

THE SOVIET CHALLENGE

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THE DETERMINANTS OF SOVIET BEHAVIOR

The primary determinants of Soviet international behavior are geography, an imperial tradition and ideology. The first of these is immutable; the second was inherited by the Soviet leadership in 1917; and the third has served to reinforce the imperial tradition and preserve some of its chief characteristics--suspicion, aggressiveness, and xenophobia.

Communist ideology posits an inevitable struggle between capitalism and socialism and thus views non-socialist states both as potential targets for revolution and as potential threats. It sees class antagonism as the driving force behind political and economic change, and the policies of other nations as shaped by domestic economic and social struggles. This view provides the intellectual prism through which Soviet leaders perceive the outside world, reenforces the expansionist tendencies inherited from the Russian tradition, and assures them that history is on their side.

Most importantly, Communist ideology is the main source of the regime's legitimacy. It explains why there is only one political party, which controls the state administration and all spheres of society, why the media are subject to censorship, and why the party Politburo dominates political life. For a variety of reasons--including a deeply rooted fear of anarchy and the absence of any regularized process for transferring power--questions of the regime's legitimacy continue to be of basic concern to Soviet leaders.

But Soviet authorities also see their own international role in terms of traditional great power interests. While as Marxists they believe in the ultimate transformation of the world along socialist lines, their specific policies and tactics are perforce often disputed by geopolitical considerations and frequently result in the subordination of the revolutionary dimension of their doctrine to such traditional calculations.

The insecurity and suspicion engendered by Russian history and Marxist-Leninist ideology have been tempered somewhat by the USSR's emergence as a military superpower and the concomitant growth of its political role in world affairs. Soviet leaders see military power as the essential foundation of an assertive foreign policy. The pattern of their policies since the mid-1970s suggests increased confidence in their global power position--expressed in Soviet parlance as "the changing correlation of forces in favor of Socialism." The Soviet leadership also sees continuing opportunities to exploit and foster international tensions and instabilities to their own advantage and the detriment of the United States. At the same time a new element of insecurity probably has been added by the growing recognition that serious domestic problems seem to defy solution.

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SOVIET STRENGTHS AND WEAKNESSES

The political system that has evolved out of this historical and ideological tradition has provided the means for a serious challenge to US interests. Its leaders have formidable military power and considerable economic might at their disposal. The highly centralized decisionmaking apparatus also enhances the Soviet leadership's ability to develop a cohesive foreign and domestic policy and to move quickly to take advantage of international opportunities. At the same time such centralization often makes Soviet domestic policy rigid, and ideological orthodoxy inhibits adaptations to changing internal and international conditions. These strengths and weaknesses will be particularly in evidence as the Soviet Union deals with major global challenges and opportunities in the 1980s.

Internal Factors

The Economy.

The USSR has entered a period of slow economic growth that will confront the leadership with tough policy choices. Shortfalls in industrial production, and four consecutive harvest failures have reduced the growth in Soviet GNP to less than 2 percent a year since 1978—its lowest rate since World War II.

This decline indicates that the formula Moscow has used to stimulate growth over the past 25 years—maximum inputs of labor and investment—no longer works. During the past few years, the USSR has experienced:

- a sharp slowdown in oil production growth and a decline in coal production;
- a major rise in raw material costs;
- a fall-off in investment and labor-force growth; and
- a sharp decline in labor productivity growth.

To judge from 11th Five-Year Plan figures, the Soviet leadership, nevertheless, expects GNP to grow 4 percent per year through the mid-1980s. This goal, however, in our judgement is based on highly unrealistic assumptions about labor productivity growth. We estimate that GNP will continue to grow at less than 2 percent through the mid-1980s.

These economic difficulties have not led the leadership to make fundamental changes in policy. To maintain the military buildup, it has lowered the rates of growth for consumption and capital investment. If these priorities continue, however, the living standard will hold steady and may decline and investment will be squeezed further. The defense burden, as measured by share of GNP going to defense spending, might also approach 20 percent by the early 1990s compared to its current level of 13-14 percent—sharply restricting other claimants and heightening political tensions over allocation decisions.

