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The authors would like to acknowledge comments on this draft by Dr Vladimir Ivanov, Ambassador Ortwin Henning, Ms Marina Peunova and Mr Ryan Kreider, all of EWI.

NEW RUSSIA, NEW ALLY:

A BILATERAL SECURITY AGENDA BEYOND 2008

Greg Austin, Simon Saradzhyan and Jeff Procak

Policy Paper 3/2007

PREFACE

Russia's remarkable recovery from the August 1998 financial crisis, augmented by the escalation in world energy prices, continuing growth of the Russian economy and restoration of Russia's fiscal health and her citizens optimism, has enabled Russia to take a more assertive role in global affairs. Frustrated by being treated with distrust and as a junior partner, Russia's rejuvenated self-confidence has encouraged its leaders to make a series of strong public statements expressing frustration with some Western powers, the US in particular. How the US and the West choose to engage Russia will have much to do with how Russia responds. Its new self-confidence and strong economy should provide the West with much-needed reassurance that Moscow is willing to take on and live up to obligations without the fear that it may be distracted unduly by domestic crises of confidence or political instability. Given the enormous fragility of the international system and the demonstrated need for the US to work more within a multilateral framework for addressing critical problems at the state and non-state level, it is time for Washington to reassess the significance and potential of working together in a new way with Russia. The authors of this paper argue that the best approach is a renewed emphasis on confidence building in security affairs, arms control, and collaboration in the spirit of allies to meet the ever-growing threats to regional and global peace and security. These recommendations represent an alternative vision of how the US and Russia can create a new relationship.

Sadly, instead of building upon the many areas of collaboration that have been established since the breakup of the Soviet Union and the re-emergence of the Russian state, Russia and the United States have allowed their bilateral relationship to languish. At times, tensions reminiscent of the Cold War resurface. These tensions are in part a product of Russia's recent bout of temporary weakness, a period of time when the US felt more than ever the self-imposed burden of responsibility for global management and began to regard Russia in an almost patronizing manner. Russian elites today harbor an enormously deep-seated resentment towards the US for its role in exploiting weaknesses in the 1990s – the litany of grievances ranges from one-sided energy deals to the creation of the legal and financial mechanism by which scores of billions of dollars of state assets were stripped and sent to off-shore safe-havens by oligarchs and corrupt officials. The ability of oligarchs and foreign interests to 'buy' members of the Duma and influence national elections is attributed to this conspiracy-type

view that the US intentionally exploited the chaos of the 1990s to weaken Russia. This is further fed by the strong feeling of double standards, unfulfilled promises, and a fundamental disagreement as to whether Russia in the 1990s was as 'democratic' as nostalgic Americans now seem to remember it. Recent years have seen a resurgence of Russian self-confidence and a firm conviction of its leaders never to be 'victimized' again by the West and told how to behave. Without recognizing this factor and being able to talk about it in quiet dialogue, a perceptual gap will continue to exist that makes any serious improvement of relations unlikely.

The Bush Administration's propensity for unilateralism, the war in Iraq and a series of US initiatives in Russia's near abroad have further widened the gap between the two great powers. Some argue that so much damage has been done we cannot have an effective partnership. As evidenced in the analysis that follows, Russia's leadership has been outspoken in large measure to provoke a new type of discussion with the US. It is not clear whether there exists the political will to look ahead strategically and reframe the nature of relations into a truly collaborative framework.

It is now time for the two countries, both of which are predisposed to take quick offense at perceived slights, both of which tend to eschew deliberation when it is most called for, to seize the opportunity presented by more than a decade of intensive collaboration on a broad range of issues, from nuclear proliferation and environmental protection to energy security and combating HIV/AIDS. The two countries need to identify their substantive differences and work more pragmatically and more systematically than at present to narrow these. The world cannot afford a new Cold War in which relations between the US and Russia (or those between the US and China) are dominated by differences over domestic political systems.

This paper is the second in a series of Policy Papers issued as part of the EastWest Institute's recently established, multi-year US-Russia Constructive Agenda Initiative. It notes the need to address unfinished business in the area of bilateral security, including nuclear arms control and trust building, as a means of advancing the relationship. The paper recognizes the depth, breadth, and complexity of the relationship beyond security issues, but proceeds from the premise that the two countries' failure to go further in bilateral security relations than they have is one of the factors undermining trust on both sides.

Future EWI Policy Papers will address many of the other aspects of the broader diplomatic landscape beyond security in an effort to make Russians and Americans more aware than they are of the fundamental interests and values they share in common, and thereby less distracted by occasional political pressures that are inevitable in relations between two great countries but which might jeopardize relations between them.

EWI remains enormously grateful to our Chairman Emeritus, Donald M. Kendall, for his generous and unstinting support of the Institute's efforts to restore Russian-American relations to the position of prominence they merit in Washington and Moscow alike. His long involvement in Russia has helped to bridge divides between Russian and American policymakers in more difficult circumstances than we face today. We continue to rely not only on his support, but also on his counsel, as we advance the work that he and many others, led by EWI Chairman George F. Russell Jr., have undertaken to dispel misunderstandings and keep leaders focused on a pragmatic calculation of mutual interest.



John Edwin Mroz
President and CEO
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June 2007

EXECUTIVE SUMMARY

Russia and the US agree on many more security issues than cause dispute between them. Neither expects war or major conflict with the other as an act of deliberate policy. The two states agree they are not military enemies. They have no military strategic interests of a bilateral nature that are fundamentally antagonistic.

The countries act as allies on many issues in the UN Security Council and on diplomatic initiatives outside the UN. Strategic adversaries of the US, such as the Taliban and Al Qaeda, see the US and Russia as allied with each other. The US and Russia have undertaken joint action on the two most important issues in US national security strategy – terrorism and the proliferation of weapons of mass destruction. The two countries share vital intelligence on a range of military and domestic security issues of interest to each other.

Yet few Americans and few Russians would use the word ‘ally’ to refer to the other country. While Russia and the US no longer actively prepare for or expect large-scale war with each other, both countries have massive nuclear arsenals that tacitly threaten each other, even if these forces have been ‘de-targeted’ since the mid-1990s. Influential figures in both countries don’t yet trust each other as much as the transition from enemy status during the Cold War implies they should.

Thus, the not-so-distant history of strategic military confrontation between the two countries continues to hamper the transition to a relationship based on trust that the idea of ‘alliance’ involves. The spirit of cooperation between the two countries on strategic military posture is now arguably worse than at any time since 1991. This is the message of the speech made by President Vladimir V. Putin in Munich in February 2007 and reiterated in numerous ways since.

The US is not comfortable with Russian military spending, its military ‘space denial’ policies, and what the US sees as less than complete concurrence on WMD and other weapons proliferation issues. For its part, Russia is looking for change in US forward-basing policies, especially missile defense, and some renegotiation of what Russia sees as unequal arms control treaties of the 1990s. Both want important changes in the geopolitical behavior of the other: Russia wants an end to what it sees as the US impulse to use military force on a unilateral

basis (without UN Security Council approval) and the US wants an end to what it sees as Russian hegemonic policies toward its near neighbors. The two countries are at loggerheads in the Organization for Security and Cooperation in Europe (OSCE) in a way that seems to many to threaten the organization’s very existence. These and other issues must be put on the table in an appropriate bilateral forum, analyzed, debated and resolved.

