

U.S.-Russia Relations:
**Growing Expectations: How Far Can
Rapprochement be Carried Forward?**

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The spring of 2002 showed great promise for the newfound U.S.-Russia partnership. Presidents George Bush and Vladimir Putin carried out successful summit meetings in Moscow and St. Petersburg in May and managed to sign a groundbreaking strategic arms reduction agreement. In addition, Russia was welcomed into NATO and given a seat on a council with a voice in alliance matters that will be most pertinent in the 21st century. The United States also was behind the pledge by the G-7 nations to contribute \$20 billion over 10 years to nonproliferation programs in Russia and the former Soviet republics and to give Russia a permanent seat at future G-8 meetings. Most important, the United States and Russia have continued their cooperation in the war on terrorism and Russia continues to give the U.S. a free hand in Central Asia. In return the U.S. leadership remains mum on Chechnya. Nevertheless, more is expected in Russia in return for unquestioned support of the U.S. Putin is beginning to feel some domestic opposition to his policy of “appeasing” the U.S., and it is a question how long he can continue this policy if Russia appears to accrue no advantage.

Trade-Offs

The U.S. has shown little latitude in its relations with Russia, apart from the tendency for leaders in Washington to overlook Russia’s brutal actions in Chechnya. Recent reports claim that Russia is preparing to forcefully repatriate war refugees back into Chechnya where low-scale fighting continues. The fighting is likely to heat up in the summer months. On other fronts, however, the U.S. government has continued to pressure Russia. The State Department informed the Russian Foreign Ministry in April that some of the nonproliferation exchanges under the Nunn-Lugar Cooperative Threat Reduction program would be cancelled due to Russia’s inability to meet its obligations under the program. The U.S. also began pressing Russia to terminate its lucrative military and scientific assistance to Iran, which includes the construction of a nuclear power reactor at the Bushehr complex, 500 miles south of Tehran. Russian leaders have countered that the reactor is no different than the one the U.S. is helping North Korea to construct.

Leading up to the May summit meeting, many in Russia were asking what rewards Russia would get in return for its unquestioned support of the United States in Central Asia, Russia's traditional sphere of influence. A series of trade spats in the winter and the refusal of the U.S. Congress to repeal the Jackson-Vanick amendment, which links emigration to trade rights, led Russian politicians and citizens alike to cry foul. A survey conducted in early April by the All-Russia Center for Public Opinion Studies showed that attitudes in Russia toward the U.S. had reached a low point comparable to the summer of 1999, when U.S. and NATO forces began bombing Yugoslavia. Aleksei Arbatov, a Duma lawmaker from the liberal Yabloko faction, warned Putin and leaders in the presidential administration, "you won't get anything from the Americans." Leonid Ivashov, a former high-ranking Defense Ministry official, went even further when he likened Russia's new pro-U.S. strategy as "an attempt at geostrategic suicide." President Putin, however, has remained firm in his policies and shown the ability to rise above any type of opposition by relying on his wide popular support, which remains strong in spite of opposition among the political elite.

Trade relations were tense in the wake of the U.S. decision to impose tariffs on Russian steel exports. Russia responded by imposing a ban on U.S. poultry imports. Perhaps recognizing the building impatience in Russia, the Bush administration lobbied Congress hard to grant Russia status as a free-market economy. This classification was finally granted on June 6. But many Russian leaders expect more. They want guarantees about NATO expansion and substantial U.S. economic assistance, including debt relief. So far the United States has delivered little, they say. In early May, the Russian daily *Pravda* warned that Russia would get "nothing" from the upcoming summit. Even two prominent American analysts warned in the May 1 edition of *The Los Angeles Times* that United States could take Russia for granted only "at its peril."

A Farewell to Arms

The May summit was a four-day affair held in Moscow and St. Petersburg, and the two leaders went a long way in muting some of the criticism that had been receiving press in both Russia and the United States. A week before they met, the two leaders announced that an anticipated arms control deal would be signed. Russian leaders considered it a small victory that they were able to convince U.S. leaders to sign an actual treaty. The daily *Izvestia* called U.S. actions a "concession." Washington had initially shown hesitation, insisting that friends do not need treaties. The Russians persisted and in Moscow on May 24, Bush and Putin signed a short, three-page agreement calling for cuts in warheads to a level between 1,700-2,200 on each side. The two presidents, accompanied by their wives, spent the rest of their time in Russia sightseeing and visiting Russia's "northern capital" St. Petersburg – Putin's hometown. Bush and Putin met again several days later in Italy where they participated in signing an agreement on the creation of the NATO-Russia Council. The council will give Russia a voice (though not a veto) in this consultative body, which will meet to discuss issues pertaining to counterterrorism, controlling the spread of nuclear, chemical, and biological weapons, missile defense, peacekeeping and management of regional crises, civil defense, search-and-rescue at sea,

promoting military cooperation, and arms control. Russia will have no say in strategic matters and in expansion decisions.