Despite these gloomy prospects, the USSR continues to possess great economic strengths. It has:

- a wealth of natural resources, leading the world in the production of such key industrial commodities as oil, steel, iron ore, and nickel;
- the world's largest military-industrial complex; and
- a highly centralized economy that has enabled the leadership to command resources and set priorities between regions and sectors.

Moreover, although keenly aware of their difficulties, Soviet leaders apparently believe that the 1990s will bring some relief from at least two of their major problems—manpower shortages and energy constraints. They also take comfort in the gloomy projections of growth for most Western industrial nations and have expressed doubts both publicly and privately about the United States' ability to carry out its defense buildup.

Social Issues.

The sources of popular discontent in the Soviet Union—a perceived decline in the quality of life, continuing restrictions on freedom of expression and belief, and rising national consciousness among more than 20 major ethnic groups—pose problems of varying severity for the Soviet leadership. Discontent over the quality of Soviet life probably represents the most immediate and important challenge. The Soviet people no longer are confident that their standard of living will continue to improve. Food shortages have become more apparent and the availability of some consumer goods has dropped. The sense of rising expectations, made possible by real consumer advances until the mid-1970s, has yielded to an apparent growth of dissatisfaction and cynicism. This is manifesting itself in declining growth in labor productivity—a trend that will make it more difficult to achieve the rates of economic growth that the leaders plan. Recent regime actions—such as massive imports of grain and the creation of special food distribution systems—indicate that they are aware of the problems, but their policies are as yet inadequate to solve them.

The Soviet leadership thus far has been successful in isolating and repressing political, religious, and cultural dissent through widespread arrests and imprisonment of dissident leaders, confinement in psychiatric hospitals, and exile. In the long term, dissidence could become more widespread—because of dissatisfaction with living standards, a continuing decline in ideological commitment, and an apparent resurgence of interest in religious faith—and require even more leadership attention, but over the next 10 years there is little prospect that such activity will get out of hand and threaten party rule.

Discontent among the minority nationalities also represents a latent vulnerability. There is no widespread, disruptive protest now, however, nor does any appear likely in the near or mid-term. Regime policies—granting linguistic, territorial, and some cultural autonomy; improving the standard of living; and expanding the educational base—combined with the use of police power, have been largely successful thus far. A rising national consciousness among many of these groups, however, suggests that discontent could become more serious over the next several decades. It could result in work stoppages, demonstrations and greater assertiveness by local leaders—particularly in the Baltic States, the Ukraine and Central Asia—requiring the regime to reassess its basic approach to the problem.

Political Process and Structure.

The Communist Party's pervasive control gives great power and authority to its leaders, whose determination to insure the preeminence of the party and implementation of its decisions is an important underpinning of all national policy objectives. The successful pursuit of this aim, together with effective restrictions on public dissent, has given unity and cohesiveness to both domestic and foreign policy.

This focus on the maintenance of party control, however, also has introduced some rigidity and inefficiency that have been harmful to the pursuit of national goals. This has been especially evident in the economy. Party leaders, despite their interest in improving the efficiency and technological base of the economy, have been reluctant to fully back the kind of decentralization and economic incentives that would contribute to this end, mainly for fear that this would dilute their power. They have also been unwilling to codify their powers and responsibilities within the political system and develop an institutionalized process for replacing the top leader. As a result, political succession creates potentially disruptive personal and policy conflict. The lack of any mechanism to ensure rejuvenation of the administrative elite—while it has produced what are surely the world's most experienced bureaucrats—also has reduced the flow of fresh ideas and lessened the regime's ability to respond to new challenges.

Foreign Policy

Instruments of Policy.

To judge from the USSR's sustained heavy investment in military forces and weapons research and development, the Soviet leaders believe that military power is their principal instrument of influence and status in international relations. In strategic nuclear forces, the Soviets probably now credit themselves with aggregate nuclear capabilities at least equal to those of the United States and in some respects, such as the ability to threaten US land-based missile silos, with superiority. The Soviets have also significantly improved theater nuclear and conventional forces, accentuating regional military asymmetries opposite China and West Europe.

