Resurgent Russia and U.S. Purposes

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A Century Foundation Report

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This report is one in a series commissioned by The Century Foundation to explore issues of interest to American policymakers regarding Russia, aimed at identifying a framework for U.S.-Russian relations and policy options for a new administration and Congress that could help right the two countries' troubled relationship at a crucial juncture. The papers in the series explore significant aspects of U.S.-Russian relations, outlining a broad range of reasons why Russia matters for American foreign policy and framing bilateral and multilateral approaches to Russia for U.S. consideration. A high-level working group, co-chaired by Gary Hart, former U.S. senator from Colorado, and Jack F. Matlock, Jr., former U.S. ambassador to the Soviet Union, has provided direction to the project and offered recommendations for action that the United States might take.

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Introduction

President Barack Obama will face few greater foreign-policy challenges than putting relations with Russia on a more constructive, sustainable foundation. Few countries are more important to U.S. national interests, and no great power currently has worse relations with the United States: when President Obama took office, U.S.-Russian relations were at their lowest point since the end of the cold war twenty years ago.

Many observers would take issue with this judgment. For some, the United States should seek to contain rather than engage a Russia that they see as increasingly authoritarian at home and aggressive abroad, intent on countering the United States wherever and whenever it can. The Georgian events of last August and the more recent Russian-Ukrainian gas conflict, in this view, underscore Russia's neo-imperialist tendencies, while its sophisticated conventional arms sales to and nuclear cooperation with Iran illustrate its opposition to the United States. For other observers, Russia simply does not matter that much any longer, despite its remarkable recovery of the past decade and its recent visible role in world affairs. The current global economic crisis, in this view, will put an emphatic end to the recovery; lay bare the fragility of an economy and political regime excessively reliant on oil and gas for revenue, stability, and legitimacy; and fatally erode the basis for a resurgent Russia. And for still others, even though Russia is regaining its strength, it still does not bring enough to the table to warrant the frustrations of dealing with a prickly government that always wants a voice on major international issues but exaggerates its capabilities and appears little inclined toward constructive interaction.

No one would gainsay the Russian temptation to counter the United States at times, especially along Russia's periphery; or the obstacles to

Russia's long-term accumulation of power; or the vexations in engaging Russia, particularly now. A decade of socioeconomic collapse and national humiliation (at the hands of the West, Russians believe), followed by the remarkable recovery of the past eight years and efforts to reclaim Russia's great power status (against the West's wishes, they are certain), now threatened by the mounting global economic crisis (made in the United States, they say) has produced a heady nationalism, a petulant brew of pride and resentment, of self-confidence and self-doubt, often expressed in caustic anti-American rhetoric and actions.

The case for U.S. engagement with Russia, however, is not based on the absence of conflicts in interests and values, an exaggerated assessment of its future power, or expectations that dealing with Russia will be easy. It is based on a hardnosed assessment of American long-term strategic interests, and the impact engagement or conflict with Russia could have on our ability to protect and advance them.

Russia and American Interests in a Changing World

The starting point for such an assessment is the recognition that, not only is the cold war over, but so is the post–cold war period. Pervasive confidence two decades ago that—as the contemporary catch phrase put it—history had ended, that the advance of democracy and free markets under the leadership of the United States, the "sole superpower" or "indispensable nation," was inevitable, has been badly shaken by the foreign-policy morass inherited from the administration of George W. Bush, the sharp erosion of America's moral standing in the world, and the worst global economic crisis since the Great Depression. Whatever the very long term might hold, this vision does not describe the immediate future. Quite the contrary: the world now has entered

a period of great upheaval of uncertain duration, which will not pass until a new global equilibrium emerges. What that new equilibrium might look like is far from clear, but the trends that will shape it have been evident for some time. Most of these trends have figured in the public debate over foreign policy for several years. Only now is their cumulative impact on America's place in the world and the conduct of our foreign policy beginning to receive the attention it merits.

The challenges facing the United States are well captured in the intelligence community's most recent effort to peer into the future, the recent report by the National Intelligence Council, *Global Trends 2025: A Transformed World*.[1] As the report notes, global dynamism is shifting from the Atlantic to the Asia Pacific region, most notably in the economic realm, but ineluctably in the geopolitical and the intellectual realms. The Middle East is in the midst of a historic—and destabilizing—struggle between the forces of modernity and tradition. Nation-states, the fundamental unit of the international system since the Treaty of Westphalia of 1648, are under severe pressure from transnational forces and from sub-regional actors. There is a fundamental and growing mismatch between a global economy and nationally based regulatory systems—a mismatch graphically revealed by the current economic crisis. Globalization has laid the foundation for greater prosperity worldwide, but also it has raised new dangers and compounded old ones—the proliferation of weapons of mass destruction, megaterrorism, pandemic diseases, climate change—that are beyond the capacity of states to deal with alone and for which current international organizations, notably the United Nations and the Bretton Woods Institutions, are inadequate. Population growth, and the still-hoped-for long-term prosperity, is putting stress on energy, food, and water resources and raising the risks of violent conflict over them.

The United States remains the preeminent power by any measure, and will remain so well into this century. But its margin of superiority is narrowing, particularly with China, and increasingly it needs to work with other major powers to manage threats and exploit opportunities. The current deep economic crisis only reinforces that point, drastically reducing the resources the United States can devote

to foreign policy and underscoring its excessive and growing dependence on foreign financing of its debt. As a result, more so than in the past, the United States will have to establish priorities, to pursue a more focused policy, and build multilateral coalitions to shape a new equilibrium that will ensure its long-term security and prosperity.

What are, or should be, the U.S. priorities in this uncertain world? How important is Russia to U.S. interests?

Nonproliferation

There is no graver threat to U.S. security than the proliferation of weapons of mass destruction to states or terrorist organizations intent on doing us harm. Dealing with this threat entails strengthening the nonproliferation regime, enhancing the security and reducing the quantity of fissile material and chemical and biological agents that can be used for weapons of mass destruction, controlling the knowledge and know-how to build such weapons, and preparing to mitigate the consequences should such a weapon be used.