Recommendations

To establish trust with each other, the US and Russia should:

- ❑ agree to a new agenda for nuclear arms control and military confidence building.
- ❑ develop a common policy on reduction of nuclear forces that reinforces their shared positions on military nuclear proliferation.
- ❑ establish working groups of officials to reassess their military security relationship and to work systematically toward resolving the contentious issues.
- ❑ restart effective second track or informal dialogues involving their military and political leaderships that are multi-layered and focused sharply on confidence building measures.
- ❑ consider the benefits of a variety of new structures, such as an intergovernmental commission at ministerial level, to provide stimulus to economic and social aspects of the relationship.

CONTENTS

INTRODUCTION	1
RUSSIA'S POWER POSITION IN GLOBAL POLITICS	4
CURRENT US POLICIES TOWARD RUSSIA	7
PUTIN'S MUNICH SPEECH	11
Why now and why in Munich?	11
What's 'Wrong' With the US and the West in General?	144
Window of Opportunity for Finding Solutions	16
THE CHINA COMPARATOR	19
NATO-RUSSIA COUNCIL: USEFUL BUT NOT ENOUGH	20
CONCLUSION AND RECOMMENDATIONS	22

INTRODUCTION

The United States has devoted considerable attention to the rise of China's power in the last two decades and framed its policies toward China in grand strategic terms in a forward-looking manner for long-term outcomes. Russia's power position in global politics, now visibly taking on new life because of an economic rebound and greater self-confidence, demands new policies in the same vein. The US Department of State appears to have explicitly recognized this in 2006: 'the circumstances in which we manage our relationship with Russia are changing'.¹ What should those new policies be? To what extent are they in place? Is the framework for discussion between Russia and the US as highly developed as between China and the US? Is there an imbalance between US public positioning toward China and that toward Russia?

These are structural and geopolitical matters for the long term. But political settings also matter, as do issues of the day. Questions of values, predictability, insecurities and personality intrude, and rightly so, on the best laid plans of the geo-strategist. In countries like the US and Russia, this can be especially noticeable in the run-up to presidential elections as candidates seek to stake out ground on values and principles of domestic politics and governance much more than on issues of geopolitics.

This EWI Policy Paper previews one policy approach to Russia by the US that seeks to position these disparate elements into a hierarchy that gives considerable emphasis to Russia as a great power and a long-term ally of the US. It seeks to refine the distinction suggested in a 2006 State Department document between US interest in reinforcing medium term trends in Russia (the country's overall development) and 'near terms concerns' (domestic politics, diplomatic issues). It is offered in the context of parliamentary and presidential elections in the US and Russia in 2007-08 since the way in which policy options on bilateral relations and global affairs are set out in these election campaigns over an extended period could have a decidedly positive effect. It will be

¹ This document specifically refers to the need to adjust US policies in response to Russia's new confidence, its profile in global power politics and its economic rebound. See State Department, 'US Government Assistance to and Cooperative Activities with Eurasia -FY 2005', released by the Bureau of European and Eurasian Affairs, January 2006, <http://www.state.gov/p/eur/rls/rpt/63178.htm>.

particularly important that neither side sees the election campaigns as an opportunity to drive a wedge further between the two countries.

The paper takes a forward-looking perspective, based on an estimate of Russian power and influence not as it has emerged or been reshaped since 2000, but as it will, on the balance of probability, develop between now and 2015. As an indicator of the potential of Russian power in 2015, it may be useful to cite the estimate of one Russian economist that 'in the long term, Russia will inevitably be a strong state economically and will rank first in Europe and 5th or 6th in the world in terms of GDP'.²

The authors are familiar with several public reviews in recent years of how the US, alone or with its partners, conducts its relations with Russia. These reviews, involving high profile political figures, have included efforts by the Council on Foreign Relations³ and the Trilateral Commission.⁴ The latter, authored by three former diplomats with recognized expertise in Russian affairs (one British, one Japanese and one American), summarized the widely held view that US-Russia relations had stalled badly and were being seriously affected by a 'legacy of suspicion' from the Cold War. In a subsequent article, the authors warned 'responsible leaders' to 'refrain from playing on that legacy and reopening old wounds'.⁵ It noted that in the current 'period of turbulence, there will be a need to exercise restraint, build on the many things which bind us together, and focus clearly on our long-term goals

² Valentin Kudrov, 'Russia Against the Background of Major Economies', *Russia in Global Affairs*, No. 1, January 2007, <http://eng.globalaffairs.ru/numbers/18/1091.html>. The GDP calculation he refers to is expressed in terms of purchasing power parity (PPP).

³ Council on Foreign Relations Task Force, 'Russia's Wrong Direction: What the United States Can and Should Do', New York, 2006, http://www.cfr.org/content/publications/attachments/Russia_TaskForce.pdf.

⁴ Roderic Lyne, Koji Watanabe, Strobe Talbot, *Engaging with Russia: the Next Phase*, The Trilateral Commission, Washington/Paris/Tokyo, 2006, [http://www.trilateral.org/library/stacks/Engaging With Russia.pdf](http://www.trilateral.org/library/stacks/Engaging%20With%20Russia.pdf).

⁵ Roderic Lyne, Strobe Talbot, Koji Watanabe, 'Growing Pains or Paradigm Shift', *Russia in Global Affairs*, No. 4, October-December, 2006, <http://eng.globalaffairs.ru/region-rfp/numbers/17/1073.html>. Sir Roderic Lyne was British Ambassador to the Russian Federation, 2000-04. He is now a company director, business consultant and lecturer. Strobe Talbot served from 1993 to 2001 in the US Department of State, first as Ambassador at Large and Special Adviser to the Secretary of State for the new independent states of the former Soviet Union, and then for seven years as Deputy Secretary of State. Since 2002 he has been President of the Brookings Institution in Washington DC. Koji Watanabe was Japanese Ambassador to the Russian Federation, 1993-96. He is now President of the Japan Forum and a Senior Fellow at the Japan Centre for International Exchange.

and best interests'. It cautioned against 'megaphone diplomacy' and reminded all that Russians, not foreigners, controlled the domestic political evolution of their country.

It is quite clear that the US has serious concerns about the direction of Russian policy. In February 2006, the US identified Russia as a major concern with respect to its defense spending (equal to China's and second highest after the US), its weapons proliferation policies and its military space denial programs.⁶ For its part, Russia is as suspicious of the US. In 2006, then-Director of (US) National Intelligence, John Negroponte, warned that 'growing suspicions about Western intentions and Moscow's desire to demonstrate its independence and defend its own interests may make it harder to cooperate with Russia on areas of concern to the US'.⁷

This EWI Policy Paper proceeds from the assumption that the positive recommendations in recent policy reviews have yet to realize their full potential. The main source of evidence of this is the rising frustration on both sides with each other and competition within both countries about the relative priority to attach to different elements in the relationship. The Policy Paper makes practical recommendations to counteract the rising suspicion.

The paper begins with a brief overview of Russia's power position in global politics now and in the future. It then outlines recent US policy before looking closely at how Russia is reacting to that policy. It takes Russian President Vladimir Putin's speech at the 43rd Munich Conference on Security Policy on February 10, 2007 as its main reference point. For comparison's sake, it also reviews an interview given by Putin on the same day to Al Jazeera, in which he strikes a tone that is critical of the anti-Americanism so prevalent now in the Arab world.⁸ The paper takes account of public statements by US Secretary of State, Condoleezza Rice, during her visit to Russia in May 2007 and remarks by Acting Secretary of State, John Negroponte, to an EWI

⁶ Lieutenant General Michael D. Maples, US Army, Director, Defense Intelligence Agency, 'Current and Projected National Security Threats to the United States', Statement for the Record Senate Armed Services Committee, February 28, 2006, http://www.shaps.hawaii.edu/security/us/2006/Maples_02-28-06.html.