In the Third World, arms sales, military training and advisors also are effective instruments of Soviet policy. While such aid does not necessarily translate directly into political leverage, it usually is the keystone of Soviet relations with less developed countries and with revolutionary and insurgent groups. Despite Soviet interest in garnering hard currency from arms sales, Moscow has been willing, where it perceives political advantage, to make major concessions, such as extended repayment periods and payment in soft currency. This, combined with their apparent responsiveness, allows the Soviets to depict their actions as manifestations of solidarity with the Third World.

Another trend in Soviet Third World involvement is the continuing use of proxies and other intermediaries, together with covert Soviet involvement in supporting insurgent groups and in aiding the military ventures of client or dependent regimes. For the Soviets, the proxy relationship—one that has proven most successful in Angola and Ethiopia—minimizes the level of direct Soviet involvement while achieving Soviet aims and projecting the image of "socialist solidarity" with the recipient regimes.

Foreign debt obligations and hard currency shortages, however, affect the overall level of Moscow's commitment to client regimes. The hard currency crunch has made the Soviets reluctant to provide other clients with economic aid as extensive as that provided to Cuba or Vietnam. The net result is that Moscow is more dependent on military aid as an entree of influence in the Third World.

In recent years the Soviets also have strengthened their traditional diplomatic activities, supplementing them with increased usage of a broad range of pseudo-official and covert activities that the Soviets themselves refer to as

"active measures." The increased use of such measures is in part a reflection of the importance Moscow attributes to the "ideological struggle," which is waged not only through propaganda, but also with psychological warfare and subversion.

The Soviet Union and International Communism.

The international Communist movement is no longer the unambiguous asset to the USSR that it once was. Threats to Soviet leadership and control of both ruling and non-ruling parties are growing. The turmoil in Poland and problems in Romania underscore the failure of the costly policy of buying stability and loyalty in Eastern Europe through economic subsidies.

The objective possibilities for continuing to pursue this policy, moreover, are fading quickly due to Soviet economic problems and Western resistance to deeper economic involvement in Eastern Europe. In the coming decade slow economic growth in Eastern Europe will threaten regime stability in bloc countries. The downfall of a corrupt and incompetent party leadership in Poland, precipitated by the protests of a popular workers' movement, and the use of the military to fill the gap, also raise disquieting questions about the legitimacy and effectiveness of Communist party rule throughout the bloc.

Despite these problems, Moscow's options are limited. An economic bailout would be too costly. Economic reform and greater Western involvement would diminish central control and could stimulate pressures for political reform. A resort to greater repression, on the other hand, would further complicate Moscow's relations in the West and the Third World.

Beyond Eastern Europe, the most serious challenge to Soviet control and orthodoxy in the world Communist movement comes from Eurocommunism. The West European parties are trying to balance their ties to the Soviet Communist Party with their own national and political interests. They resist Soviet efforts to subordinate national parties to Soviet control. Criticism of Soviet policies has now become common and probably will increase if the Soviets exercise greater repression at home and political and military expansion abroad.

The return of the Chinese Communist Party to active involvement in the international movement and its opposition to Soviet hegemony also are potentially severe challenges facing the Soviet leadership. The Chinese are in the process of forming a tacit alliance with several of the leading West European parties. The Chinese, in addition, have indicated their intention to compete with the Soviets for influence with "progressive forces" in the Third World, including such pro-Soviet radical regimes as Ethiopia, Angola, and Mozambique.

The Economic Burdens of Empire.

The Soviets almost certainly believe that their economic support of other Communist countries and clients brings substantial strategic and political benefits, but its rising cost and economic stringencies are prompting a tougher aid posture. Assistance to East European and Third World clients rose dramatically from \$1.7 billion in 1971 to \$23 billion in 1980—some 1.5 percent of GNP. Moscow is prepared to shoulder a large aid burden for its Communist clients; their economies are generally in trouble, and their stability is important to Soviet foreign policy objectives. The Soviet leadership, nonetheless, is attempting to slow the rise in aid costs by cutting subsidized oil deliveries to

some East European allies, refusing increased deliveries of fuel to Vietnam and demanding that allies end their trade deficits with the USSR.