- Russia is the second major nuclear power (the United States and Russia together control 95 percent of the world's nuclear arsenal), with long experience in the development, manufacturing, and dismantlement of nuclear weapons; massive stockpiles of plutonium and highly enriched uranium (the fuel for nuclear weapons) and biological and chemical agents; and a long history in civil nuclear power. It is indispensable to any effort to manage the proliferation problem and prevent terrorist organizations from gaining possession of weapons of mass destruction.

Management of the International Economy

The current global economic crisis has laid bare the deficiencies of the current structure for regulating the global economy. The United States has an interest in reforming the present international financial and economic institutions,

and creating new ones, so that the downsides of markets could be moderated without sacrificing their dynamism and so that an open global economy can be promoted in the face of rising protectionist sentiments worldwide.

- Russia has played an increasing role in the global economy as it recovered from its turbulent transition in 1990s. It has accumulated the third-largest international currency reserves (although they are being depleted rapidly as the Russian government manages the devaluation of the ruble). It deserves a seat at the table in discussions of the current global economic crisis, and it should receive a larger role in the management of the global economy in the future. That said, leading European states, Japan, China, India, and perhaps Brazil are all more important than Russia to the global economic and financial future.

The Broader Middle East

The broader Middle East presents sets of critical security challenges to the United States, particularly concerning Israel/Palestine, Iraq, Iran, and Afghanistan/Pakistan/India. In brief, the U.S. interest in this region includes bringing an enduring conclusion to the Middle East peace process (Israel/Palestine), stabilizing Iraq, preventing Iran from obtaining nuclear weapons and destabilizing the region, eliminating the terrorist threat and ensuring stability in Afghanistan and Pakistan, and reducing the risk of major conflict—with the possible use of nuclear weapons—between Pakistan and India.

- Russia retains a wide network of contacts in the Middle East; it has improved ties with Israel. Although its influence pales in comparison to our own, its cooperation could be helpful in managing the peace process and in dealing with Iran. Russia's support is essential to maintaining one of the most valuable corridors—across Russia and through Central Asia—for supplying NATO and American forces in Afghanistan, a corridor that grows in value as instability deepens in Pakistan. At the same

time, as a rival, it would have great potential to do mischief, to complicate our challenges, and to thwart our initiatives.

Energy Security and Climate Change

Providing sufficient energy for powering the global economy at affordable prices and in an environmentally friendly way is critical to long-term American prosperity. Fossil fuels, barring a major technological breakthrough, will remain the chief source of energy for decades to come. Much needs to be done in locating and bringing online new fields, ensuring reliable means of delivery to consumers, protecting infrastructure from attack or sabotage, and reducing the temptation to manipulate energy supplies for political purposes. Nuclear energy is enjoying a renaissance, but that raises proliferation concerns. Intensive scientific work will be necessary to develop new sources of energy for commercial use and to deal with climate change.

- As the world's largest producer of hydrocarbons, a leader in providing civil nuclear energy, and a major energy consumer itself, Russia is indispensable to guaranteeing energy security and dealing with climate change. As one of the world's leading scientific powers, Russia has an important role to play in developing new sources of energy, using traditional fuels more efficiently, and managing climate change.

China

The rise of China already is having a major impact on the global economy, including increasing the scarcity of critical commodities, such as oil, gas, and metals. China's geopolitical weight will only grow as its economy expands, reshaping in particular the balance of power in Northeast and Central Asia. The U.S. interest is in integrating China as a responsible stakeholder into global economic and security structures.

- Russia's massive territorial presence in Northeast Asia and its continuing political, economic, and security presence in Central Asia make it a major player in the construction of new security structures in both those regions, along with China, the United States, and other powers. Its treasure trove of natural resources in Siberia and its Far Eastern region could play a central role in fueling Chinese economic growth. A continued strong Russian presence increases the possibilities for building stable security structures; a weak Russia would make those tasks harder. The United States, of course, could work with others, minus Russia, to build these structures, but cooperation with Russia would ease the task.

Transatlantic Relations

Even as other powers rise in Asia, Europe remains critical to the global economy and global security: it is home to some of the United States' closest allies, and it is the region with which the United States has the densest network of political, commercial, and societal ties. Many European and transatlantic institutions—notably, the North Atlantic Treaty Organization (NATO), the Organization for Security and Cooperation in Europe (OSCE), the European Union itself—are in the process of adjusting to the end of the cold war and the current period of upheaval. A stable security structure and economic prosperity in Europe frees American—and Allied—resources for use elsewhere.

- Russia remains a central factor in the European equation. The United States presumably could improve transatlantic relations in the face of Russian opposition; indeed, a hostile Russia likely would push the United States and Europe closer together, as the Soviet Union did during the cold war. But that is hardly an optimal situation for the transatlantic community; confronting a hostile Russia ties down military, economic, and diplomatic resources needed to deal with other urgent challenges. Much preferred is a cooperative structure that includes the United States, Europe, and Russia.

Even if one accepts the near-term importance of Russia to our interests, current policy inevitably will be shaped by assessments of Russia's long-term vitality. Do we need to make a long-term, strategic investment in Russia, or do we merely need to exploit cooperation with Russia for short-term, tactical gain? Are we facing a rising power, recovering from a deep crisis and regaining its former great-power status for the long term? Or are we facing a declining power, enjoying a fleeting moment of resurgence in a downward trajectory? No one knows for sure.

