The U.S.—Russia Relations after the «Reset»: Building a New Agenda. A View from Russia

Report by the Russian Participants of the Working Group on the Future of the Russian—U.S. Relations
Report by the Russian Group

Sergei Karaganov is the head of the Working Group, the main co-author and executive editor. Dmitry Suslov is the Coordinator of the Working Group and the main co-author. The Working Group includes: Pavel Andreyev, Oleg Barabanov, Timofei Bordachev, Maxim Bratersky, Sergei Karaganov, Feodor Lukyanov, Yulia Nikitina, Alexei Pilko, Marsel Salikhov, Nikolai Silayev, Dmitry Suslov, Mikhail Troitsky, and Alexei Fenenko.

The Consultants of the project are: Sergei Dubinin, Andrei Kolosovsky, Sergey Ryabkov and Yevgeny Savostyanov.

A version preceding the final copy of the Report was discussed at the meeting of the Working Group on the Future of the Russian–U.S. relations of the Valdai Club together with the American colleagues. The meeting was held in the National Research University–Higher School of Economics on December 3–4, 2010. The American participants in the discussion included: Timothy Colton, Jeffrey Mankoff, Alexandra Vacroux, Rawi Abdelal, Randall Stone, Henry Hale, Samuel Charap, and Yoshiko Herrera. Their opinions and comments highly contributed to the Report. One of the final versions of the Report was also discussed at the February meeting of the Advisory Council of the Valdai International Discussion Club. Some criticisms of the Council members were also taken into consideration. Still, responsibility for the final copy of the Report is with its main co-authors only.
Contents

0. Introduction

1. Summary

2. Russia and the U.S. in the World of Today and Tomorrow
   2.1. Whither the World: Challenges to Russia and the U.S.
   2.2. Consequences for Russia and the U.S.
   2.3. The Interests of Russia and the Interests of the U.S.

3. The U.S.—Russia Relations at the Present Stage: The Achievements and Drawbacks of the «Reset»
   3.1. The Main Achievements of the «Reset»
   3.2. The Main Drawbacks of the «Reset»

4. Renewing the U.S.—Russia Agenda
   4.1. Preamble
   4.2. What Is to Be Done with the Old Agenda?
   4.3. The Logic of the Renewing and General Principles of the New Agenda
   4.4. The New Agenda

Credits
0. Introduction

This project is aimed at preparing and publishing, upon discussions with Russian authors and foreign specialists, a series of reports on the elaboration of a strategy of Russia’s interaction with the main centers of power in the contemporary world: the United States, the European Union, China, the countries of the Middle East, and other regions of the world. This strategy must be optimal for Russia while at the same time it must take the interests of its partners into account.

Two reports in this series — Towards a Union of Europe* and a report on the situation in the Greater Middle East** have already been published.

The present report is a follow-up to an earlier paper Reconfiguration, Not Just a Reset: Russia’s Interests in Relations with the United States of America***, which was prepared by the Russian Section of the Valdai International Discussion Club and published in 2009. The present report was discussed at a joint meeting of the Valdai Working Group on the U.S.—Russian Relations, Harvard University and the National Research University—Higher School of Economics.

Most of the authors of this report are less than forty years old. They represent the new generation of scholars of international relations. Their task was to avoid the paved ways of their predecessors and to try to break out of the old paradigm of the U.S.—Russian and international relations studies and analyses which have been established during last fifty years and which by now seems clearly obsolete.

S. Karaganov

---

* Sergei Karaganov, Timofei Bordachev, Fyodor Lukyanov. «Towards an Alliance of Europe.» http://vid-1.rian.ru/ig/valdai/Alliance%20eng.pdf


1. Summary

1.1. The U.S.—Russian relations have markedly improved over the past two years. The «reset» of relations proposed by the Barack Obama administration has been a success. The threat of a retreat to a systemic confrontation has almost disappeared. Many of the conflicts between the two countries have been either resolved or, for the most part, reduced to a simmer. Both Russia and the United States have displayed pragmatism by lowering the importance of persisting conflicts in favor of the benefits of cooperation. For the first time in the post-Soviet era, the U.S. has partially revised its position on Russia-related issues and its interests with regard to Russia for the sake of gaining Moscow’s support in matters of interest to Washington. Unlike the previous rounds, the current improvement of the U.S.—Russian relations rests on a more solid foundation — namely, the parties have a clear and pragmatic understanding of their interests and the importance of constructive mutual relations for their implementation.

1.2. However, the U.S.—Russian relations have not yet reached a state of stable partnership; they remain fragile and are prone to many risks of both home- and foreign-policy nature. Prospects for preserving even the current level of partnership efficiency depend on the political positions of the Obama administration. There is no mechanism that would prevent a rollback, and the relations have not reached a level where the rollback would be unlikely.