The two leaders seem to genuinely enjoy one another's company and truly believe in the new partnership. Putin has demonstrated his commitment by complying with most requests from Washington. Russian leaders seem to have acquiesced to NATO expansion, including membership for the Baltic republics. Russia has not only not opposed U.S. actions in Central Asia, but it has let the United States know that it stands by with a ready spigot should OPEC decide to restrict oil supplies. Sticky issues do, however, remain and these include Iran, proliferation concerns, and economic issues. Russian leaders have been anxious to settle strategic issues and get on with the business of economic cooperation.

Most Russian analyses of the May summits in Russia and in Italy were dubious about the long-term advantages for Russia. Though recognizing the importance of building good relations with the United States, few Russians are unwilling to do so at all costs. The *Nezavisimoe Voyennoe Obozrenie*, a defense-oriented weekly, asked of the summit: "is it surrender or transition to partnership?" "What partnership?" asks Andranik Migranyan, vice chair of the Reform Foundation, an independent Moscow-based think tank. "Americans understand partnership as the complete subordination of Russia to American interests" he says. "The agreements ... signed at this summit are meaningless window dressing, designed to keep Russia in its orbit." Respected Defense Analyst Pavel Felgenhauer termed the arms control agreement signed by Bush and Putin a "worthless scrap of paper." Felgenhauer feels that the treaty extends great strategic advantages to the United States by dint of its open-ended nature. He feels that this could leave the U.S. with a force of near-ready warheads that can be quickly reassembled, while Russia will be forced by economic reasons to destroy most of its delivery systems. When the Anti-Ballistic Missile (ABM) Treaty officially and quietly expired in June, the daily *Nezavisimaya Gazeta* simply announced that "Washington has won." Meanwhile, many U.S. observers are concerned that the arms reduction agreement could heighten proliferation risks in Russia because of the increased number of warheads that will be dismantled in Russia.

Putin and top officials in his administration continue to insist that Russia is on the right path alongside the United States. They were partially vindicated when the Bush administration granted Russia the classification of a market economy in June. Also, at the Kananaskis G-8 summit in Canada in late June, the major Western nations did pledge \$20 billion for nuclear nonproliferation programs in Russia and the former Soviet republics. But many Russians argue that they will need more help for their economy. Putin is counting on U.S. assistance whether in the form of credits or debt relief. Putin maintains high support ratings because he has stabilized the situation in Russia economically and socially. "[Putin's] ratings among the Russians do not really depend that much on his foreign policies," says Dmitri Trenin of the Carnegie Moscow Center think tank. Failure to improve the economic situation, however, will result in the growth of opposition to all of his policies, domestic and foreign. Putin is hoping his approach to the United States will pay off.

There are reports that the U.S. is exploring debt forgiveness if Russia promises to use the same amount toward domestic nonproliferation programs. Russia needs any help it can get. The increase in oil revenues will only go so far. With Germany still paying for reunification and Japan mired in a decade-long economic slump, the United States is really the only major source of assistance Russia can look to. As *The Wall Street Journal* points out, over the past 10 years, U.S. direct investment in Russia comes to only \$4 billion – roughly the level of American investment in China in a year. U.S. trade with Russia meanwhile accounts for less than 1 percent of its total trade, the same level as with Costa Rica.

The China Factor

China's leaders have kept a close watch on the U.S.-Russian *rapprochement*. International relations in East Asia still seem to be viewed in the context of a "zero-sum" game, wherein better relations between two nations translates to worse relations with these two countries and certain third countries. China, in particular, takes this view with respect to China-U.S.-Russia relations and China-U.S.-Japan relations. China's leaders have insisted that they see no worrying trends in relations with Russia, and they quickly dismiss the notion that Russia's inclusion in the NATO-Russia Council is damaging to China-Russia relations. Chinese leaders, however, "must be very deeply concerned" about the Russia-U.S. partnership and the presence of U.S. troops in Central Asia, says one Asian diplomat in Moscow. Russia seems to have swallowed not only NATO expansion but also the demise of the ABM Treaty, something disconcerting to China's leaders. The Shanghai Cooperation Organization (SCO) met in St. Petersburg in June, but after the Bush-Putin summit it was barely noticed. Of great concern to strategic planners in China is that NATO could seek to expand even further east – perhaps into Central Asia. "They are trying very, very hard to make sure that never happens," the diplomat says. But Vladimir Putin has consistently maintained a balance in his diplomacy and is unlikely to allow relations with China to deteriorate too much. In a televised interview in late June, Putin stated that China-Russia relations are "as good as they have ever been."