⁷ John D. Negroponte, Director of National Intelligence, Annual Threat Assessment of the Director of National Intelligence for the Senate Select Committee on Intelligence, February 2, 2006, available at <http://www.shaps.hawaii.edu/security/us/2006/20060227-negroponte.html>.

⁸ See http://www.kremlin.ru/eng/text/speeches/2007/02/10/2048_type82916_118122.shtml.

audience on 25 April 2007. In a year that marks the bicentennial of the establishment of diplomatic relations between the US and Russia, there is cause for optimism that some new approaches might find fertile ground. There is a short discussion of the NATO-Russia Council and what it says about US perceptions of Russia. The paper concludes with an overview of key policy recommendations.

RUSSIA'S POWER POSITION IN GLOBAL POLITICS

Russia retains military nuclear forces that are close in capability to those of the US and far superior to those possessed by any other nuclear weapons state. Russia's combined gas and oil resources exceed those of any other state, including the US. Unlike other industrialized countries, Russia is a net exporter of energy resources. Its foreign currency reserves are the third largest in the world, after China and Japan.⁹ Russia's territory is nearly twice that of the US.

As a Permanent Member of the United Nations Security Council, one of five countries with a veto power over all decisions of the Council, Russia has a profound influence on global security. Unlike Britain, France and even China, Russia influences regional affairs across a huge geographic spread, through its border regions in Asia, including its maritime borders on the Pacific, and in Europe, from the Black and Baltic Seas to the Arctic Ocean. As a member of the G-8, Russia has an influence on global policies in fields that range from counter-terrorism and energy security to preventive diplomacy and world economic policy. Russia pursues a globally oriented diplomacy. Its material and political interests at the global level are not as extensive as those of the US, but they are more extensive than those of other great powers such as China or India. Russia's scientific assets are clearly superior to those of China and India, even if they rank behind those of the US and Japan.

The Russian economy is one of the ten strongest in the world, if measured in terms of total GDP in terms of purchasing power parity. After a financial shock in 1998, a sustained resurgence – now in its

⁹ The Russian Central Bank announced on 22 March 2007 that its gold and foreign currency reserves rose to US\$321.7 bn in March. This represented an increase of more than 65 per cent over the course of 2006 following a rise of almost 40 percent in 2005.

eighth year – began, largely on the strength of higher energy prices. Some statistical measures of this rebound include:

- average annual GDP growth of approximately 7 per cent;
- fixed capital investment growth of more than 10 per cent per year;
- personal income growth of more than 12 per cent per year;
- federal budget surpluses since 2001;
- a decrease in foreign debt to 31 per cent of GDP;
- an increase in foreign exchange reserves from \$12 billion in 1999 to \$315 billion in 2006, the third largest reserves in the world.

Russian ministers and the World Bank have raised questions about the sustainability of this growth pattern because of weaknesses in the country's economic foundations. According to the Bank, the 'investment climate in Russia still suffers from weak property rights enforcement, inadequate competition, barriers to migration and problems in public governance'. It is generally accepted by the Russian government that the sustainability of its economic rebound will depend on diversifying the economy beyond its current dependence on oil and gas and on a more balanced economic development of Russia's poorer regions.

The World Bank has identified a long list of further policy reforms needed in areas such as:

- improving competition and reducing the power of monopolies;
- privatizing agricultural land;
- encouraging the growth of small- and medium-sized enterprises;
- building human capital through access to high quality education and healthcare;
- strengthening the rule of law and governance;
- improving transport infrastructure.

Thus, while the Russian economic rebound has been substantial, it remains to be consolidated. It must be noted that while the rebound has benefited from the rise in oil prices since 2000, the economic gains have occurred in the years that Vladimir Putin has been Prime Minister

(1999) or President (1999 to date).¹⁰ It should also be noted that Russian ministers recognize that the window of opportunity to secure consolidation may be brief. The Russian government is a government 'in a hurry'. This is evident in the rush by the Putin Administration to 'renationalize' some energy assets and to project Russian companies into global markets with a view to their obtaining long term market dominance, or at least pre-eminence, in some sectors.

Most observers outside Russia are also aware of the fact that the most important part of the consolidation – reform of the legal and administrative systems – is yet to occur. Thus, as much as Russian self-confidence has grown in recent years, it goes with a certain sense of vulnerability. On the economic level, most Russians know that the resurgence is still only partial. Per capita GDP levels in Russia are still not significantly different than in 1990.

That said, Russia is a pluralist society far ahead in democratic values than a number of other US allies, such as Pakistan or Saudi Arabia. The Freedom House's Freedom in the World survey and the Economist Intelligence Unit Democracy Index (which rank Russia at the 102nd position but Ukraine at 52), do not appear to be the most objective tools in measuring the overall progress that Russia has made in terms of pluralism, electoral democracy, and basic freedoms since the dissolution of the USSR. (A countervailing trend toward consolidation of power by the Executive branch of the federal government needs to be noted.) The differing rankings accorded Ukrainian and Russian electoral process and pluralism by the EIU index are particularly curious, given that the electoral processes are identical and that Russia's decision to appoint rather than continue with the direct election of governors is a policy already implemented in Ukraine. The Freedom House decision not to include Russia at all among the ranks of electoral democracies is at best inaccurate.¹¹

The general trend in Russia offers cause for cautious optimism, and this augurs well for the future of Russian-American relations. With Russia's economic prosperity reaching a broader segment of the population, an emerging middle class is beginning to drive diversification of the

¹⁰ Putin was appointed Acting President on 31 December 1999 prior to his standing for and winning the presidential elections in March 2000.

¹¹ For details, see <http://www.freedomhouse.org/template.cfm?page=269&year=2006>; http://www.economist.com/media/pdf/DEMOCRACY_INDEX_2007_v3.pdf.

domestic economy. As the economy diversifies and more citizens benefit from economic growth, it is reasonable to expect that Russian democracy will strengthen as those who have benefited from improvements in the economy will seek to place in power those political parties who offer to preserve and build upon those improvements.

Russia's increased wealth also enables it to update its military capabilities, which will facilitate its ability to respond rapidly in alliance with the US to new threats that may emerge. If relations between Moscow and Washington are managed prudently (as opposed to provocatively), it is not unrealistic to expect that, on its own and at its own pace, Russia will recognize the benefits to be gained through increased competition both economically and politically. This was happening at the beginning of the 20th century. As Russia recovers and advances into the 21st century, there is every reason to expect that it will learn from the lessons of its own experience, and from those of others, and begin to resemble, economically, socially, and politically, its neighbors, trading partners, and closest allies.

CURRENT US POLICIES TOWARD RUSSIA

US policy toward Russia is based on the premise that the two countries are important allies on key issues. As Deputy Secretary of State, John Negroponte, told an EWI audience on April 25, 2007:

On the two greatest challenges that we face globally—our ability to defend ourselves against terrorists and our ability to restrain countries from becoming nuclear weapons states—Russia is one of our strongest partners worldwide.¹²

Under Secretary Burns has testified that the US has 'achieved a degree of cooperation with the Russians in terms of intelligence and counter-terrorism work which has been, frankly, vital to our abilities to be successful in countering terrorist groups worldwide'.¹³ On global issues, Burns noted that Russia is working with the US on the North Korea nuclear problem with good results and as a 'good partner in Security

¹² Remarks of Deputy Secretary of State, John D. Negroponte, EastWest Institute 2007 Annual Awards Dinner, Washington DC, April 25, 2007, http://www.usembassy.ru/embassy/transcript.php?record_id=179.