1.3. The main drawback of the «reset» is that it does not provide strategic goal and perspectives for the U.S.—Russian relations. It is isolated from the main trends in international development and lacks regard for the opportunities that these trends create for Russia and the United States now and will create in the future. In terms of content, the improvement of the U.S.—Russian relations is largely retrospective and is filled either with plots borrowed from the previous eras, reflecting the already non-
existent threats (such as the problem of strategic offensive arms control), or with short-term needs of the parties (Iran, Afghanistan).

1.4. Although the atmosphere of the U.S.-Russian relations is improving, they are making no headway in terms of content or, at best, are hanging up. The main reason for the low sustainability of the current stage in the relations is the absence of a strategic vision and complete subordination to short-term political objectives.

1.5. Retrospective in nature, the current improvement of the U.S.-Russian relations does not affect present-day realities; that is, it does not account for the impact — largely negative — of the fundamental shifts taking place in the international system.

1.6. Both Russia’s and the U.S. foreign-policy opportunities are shrinking due to the global shift of power to new Asian centers, primarily China, and due to its general diffusion among many states, not only the major ones. Russia and the U.S. have come under the negative impact of global and regional challenges with which they are unable to cope either on their own, or even jointly, without engaging other countries, above all new centers of power. These challenges include the growing number of nuclear states, not all of which will be stable; the erosion of international law and major international governing institutions; the new submersion of Afghanistan into a chaos more dangerous than before; the destabilization in Central Asia and, especially, in the Greater Middle East; the creation of a relative «security vacuum» around non-aggressive but increasingly stronger China (uncertainty around its foreign and foreign economic policy objectively evokes apprehensions among its neighbors); and some others. If the U.S.—Russian relations remain within the framework of the present model and the present agenda, they will hardly influence these trends.

1.7. To effectively address these and other threats and challenges, as well as the decline in the relative weight of Russia and the United States in the international system, they should adopt a new philosophy of relations with each other.

1.8. This goal implies building full-fledged friendly relations between Russia and the U.S. which, in some cases, could even include elements of a military-political alliance that would counteract a wide range of new threats and challenges. It is very important that these close relations be open to engage other countries. As the majority of these challenges are of global or, at least, supranational nature, they can be overcome only by comprehensive collective efforts of all interested and capable members of the international community. The reduction of Moscow’s and Washington’s leadership capabilities and foreign-policy opportunities makes the bilateral for-
mat of their cooperation simply insufficient for effective regulation of various aspects of international life. This regulation requires multilateral and broad interaction.

1.9. This task prioritizes building tripartite partnerships among the U.S., Russia and China and among the U.S., Russia and the EU. The U.S.—Russian partnership can serve as an organic complement and link to allied relations between Russia and the EU in security, economy and human ties (an «Alliance of Europe»5 //Sergei Karaganov, Timofei Bordachev, Fyodor Lukyanov. «Towards an Alliance of Europe.» http://vid-1.rian.ru/ig/valdai/Alliance%20eng.pdf/); a new kind of relations between Russia and NATO; and strategic relations between Russia and China. For the time being, such constructs are absent in the relations of all these actors.

1.10. The building of friendly and, on some dimensions, allied relations does not require that Russia and the United States overcome some fundamental obstacles. Thanks to the success of the «reset» of the U.S.—Russian relations, U.S. policy — for the first time since the mid-1990s — does not undermine Russia’s vital interests (for example, in the post-Soviet space). The political challenge that U.S. policy continues to pose to Russia is much less dangerous to it than the threats and challenges that are common to both countries. Moscow, on its part, poses no threat to U.S. fundamental interests, and even facilitates implementation of some of them. This factor offers a window of opportunities in their relations that is unprecedented when one looks at the past two decades.

1.11. If the parties resume bitter rivalry or even confrontation, the weakening of Moscow’s and Washington’s international positions will grow faster. There can be no return of history, as some conservative American authors would like to see, if the larger part of the U.S.-Russian agenda is again given to rivalry in regional issues and disputes over global ones. Russia will not «mobilize,» if its confrontation with the United States grows, as many Russian strategists hope. Engrossed in mutual confrontation, Moscow and Washington would have to pay less and less attention to real common threats and challenges. In addition, they would not be able to build a multilateral partnership to counter new challenges collectively, which is so vital for themselves and the whole world.