Certainly, Russia faces formidable challenges in creating the durable economic foundation for the great-power role to which it aspires. It needs to invest vast sums—at least $1 trillion over the next decade—to modernize its infrastructure, largely inherited from the Soviet period and starved of investment since. It needs to diversify its economy to move away from an over-reliance on natural resources, particularly oil and gas, and rebuild its manufacturing sector, create a modern financial sector, and nourish a competitive high-tech sector. And it needs to reform and modernize its public health and education systems to grow a healthy, competitive work-force. This is all the more important because the Russian population will shrink by some 7 million, to about 135 million, by 2020, according to U.N. estimates.[2]

Russia's leaders have identified all these challenges. The Russian government's *Concept for the Long-Term Socio-Economic Development of the Russian Federation until 2020*,[3] developed last year, lays out in broad terms the policies necessary to meet them. The question is whether the Russian leadership has the political will and skill to fill in the details and then adhere to their policies, particularly when they will call for sacrifices by the ruling elites in the grips of a global economic crisis.

Success is far from certain, but U.S. policymakers should bear in mind two points. First, Russia's ambitious modernization plans will require Russia to deepen integration into the global economy. The lion's share of the technology and know-how, and a considerable share of the investment, will have to come

from Europe and the United States. Cooperative relations with the West, particularly with Europe, its leading commercial partner, will create more favorable conditions for progress. Second, if Russia falls short, if it grows weaker relatively or absolutely, that only will compound the challenges to the United States, particularly in dealing with proliferation threats, ensuring energy security, and building durable geopolitical balances along Russia's periphery. At the extreme, a weak Russia, with its vast resources and sparse population east of the Urals, could become the object of competition among the great powers, notably China and the United States. In short, we have a considerable interest in Russia's success.

The Sad History of U.S.-Russian Cooperation

The advantages of having a stable Russia integrated with the world community have served as a guiding star to the policies of the previous three administrations. As a result, each administration, at least initially, devoted much effort to forging constructive relations with Russia. Look, for example, at the ambitious plans for cooperation on strategic, regional, economic, and energy issues laid out in the *Charter for American-Russian Partnership and Friendship* (President George H. W. Bush, June 1992), the documents from the Vancouver summit (President Bill Clinton, April 1993), and the joint declaration from the Moscow/St. Petersburg summit (President George W. Bush, May 2002). The Bush-elder administration left office less than a year after the adoption of the *Charter*, and it is pure speculation as to what might have transpired had Bush gained a second term. But the Clinton and following Bush administrations left office with relations at the then-lowest point since the end of the cold war. What went wrong?

From the beginning, there were considerable obstacles to engaging with Russia successfully. National security bureaucracies in each country that had

been shaped by the bitter cold war rivalry quite naturally found it difficult to overcome established perceptions and suffered from lingering suspicions and mistrust. Events conspired to create a damaging dialectic of strength and weakness that reinforced suspicions: the rapid American economic expansion of the 1990s coincided with a deep socioeconomic crisis in Russia; Russia's accelerating recovery under President Vladimir Putin overlapped with a growing malaise in the United States as a consequence of President Bush's foreign policy failures and mounting economic concerns. A fundamental asymmetry in power—America's economy is roughly ten times Russia's—made it nearly impossible to create a partnership of equals, which Russia sought in order to validate its own self-worth.

After the cold war, concrete policies of each country exacerbated the problems in the U.S.-Russian relationship. The United States' strong support for NATO expansion, its penetration into the former Soviet space and military action against Yugoslavia (a key Russian ally), and, under George W. Bush, the aggressive pursuit of missile defense and support for leaders along Russia's periphery with anti-Russian inclinations all led Moscow to believe that the United States was not prepared to take Russia's interest into account or, worse, was seeking to prolong Russia's weakness to further U.S. strategic goals. By the same token, Russia's rhetoric and actions that suggested it did not accept the sovereignty and independence of the former Soviet states, its continued arms sales to regimes hostile to the United States (Syria, Iran, Venezuela), its nuclear cooperation with Iran, and its more recent shrill, anti-American rhetoric all raised questions in Washington about Russia's commitment to improved relations.

The core reason for the failure to build cooperative relations, however, comes down to a profound—and unbridgeable—gulf in expectations and ambitions. The United States' grand ambition was to integrate Russia into the West on American terms—in a sense, to seal the U.S. victory in the cold war. Russia wanted to be accepted and respected as a major power by the United States, and the West more generally, as it was, in gratitude for the role Russia had played

in putting an end to communism and in recognition of its large historical role in world affairs. The United States wanted to change Russia; Russia wanted to restore its power.

U.S. policy inevitably put Russia's domestic politics at the very center of the relationship. President Clinton spoke of a "strategic alliance with Russian reform," and much of the energy of his administration's Russia policy was focused on assisting Russia's transformation into a free-market democracy. Russia's progress—or lack thereof—was a key indicator of the administration's success. President George W. Bush spoke of a strategic partnership based on shared democratic values. Cooperation was linked to Russia's commitment to democratic reform; the growth of democracy in Russia became the key determinant of the extent of possible cooperation. For both the Clinton and Bush administrations, good relations became hostage to Russia's domestic development, and relations deteriorated sharply when reality belied administration claims that Russia was democratizing or that its leaders were committed to democracy. For the Clinton administration, the moment of truth came in summer 1998, with the collapse of the ruble and the installation of a nonreformist government; for the Bush administration, the defining moment was Putin's decision in fall 2004 to end the popular election of governors and his high-profile effort to manipulate the Ukrainian presidential elections.

Tying our policies to Russia's domestic developments, which are fundamentally beyond our control, does not make sense. Russia is simply too big, Russian society too complex, and our understanding of Russia too limited for it to be otherwise. And it makes even less sense to wed our policies to Russia's democratization. At the dawn of the post-Soviet era, Russia had little of the institutional and societal material to build even a marginally efficient democratic political system. Not surprisingly, Russia emerged from the chaos of the immediate post-Soviet period by returning to a traditional form of Russian governance, a weakly institutionalized, highly personalized, non-democratic system of power centered on the Kremlin.