¹³ R. Nicholas Burns, Under Secretary for Political Affairs, Remarks to the Atlantic Council, Washington, DC, February 21, 2007, <http://www.state.gov/p/us/rm/2007/81231.htm>.

Council debates about Iran', leading to 'successful passage of a Security Council resolution just before Christmas in December of 2006 to impose Chapter VII sanctions on Iran'. Russia has argued that countries should be responsible stewards of their fissile material and nuclear warheads.

Burns concluded that 'in these two important respects, the US' global interests do coincide and intersect quite nicely and on a favorable basis with the Russian Federation'.

When Burns turned to what he saw as areas where Russia and the US are operating at 'cross-purposes', he listed three: Russia's relations with its neighbors (Georgia,¹⁴ Moldova, Lithuania, Latvia and Estonia);¹⁵ Russia's view of the future of NATO; and the 'lack of democracy inside Russia itself, the declining fortunes of those who stand up for democracy in Russia'.¹⁶ Burns went on to imply that it was normal for two states to disagree and stated that the US would 'disagree with the Russians publicly' when Russia does things that 'profoundly' cut across US interests.

In an interview in February 2007, intended to rebut the thrust of the main assertions made by President Putin in his Munich speech, the Principal Deputy Assistant Secretary of State for European and Eurasian Affairs, Kurt Volker, talked of an 'extraordinary level of bilateral working consultations with Russia throughout the Bush Administration'.¹⁷

¹⁴ 'We believe that Georgia should have a right to define its own future. We believe that Georgia should have the right to seek membership or association with international organizations like NATO in the future if that is what Georgia elects to do, and if Georgia, of course, at some point in its future history meets the requirements of NATO membership. We believe that Moldova should be allowed to overcome the internal divisions that have held that nation back since the breakup of the Soviet Union in December 1991.'

¹⁵ 'And we certainly believe that the three Baltic countries – Estonia and Latvia and Lithuania, now members of both the European Union but especially of NATO – have a right to live in peace and free of the harassment that is sometimes afflicted upon them by the Russian Federation.'

¹⁶ Burns did not elaborate on this point in this speech. Elsewhere the Administration is on record in the words of Vice President Dick Cheney: 'In many areas of civil society – from religion and the news media, to advocacy groups and political parties – the [Russian] government has unfairly and improperly respected the rights of her people'. See the Vice President's Remarks at the 2006 Vilnius Conference, Reval Hotel, Vilnius, May 4, 2006, www.whitehouse.gov/news/releases/2006/05/20060504-1.html.

¹⁷ Principal Deputy Assistant Secretary of State for European and Eurasian Affairs, Kurt Volker, Interview with WDR German Public Radio, Berlin, February 12, 2007,

Russia and the US have been working together at the NATO level as well, for some 10 years. In 2002, the relationship was upgraded with the establishment of the NATO-Russia Council (NRC).¹⁸ According to official documents – and in particular the 1997 NATO-Russia Founding Act on Mutual Relations, Cooperation and Security, which provides the formal basis for NATO-Russia relations – Russia and the US share a common resolve 'to work more closely together towards the common goal of building a lasting and inclusive peace in the Euro-Atlantic Area'.

When it comes to the US national defense posture, American perceptions of Russia are more ambivalent. On February 7, 2007, US Secretary of Defense Robert Gates argued before the US Congress that Russia and China are 'pursuing sophisticated military modernization programs' that could pose a threat to the US. Yet earlier documents of the Pentagon, such as the Quadrennial Defense Review of 2006, note that Russia is unlikely to pose the same sort of threat to the US as the USSR did. In 2002, the National Security Strategy said that Russia had passed from the path of confrontation with the US to that of cooperation. It said: 'With Russia, we are already building a new strategic relationship based on a central reality of the twenty-first century: the US and Russia are no longer strategic adversaries'.¹⁹

As Rose Gottemoeller of the Carnegie Center in Moscow asks, it may be time for the Pentagon to explain:

Since Russia and the US are well beyond the communication gaps of the Cold War, it's a good idea simply to ask Gates what he meant – how could Russian military modernization

www.state.gov/p/eur/rls/.

¹⁸ According to the NATO website: 'The NATO-Russia Council (NRC) was established in May 2002 as the main forum for advancing NATO-Russia relations, in which the 26 Allies and Russia work together as equal partners to identify and pursue opportunities for joint action. The NRC, established at the NATO-Russia Summit in Rome on 28 May 2002, replaced the Permanent Joint Council (PJC), a forum for consultation and cooperation created by the 1997 NATO-Russia Founding Act on Mutual Relations, Cooperation and Security, which remains the formal basis for NATO-Russia relations. The spirit of meetings has dramatically changed under the NRC, in which Russia and NATO member states meet as equals 'at 27' – instead of in the bilateral 'NATO+1' format under the PJC.'

¹⁹ White House, 'National Security Strategy of the United States', 2002, p.26, <http://www.whitehouse.gov/nsc/nss.pdf>.

programs pose a threat to the US? It's a question worth posing, and an answer worth having.²⁰

Is Russia a military threat to the US or not? One Russian observer told EWI that America should 'wake up and smell the salts'. 'If the US can trust Russia on nuclear weapons and counter-terrorism, then what is the problem'? Of course, there are several possible answers to that.

The most important is that Russia maintains powerful strategic nuclear forces capable of destroying much of the US. According to Bruce Blair, 99 percent of the nuclear weapons budget, planning, targeting, and operational activities still revolve around this one anachronistic scenario – nuclear war with Russia. He described this rationale as 'absurd' and a 'throw-back to the Cold War'. His assessment was that this situation persisted because 'Scratch Russia from the list of enemies, as it should be, and all justification for maintaining a large US nuclear arsenal evaporates'.²¹ At the same time, as many insiders testify, Russian strategic nuclear forces remain aimed primarily at the US. According to former Senator Sam Nunn, Chairman of the Nuclear Threat Initiative, some of the original nuclear weapons states (apparently a reference to Russia and the US) are 'increasing their reliance on nuclear weapons'.²² He talks of a persistent 'hair trigger' launch capability in US and Russian nuclear forces that 'increases the risk of an accidental, mistaken or unauthorized launch'.

It is toward this apparent contradiction on both sides that Russian strategic policy and diplomacy toward the US now addresses itself, not least in the February 2007 speech by President Vladimir Putin in Munich. It is the principal divisive issue in US-Russia relations, but is one that is rarely talked about. Through 2005 and 2006, several prominent Americans suggested that Russian support for the US position on Iran's acquisition of advanced nuclear technology would be a test of whether Russia could be a true ally of the US. By early 2007, Russia appears to have passed that test by supporting increased pressure on Iran from the IAEA and the UN Security Council. As US

²⁰ Rose Gottemoeller, 'Bob Gates and the New Russia Threat', <http://www.carnegie.ru/en/pubs/media/75569.htm>.

²¹ Bruce Blair, 'Rogue States: Nuclear Red-Herrings', Center for Defense Information, December 5, 2003, <http://www.cdi.org/blair/russia-targeting.cfm>.