1.12. For Russia, a return to and — all the more so — an aggravation of confrontation with the U.S. is fraught with conservation of the stagnation and of the authoritarian path of development. It will also challenge the very possibility of its social, economic and political modernization. The conflict will significantly weaken Russia’s positions with regard to Europe, China and former Soviet countries. Russia could succeed as an anti-American center of power only if the United States resumes the aggressive, messianic and unilateral policy that was characteristic of the George W. Bush administration in the first years of his stay in office. In this case, the U.S. policy will trigger resentment of the majority of countries. However, this scenario is unlikely in the short term (if only due to financial/economic and social limitations in the U.S.); and, in the long term, it is disadvantageous for Russia because of the
general destabilization of the international system that will unavoidably follow any new surge of U.S. aggressive behavior.

1.13. For the United States, a new confrontation with Russia is fraught with a failure to implement many of its top-priority — both short- and long-term — national foreign-policy interests. It will result in a deterioration of the situation in Afghanistan, reduction of the opportunities for settling the nuclear problems of Iran and South Korea, and an aggravation of the nuclear non-proliferation regime crisis. It may threaten the strategic stability and global military-political security, and make the international system more conflict-prone and less governable. Also, it may facilitate the consolidation of anti-American regimes in Asia and Latin America, as well as worsen Washington’s relations with those European and Asian allies that find confrontation with Russia undesirable. Lastly, it will increase the probability of a global confrontation between the U.S. and China — and the balance of power might be not necessarily to the U.S.’s advantage.

1.14. The authors of the report realize that some of their proposals might look unrealistic. Traditionalist views still prevail in the minds of the elites of both countries. However, the aim of this report is to start revising obsolete and inadequate intellectual paradigm which still frames the current U.S.—Russian relations. So that in 5 — 10 — 15 years this paradigm would be rejected and a more realist and modernist one would come in its place. In the hope that a policy change would then follow.
2. Russia and the U.S. in the World of Today and Tomorrow

2.1. Whither the World: Challenges to Russia and the U.S.

2.1.1. The world keeps changing at an unprecedented pace. First of all, there has been a redistribution of power from the Euro-Atlantic region to Asia-Pacific. Asian centers of power, above all China, have been growing stronger both economically and politically, while the traditional centers, including the U.S., have been losing their leadership capabilities. The Obama administration’s attempts to restore the U.S. global positions by adapting the American leadership to the new «post-unipolar» international conditions have not been an obvious success thus far. New non-Western centers of power are not willing yet to participate in global governance together with traditional leaders and to build some kind of universal order, even if somewhat reformed. These factors limit the opportunities to build a new global «Concert».

2.1.2. There is a general diffusion of power in the international system — more and more countries, even not big ones, now harbor ambitions for a bigger role in global governance. For example, Brazil and Turkey have come up with their own project for resolving the problem of the Iranian nuclear program. Governing initiatives of the traditional centers are being met with increasing skepticism, even within the framework of their allies. As a result, the international system is becoming increasingly decentralized and fragmented, while its governability by major powers, both the «old» and «new» ones, is declining.

2.1.3. The proliferation of nuclear weapons has apparently become irreversible. Iran will likely follow, in one form or another, in the footsteps of India, Pakistan, Israel and North Korea. The question is whether this chain reaction can be stopped, for example, with regard to Arab states. There is uncertainty about long-term
prospects for the non-nuclear status of Japan and South Korea. If nuclear weapons are obtained by internally unstable countries, it is very likely that these weapons will fall into the hands of non-state actors. Along with nuclear weapons proliferation, there is a proliferation of missile technologies.

2.1.4. The escalation of economic competition will most likely increase the de-globalization trend and barriers to the movement of goods, capital and people. The growth of the world economy may slow down. This trend will hit China harder, but it will affect other countries as well, including the United States and Russia. Some members of the American political elite have recently started to suggest that the U.S. will benefit from de-globalization in the short term (that it will help solve the problems of foreign debt, trade and budget deficits, unemployment and the redistribution of power in the world). But America will lose in the long term. Instability and the possibility of conflicts in international relations will continue to increase.

2.1.5. There are growing signs of climate change, which will increasingly influence the situation in the world economy and international security. In the next few decades, it can bring about a new «Great Migration of Peoples,» which will drastically change the economic and political map of the world. Global warming, the industrial rise of new actors in Asia, the increasing demand for food and mineral resources in the rapidly developing nations, environmental degradation in the world and the ensuing reduction of arable lands all contribute to the competition for food, arable lands, drinking water and mineral resources. As a result, a new struggle is unfolding for control over territories.

2.1.6. There is an ongoing renaissance of the nation-state. The world economic crisis of 2008-2009 has drawn a line under the era of economic deregulation. Faced by the growing chaos in international relations, states are seeking to strengthen their sovereignty and fence themselves off from the negative effects of the globalization. However, nationally-oriented policies cannot cope with supranational threats.