As George Kennan wrote a half century ago at the beginning of the cold war, "The ways by which peoples advance toward dignity and enlightenment in government are things that constitute the deepest and most intimate processes of national life. There is nothing less understandable to foreigners, nothing in which foreign interference can do less good."[4] Our effort to support democratic development in Russia—highly intrusive under President Clinton, less so under the second President Bush—proved Kennan's point. The Clinton administration sent thousands of advisors to Russia who did not understand Russia and whose advice proved impractical or easily corruptible in the Russian context. The Bush administration lent high-profile public support to marginal opposition figures, which narrowed the room for maneuver by many in the elite who sought to open up their system but did not want to be branded as disloyal Russians who were agents of the Americans.

Moreover, Russians found the American position demeaning, and came to resent what they saw—not without reason—as lectures on democracy. Throughout the 1990s, however, they had little choice but to bend to Washington's desires: Russia needed the cash inflows, and it could not afford to confront the United States. That all changed in the 2000s, as Russia began to recover, and America became bogged down in Iraq, and Abu Ghraib and Guantanamo eroded our moral authority. Russian resentment exploded in public with then-President Putin's address to a European security conference in Munich in February 2007, castigating what he saw as American efforts to build a unipolar world and reiterating a litany of Russian grievances. Putin made clear that America's grand project of integrating Russia into the West on American terms was dead. Russia would pursue an independent foreign policy based on its own sense of its national interests, and it would deny any outside power the right and opportunity to interfere in Russia's domestic affairs. That view lies at the core of the concept of "sovereign democracy," which the Kremlin has promoted as the ideological basis for the current regime. Russia's military operation against Georgia last August should have put to rest any lingering doubts about current Russian views on integration into the West.

Given these Russian attitudes, it is clear that, for at least the time being, U.S.-Russian cooperation will not be built on shared democratic values. If it is to be built, it will have to be built on shared interests and shared threats.

Russian Interests

What then are Russia's interests? Succinctly: to be a great power, and to be accepted as such. As Russian President Dmitriy Medvedev has noted, "Russia can exist as a strong state, as a global player, or it will not exist at all."[5] Or, as Putin wrote just before he assumed the presidency in 1999, "Let's admit that for the first time in the last 200–300 years, [Russia] is facing a real danger of falling into the second, if not the third, echelon of states in the world. The nation will have to exert tremendous intellectual, physical, and moral effort to avoid this fate."[6]

There is nothing new in this sentiment; it has been a constant of Russian political discourse for centuries. Great-power status lies at the core of Russian national identity. Russian leaders often talk of global threats in ways not unlike American leaders—proliferation, terrorism, energy security, regional balances, financial imbalances, and so on. But Russia's objective is to be a power that deals with these threats on a grand stage, not one that is shaped by them.

Two other essential considerations flow from Russia's great-power aspiration. First, restoring and maintaining itself as the dominant influence in the former-Soviet space is a top priority for Russia. Historically, this is the region that has given Russia its geopolitical weight. Politically, economically, and militarily, it remains critical to Russia's security and prosperity in the eyes of the Russian elite. Psychologically, it is central to Russia's self-identity as a great power, for a great power, by definition, must radiate power and influence into neighboring regions. Although Russian leaders have

eschewed talk of restoring the Soviet Union, and have been wary of talking about spheres of influence, President Medvedev has stressed that Russia does have a zone of "privileged interests," which encompasses the former Soviet space, if nothing more. The long-term ambition is to use restored influence throughout this space as the foundation of a genuine Russian pole in the multipolar world that Moscow believes is now emerging, a pole that would be separate from and interact as an equal with the United States, China, and Europe. For all these reasons, Russia looks askance at efforts by any outside power, especially the United States, to raise its profile in the former Soviet space.

Second, Moscow views what it sees as the American ambition to build a unipolar world as a direct challenge to its goal of regaining great-power status: by definition, a unipolar world exists with only one great power. Consequently, another top priority for Russia has been constraining the United States, or transforming it into what might be called a "normal great power," that is, one among many poles in world affairs that realizes that it has to take into account the interests of other great powers if it is to advance its own. In broad terms, there are three approaches Russia can take toward this goal: (1) building countervailing coalitions, if not precisely anti-American ones (for example, the Shanghai Cooperation Organization, or through coordination between Brazil, Russia, India, and China—known as the BRICs); (2) raising the authority of institutions such as the U.N. Security Council, which the United States cannot dominate (in a sense, a variant of the first method), and (3) working with the United States as a genuine partner, preferably on the basis of legally binding agreements.

Russia, of course, has concrete interests in a wide range of other regional and functional issues, all laid out in the various national security, foreign policy, and defense concepts and doctrines that Moscow has issued over the past two decades. But the former Soviet space and the United States are the prisms through which Moscow formulates and executes its policies.

Rebuilding Relations

Nothing in Russia's understanding of its interests precludes close cooperation with the United States on a wide range of issues critical to American security and prosperity. That said, there is no easy or quick path to renewed relations. The past several years have left a residue of bitterness, ill will, and wariness, and have created an atmosphere in which an effort to reach out to the other side is just as likely to be seen as a concession born of weakness as a gesture of good will born of strength. The growing global turmoil has exposed vulnerabilities in both countries, and in each country the premium is on projecting strength and confidence, in part to mask the vulnerabilities.

Moreover, improved relations by definition cannot come from unilateral action, but only from a process of mutual give–and-take. To be sure, the new administration needs to take the initiative, if only because it is new. The Russian side has made it clear it is not prepared to act first, beyond expressing a desire for better relations.

In this situation, the challenge for the new administration is to take steps that do not jeopardize our long-term, strategic interests; that are grounded in current realities; that demonstrate a willingness to accommodate Russian interests and concerns to the extent they do not threaten our own strategic interests; and that harness Russia's desire for power and prestige in international affairs to American purpose by showing how Russia can gain in both by cooperating with the United States. Such steps—and, one hopes, some initial visible successes in cooperative efforts—would help create an atmosphere in which even relatively large differences in goals and approaches can be addressed calmly in a search for common ground.