²² Former Senator Sam Nunn, Statement on Nuclear Weapons policy, House Committee on Appropriations, Subcommittee on Energy and Water Development, March 29, 2007.

Ambassador to Russia, William Joseph Burns, put it in January 2007: 'there's certainly a shared sense of strategic purpose in the sense that President Putin has been very up front in public in saying that, you know, Russia finds extremely dangerous the idea of the Iranian regime acquiring nuclear weapons. Tactically, it's true we've had some differences'.²³

PUTIN'S MUNICH SPEECH

The contents and tone of Russian President Vladimir Putin's February 10, 2007 speech at the 43rd Munich Conference on Security Policy clearly suggested that US-Russian relations could be nearing a crisis. But the speech also created an opportunity for both countries to start a meaningful and comprehensive dialogue on how to revive relations in order to build a genuine partnership based on issues where interests of the two powers converge and avoid mutually harmful confrontations on where they diverge.

Why now and why in Munich?

The Bavarian capital saw the Russian leader present a long list of grievances and objections to US foreign policy, which ranged from deployment of elements of a missile defense system close to Russian borders to the Jackson-Vanik amendment. Putin presented the grievances and objections publicly and in the presence of Western leaders, a tactic designed to highlight more clearly than ever that the ailing relations between Moscow and Washington require immediate, intensive and sustainable treatment.

Prior to Munich, Putin had avoided publicly listing all of these objections at once in an international forum, perhaps reluctant to put his friend George W. Bush in an awkward situation. Instead, the Russian leader and his key aides had been raising these objections either behind closed doors with US officials at one meeting after another or couching them in diplomatic language when speaking in public.

²³ Ambassador William Joseph Burns, Remarks at the State Department, Bureau of Public Affairs, Washington, DC, January 04, 2007. See <http://www.state.gov/r/pa/ei/coffee/78426.htm>.

Eventually, Russian frustration over a perceived absence of meaningful feedback on its 'grievances' and perceived lack of reciprocity started to boil over. While Putin and his aides may have been crafting the speech for as long as Moscow's irritation with Washington was growing, it was probably the announcements of the planned deployment of elements of the ballistic missile defense in Poland and the Czech Republic that prompted the Russian leader to fire the salvo of warning shots in Munich.²⁴

But even if the US administration had not announced defense deployment plans, Putin still would have had to make such a statement fairly soon. Diplomatic sources participating in NATO-Russia meetings in the 1990s on the first NATO enlargement into former Warsaw Pact countries have confirmed to EWI that the US did promise Russia that it would not forward deploy strategic assets, including missile defense systems, in Poland, Hungary or the Czech Republic. Putin is reminding the US that it is in breach of that promise and that in breaking it, the US did not consult Russia in advance, but merely informed it.

The campaigns for presidential elections in 2008 in both countries and Russian parliamentary elections in November 2007 may reduce opportunities for a meaningful dialogue on the most divisive issues. The campaigns already bode ill for US-Russian relations. Almost all US presidential hopefuls have criticized Russia or warned about its 'wavering' commitment to shared values in their campaign speeches. And the trend in US-Russian diplomacy may well favor a more conservative and anti-American candidate in the Russian presidential election.

It is true that Putin had raised some of the issues at public forums before Munich, but it was the first time he packaged them together and presented them in a straightforward, if not blunt manner. 'This conference's structure allows me to avoid excessive politeness and the need to speak in roundabout, pleasant but empty diplomatic terms. This

²⁴ It is quite probable that Putin had also been already informed by the time of the speech that the US is not going to limit its short-term deployment plans to East and Central Europe and that US officials are negotiating to install a mobile ballistic missile radar in the Southern Caucasus. In addition, the US is reported to be in talks with Ukraine on possible involvement of this country in the planned missile shield. US Air Force Lt. Gen. Henry Obering, head of the US Missile Defense Agency, announced on March 1, 2007 plans to deploy a mobile radar in the South Caucasus, which would feed data to the radar in the Czech Republic.

conference's format will allow me to say what I really think about international security problems,' Putin said in reference to the fact that the Munich forum has been used in the past by other national leaders to dispense of diplomatic talk and bluntly state their opinions.²⁵

The fact that Putin has decided to go public with the grievances is a clear indication that he doesn't just want Bush to promise him a meaningful dialogue on all issues of concern, but that he also wants the US leader to commit publicly to such a dialogue and then offer official guarantees on practical outcomes of this dialogue. Putin made it clear in his speech why he no longer trusts assurances and wants public official commitments, referring to the assurances offered by the West to the Kremlin before German reunification that NATO's military infrastructure would not expand to the East: 'And what happened to the assurances our western partners made after the dissolution of the Warsaw Pact? Where are those declarations today? No one even remembers them,' Putin said of the assurances made in 1990. The very reference to these events is a sign of how low the level of trust has sunk and how deeply suspicions run among many in Russia's foreign policy establishment when it comes with dealing with Western powers.

Notably, while chastising the US, NATO, and the West in general, Putin refrained from singling out Western European countries in particular, a reflection of his desire to develop a partnership with the EU as relations with the US languish. Putin hopes that he can make a deal with the EU, craft a new EU-Russia partnership agreement based on a balance of guarantees of energy supply and demand, and an implicit exchange of continued access by EU companies to extraction of mineral resources in Russia in return for acquisition by Russian companies of downstream assets in Europe. Should that happen, Russia would be able to downscale further its engagement of the US and focus the Western dimension of its foreign policy increasingly on the EU, which is Russia's largest trading partner. Yet, as evidenced by tone of the EU-Russia summit in 2007, Russia's relations with the rest of Europe are not remotely strong or stable enough for it to consider playing the EU off against the US.

²⁵ Cited from the official English-language translation of President Vladimir Putin's speech posted on the official Kremlin web site.

What's 'Wrong' With the US and the West in General?

In his Munich speech Putin used perhaps the strongest language to date in his criticism of the US: 'One state and, of course, first and foremost the US, has overstepped its national borders in every way. This is visible in the economic, political, cultural and educational policies it imposes on other nations. Well, who likes this? Who is happy about this?' If stripped of remnants of diplomatic language, but amplified with earlier statements and logically extended, then the list of real and perceived wrongdoings by the US and the West would boil down to the following:

Perceived US wrongdoings:

- ❑ Plans to deploy elements of the ballistic missile defense in East and Central Europe, such as a radar system in the Czech Republic that would be able to collect signature and other important data on test-launches of new Russian ballistic missiles, including those tests that will be carried out to simulate penetration of the US national missile defense. Russia is concerned that further development and expansion of this missile shield will reduce the Russian strategic forces' capability to deter a US nuclear strike.
- ❑ Plans to militarize space, including possible deployment of elements of the National Missile Defense in outer space, would also seriously diminish Russian strategic forces' early warning and other capabilities.
- ❑ Reluctance to negotiate further reduction of strategic arms or introduce verification procedures for the existing treaties could further tilt the nuclear strategic balance in favor of the US, given the fact that Russia has to phase out all of the Soviet-era ICBMs, thereby reducing its strategic nuclear arsenal to some 1700 warheads in the next decade.
- ❑ Intimidation rather than diplomacy used to try to prevent the weaponization of Iran's nuclear program (pressure on the Kremlin and sanctions on Russian companies for supplying conventional arms to Iran).
- ❑ The Jackson-Vanik amendment.
- ❑ Using Russia's democracy record as point of leverage in trade negotiations, such as WTO.
- ❑ Supranational application of US laws and regulations.