2.1.7. The effectiveness of the leading international institutions continues declining. After the Obama administration came to power in the U.S., Washington has stopped deliberately weakening them; however, the decay of international institutions persists due to the
Share of Asian countries in world GDP

Dynamics of the share of Russia and the United States in global GDP (%)
U.S. troops in Afghanistan

The start of withdrawal of U.S. troops from Afghanistan is planned for 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of troops (at the end of the year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>2500</td>
</tr>
<tr>
<td>2002</td>
<td>9700</td>
</tr>
<tr>
<td>2003</td>
<td>13100</td>
</tr>
<tr>
<td>2004</td>
<td>16700</td>
</tr>
<tr>
<td>2005</td>
<td>17800</td>
</tr>
<tr>
<td>2006</td>
<td>22100</td>
</tr>
<tr>
<td>2007</td>
<td>24700</td>
</tr>
<tr>
<td>2008</td>
<td>31800</td>
</tr>
<tr>
<td>2009</td>
<td>60000</td>
</tr>
<tr>
<td>2010</td>
<td>90000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Casualties</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>12</td>
</tr>
<tr>
<td>2002</td>
<td>49</td>
</tr>
<tr>
<td>2003</td>
<td>48</td>
</tr>
<tr>
<td>2004</td>
<td>52</td>
</tr>
<tr>
<td>2005</td>
<td>99</td>
</tr>
<tr>
<td>2006</td>
<td>98</td>
</tr>
<tr>
<td>2007</td>
<td>117</td>
</tr>
<tr>
<td>2008</td>
<td>155</td>
</tr>
<tr>
<td>2009</td>
<td>317</td>
</tr>
<tr>
<td>2010</td>
<td>429</td>
</tr>
</tbody>
</table>

Sources: icasualties.org, NYT, ISAF

unwillingness of major states to coordinate their policies.

2.1.8. Challenges to international security will persist, such as international terrorism, organized crime, drug trafficking, piracy, cyber-terrorism, and internal wars and conflicts.

2.1.9. Uncertainty about the future foreign, military and foreign-economic policies of China in the conditions of its economic and military-political rise is the largest regional challenge for Russia and the U.S. China’s growing power is a source of concern, regardless of its current restrained and quite peaceful policy (although from time to time China does resort to a more assertive policy, for example, when it proclaimed its sovereignty over the South China Sea). As Russia keeps predominance over China in nuclear arms and their political relations remain friendly, the possibility of a military conflict or arms race between them will be ruled out. In the military-political sphere, Moscow and Beijing have already achieved the relations of «post-deterrence», which we are going to offer to Russia and the United States. However, there is a probability that Russia will become an energy and raw materials appendage and, in the long term, a «younger political brother» of rising China. For the United States, strengthening of China, which formerly allowed the U.S. to maintain a high level of domestic consumption due to mutual trade, is now becoming a burning issue of economic security: it is a factor that boosts unemployment, trade and budget deficit, and a U.S foreign debt that may soon equal U.S. GDP. The rise of China also poses a challenge to America as the only superpower, to its global leadership capability and positions in the Asia-Pacific region. In addition, the United States’ image as the most successful development model and the most dynamic and competitive economy in the world has been challenged, as well.

2.1.10. Another serious challenge to the United States and Russia is posed by uncertainty about the future of Afghanistan after the withdrawal of NATO troops from the country and by possible destabilization in Central Asia. Since the United States and NATO are unable to sta-
bilibize the situation in Afghanistan through a victory over the Taliban or an agreement with it on stable terms that would be acceptable to the Coalition, Afghanistan will continue to be a source of regional instability, international terrorism, and religious extremism. This is already a serious threat for Pakistan and it can become a big threat for weak states in Central Asia and for other Afghanistan’s neighbors — Iran, China and India. As early as within the next few years, Russia may face the threat of a new regional war in Tajikistan as a result of the export of instability from Afghanistan — especially as internal sources of instability are exacerbating in Central Asia: Uzbekistan, Tajikistan and Kazakhstan will soon undergo a change in their top leadership. Another Central Asian country, Kyrgyzstan, is a de facto failed state.