Moscow's tight-fisted aid policy toward non-Communist LDCs will almost certainly continue as well. Moscow's present hard currency problems will make it even more reluctant to extend substantial hard currency aid to such countries as Nicaragua, despite repeated requests for it. Several radical clients, such as Ethiopia and South Yemen, moreover, are increasingly unhappy with their inability to augment Soviet military support with extensive economic cooperation.

Opportunities and Challenges.

The Soviets are faced with both opportunities and challenges abroad. Their international strengths derive for the most part from their huge military investments; their vulnerabilities stem principally from changes in the international environment that could threaten past gains.

The Soviet Union's growing military power has strengthened its ability to pursue political goals in Western Europe. By threatening additional nuclear deployments if NATO's INF decision is implemented, the Soviets are in effect attempting to force the West Europeans to accept de facto Soviet military superiority on the continent.

The Soviets also believe Washington's ability to raise the economic and military costs of the East-West competition is subject to competing US economic priorities and to reluctance on the part of US allies to follow our lead. The Soviets think that conflict between Western Europe and the United States over arms control and East-West economic relations presents opportunities to provoke divisions within the alliance. In particular, the failure thus far of US efforts to dissuade its West European allies from participation in the Yamal gas pipeline project has probably encouraged the Soviets in their assumption that difference in the Western alliance can be exploited to Soviet advantage. Moscow also remains hopeful that NATO's fragile consensus in favor of new intermediate-range missile deployments can be broken, leading to a serious rupture in the alliance.

In the Far East, Moscow's military buildup opposite China remains not only a lever on the PRC but a potential bargaining chip should Beijing become more serious in its desire to ameliorate Sino-Soviet tensions. Opportunities in the Far East are also afforded by the frictions in US-Chinese relations and potential divergences between the United States and Japan stemming from trade problems, disagreements over economic sanctions against the USSR, and Japanese reluctance to accelerate defense spending.

Moscow believes that its military investment also has improved somewhat its capabilities for projections into more distant regions. Although the Soviets recognize the limitations of that capability against a major military power, they hope that their increased capacity will deter US military action against Soviet proxies or clients and assure the favorable resolution of regional conflicts. Moscow's increased involvement in the Third World also reflects a belief that the United States has been constrained from direct military intervention there by the trauma of Vietnam and the difficulty of reaching a domestic political consensus on foreign policy in general. Indeed, political and economic instability throughout the Third World, together with the radicalization of postcolonial elites, have been viewed by the Soviets as major US and Western vulnerabilities and, conversely, relatively low-risk opportunities for the Soviet Union to insinuate itself through offers of military and technical aid.

In addition to these opportunities, however, Soviet leaders also see new threats and challenges in the international arena. The deteriorating Soviet-US relationship is a source of concern, potentially eroding Soviet military and foreign policy gains of the past decade. Planned US strategic and theater programs also are seen by the Soviets as an attempt to negate the USSR's strategic advantages and to create a credible "first strike" capability.

In the Far East, the Soviets view China's improved relations with both the United States and Japan as a serious security problem, raising the possibility that the USSR might be opposed by all three countries in a conflict in the Far East. More immediately, the USSR suspects that this trilateral reapproachment portends active US and Japanese aid in the modernization of Chinese armed forces. Moscow's territorial disputes with both China and Japan, moreover, are major obstacles to any dramatic improvement in its relations with either country.

In the Third World, the Soviets recognize that even where they have substantial political and military investments their continued influence is not guaranteed. The defeat of Soviet clients in Lebanon and Soviet inability to intervene effectively was the most recent demonstration. Similarly, the Soviets see current US efforts to broker a more comprehensive peace settlement in the Middle East and to achieve a settlement in Namibia as potentially leading to a further erosion of Soviet influence in the Third World.

PROSPECTS FOR CHANGE

Soviet economic and social problems will provide the strongest impetus for systemic or policy change over the next 10 years. Unless major changes are forthcoming, economic growth rates will remain at historically low levels, popular dissatisfaction with a perceived decline in the quality of life will grow, and resource allocation decisions will become more difficult for the leadership. The gravity of these problems for the Soviet system, however, remains difficult to measure, and there are important uncertainties in our judgments about the possibility that they will cause major system or policy changes. We, thus, will examine possible major systemic discontinuities that—although much less likely—would have important consequences for US interests.