In addition, the administration needs to look at its relations with Russia as a whole. It should resist the temptation to maximize the American advantage on each specific issue (as the Bush administration did). Rather, the goal should be to maximize the benefit from the overall relationship. That posture

will facilitate tradeoffs across issues that advance our priority interests and create more room for addressing Russian concerns.

More specifically, the Obama administration will need to:

- decide on an architecture for decisionmaking and interaction with the Russians that enforces discipline throughout the American bureaucracy and demonstrates a seriousness of purpose to the Russians;
- formulate an initial agenda that improves the tone of the relationship and produce some initial successes, while laying the basis for broader and more productive cooperation over time; and
- develop a plan for selling its Russia policy to a skeptical political establishment at home and building and supporting constituencies for improved relations.

Success, of course, is not certain. The Russians need to reciprocate the administration's good will. If they do, the administration can perhaps construct a step-by-step process toward broad, positive engagement that serves the strategic interests of both countries. If they do not, the administration will have to recalibrate its approach so that it can advance U.S. interests in the face of Russian opposition and obstructionism. A sense of timing will be critical. In the first few months, the administration must resist both the temptation to declare broad success and outside pressure to concede inevitable failure. It should pursue its initial approach at least until the end of the year, and then assess the need for a course correction.

The Architecture for a New Relationship

The architectural challenge can be put succinctly: Presidential engagement is necessary to demonstrate seriousness of purpose to the Russians, who crave respect as a major power. Presidential direction is necessary to discipline

the American bureaucracy, to compel the formulation of a coherent Russia policy from various bureaucratic entities that oversee issues in which Russia is a factor but not the central one. But inevitably, presidential attention will be drawn at times to other, much more pressing issues—the economic crisis and the interconnected conflicts and challenges in the broader Middle East. What are the elements of a resolution of this problem?

- President Obama needs, at a minimum, to establish a positive relationship with Russian President Medvedev. The July summit announced at the April get-acquainted meeting needs to produce substantive results to reinforce the current positive momentum. Care must be taken not to over-personalize the relationship, a temptation when the president and cabinet secretaries have more pressing priorities: brief conversations and meetings and frequent photo-ops become substitutes for more substantive discussions, as they did under Obama's immediate predecessor.
- President Obama should designate and empower a senior official to act as his point person on Russia. This individual should be seen as close to the president, capable of speaking authoritatively across the administration's foreign policy agenda.[7] In broad terms, this individual's mandate should be twofold. (1) He would be the primary interlocutor with senior Russian government officials, serving in particular as a liaison between the two presidents (and with Prime Minister Putin, who is still Russia's dominant political figure and therefore critical to the formulation of Russia's America policy). (2) He would oversee and manage the policymaking process within the administration to ensure coherence across the range of issues on the U.S.-Russian agenda. He also would have oversight of all bilateral issue-specific working groups. (Ideally, President Medvedev would designate an official of similar stature as a counterpart, but that is not absolutely necessary.)

The Agenda for a New Relationship

In structuring the agenda, the Obama administration should focus initially on (1) a set of issues that could help improve the tone of relations (nuclear issues, European affairs, commercial and economic matters) and produce some early successes, and (2) the unavoidable issues—ones that, based on scheduled events or likely developments, will force themselves onto the agenda (the former Soviet space, the broader Middle East). Other agenda items will require identification and brief discussion early on (in consultation with the Russians), but more detailed positions can be deferred to summer or fall 2009. On the first set of issues, the new administration could take a number of early steps that would be welcomed by the Russians, but that would not jeopardize our long-term strategic issues or preclude our changing course, should the Russians not reciprocate. On the second set of issues, the immediate task will be to find responses that minimize the damage that any initial differences could do, while laying the grounds for more thorough discussion and more innovative approaches later on.

Improving the Tone

Nuclear Issues. The array of nuclear issues that the United States could discuss with Russia immediately touches on civilian and military nuclear power, nonproliferation, and megaterrorism—all of which are matters critical to U.S. and Russian security. As the world's two leading nuclear-armed powers, the United States and Russia have a special responsibility to demonstrate global leadership on these matters. For reasons of pride and prestige, Russia has an interest in being seen as a key partner with the United States on these issues. And because of its own broad experience, this is one of the few areas in which Russia can approach the United States as a genuine equal. A decision to make cooperation on strategic stability, nonproliferation, nuclear terrorism, and civil nuclear energy the centerpiece of closer U.S.-Russian relations would likely be greeted enthusiastically in Moscow.

A solid foundation on which to build already exists, thanks to the Clinton and Bush administrations. It includes the Cooperative Threat Reduction program (Nunn-Lugar), which could be expanded beyond the former Soviet Union; the Megaton to Megawatts program, which blends down highly enriched uranium from dismantled Soviet weapons for use in power generation in the United States; the Bratislava Initiative on Nuclear Security Cooperation of 2005 and the Global Initiative to Combat Nuclear Terrorism of 2006, focused on enhancing security at nuclear sites, cooperation against terrorist groups seeking nuclear material, and efforts to manage the consequences of a nuclear incident; the Moscow Treaty on Strategic Offensive Reductions (SORT); and cooperation in the U.S.-conceived Proliferation Security Initiative.

The Obama administration appears ready to build on this foundation. It already has indicated its desire to pursue a legally binding follow-on agreement to the Strategic Arms Reduction Treaty (START, due to expire in December 2009) that would continue verification and monitoring of the U.S. and Russian strategic arsenals, and could include further reductions in their sizes. The administration has hinted that it is prepared to review the decision to build missile defense sites in Poland and the Czech Republic, to include suspension of further work, while it makes an effort to find a way to cooperate with Russia on missile defense. Moscow publicly has welcomed these initial steps, although there should be no illusions about the difficulty of reaching agreement on these matters In addition, as Moscow has urged, the administration should resubmit the U.S.-Russian agreement on civil nuclear cooperation (the so-called 123 Agreement), withdrawn by the Bush administration in response to the Russian military operation in Georgia last August.