2.1.11. The possible destabilization of the Greater Middle East will also pose a wide range of challenges for Russia and the United States. It can be brought about, for example, by the collapse of Iraq after the withdrawal of U.S. troops and the involvement of Iran and Turkey in the conflict. Pakistan may face destabilization too, in which radical Islamists may gain access to nuclear weapons. Finally, the acquisition of nuclear weapons by Iran or its becoming a threshold state would increase the probability of a pre-emptive military strike by Israel against it //The military policy of Israel is growing increasingly unpredictable and independent, and the U.S. finds it more and more difficult to keep Israel from delivering a strike against Iran.// with disastrous consequences. It may also trigger a new round of nuclear proliferation and increase tensions across the region (many Middle Eastern countries view Iran as their rival).

2.1.12. This short list of challenges shows that the main threats to Russia and the U.S. in the world of today and tomorrow stem not from each other’s policies but from external global and regional factors. Russia and the U.S. do not pose direct military threats to each other, either in the field of conventional forces in Europe, or in the strategic sphere. A conventional «big war» in Europe is physically impossible. The preservation by Russia and the U.S. of their ability to physically destroy each other, while maintaining appropriate confidence-building measures and strategic stability, has a stabilizing effect both on their own policies and the policies of other nuclear and non-nuclear countries.

2.1.13. The new global and regional threats make meaningless and irrelevant the U.S. strategy of ensuring «geopolitical pluralism» in the post-Soviet space (a strategy when a support of centrifugal tendencies and anti-Russian elites in the former Soviet Union becomes a systemic goal of the U.S. policies in the region) and isolating Russia from political Europe.
The U.S.—Russia Relations after the «Reset»: Building a New Agenda. A View from Russia

2.1.4. The U.S. policy still poses a serious political challenge for Russia as regards some of its vital interests, primarily in the post-Soviet space and in the field of European security. However, this challenge is much weaker now than it was two years ago and less critical than the new global and regional threats.

2.2. Consequences for Russia and the U.S.

2.2.1. Russia and the U.S. will continue to lose, although on a different scale, their relative weight in the global economy and politics. America will remain the strongest state militarily, economically and politically at least until the middle of the 21st century; however, the gap in aggregate might between the United States and other centers of power, above all China, will decrease. The U.S. will find it increasingly difficult to achieve advantageous decisions on the international arena, especially unilaterally. At the same time, effective global governance without the United States will still be impossible. Meanwhile, Russia can lose its position as an independent center of power in the new world. Despite the trend of recent years to rank the Russian Federation as a «new rising center» of the world economy and politics, it became obvious at the end of 2008 that Russia and America belong to one group of weakening — albeit at different rates — centers of power.

2.2.2. On the whole, the year 2008 was a landmark for both Russia and the U.S., as each country found itself in a fundamentally new situation. Both had gone through the «post-Soviet» period, when the U.S. sought to consolidate the «unipolar moment,» while Russia tried to reassert its influence and prestige.

2.2.3. The U.S. in 2008 acutely felt the consequences of the Bush administration’s failure to use the «unipolar moment» and to complete — unilaterally and decisively — the rebuilding of the international system, which had started with the end of the Cold War, to make it meet...
U.S. interests and values. Embroiled in two prolonged and actually lost wars, faced with worsened relations with its allies and their shaken loyalty, and confronted by the much faster growth of new centers of power than previously expected, the United States has found itself in a far less favorable world and in a much weaker state than it was at the beginning of the decade.

2.2.4. In the economic field, in 2008 the United States faced the gravest crisis since the 1930s, which exacerbated the problems of the U.S. budget deficit and external debt and has made it impossible for Washington to continue its costly foreign and military policies. The United States’ slow recovery from the crisis attests to a decline in U.S. economic dynamism, which had been the basis of its strength and attractiveness and distinguished it favorably from other developed countries for many years. The slow economic growth also means that the problem of the U.S. budget deficit will have to be solved through cuts in spending, including defense spending.

2.2.5. For Russia, the year 2008 saw the peak of its recovery after the 1990s. At the same time, it showed the limits of its development and strengthening within the framework of an «authoritarian/energy» model. The United States failed to oppose Russia with anything in view of its military victory over a U.S. ally, Georgia, but it even had to stop NATO enlargement to the post-Soviet space.

2.2.6. Russia has effectively used the benefits of its geopolitical and geo-economic position and has begun restoring, on the new basis, its military might, undermined in the past two decades. However, it became apparent in early 2009 that the Russian economy — because of its primitive structure, the ongoing de-modernization and total corruption — is much less sustainable than other major economies, whether developed or developing, and that it was hit the hardest by the crisis. The threat of Russia’s becoming a raw-materials appendage of not only Europe but also Asia, primarily China, is already looming large. The Russian population continues decreasing. In terms of investments in education and science, Russia is lagging behind not only developed countries but even behind less successful among the developing ones. Siberia and the Russian Far East pose a separate problem. In those regions, the aforementioned problems are coupled with depopulation and the inevitable aggravation of international competition for their resources.