The Soviet leadership obviously has a more sanguine view of its problems than we do. While their rhetoric reflects evident concern, there is no sense of mortal danger to the Soviet state. The gloomier projections of foreign observers, on the other hand, reflect a perception that Soviet problems are intractable and less optimistic that the added manpower and energy resources the Soviets are counting on in the 1990s will reverse adverse economic trends.

Even with the more negative assessment of Soviet economic and social difficulties, however, we believe that the strengths of the system—its control mechanisms, its economic power, the patriotism and passivity of its populace—will allow Soviet leaders to manage whatever internal pressures for systemic change (changes in basic philosophy or the nature of Communist party rule) are likely to develop over the next decade. The regime while facing important long-term vulnerabilities, does not, in our judgement, appear to be in imminent danger.

While this assessment leads us to believe that the prospect for major systemic change in the next years is relatively low, the likelihood of policy

shifts is much higher. The immediate post-Brezhnev leadership will almost certainly make a more vigorous effort in the next 3-5 years to reverse the economic slowdown, and in the process alter sectoral and regional resource allocations, administrative structures, prices and incentives, and even tighten administrative controls. Toward the end of the decade and with the emergence of a new generation of leaders, more far-reaching solutions to this fundamental problem could emerge, involving perhaps much greater use of market forces, cuts in the growth rate for military spending or more repression. At the same time, any group of leaders almost certainly will continue to rely on military power as a key instrument of foreign policy and will be sure to maintain its competitive strength vis-a-vis the United States. They are likely to count on Third World developments to provide new political and diplomatic opportunities as well.

Changes in the Political System

Despite internal weaknesses, the institutions of political control remain strong and firmly entrenched in the USSR. Popular discontent--although threatening to economic goals--does not as yet challenge the party's authority. Revolutionary collapse or major alterations in the system are highly unlikely in the next three to five years.

In the longer run, institutional rivalries will persist, and may increase as economic growth declines, but the party apparatus will probably remain the dominant political institution for at least the next decade. Where the party's potential competitors--the military, the KGB, and the government bureaucracy--have political clout that can be especially important during periods of intra-party strife, none of them is well equipped to supplant the party and none seems inclined to try in the near term.

A military coup?

There is at most an outside chance of a military takeover within the next 10 years. Although the military has the organizational skills and certainly the muscle to take charge, it has been indoctrinated from the regime's beginnings to stand aside from higher politics and historically has rarely been a major political actor. Moreover, its interests have been well served by the current party leadership. It has, for example, been given a large role in defining the security threat and in determining the programs required to deal with it--its two main political interests. The party, in addition, has developed a wide array of checks and controls to forestall a military coup. The military probably would attempt to assume power only in the event of a significant "liberalization" of the political system that was viewed as undermining social discipline and threatening the military's priority claim to resources or under conditions of political and economic chaos similar to that in the Polish crisis.

Return to One-Man Rule.

Within the framework of the existing system of party rule, however, a variety of changes are possible. During the next decade, for example, a leader who exercised power far in excess of that wielded by Brezhnev or Khrushchev could emerge. Such a development (perhaps a 20 percent possibility) could result from frustration with the lack of clear national direction, a perception that more discipline is needed in the party and society, and a confluence of serious domestic and international problems. Although no leader who succeeds Brezhnev

will initially have such authority, the time required for his consolidation of power could be far shortened by a shared sense of urgent national tasks. The emergence of such a leader, less constricted by the need for consensus, would make major policy shifts and changes much more likely. Domestic policies probably would take an authoritarian turn, but external policies could range from highly aggressive to pragmatic.

"Liberalization" of the System.

Another possibility would be some liberalizing reform that would allow for much greater personal freedom and decentralization of political and economic authority. This seems a less likely prospect (perhaps a 10 percent possibility over the next decade), considering the absence of effective popular pressure for such change, the strength of the regime's control mechanisms, and the apparent lack of significant sentiment in that direction within the Soviet establishment. Given the nature of the great power rivalry, however, a "liberal" Soviet regime would not necessarily be more accommodating to US interests. Indeed, such a regime might be more effective at overcoming some of the Soviet Union's systemic and policy weaknesses, making it an even more formidable adversary.