Iran could turn out to be a major stumbling block to deeper cooperation on nuclear issues, as it has been in the past. Although the Bush administration publicly recognized Russia's help in dealing with Iran on nuclear issues, there is widespread dissatisfaction within the political establishment that Russia has been unwilling to endorse harsher sanctions against Iran and continues to

supply Iran with sophisticated conventional weapons, particularly air-defense systems. The Iran issue will have to be dealt with early on in the new administration: Iran's support for Hamas in Gaza, its presidential elections in June, and growing Israeli alarm at Iran's nuclear progress and the temptation to strike preemptively all but guarantee that. Two steps could induce Moscow to be more helpful: (1) closer nuclear cooperation as outlined above (Moscow recognizes that nuclear cooperation with the United States is potentially much more lucrative than cooperation with Iran, by orders of magnitude), and (2) the opening of direct U.S. discussions with Tehran, which the Obama administration has already broached, although extended informal negotiations likely will be needed to work out the modalities of direct talks. (Although the Russians have supported such a step, nothing threatens Russia's strategic interests in Iran more than the eventual normalization of U.S.-Iranian relations. That would open the possibility of U.S.-Iranian cooperation on nuclear and security issues, jeopardizing current Russian efforts in these areas, and the import of Iranian gas into European markets to challenge Russian suppliers. By cooperating more closely with the United States now, Moscow might reason, it could increase the chances that the United States would carve out a space for continued Russian-Iranian cooperation in areas important to Moscow or in shipping Iranian gas to Europe.)

There have been some public hints that the new administration is considering a bargain that would exchange American suspension of missile defense deployments in East Central Europe for greater Russian pressure on Iran to abandon its nuclear-weapons program. Although there is merit in discussing this approach, a trade-off it is unlikely to be straightforward, given Moscow's multifaceted relationship with Iran and the difficulties in reaching agreement on what American suspension of missile defense deployments or greater Russian pressure on Tehran would entail and in sequencing steps. Moreover, closer cooperation on Iran is more likely to result from improvement in relations across a range of issues, particularly nuclear-related ones, rather than from a narrowly conceived tradeoff.

European Affairs. European issues have provided much of the stress in U.S.-Russian relations over the past few years. Russia has made clear its deep dissatisfaction with developments, including the continuing U.S. pressure to expand NATO, particularly to include Ukraine and Georgia; the possible construction of U.S. missile defense sites in Poland and the Czech Republic; continuing Western efforts to focus OSCE democracy-building efforts "east of Vienna"; and continuing American efforts to block Russian attempts to increase its presence in European energy markets. Concerns over the advance of NATO facilities toward Russian borders led Russian to declare a moratorium on participation in the Treaty on Conventional Forces in Europe (CFE), in part so that it would gain full freedom to deploy its military forces as it saw fit on its own territory.

Two steps by the Obama administration could help ease the tension and lay the groundwork for a more fruitful discussion later:

- The administration should cease U.S. pressure for the near-term expansion of NATO (other than the inclusion of Macedonia, which would have been asked to join last year, had it not been for frivolous Greek opposition over what Macedonia calls itself). NATO's foreign ministers meeting in December should have resolved the issue of Membership Action Plans for Ukraine and Georgia in the near term. There is no need to press for them at NATO summit in April. Moreover, Georgia's reckless military operation last August and deepening political turmoil in Ukraine have only reinforced the view among key European allies, notably France and Germany, that neither is ready for NATO membership. Instead of expansion, the Obama administration should focus its and NATO's attention on the alliance's strategic mission. Deep disagreements over Iraq and continued unwillingness of key allies to contribute more to the counterterrorism effort in Afghanistan underscore the deep differences over strategy and mission.

- The administration should give preliminary approval to participating in a conference on European security architecture, as proposed by President Medvedev, pending further discussion of the structure and agenda of such a conference. Although the Russian goal might be nothing more than the old Soviet one of splitting the United States and its European allies and widening fissures among the European states themselves, there is a good argument for a broad review of European security architecture. NATO's mission is a subject of debate, the NATO-Russia Council has not lived up to its promise, the OSCE has little effect given major disagreements over its role in promoting democracy, the CFE Treaty reflects cold war assumptions, and Russia is not adequately integrated (and there will be no enduring security in Europe without Russia's inclusion). The challenge is to build a security architecture based on three pillars: the United States, the European Union, and Russia. If this ultimately leads to the subsuming of NATO into a larger structure over the long term, we should be prepared to accept that. America's essential goal is not securing NATO's long-term future as the central element of our engagement with Europe, no matter how valuable an instrument of U.S. policy in Europe NATO has been in the past; the goal is ensuring security in Europe, now and in the future.

In addition to these two steps, to reduce any temptation Moscow might feel to play Europe off against the United States and to ease European concerns that we are deciding their fate over their heads with Russia, the administration should pursue more active consultations with our European allies on Russia policy. Two countries should be the focus of particular attention in this regard: Germany, because it is Russia's most important European partner and central to Europe's political and economic evolution, and Poland, because it harbors perhaps the deepest concerns about Russia's motives and can galvanize East Central European opposition to efforts to improve relations with Russia.

Ukraine poses perhaps the most formidable challenge. The United States has an interest in the preservation and success of an independent Ukraine, which is critical to stability in Europe and acts as a guarantee against the reemergence of a geopolitical threat of Soviet dimensions. To establish its own national identity, Ukraine has to distinguish itself from Russia, even if good relations with Russia are essential to its long-term security and prosperity. But Ukraine occupies a special place in Russian thought: it is the cradle of Russian civilization and an essential element of Russia's own national identity as a great power; its absorption by Tsarist Russia in the seventeenth century was an essential part in transforming Russia into a major European power; it retains dense economic and personal relations with Russia. Managing all these conflicting interests is a formidable task. The starting point might be consideration of institutionalizing a form of Ukrainian neutrality, or "Finlandizing" Ukraine, to ease Russian concerns about Ukraine's joining a potentially anti-Russian security organization, while giving Ukraine adequate security guarantees until a broader European security architecture is elaborated.