2.2.7. All of these factors, both domestic and international, have already led to changes in the policies of both countries. In Russia, «changes» are mostly limited to talk about modernization (chiefly «technological») and the establishment of «modernization alliances» with developed countries for obtaining advanced technologies. In the United States, a new president has come to power, he has launched sweeping reforms in the home and foreign policies. The new U.S. global strategy takes as a reference point not «America’s victory in the Cold War» but the recognition of the new redistribution and diffusion of power in the world. It assigns primary importance to the organization of collective action by the most capable members of the international community to counter common threats and challenges under the U.S. leadership and in the hope for its preservation amid the new conditions.

2.2.8. However, despite its progressive nature, this strategy is unlikely to be fully implemented — partly because of the insufficient awareness of new threats by old and especially new centers of power, and partly because of a heavy burden of accumulated problems and a sharp division of the American elite. Finally, this strategy is aimed not so much at solving the main problems faced by mankind and overcoming the new world disorder, as at restoring...
U.S. leadership in the new international conditions. Instead of true collectivism, it offers selective and actually limited involvement of some or rather centers of power in the implementation of a Washington-proposed agenda. Not surprisingly, the Obama administration’s attempts to build or renovate partner relations with a majority of the centers of power in the world have failed, while in relations with some of them, for example China, Washington is returning to a more traditional policy. The partner relations that have been a success so far (for the time being only with Russia) do not cover the entire range of new challenges and are largely targeted towards those areas where Washington believes its partner plays an important role and where it can provide essential assistance. Such «partnerships» can neither restore U.S. leadership, nor stop the onset of new disorder.

2.3. The Interests of Russia and the Interests of the U.S.

2.3.1. A detailed analysis of the foreign-policy interests of Russia and the United States,
Main Russia’s exports (%)

2009

- Crude oil: 32.81%
- Natural gas: 13.82%
- Refined oil products: 16.43%
- Other goods: 12.76%
- Semi-processed and rolled carbon steel: 14.55%
- Coal: 7.73%
- Machinery and equipment: 2.93%
- Wood and pulp and paper products: 6.30%
- Non-ferrous metals (aluminum, copper, nickel): 5.36%
- Ferrous metals: 5.31%
- Wheat and meslin: 5.34%
- Fertilizers: 2.87%

Source: Federal Customs Service

2007

- Natural gas: 34.06%
- Crude oil: 10.14%
- Refined oil products: 15.36%
- Other goods: 6.30%
- Semi-processed and rolled carbon steel: 5.36%
- Coal: 5.31%
- Machinery and equipment: 5.17%
- Wood and pulp and paper products: 5.83%
- Non-ferrous metals (aluminum, copper, nickel): 4.21%
- Ferrous metals: 3.96%
- Wheat and meslin: 3.41%
- Fertilizers: 2.87%

2005

- Natural gas: 14.60%
- Crude oil: 14.55%
- Refined oil products: 14.55%
- Other goods: 13.15%
- Semi-processed and rolled carbon steel: 14.55%
- Coal: 7.73%
- Machinery and equipment: 5.34%
- Wood and pulp and paper products: 5.31%
- Non-ferrous metals (aluminum, copper, nickel): 5.34%
- Ferrous metals: 5.31%
- Wheat and meslin: 5.34%
- Fertilizers: 5.34%

Source: Federal Customs Service

which we conducted in 2009 //See the report «Reconfiguration, Not Just a Reset: Russia’s Interests in Relations with the United States of America», prepared by a team of authors from the Council on Foreign and Defense Policy and the State University—Higher School of Economics (Sergei Karaganov, Dmitry Suslov, Timofei Bordachev) under the aegis of the Valdai International Discussion Club in July 2009. http://vid-1.rian.ru/ig/valdai/Doklad_eng_reset_june2009.pdf/ , showed that they generally meet the above challenges and trends. The main interests of Russia and the U.S. lie not in their bilateral relations but in relations with third countries and regions and in tendencies related to them. For Russia, this is the post-Soviet space, its place in the European security system, and relations with China. For the U.S., this is the problems of East Asia and the Greater Middle East (China, Iran, Afghanistan, Iraq, the Arab-Israeli conflict and North Korea) and Latin America.

2.3.2. The larger part of the parties’ interests, including those that are vital to them, coincide. These include: preventing the destabilization of international politics in the sphere of strategic security; ensuring peaceful rise of China;
limiting and preventing WMD proliferation; stabilizing the situation in Afghanistan, Pakistan and Iraq; settling the Indo-Pakistani and Arab-Israeli conflicts; finding a solution to the problem of the nuclear programs of Iran and North Korea; fighting international terrorism; preventing climate change; and combating drug trafficking, piracy and organized crime.