Perceived wrongdoings of the West:

- ❑ NATO members are reluctant to ratify the adapted Conventional Forces in Europe treaty until Russia pulls its troops out of Georgia and Moldova, which would tilt the conventional military balance in favor of NATO.
- ❑ NATO's eastward expansion, including expansion of the bloc's military infrastructure to the newly accepted members and encouragement of Ukraine and Georgia and other Soviet republics to seek membership in the alliance, also tilts the conventional military balance in favor of NATO and undermines Russia's influence in its neighborhood, which it sees as its sphere of vital interests.
- ❑ Expansion of influence in former Soviet republics and encouragement of re-orientation of these republics from Russia to the West in the post-Soviet neighborhood also irks Russia for the reasons outlined above.
- ❑ Decline and fall of universal application of international laws (as reflected in attempts to sideline the UN and substitute in its place the EU and NATO to deal with international problems), thereby lessening nations' sovereignty and undermining Russia's role in the international community by skirting its veto power in the UN Security Council.
- ❑ Support for Kosovo's independence, which in Russia's view would set a precedent that could prompt other ethnic groups to seek secession and formal recognition.
- ❑ Stonewalling of attempts by Russian companies to acquire major business assets, including energy sector companies in Western countries.
- ❑ Failure to adjust the policy vis-à-vis Russia to reflect its economic resurgence.
- ❑ Misinterpretation of Russia's efforts to make neighbors pay market prices for gas supplies as blackmail.

In addition to these, Putin has also voiced discontent with other issues, such as:

- ❑ Russia's inability to deploy medium-range missiles as it is a signatory to the US-Soviet Intermediate-Range Nuclear Forces

Treaty, while its neighbors have already deployed such missiles.

- Imposition of US cultural and educational policies on other nations.

But these two issues do not appear to be among the list of Russia's priority concerns and should be treated rather as bargaining chips for possible negotiations. After all, Russia cannot seriously treat expansion of US soft power as an agenda item for official negotiations. Furthermore, abrogation of the INF treaty would allow the US to deploy missiles that could deal a devastating blow to Russia's strategic nuclear triad with little warning compared to intercontinental missile attacks.

Shortly after Putin's speech, on March 27, 2007, the Russian Foreign Ministry released a Review of Foreign Policy of the Russian Federation, reiterating its opposition to US domination on the international scene, calling for a multi-polar world order, and asserting resurgence of a 'strong and self-confident' Russia. In thinly concealed criticism of the US, the 70-page report, approved by President Putin, notes that persistence of 'the Cold War winner's syndrome' prompts 'unilateral' actions. The report notes that the use of force increasingly factors into some nations' foreign policy and warns, 'militarization of international relations could cause a split of the world along civilization lines'. The report claims the 'myth' of a unipolar world has 'completely collapsed in Iraq'. While asserting Russia's 'newly-acquired self-sufficiency in foreign policies,' the report nevertheless does call for cooperation with the US in such spheres as prevention of nuclear terrorism and the proliferation of weapons of mass destruction.

Window of Opportunity for Finding Solutions

Notably, President Putin did not offer any concrete ideas in his speech on how he wants these perceived flaws to be fixed. In fact, there might not be feasible solutions for some of the listed problems. But most likely he might have abstained from offering solutions because he didn't want to superimpose any preliminary conditions if the two current administrations ever sit down to take stock of the current wrongs and rights, nail down where their vital interests converge and diverge, and build a partnership based on convergence and avoid zero-sum games in areas of divergence.

In response, the White House's rather muted initial reaction to the speech might well be a sign that the Bush administration has called for a time-out to take stock of the relationship. Conceivably, it may be predisposed to initiate a dialogue aimed at building a genuine, sustainable partnership before the upcoming elections make any meaningful reengagement too difficult.

Putin's speech showed that, in spite of the increasingly hostile rhetoric on both sides, the window of opportunity is still open. With elections fast approaching, however, any window of opportunity may need to be closed temporarily to prevent relations from being affected adversely by inflammatory rhetoric of the sort that often accompanies election campaigns.

Russia cannot afford deteriorating relations with the global superpower. Russia should also hedge its bets, given the fact that its economic resurgence and corresponding geopolitical resurgence is at present based primarily on high world prices for mineral resources. Russia could also learn from China and India, which have so far tamed their international policy aspirations and refrained from challenging the US openly in spite of their better long-term positioning as major powers (more diversified growth basis and longer periods of growth).

But neither can the US allow relations with Russia to veer off onto a collision course. After all, Russia is not only discontented with lack of attention in Washington to its national interests. It is also increasingly confident that the country's economic growth will continue to fuel a growing ambition to re-establish itself as a global player. Its ambitions range from Latin America to the Arab world (where the Gas Exporting Countries Forum, of which Russia is a member, recently gathered to examine ways to strengthen the group). The US can ill afford to allow Russia to use its resurgent economic, military, and political might to become a global spoiler.

President Putin's February 2007 speech in Munich has been regarded by many as a watershed, symbolizing Russia's rejuvenated standing on the international stage. It has also been regarded by some as decidedly anti-American. On closer examination, however, this assessment is at best tenuous. While Putin decried the seemingly unilateral and shoot-first approach adopted by the US since the end of the Cold War in dealing with global conflict (intervention in Serbia and Iraq might be

seen as examples of what Putin may have had in mind), he also quoted Franklin Delano Roosevelt, highlighted Russia's assent to NATO and EU expansion, cooperation with the US on arms control and nonproliferation matters, international energy issues, and WTO accession. How these areas of cooperation and collaboration can be seen as somehow anti-American in nature is difficult to comprehend.

On the same day that he delivered his 'shot across the bows' of US foreign policy, President Putin gave an interview to the Arabic television channel, Al Jazeera. In this wide-ranging interview in which some of the criticisms aired in the Munich speech resurfaced, Putin was quite constructive in his remarks on several aspects of US policy. As mentioned above, he cautioned the viewers not to demonize the US and lay all of the faults of the region at America's feet. He urged people in the region to recognize their own responsibility for the future and their need to work with external powers that are willing to and trying to help. On Iran, he said Russia was 'categorically opposed to the proliferation of nuclear weapons. It is not in our own national interests to even consider for a second allowing another country to acquire nuclear weapons'.

In terms of constructive ways ahead, he urged the US to observe the fundamental security guarantees inherent in the UN Charter in general, and in respect of Iran to observe the assurance given by the US that it would not intervene militarily. He also implied that the US ought to review its regional military presence in the Persian Gulf/Arabian Sea Region as a contribution to reducing tensions.

Since delivering his speech in Munich, President Putin has reinvigorated Russia's foreign policy with a series of visits to Saudi Arabia, Qatar, Jordan, Italy and the Vatican, and Greece, and has hosted China's President Hu Jintao in conjunction with declaring this year to be China Year in Russia. Following up on Mr. Putin's proposal that an international nuclear fuel bank be established, Russia has also made clear that, while it is happy to enable Iran to enjoy the benefits of nuclear energy, it is not prepared to provide Teheran with access to the fuel used for generating power.

Clearly, Russia's confidence internationally has returned, thanks in large part to the sense of stability that President Putin's term in office has created at home. Granted, the sources of Russia's domestic

tranquility are not entirely the same as those that sustain other countries, but this should not come as any surprise. No two countries and societies are mirror images of one another, and Russia and America are no exception to this rule.