Changes in Policies through the Mid-1980s

More likely than systemic change are changes in specific policies, some probably following shortly on Brezhnev's departure. Although our knowledge of Soviet internal debate is limited, there have been discernible differences among Politburo members on several key issues. Conflict over these and other issues, heightened by political jockeying and the complexity of the country's problems, could lead to major policy shifts in the next three to five years.

Economic Policy.

The most immediate changes are likely in economic policy, where the current investment strategy has provoked considerable debate. Differences in priorities already have emerged between the pronouncements of one group (represented by Kirilenko, Shcherbitskiy, and others) that has advocated the priority development of heavy industry, and another (represented mainly by Chernenko) that has emphasized the need to increase the availability of consumer goods. Whatever the outcome of this debate, a major reallocation of resources almost certainly will be undertaken in the immediate post-Brezhnev era, with agriculture—in the absence of its principal patron—becoming a likely target for cuts. Other sectors also will be affected by the political fortunes of their sponsors, however, making the eventual economic beneficiaries largely uncertain.

Military Spending.

Concern about the domestic economy also could eventually impel one or another leader to propose in the mid-1980s some reduction in the rate of growth of military spending, if not an absolute cut as Khrushchev did in the mid-1950s. A number of additional factors, however, make even symbolic reductions in the growth of the defense budget unlikely in the near term, including:

- ` the poor state of US-Soviet relations;
- ` the political commitment of most Soviet leaders to a strong defense;
- ` the challenge of planned US defense programs; and
- ` the momentum of weapon development and production programs that are under way.

In a succession environment, however, no new leader, unless he perceives an existing consensus, is likely to risk antagonizing the military establishment and conservative forces in the party by proposing cuts in the growth of defense spending. Indeed, the military could even come away from the coming power struggle with some increase in the rate of growth for a few years.

Over time, as the post-Brezhnev leadership struggles with declining economic growth, there may be greater pressure to reduce the growth in military spending in order to free up the labor and capital resources urgently needed in key civilian sectors. In this connection, the cost-avoidance benefits of arms control agreements could assume greater importance. Even in the mid-1980s, however, absolute reductions in the defense effort seem unlikely, barring economic catastrophe. Moreover, Soviet military investment is now so large that even with reduced growth—or indeed with no growth at all—military capabilities would continue to increase well into the 1990s.

Economic Reforms.

In addition to investment disputes, succession politics may bring forth new proposals to improve the economy's efficiency. Concern over declining growth apparently has led some leaders to reevaluate economic and administrative reforms they earlier found unacceptable. Since 1978 several Soviet leaders have publicly endorsed Hungary's "New Economic Mechanism"—a system based on centrally formulated plans and economic goals but using some market forces to guide the economy at the micro-level.

Although there is little prospect that the Soviet Union will adopt changes so sweeping, some administrative reforms may well be enacted. The multitude of functionally related and overlapping ministries might be placed under more centralized management. This could be accompanied by some decentralization of operational authority—a move that already has been at least started in the agricultural sector. (It is in this area that the Hungarian model has been most closely studied and emulated.) Changes that are politically feasible, however, probably will not significantly improve the economic situation.

Foreign Policy.

The existing consensus on foreign policy is stronger than that on domestic issues, and major changes are less likely in that area in the next few years. Some issues, nonetheless, could become a bone of contention in the post-Brezhnev Politburo. Although these issues will be determined largely by the international situation at the time, a successor regime will have to deal with both the challenges and opportunities outlined above.

Rival claimants to leadership in the immediate post-Brezhnev era are likely to share a commitment to sustain the global dimensions of Soviet policy. This commitment could be reinforced by a possible tendency on the part of a younger generation of Soviet leaders to equate the growth of military power with the growth of global power and influence. Supporting such thinking, moreover, are factors that go beyond tangible or measurable indexes—ideological conviction, a sense of insecurity and of hostile encirclement, and a contrasting confidence and sense of achievement in the USSR's emergence as a global superpower.