Economic and Commercial Matters. The global economic crisis has hit Russia hard, and its economy is likely to deteriorate well into 2009, if not longer. The crisis has underscored the dependence of the Russian economy on the health of the global economy, including first of all that of the United States. It played a central role in deflating the excesses of Russian nationalism after the military victory over Georgia last summer and persuading the Russian government to seek to reduce tensions with the United States. By helping to ensure that Russia has a voice in all major multilateral discussions of the crisis and its remedies, Washington could garner some goodwill in Moscow, particularly among those who see Russia's future as residing in the West.

In addition, the new administration should work hard to facilitate an early conclusion of the negotiations over Russia's entry into the World Trade

Organization, which have now entered their sixteenth year. Once Russia is on the verge of membership, the Obama administration should ask Congress to graduate Russia from the provisions of the Jackson-Vanik amendment, which denies Russia permanent normal trade relations with the United States. The Russians see this as a relic of the cold war, an indication of the United States' refusal to treat Russia as a normal country. Graduating Russia would earn considerable goodwill in Moscow, particularly since the outgoing Bush administration failed to deliver on repeated promises to do that during its eight years in office.

Unavoidable Issues

The Former Soviet Space. Growing competition in the former Soviet region poisoned U.S.-Russian relations for the better half of the Bush administration. Ukraine and Georgia received the lion's share of coverage in the West, but a bitter rivalry has played itself out largely behind the scenes in Central Asia and Azerbaijan. Kyrgyzstan's recent decision—made with Moscow's encouragement—to end American access to Manas, an airbase used to support military operations in Afghanistan, underscores the rivalry, given Moscow's otherwise general support for the U.S. effort in Afghanistan. There are numerous flash points in the region—Moldova and the Caucasus (frozen conflicts), Central Asia (Islamic extremism), Ukraine (governmental instability)—that in the near term could erupt into crisis that would strain U.S.-Russian relations. In addition, the United States and Russia remain at sharp odds over Russia's recognition of Abkhazia and South Ossetia.

As a result, no matter how complex these issues are and no matter how far apart U.S. and Russian interests might be, there is no way the Obama administration can defer serious discussion of them with the Russians. The administration should propose a special bilateral channel devoted to this issue, in which the initial goal would be for each side to articulate clearly its

assessment of developments, its interests, and its redlines, and to develop ways to limit the damage to the overall relationship from the inevitable competition in this region.

As for the U.S. approach to the region, the following principles should serve as guidelines. No American administration could, or should, concede a Russian sphere of influence in this region. And the Obama administration is no exception. As Vice President Joe Biden made clear at the Munich Security Conference in early February, "[The United States] will not recognize any nation [as] having a sphere of influence." Despite Russian sensitivities, we have an interest in deepening bilateral engagement with all the states of the region and supporting their independence and territorial integrity. But we should take care not to allow those states to manipulate us into defending their interests at the expense of our own, particularly with regards to Russia. To advance our own interests, and in deference to Russian sensitivities, we should distance ourselves from the vitriolic anti-Russian rhetoric of some of the region's leaders (for example, Georgian President Saakashvili), and we should abandon support for clearly anti-Russian undertakings of marginal value (such as GUAM, a loose arrangement linking Georgia, Ukraine, Azerbaijan, and Moldova, seen as something of a counterweight to the Commonwealth of Independent States).

The Broader Middle East. This region will be a top priority for President Obama, and the Russians are already included in the important fora for dealing with the Israel/Palestine issue (the Quartet) and Iran's nuclear program (the five permanent members of the U.N. Security Council, plus Germany) and they are working with the NATO on supporting military forces in Afghanistan. As the administration develops and refines its own policies, it should take care to consult Moscow closely and frequently, to reduce the temptation for it to complicate our position on the ground. It should explore Russia's willingness to provide greater assistance in stabilizing Afghanistan in exchange for our

support for greater commercial involvement by Russian companies there, particularly in infrastructure projects. Russian arms sales to Syria and Iran are among the toughest issues on the agenda, and U.S. law provides for sanctions against Russian firms that engage in such transactions. The administration, however, should defer sanctions until it has had time to engage Moscow in serious discussion of arms sales.

Other Issues

Energy. The challenge regarding energy security is to depoliticize the issue to the extent possible and focus on long-term energy needs. European dependence on Russian energy has been the greatest source of concern in Washington, a concern reinforced by the Russian cutoff of gas supplies at the beginning of this year. But the reality is that there is no way to eliminate—or in the next several years even just significantly reduce—Europe's dependence on Russian energy supplies. Europe will need all the energy, particularly gas, that it can get from Russia, and more. Instead of intensifying competition over pipeline routes, the goal should be to develop ways American, European, and Russian firms can cooperate in the exploration and development of upstream resources in Russia, the construction of pipelines, and the final distribution to customers in Europe. The steep decline in oil prices might predispose Moscow toward greater cooperation than it exhibited during recent years with soaring prices.

In addition, given the growing energy demand in East Asia and the potentially large resources in East Siberia and the Russian Far East, it would make sense to create a forum in which nations (including Russia, China, Japan, South Korea, and the United States) could explore ways to manage the development of energy resources and security challenges in that region.

Finally, cooperation on civil nuclear energy and governmental support for the development of Russian liquefied natural gas for American markets (for

example, from the giant Shtokman field in the Barents Sea) not only makes commercial sense, but also would help build domestic political support for more constructive relations with Russia.

East Asia. The Russians talk to the Chinese about us; we talk to the Chinese about the Russians; but we do not talk to the Russians about the Chinese. That makes no sense from the standpoint of either Russia's or our strategic interests. The central issue concerning East Asia is managing the rise of China as a regional and global power, including the appropriate security architecture for Northeast and Central/South Asia. In addition, any new structure for European security that includes Russia as a central element and any U.S.-Russian cooperation on missile defense will have implications for China's security. We should, therefore, discuss these issues with the Russians, along with the Chinese.

