***The discussion points summarized below reflect the views of a range of experts and do not necessarily represent the views of the Brookings Institution or the sponsoring foundations.***

**Session 1: Russia's Internal Politics and Economics**

Experts argued that the Russian political picture is evolving rapidly and involves many more players than old Soviet system. There is now a public square whose influence continues to grow.

Protests surrounding recent elections were thought to be the result of the successes of Putin's economic policies – policies that had helped to create a new middle class that consumes at the Western level and now expects to be treated like Westerners. They ask for respect, dignity, and the right to act on their own and to make their own political choices.

It was predicted that there would likely be very little economic reform in the coming years. Russia has been relatively insulated from the Eurozone crisis, and Putin's aversion to risk ensures that the government will not drastically overspend. Russia's upcoming WTO entrance is suspected to be a boost to the Russian economy. Russian oil and gas remain very attractive for foreign direct investment.

There was some agreement among experts that the biggest constraint against political reform is the Russian leadership's continued and excessive focus on security, and the mistrust that pervades the system.

## **Session 2: New Challenges in the Relationship between State and Civil Society**

Experts saw the emergence of the middle class as an important factor in Russia's future trajectory. The interplay between the government, more conservative citizens, and the new globalized middle class may determine Russia's future direction.

Civil society in Russia has been sanctioned and harassed, although the degree to which civil society is repressed or tolerated varies from region to region. Civil society organizations (CSOs) are in dire funding straits. Most do not receive foreign funding; and local businesses are often afraid to fund them. Some CSOs do receive in-kind services from local businesses.

It was suggested that as long as civil society is not organized or self-sustaining and continues to operate on an *ad hoc* basis, it will not be effective. The views of Russian citizens toward civil society are slowly changing. In their personal capacities, even law enforcement agents – who may bear the responsibility of cracking down on CSOs – often express sympathy and solidarity with the causes that these organizations champion. Although Russian philanthropic activities are concentrated on “safe” topics, charitable giving by both individual citizens and businesses is increasing.

Participants noted that some of Russia's civil society movements are connected to their global counterparts, particularly in the areas of environmental and LGBT rights. Russian CSOs could be encouraged to look at other movements around the world where citizens have pushed for governmental transparency and accountability. There are various potential mechanisms for Western foundations to fund CSOs, including micro-grants, co-funding with Russian partners, and sponsoring prizes.

## **Session 3: Russia and the World**

As one expert framed this discussion, under the USSR, Russians had their own international system that they themselves controlled. The global financial crisis and crash of 1998 showed Russians that they could no longer control things, but it was the 2008 war in Georgia that compelled them to realize just how powerful other global forces had become. The Russian Federation is a recently defined political entity. The world has not been static over the past twenty years, and the Russians are having a hard time readjusting. The rise of China and the relationship with Japan are of concern.

One participant posited that the Russian government worries that Pakistan will further destabilize the situation in Central Asia, creating chaos that will spill over into Central Asia and then into southern Russia. For the Russians, the situation in Afghanistan and Pakistan is out of control; to them, Iran is the region's stable country. Until recently, Syria was also considered to be a stable regional power and a reliable friend – Russia is very reluctant to give up that idea. They are concerned that, in the absence of Assad, Al Qaeda's influence in Syria will grow quickly.

Other attendees remarked that Europe has also lost its impression of stability and that the same sense of uncertainty extends to Russia's relations with NATO. The United States remains Moscow's touchstone. Russia has felt that the "Reset" was reasonably successful, but it is unclear to both sides what the next steps will be. It is likely that the relationship will remain stable for the next year until after the U.S. presidential election.

It was suggested that Russia is intellectually isolated and has a relatively poor understanding of the outside world. Accordingly, Russia overestimates its influence and power, and fails to appreciate that its interests could be better served through soft power.

#### **Session 4: Russia and the United States**

Experts argued that Russia remains relevant in global cooperation. Putin's agenda is pragmatic; it seeks to use Russia's resources to leverage its position globally. Russia's relationship with the U.S. still matters greatly, but there are relationships with other countries that are equally and increasingly important.

Participants noted that some areas of possible U.S.-Russia cooperation can be identified, including Afghanistan, and business and economics. There is some hope that Russia can create a better investment climate. On arms control, nothing besides the New START Treaty has seen movement.

Russia was seen to be hoping to move from an extraction-based economy to a knowledge-based economy. But despite the a growing interest in education, Russia's very favorable view of U.S. universities, and high interest within the American academy to engage with their Russian counterparts, U.S.-Russian academic mobility is on the decline, partially because the Russian reset and the Asian pivot are in competition for U.S. Government-supported exchanges.

Adding a further layer of complexity to the US-Russia relationship was the possibility of Congress's linking the proposed Magnitsky bill to the repeal of Jackson-Vanik. This would be seen in Russia as a symbol of America's continuing anti-Russian bias.

Experts suggested embracing modernization as a premise of working together, creating a permanent government-to-government communication channel below the heads-of-state level, and implementing visa-free travel as a signal of trust.

#### **Session V: Putin's Russia and Western Foundations**

There are now 400 Russian foundations, with assets of 24.3 billion rubles. Most are newly formed corporate foundations, and operate with no tax incentives. The government has also established a “RusAID” international development agency. Additionally, the under-40 generation is wealthier than their parents are. There is some indication that this generation will want their voices to be heard, but it is yet to be seen how they will participate within politics and civil society. While there is no clear decision by the Russian state about how to approach civil society, Putin seems to support humanitarian and healthcare efforts on the domestic and international fronts.

Participants noted that there is a pendulum-like relationship between the Russian state and Western foundations. The arenas of human rights and democracy programming remain the most difficult areas in this relationship. There is still a need for U.S. foundations to continue to work in (or start operations) in Russia, focusing on long-term projects with strategic goals. In these operations, it is important to make the distinction between U.S. government and non-governmental funds and better promote success stories within Russia itself.

Experts also recommended developing further partnerships, particularly between Russian and U.S. foundations in the areas of culture, education, and healthcare. In particular, there appears to be space opening around disability programming, given Russia’s signing of the UN disabilities convention. Outreach should come not only from U.S. foundations, but Russian foundations should also be encouraged to seek out Western partners to further their work.

Participants raised the apparently limited development within Russia of indigenous policy research institutions. However, some think tanks, such as the new Russian International Affairs Council (which is designed similarly to the U.S. Council on Foreign Relations) and the Higher Economic School seem to have gained traction.