THE CHINA COMPARATOR

As noted above, on many of the issues on which China disagrees with the US, it often strikes a more accommodating, or at least less strident tone in public toward the US than Russia does. The US, while critical, eschews confrontation and provocation. Washington seems, on occasion at least, to strike more positive notes about the potential of US-China relations than it does on some occasions with respect to US-Russia relations.

As one US official described the view on China: 'we do not seek to contain China, but rather to help channel China's growing influence in a positive direction'.²⁶ That is a fairly soft view of a country that sits far below Russia on any index of democratization.²⁷ The official went on to say that China is not currently the 'responsible stakeholder in the global system' that the US hopes it to be and that US policy toward China 'combines active engagement to maximize areas of common interest and cooperation, along with a recognition that we need to maintain strong US regional capabilities in case China does not eventually move down a path consistent with our interests'.

He went on to say that 'China and the US have common interests' and 'readily identifiable common objectives'. On the issues 'on which we do not see eye-to-eye', the US also engages, and 'in a frank and candid manner that ensures that US views are made clear'.

²⁶ Thomas J. Christiansen, Deputy Assistant Secretary for East Asian and Pacific Affairs, 'China's Role in the World: Is China a Responsible Stakeholder?', Remarks Before the US-China Economic and Security Review Commission, Washington, DC, August 3, 2006, www.state.gov/p/eap/rls/rm/69899.htm.

²⁷ Later language in the same speech: 'We also use them to urge China to move more quickly toward strengthening respect for human rights and religious freedom, as well as introduce democracy to its system. We make clear to China that doing so is in China's own interests. A nation that is free and democratic, that respects and protects basic human rights, including the freedom to worship, is a nation that is more stable domestically and more respected internationally. As China engages the other great powers, its leaders and people will learn that wealthy and stable countries are liberal democracies.'

More interestingly, he went to observe that '[o]ur engagement with China takes place in many different forums, both bilateral and multilateral, and at many different levels'. He mentioned specifically annual meetings such as the US-China Joint Commission on Commerce and Trade (JCCT) and Joint Economic Commission (JEC). He also mentioned that the two countries meet regularly to discuss non-proliferation issues, counterterrorism cooperation, law enforcement cooperation, global issues from environment to health, and science and technology cooperation. He cited the 'Senior Dialogue, started by former Deputy Secretary Zoellick, along with our long-standing economic policy dialogue with China's National Development and Reform Commission (NDRC)', saying that they 'provide further opportunities for discussions at a broader, more strategic level'. He talked of an extremely robust schedule of exchanges between key policymakers, saying that 'hardly a month goes by in the year that we do not have a cabinet-level visit, either here or in China'.

China will clearly be more important to the US in many ways compared with Russia, and US rhetoric reflects this consideration. There may be room to question whether the public rhetoric by some US officials on China and Russia consistently reflects the true standing of these two countries in terms of where they sit as partners of the US. Russian observers feel that the US simply does not deal with Russia with the respect that it deserves given that its political system is democratic (and China's is not). A question that can be posed, using the language of Ambassador Burns cited above, is whether Russia 'profoundly cuts across US interests' more often than does China. It is the view of the authors of this paper that Russia does not get the good press it deserves in the US for so rarely cutting across US interests.

NATO-RUSSIA COUNCIL: USEFUL BUT NOT ENOUGH

In 2002, the parties established a NATO-Russia Council (NRC).²⁸ According to the US National Security Strategy, the purpose was to

²⁸ According to NATO, the decision to establish the Council (NRC) was taken in the wake of the September 2001 terrorist attacks. It signalled the determination to give the NATO-Russia partnership new impetus and substance, and demonstrated the shared resolve of NATO member states and Russia to work more closely together towards the common goal of building a lasting and inclusive peace in the Euro-Atlantic Area. Operating on the principle of consensus, the NRC works on the basis of continuous political dialogue on security issues with a view to the early identification of emerging problems, the determination of common

deepen security cooperation 'among Russia, our European allies, and ourselves'. This goal is stated in the 1997 NATO-Russia Founding Act on Mutual Relations, Cooperation and Security.²⁹ The Council is the principal structure and venue for advancing the relationship between NATO and Russia. It has created several working groups and committees to develop cooperation in key areas (counter-terrorism, crisis management, non-proliferation, arms control and confidence-building measures, theater missile defense, logistics, military-to-military cooperation, defense reform and civil emergencies).³⁰ Two quite prominent working groups have been those on peacekeeping and national missile defense. Both working groups have been constructive forums but neither has witnessed any dramatic breakthroughs in attitudes on key issues.

Russia has a diplomatic mission to NATO and Russian Military Branch Offices have been set up at NATO's two top military command headquarters. In Moscow, a NATO Information Office seeks to explain NATO and promote the benefits of the NATO-Russia partnership, and a Military Liaison Mission is helping improve transparency and coordination on the military side.

The creation of the NATO-Russian Council, as positive as it was for Russian policies in Europe, may have affected adversely the conduct of US-Russia bilateral relations. There is a possibility that the full scope of US-Russia relations is not adequately addressed in this context (Russia is more than just a European country and NATO neighbor) and creates the wrong tone on many issues (especially those involving Russia-Europe energy relations). Moreover, in the Council, Russia is obliged to deal with small countries once ruled from Moscow (such as Estonia, Latvia and Lithuania). According to diplomatic sources, there is discernible irritation from Russian military officials in their NATO dealings when they are obliged to listen to these countries as equals of the US and Russia.

approaches and the conduct of joint operations, as appropriate.

²⁹ NATO-Russia relations formally began in 1991 at the inaugural session of the North Atlantic Cooperation Council (later renamed the Euro-Atlantic Partnership Council), which was created following the end of the Cold War as a forum for consultation to foster a new cooperative relationship with the countries of Central and Eastern Europe. It was actually while this meeting was taking place that the Soviet Union dissolved. A few years later, in 1994, Russia joined the Partnership for Peace program – a major program of practical security and defense cooperation between NATO and individual Partner countries.

³⁰ See <http://www.nato.int/issues/nato-russia/topic.html>.

There may be a tendency in the US to see the 'Russia security diplomacy problem' as solved by tying it into a formal security relationship with NATO. That view does not accord appropriate respect for Russia, its status as a global power and its constructive contribution to global governance, peace and security.

The recommended reconstitution of a US-Russia Intergovernmental Commission is based in part on the diminution of active official and second track channels between US and Russian officials, and in part on the fact that, where these channels still exist, they have been casually downgraded in ways that reflect US operational concerns in this or that problem area (such as terrorism or operations in Afghanistan) rather than any sense of Russia's global importance as an ally or at least its position as a 'non-enemy'.

According to at least one source closely involved in military-to-military dialogues between Russia and the US, they have become relatively sterile affairs, with no clear agenda and little prospect of a breakthrough in hidebound attitudes on both sides. There is a need for both new thinking and fresh faces in the dialogue.

There is certainly a need for reopening or reinvigorating a high-level security dialogue between the two sides in ways that reflect Russia's global importance. It now appears possible to proceed with this rapprochement in advance of both countries shifting attention to domestic electioneering. Washington may be preoccupied with crises elsewhere, but that does not mean it should allow relations with a key ally to suffer from benign neglect. Russia may not yet enjoy the economic clout of China in its relations with the US, but as senior US officials reiterate constantly, the two countries need each other to achieve important goals of national security and economic security, not least a stable global energy system.