International Organizations. The global economic crisis should put to an end any discussion of excluding Russia from the G-8, although it also has laid bare the inadequacy of the G-8 for dealing with the global economy. The U.N. Security Council has a unique role to play in international security, and it can help lend actions legitimacy, but its size and composition often militate against focused discussions, and it does not include a number of countries that will prove critical, now and in the future, to implementing decisions. Meetings of its veto-wielding members, the so-called P-5, provide a very effective forum for hammering out agreement on many key issues, but they even more patently exclude countries—notably India and Japan—that are playing an increasingly large role in global security. We should be working with the Russians and others to create a new forum or fora that bring together the key countries for addressing critical global issues. A league or concert of democracies is not one of those fora, despite the support this idea has drawn from key leaders in both U.S. political parties. It would needlessly put the United States and Europe at

odds with Russia and China; moreover, the proposal exaggerates the unity of purpose among democracies and underestimates the differences in their interests: witness, for example, India's unwillingness to support the United States on Iran or Burma, or even Europe's ambivalent support for the American effort in Afghanistan.

Values. It is inconceivable that any U.S. administration would not seek to promote democratic values. They are an integral part of our national identity and spreading them is the mission we see for ourselves in the world. The issue is how to do this in a practical way, particularly with a country like Russia that is deeply sensitive about any appearances of interference in its domestic affairs. A promising approach, initiated by the Bush administration, that the new administration might build on is the organization of discussions among experts on societal and political issues that can be formulated as addressing challenges common to both nations—for example, immigration, the role of money in politics (or corruption), terrorism, minority rights. This would allow issues of democratic development to be raised in a non-confrontational and non-accusatory manner. It also would suggest that we might have something to learn from Russian experience, something that would encourage more active Russian participation.

Building Support for a New Relationship

Russia has an exceedingly negative image in the United States. It has few friends in the Congress or more broadly in the political establishment or key media. To be sure, recent Russian behavior in part explains this situation. The problem, however, is not so much that the negativity goes beyond what an objective assessment of Russia would warrant (although that is indeed the case) as that the negativity has created a block against dealing with Russia even in ways that advance our broader strategic interests.

To succeed in its Russia policy, the new administration will need to devote considerable attention to building domestic political support for its approach. A clear articulation in the first few months of the administration's approach by President Obama or Secretary of State Hillary Clinton is critical to building that support, particularly on Capitol Hill. It will also help open up space for a more balanced public debate of Russia and U.S.-Russian relations. A first presidential summit that demonstrates that relations will be built not on personal ties, but rather on a careful weighing of American interests will also help overcome resistance to an effort to form a more cooperative relationship. Finally, a few early visible successes underscoring the value of U.S.-Russian cooperation will be critical to creating positive momentum and building support for the administration's approach.

Paradoxically, despite the icy relations at the official level of the past several years, there is now almost certainly more positive interaction between Americans and Russians—in business, education, and scientific pursuits—and Russians and Americans now have more firsthand knowledge of each others' societies than at any time in history. So far, this is an unexploited source of support for more positive official relations and, if developed properly, a future bulwark against grave deterioration in our relations when governments disagree, as they inevitably do (Europe is a case in point). It would behoove the new administration to develop ways to mobilize this potential support for its Russia policy.

Conclusion

There is no guarantee that this approach to Russia will yield success. In the end, differences might turn out to be so fundamental as to preclude fruitful cooperation on anything more than a narrow set of clearly shared interests. If this indeed turns out to be the case, the Obama administration will have lost little by having made the initial effort, and it will have sufficient time to

recalibrate its approach and recoup its losses—in its relations with Europe, the great powers of East and South Asia, and more broadly.

But the limitations are far from being self-evident at this point. Rather, the message coming from Moscow today is a call for reconciliation—granted, this is against a background of vocal reminders that Russia intends to defend its national interests as it sees them and that Moscow believes Washington must make the greater effort in reaching out. And the more immediate danger appears to be not quick failure, but rather the temptation to present the first tentative steps toward a more constructive relationship as a more fully blown partnership—as the Clinton and Bush administrations did—and to see them as an excuse for devoting less effort to managing a complicated relationship, given other pressing matters. That would only set the stage for the third great cycle of great expectations and profound disappointment that has bedeviled relations for the past twenty years.

To rebuild U.S.-Russian relations, we need to take small, deliberate, concrete steps over time, keeping our rhetoric in line with the realities on the ground, focused on our long-term strategic interests. Neither despair nor euphoria serves us well. President Obama appears inclined toward pragmatism and thoughtful deliberation on most issues. On Russia, that approach would serve our country well.

Notes

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4. George Kennan, "America and the Russian Future," *Foreign Affairs,* April 1951, available at http://www.foreignaffairs.org/19900301faessay6020-p10/george-f-kennan/america-and-the-russian-future-1951.html.

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6. Vladimir Vladimirovich Putin, "Rossiya na rubezhe tysyacheletiy" (Russia at the Turn of the Millennium), December 1999, available online at http://www.ng.ru/politics/1999-12-30/4_millenium.html.

7. This individual does not need to come from outside the normal bureaucratic structure. The vice president, the national security adviser, and the secretary of state, or one of their deputies, are possible options. But that individual needs to be seen as the central administration official for the formulation and execution of policy toward Russia.

About the Author

Thomas Graham is a senior director at Kissinger Associates, Inc. He served as special assistant to the president and senior director for Russia on the National Security Council staff, 2004–07. As a foreign service officer, 1984–98, he was posted twice to the American Embassy in Moscow and worked on Soviet and Russian affairs on the Policy Planning Staff of the Department of State and in the Office of the Secretary of Defense. He is the author of *Russia's Decline and Uncertain Recovery* (Carnegie Endowment for International Peace, 2002).

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