2.3.3. However, the coinciding interests rank differently in the hierarchy of the parties’ foreign-policy interests, and the spheres of their vital interests are different as well. This creates favorable prerequisites for the exchanging of mutual respect of important interests of each other at the expense of less important interests. Each party can make concessions on matters that are less important to it and step up cooperation on them with the other party, thus promoting the implementation of the other party’s vital interests. This is what has actually happened, in an undeclared way, in U.S.—Russian relations recently.

2.3.4. Finally, the areas of conflicting interests of Russia and the U.S. relate to the problems that are losing their relevance in the current international situation. The problem of the restoration of the U.S. sole leadership in the world and the build-up of U.S. military superiority over all other countries is not really burning or relevant these days. (As the wars in Iraq and Afghanistan have shown, the U.S. military superiority cannot be converted into political successes, and the current economic problems in the U.S. will bring it to naught). The same refers to the spread of democracy and the American model of development. Even if a new president in the U.S. attempts to conduct such a policy, it will only exacerbate still further the country’s international position.

2.3.5. All these factors are creating objective prerequisites for the further consolidation by the parties of exchanging of mutual important interests and for building eventually a friendly or even selectively allied relationship with regard to threats and challenges that are external to both Russia and the U.S. In this regard, the persisting desire of the two countries’ elites to contain and balance each other, instead of jointly addressing problems of tomorrow, is becoming an increasingly obvious atavism.

2.3.6. There are strong sentiments in both countries in favor of drifting further away from each other. These sentiments belong to the past. The elites in both countries must understand that the United States and Russia are important to each other, albeit in a new way — not as adversaries and the leaders of opposing camps, but as partners (sometimes indispensable ones) in countering new challenges and using opportunities offered by the new world.

2.3.7. Russia and the U.S. no longer can — on their own or even jointly — direct the development of the new world in the long-term strategic perspective. At present, the parties have not only common global interests but also quite frequent reasons of their own that dictate the need and expediency of building a new relationship between themselves.

2.3.7.1. For Russia, friendly relations with the U.S., even with elements of an alliance, would make it possible to:
- have stronger positions in relations with now-friendly China and less fears about prospects of these relations;
- solve, sooner or later, the problem of the unfinished Cold War, the persisting military-political division between Russia and the rest of Europe;
- address the key tasks of the country’s technological modernization, efficient use of Russia’s competitive advantages through the development of Siberia and the Russian Far East, modernization of the extraction and processing of minerals, and the development of modern agricultural production, especially in the Asian part of the country;
- The internal political and economic development of Russia in the coming years will likely reduce the base of its political influence in the world. It is only allied and friendly relations with the United States, as well as with China and the EU, that can help the
Atoms for peace or nuclear weapons?

The United States and some other countries suspect Iran of developing nuclear weapons under the guise of a civilian nuclear program.

Iranian leaders claim that the nuclear program is aimed at peaceful purposes and at meeting the energy demand.
country retain the rank of the third world power and, in the longer term, maintain real sovereignty;

- Finally, close relations with the strongest and most developed democratic society will inevitably affect the moral and political condition of the country, prevent its further degradation and enhance modernization impulses in the socio-political and moral spheres.

2.3.7.2. The United States is no less interested in close and even friendly relations with Russia:

- Russia is ready and able to cooperate with the U.S. on global issues to a much greater extent than other «new» centers of power. China, India and Brazil have different visions of global threats. They want to change the status quo in the pattern of global problems management and are not ready for systematic cooperation. Traditional allies in Europe are increasingly «withdrawing into themselves» and becoming weaker. The United States has actually no one to rely on besides Russia. The Obama administration has failed to qualitatively improve its relations with anyone but Russia. Projects of building strategic partnerships with China and even India have either failed or stalled. Washington is unable to build an effective partnership even with Europe.

- Whereas China is the main promising partner of the U.S. for discussing the world economy, Russia is objectively indispensable for managing international security. Thanks to its geostrategic position, nuclear arsenal, status in the UN Security Council, participation in major international crisis-settlement formats and, finally, its strategic culture and global vision of the world, Russia is a player who wants to play. Other partners no longer want — or are not yet willing — to play.

- Only close interaction with Russia (while engaging other centers as well) can help the United States stop further proliferation of nuclear weapons, including a prob-
able «chain reaction» in the Greater Middle East.