Soviet leaders probably will wish to continue an arms control dialogue with the United States for at least the next few years, seeking new agreements that will slow US weapons programs, thereby facilitating Soviet planning, reducing weapons costs, and lessening the possibility of technological surprise. Although the Politburo as a whole now seems to believe the prospects for improved Soviet-US relations are dim, in the past some leaders (such as Andropov and Chernenko) have seemed more enthusiastic about pursuing this goal than others (such as Kirilenko). The price the Soviet leadership is willing to pay for an arms limitation agreement, therefore, may depend in part on the outcome of the succession.

A new Soviet leadership may, in addition, undertake new initiatives designed to alter the geopolitical environment. They may, for instance, attempt a breakthrough in relations toward Western Europe or China. Moscow's principal assets in these instances would be the ability to offer greater intercourse between East and West Germany and to offer China significant concessions on contentious military and border issues.

The Soviet Union's other future policy options will depend on events beyond its control. A collapse of the Saudi monarchy, for example, could usher in an anti-Western regime, presenting the Soviets with major new possibilities for expanding its influence in the area. Likewise, the outcome of the Iran-Iraq war might also create significant opportunities or dangers from Moscow's perspective that could lead to policy shifts.

Longer-Range Uncertainties.

For the next 3 to 5 years, the Soviet leadership will continue to be dominated by Brezhnev's current colleagues in the Politburo. Present policy already reflects their influence, and they may be less willing than their younger colleagues waiting in the wings to push for major policy or systemic change.

Soviet policies will become less predictable in the late 1980s and early 1990s, however, as the gap between economic performance and leadership expectations widens, as the basis for optimism about future economic performance erodes, and as the generational change in the Soviet leadership takes hold. The policy preferences of this younger generation are largely unknown. Although they have discretionary authority in implementing the Politburo's domestic policies, these officials now hold positions--in the Central Committee apparatus, regional party organizations, and the government bureaucracy--that provide little involvement in foreign policy.

What little evidence we have of this younger group's views reveals no clearly dominant orientation and no apparent consensus regarding the direction of future policies. Their eventual domestic course will probably reflect elements of both orthodox and reformist views, perhaps undertaking some decentralization of economic management, while at the same time tightening labor discipline.

Their foreign policy course is even more difficult to predict. Conceivably, some members of this group might favor a more accommodating foreign policy stance in order to increase trade with the West and ease domestic economic problems. The same pressures, however, might lead others to urge the adoption of economic self-sufficiency (autarky) at home and a more adventurist policy abroad, increasing the risk of a Soviet-US confrontation.

IMPLICATIONS FOR US POLICY

Changes in the Soviet system or policies over the next decade probably will have little impact on the basic nature of the Soviet-US relationship. Even if the climate of relations improved somewhat, the antagonistic nature of the interaction almost certainly will persist because of conflicting views and political goals. Limited accommodations in the areas of arms control or other bilateral issues may be possible, but a more encompassing accord on bilateral relations or geopolitical behavior is precluded by fundamentally divergent attitudes regarding desirable political or social change in the international order.

Although the Soviets will not wish a major confrontation with the United States, their belief that they now enjoy strategic equality and some advantages enhances the prospects for a more assertive foreign policy. Soviet leaders probably also can be expected to seize new opportunities offered by instability in the Third World to enhance Soviet geopolitical influence and divert US attention from areas of direct US-Soviet interaction, even in situations where the USSR has little prospect of making significant gains for itself. If the Soviets are able to ameliorate some of their current internal and external weaknesses—for example, by stemming the decline of economic growth—this also would improve their ability to compete with the United States for global influence.

It is doubtful, however, that Soviet leaders perceive a "window of opportunity" stemming from an overweening confidence in present Soviet nuclear forces relative to future prospects. From the perspective of the Soviet leadership, there will remain important deterrents to major military actions that directly threaten vital US national interests. These include the dangers of a direct conflict with the United States that could escalate to global proportions, doubts about the reliability of some of their East European allies, and an awareness of the greater Western capacity to support an expanded defense effort. These concerns do not preclude action abroad, but they act as constraints on military actions in which the risk of a direct US-Soviet confrontation is clear.