The Outlook

Now that the U.S.-Russia strategic relationship has been shored up, it is time for the two nations to implement an effective plan on economic cooperation. The Russians are expecting this and a perceived failure by the United States to deliver will not only harm the relationship but could doom the political standing of Vladimir Putin in Russia.

Chronology of U.S.-Russia Relations

April - June 2002

April 11, 2002: At a Madrid conference on Middle East security, U.S. Secretary of State Colin Powell meets with Russian Foreign Minister Igor Ivanov for nuclear arms talks.

April 15, 2002: Russian Minister for Economic Development and Trade German Gref arrives in Washington for talks on trade issues and Russia's status as a free market economy.

April 22, 2002: Russian Deputy Prime Minister and Finance Minister Aleksei Kudrin in Washington for a meeting of the U.S.-Russia Business Forum.

April 23, 2002: U.S. Undersecretary of State John Bolton conducts talks on arms control with Russian Deputy Foreign Minister Georgii Mamedov in preparation for U.S. President George W. Bush's visit to Russia in May.

April 27, 2002: The seventh session of the Russian-American Group for Afghanistan under the co-chairmanship of Russian First Deputy Minister of Foreign Affairs Vyacheslav Trubnikov and U.S. Deputy Secretary of State Richard Armitage takes place in Moscow.

April 29, 2002: On his way to Central Asia, U.S. Defense Secretary Donald Rumsfeld meets with Russian Defense Minister Sergei Ivanov at Sheremetyevo airport in Moscow.

May 5, 2002: Foreign Minister Ivanov meets with Secretary Powell in Washington to discuss the war on terror, arms control, and the upcoming U.S.-Russia summit meeting in Russia.

May 8, 2002: In Detroit at the forum of energy ministers from the Group of Eight (G-8), Russian Energy Minister Igor Yusufov declares "Russia's readiness to become the guarantor of stability at the world market of energy resources."

May 13, 2002: President Bush announces that he and Russian President Vladimir Putin will sign a treaty to remove two-thirds of long-range nuclear warheads from missiles, bombers, and submarines and "liquidate the legacy of the Cold War."

May 13-14, 2002: Undersecretary Bolton in Moscow, meets with Deputy FM Mamedov; the U.S. and Russia reach an agreement to cut 1,700 to 2,200 nuclear warheads.

May 14, 2002: At a NATO meeting in Reykjavik, Iceland NATO Secretary General George Robertson announces the establishment of a joint council of the 19 NATO nations and Russia known as the NATO-Russia Council.

May 23-24, 2002: President Bush in Moscow for four-day visit. On May 24, Bush and Putin sign a "landmark treaty" slashing U.S. and Russian long-range nuclear warheads by

two-thirds. Both sides pledge to cut their arsenals to between 1,700 and 2,200 warheads by the year 2012.

May 28, 2002: Bush and Putin arrive in Italy to sign the NATO protocol on the NATO-Russia Council.

June 6, 2002: The Bush administration grants Russia status of a “market economy.” U.S. Commerce Secretary Donald Evans said the new designation “reflects the tremendous economic changes that Russia has made over the last decade.”

June 11, 2002: U.S. Attorney General John Ashcroft meets in Moscow with Russian Prosecutor General Vladimir Ustinov to discuss U.S.-Russian anticrime and antiterrorism measures.

June 13, 2002: The ABM Treaty officially expires.

June 14, 2002: In response to the U.S. withdrawal from the ABM Treaty, the Russian government announces that the START II arms control treaty is no longer valid. Russian Defense Minister Sergei Ivanov announces that the cancellation of START II “gives Russia much more flexibility in building and planning its strategic nuclear forces.”

June 26-27, 2002: G-8 summit is held at the Kananaskis retreat in the Canadian Rockies; the members agree to hold the 2006 G-8 summit meeting in Russia.