CONCLUSION AND RECOMMENDATIONS

Most Russians and most Americans accept that the two countries have established strong partnerships on some security issues. On other issues they differ. Where does the relationship between them sit on the spectrum between Cold War antagonists of the 1980s and trusted allies?

Few on either side would use the word 'ally' to refer to the other country. Yet the two countries' interests converge on such a number of vital issues that their relationship could be elevated in coming years into one of close allies. To achieve that, the two will need to work harder to eliminate mutual suspicions.

The national security interests of the US and Russia converge on the following issues:

- ❑ Reduction of nuclear arsenals, prevention of accidental nuclear launches from each other's territories and false alarms
- ❑ Prevention of proliferation of WMD, WMD technologies and WMD delivery systems, including elimination of remaining chemical weapons. In particular prevention of emergence of new nuclear powers and denying non-state actors access to WMD and WMD technologies
- ❑ Fighting international terrorism, prevention of catastrophic terrorism, including nuclear terrorism
- ❑ Prevention of violent conflicts in Eurasia, prevention of emergence of Taliban-like regimes
- ❑ Suppression of transnational crime and trafficking
- ❑ Stability of world markets for oil, gas and other major commodities.
- ❑ Further integration of Russia into global community of market economies.

More focus on these convergent interests would help to elevate Russian-American relations to the status of a genuine, wide-ranging, sustainable alliance. As importantly, such enhanced cooperation would serve to contain any deterioration of relations over issues where the two countries' interests diverge, such as projection of influence in countries on Russia's periphery and approaches to resolution of "frozen" conflicts there.

There is something for both countries to learn from the current conduct of US-China relations. Compared with the careful approach that the US and China take toward each other, Russia and the US both continue to conduct their diplomacy toward each other in a clumsy fashion. This can be overcome through regular consultations, deliberations, and

discussions. Neither country is going to live up to the expectations it has of the other unless those expectations can be tempered by familiarity and a corresponding dose of realism. Better knowledge of life and politics in each other's country is essential for breeding a greater sense of mutual understanding and a revision of expectations based on a recognition of the constraints each country faces.

If joint efforts to resolve the world's most intractable problems are to materialize, there must be more practical recognition in Moscow and Washington of common interests. Establishing and sustaining a substantive dialogue, uncluttered by issues that don't crop up in Washington's dialogue with other key allies, is crucial to moving forward.

There are benefits to world order from a healthy US-Russia alliance. In due course, it is conceivable that the US-Russian relationship could serve as a model for the EU-Russian relationship, much as one might observe that the Sino-Russian relationship has benefited from the relationship that has evolved between Washington and Beijing (driven largely by common commercial interests). Most of all, Russia's resurgence means that America no longer needs to feel that it has to go it alone in addressing the world's ills. Much more can be accomplished in tandem with reliable and resourceful partners and allies.

Recommendations

It is time for leaders in Moscow and Washington to recognize the horizons of the possible, seize the opportunity, and restore Russian-American relations to the position of prominence they merit.

The two countries must reassess their military security relationship and work more systematically toward resolving a large number of the contentious issues. An important start has been made with the agreement, announced May 15 2007, to set up a 'two plus two' forum involving the Secretaries of State and Defense from the US side and their counterparts from the Russian side. This initiative needs to be backed up with a broader effort at other levels. The US and Russia should restart effective second track and official dialogues between their military and political leaderships that are focused sharply on military confidence building.

The two countries should consider the benefits of a variety of new bilateral structures, such as an intergovernmental commission at ministerial level or a similar commission outside official circles. The latter might consist of leading representatives of the political establishment with no current government affiliation, representatives of the academic communities and business leaders. The commission would define vital interests of the US and Russia vis-à-vis one another and identify those areas and issues where these interests converge and diverge. The commission should then outline a roadmap to systemic and sustainable cooperation, a global partnership in those spheres, if not geographic areas, where the two countries' vital interests converge.

Cooperation in those areas and spheres where the interests of the US and Russia converge would be genuinely sustainable and thus, could be institutionalized, leading ideally to greater recognition, both in Russia and the US, of common values shared by the two countries.

Such a commission would provide a safety valve for inevitable disagreements. When important interests of the two countries appear to collide, a formal bilateral commission could underscore that these interests may be secondary to more fundamental, overarching needs. If the premise of such a commission is convergence of interests, a sense of shared priorities will be the main approach and serve to diminish any perceived risk of confrontation, eliminating mutual suspicions in the process.

The current, shaky state of US-Russian relations is the result of such suspicions, which rest in large part on biased perceptions and false stereotypes still all too prevalent in both governments, academic communities, mass media and the two societies at large.

While Putin and Bush have enjoyed friendly relations, the impulse to dialogue and trust needs to become more solid. It needs to be diffused to lower levels of each government. More often than not, government officials are risk-averse or sometimes even hostile to the opposite side, limiting any diffusion effect from good relations between the two presidents. Here, both sides can follow Track Two approaches -- regular and discreet meetings where they don't have to factor in media coverage. On this basis, they might then consider that the establishment of a permanent bilateral body with specific branches

focusing on different spheres of cooperation (such as security, defense, space and agriculture) could help institutionalize this cooperation.

One of the positive effects of such regular contacts would be not only increased mutual trust to dispel mutual suspicions, but also increased transparency or at least better understanding of decision-making of one side by another. And this dialogue should not be limited to policy makers only; similar forums should be pursued for civil society, businesses, the academic community and representatives of the media.

At the same time, new life and meaning might be given to the parliamentary diplomacy, at the very least as a complement to any executive branch structures that may be reestablished, but most certainly as a mechanism to enrich and reinforce the dialogue between Moscow and Washington, particularly when executive-branch structures are weak.

The NATO-Russia Council established in 2002 is useful but sets US-Russia relations at the wrong level (Russia is more than just a European country and NATO neighbor) and creates the wrong tone on many issues.

Though neither expects war with the other as an act of deliberate policy, both have massive nuclear arsenals aimed at each other. This problem needs fixing, and soon. When other issues of military mistrust emerge from time to time against, they are inevitably if sub-consciously interpreted against this larger backdrop of threat.

For this reason, the breakthrough issue in US-Russia relations over the next five to 10 years has to be in the area of establishing deep trust, nuclear arms control and associated moves in global counter-proliferation initiatives. Neither Russia nor the US can be expected to disarm in the nuclear field in the face of current trends in nuclear proliferation.

To establish trust in military affairs, Russia and the US should:

- ❑ agree to a new agenda for nuclear arms control and military confidence building.

- ❑ develop a common policy on reduction of nuclear forces that reinforces their shared positions on military nuclear proliferation.
- ❑ establish working groups of officials to reassess their military security relationship and to work systematically toward resolving the contentious issues.
- ❑ set up effective second track or informal dialogues involving their military and political leaderships that are multi-layered and focused sharply on military confidence building.

The urgency of a dramatic improvement in US-Russia trust levels is dictated by the evolution of global affairs (especially energy consumption and climate change) and the growing power and determination of non-state actors to threaten catastrophic damage to national power through use of weapons of mass destruction against civilian targets or critical infrastructure. Enabling technologies for large scale and irreversible catastrophic attack include globalized communications, nano-technology and genetic engineering. These sources of threat dictate measured and cooperative policies between great powers with an eye to the future.

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