US Influence on Soviet Behavior

The future of the Soviet political system and its basic values will be determined primarily by internal political forces that the United States has relatively little ability to influence. Specific policies, and Soviet behavior in the international arena, nonetheless, can be affected by US policies designed to condition the Soviet perception of the costs and risks involved in continuing the military buildup and pursuing an expansionist foreign policy.

Impact on the Political System

US and Western influence over the ongoing Soviet political succession process is highly limited. Even if this were not the case, a contender whose stance appears more favorable to Western interests today may alter his position when he becomes party chief. In the initial stages of the Lenin succession, for example, Stalin appeared to be one of the more moderate Soviet leaders. During the Stalin succession, Khrushchev at first adopted a hardline internal position and later shifted to a more moderate course.

Western ability to influence the nature and evolution of the Soviet system is similarly limited. Although the United States and its allies can lend support to dissidents and call attention to Soviet violations of human rights, these actions in themselves are unlikely to hasten democratization of Soviet society. Despite the many weaknesses of the system, the passivity and patriotism of the Soviet citizenry and leadership sensitivity to any effort to play upon the system's vulnerabilities severely limit Western ability to effect its transformation.

Leverage over Policy

US policies, however, may be able to exacerbate several continuing weaknesses in Soviet foreign and domestic policy. Foreign policy actions which the Soviets perceive as necessary to preserve existing equities—such as repressive measures in Eastern Europe—tend to isolate them in the world and complicate achievement of other goals. Moreover, the attraction some Western values hold for the Soviet people will cause the regime to expend considerable effort to protect them from foreign contagion and to prevent the development of a stronger dissident movement. The Soviet economy also will be hard pressed to keep pace with rising consumer expectations, probably resulting in more leadership attention to work stoppages, strikes, and other manifestations of social unrest.

Past US efforts to use trade leverage to influence specific Soviet policies, however, have had only limited success. Moscow has circumvented most economic restrictions and refused to modify its policies substantially in return for increased trade. During the past two decades the Soviets have:

- thwarted the 1962 US-West German embargo on oil pipe by increasing their own pipe production and obtaining pipe from Britain, Sweden, and Japan;
- rejected the mid-1970s offer of lower tariffs and expanded trade credits when the Jackson-Vanik Amendment tied it to freer emigration for Soviet Jews; and
- successfully exploited Western differences over sanctions related to the Afghanistan invasion and—thus far—Polish martial law.

Western goods and technology are becoming more important to the USSR's strained economy; the volume of imports tripled in the 1970s and imports have been crucial to completion of several major production projects and to overcoming production shortfalls. But Moscow almost certainly will remain resistant to attempts at trade leverage. Unilateral US trade restrictions could create short-run difficulties for the Soviets in some sectors—such as the oil and gas and chemical industries—but would probably not persuade Moscow to alter major domestic or foreign policies. Similarly, the Soviets also certainly would view renewed US offers of increased trade for certain political concessions with considerable suspicion. Unified and sustained Western trade restrictions, particularly in such areas as energy equipment and agricultural products, however, could impose substantial costs on the Soviets. They probably would not change basic policies, particularly if international tensions were high, but would affect the Soviet calculation of costs and benefits in particular situations.

Moreover, the United States can affect the USSR's behavior in other ways, chiefly by conditioning the leaders' perceptions of the costs and risks involved in Soviet expansionism. It is the Soviet leadership's respect for US military capabilities, for example, that has prevented it from becoming involved in military hostilities in the Middle East over the years. The Soviets recognize, moreover, that if the US has the political will, it is better positioned to use its military, economic, and political power on a global scale than they are.

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Soviet perceptions of Western vulnerabilities and weaknesses, on the other hand, serve to enhance their confidence in their ability to compete with the US. The Soviets currently view Washington's ability to heighten the economic and military costs to Moscow as subject to competing US domestic economic priorities, the ability to rally popular support, and reluctance on the part of US allies to incur the costs of increased defense expenditures or increased tensions with Moscow. The Soviets recognize, moreover, that divergent views within NATO present opportunities to provoke major divisions between the United States and its principal allies. Strengthened Western unity and continued US resolve, therefore, could have a significant impact on future Soviet calculations and behavior.