- Without close friendly cooperation with Russia (with the participation of other countries), the U.S. will not stop the avalanche-like destabilization of the Gulf region and the Middle East, which will almost inevitably become aggravated after the withdrawal of the United States and NATO from Iraq and Afghanistan, and after Iran acquires a nuclear capability in this or that form. Russian assistance is essential for ensuring the U.S.’s withdrawal from Iraq and, especially, Afghanistan on more acceptable terms. Without that, the outcome of the wars will look like an even heavier defeat.
- Finally, friendly or even selectively allied relations with Russia will allow the U.S. to prevent Russia’s possible sliding (considering the current trends in its internal development) to the position of a peripheral partner of China, which will boost the latter’s geopolitical weight. The building by the United States of close friendly relations with Russia will have a stabilizing effect on China’s policy — just as the friendly Russian-Chinese relations have a stabilizing effect on U.S. foreign policy. Building a system of trilateral cooperation and a discussion format between the U.S., Russia and China on matters of Asia-Pacific cooperation and security will be a win-win for all the three parties and the rest of the world.

2.3.8. But most importantly, America and Russia have many common interests related to global and regional problems. With the ongoing transformation of the international system, the number of common interests is only increasing, whereas the number of conflicting interests is objectively decreasing. It is the national interests of the parties in the new international conditions that require that Moscow and Washington build friendly relations and selective alliance that require that Moscow and Washington build friendly relations and selective alliance. Confrontation between Russia and the United States, their perception of each other as potential adversaries and rivals, and a policy of establishing balances against each other do not meet their national interests.
3. The U.S.–Russian Relations at the Present Stage: The Achievements and Drawbacks of the «Reset»

3.1. The Main Achievements of the «Reset»

3.1.1. The U.S.–Russian relations have improved considerably since the announcement of the «reset» in relations between the two countries. This improvement was not a result of and is not accompanied by Russia’s ceding its political or geopolitical positions, as often happened in the past. Moscow and Washington have overcome the threat of a new confrontation that was quite real in late 2008. They have proven their ability to produce positive «cooperation products» and attain tangible results. As of now, the major such «product» is the new Strategic Arms Reduction Treaty (START). By achieving its ratification before the end of 2010 at the cost of enormous political efforts and even concessions on domestic issues, the Obama administration has proven its interest in preserving the achievements of the «reset» and in continuing the policy of building more constructive and partner relations with Russia.

3.1.2. Washington has realized that it needs Russia’s support in implementing its new «big strategy» and meeting its key foreign policy priorities //Improving relations with the leading centers of power in the world and building partnerships with them along the lines of common interests; demonstrating an improving situation in Afghanistan by building up troops and military activity; imposing new sanctions against Iran; resuming nuclear disarmament, stepping up nuclear non-proliferation by strengthening the Nuclear Non-proliferation Treaty regime.//. This is what made groundwork for the «reset» policy. Russia, too, has displayed understanding of the significance of cooperation with the U.S. for the modernization of its economy, implementation of its interests in the post-Soviet space and in the sphere of European security, and for carrying out a more successful policy in relations with the European Union and China.

3.1.3. The prime indicator of the success of the «reset» is that the U.S.–Russian relations have acquired a balanced nature. Russia supports the U.S. in issues of the international
New START – attempt three

Reduction of deployed strategic nuclear weapons in Russia and the United States

<table>
<thead>
<tr>
<th>Country</th>
<th>Warheads</th>
<th>Launchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>3,897</td>
<td>1,550</td>
</tr>
<tr>
<td>United States</td>
<td>5,916</td>
<td>1,550</td>
</tr>
</tbody>
</table>

The treaty relates to the following combat-ready weapons:

- intercontinental ballistic missiles (range of more than 5,500 km) and missile launchers
- submarine-launched ballistic missiles (range of more than 600 km) and missile launchers
- heavy bombers (range of more than 8,000 km) with nuclear missiles

political agenda that are significant for Washington, and even goes as far as to partially revise own tactical interests — as long as this does not contradict its vital interests. For its part, the U.S. reduces activities on those foreign policy directions that cause the greatest concern for Russia, makes less emphasis on those of its national interests that sharply contradict Russia’s interests. In a number of cases, it adopts the Russia-proposed agenda and contributes to the implementation of certain important Russian interests — provided they do not pose a big threat to the positions of the Obama administration.

3.1.4. For example, the U.S. has reconfigured its approach to and even its interests in the post-Soviet space, which has softened the rivalry between Moscow and Washington in the region and moved it into «the latent phase.» The issue of NATO expansion to former Soviet republics has been taken off the immediate agenda, and Washington — for the first time during the entire post-Soviet period — has officially stated its consent to Ukraine’s non-bloc status. The United States took a calm and neutral stance on the strengthening of Russia’s positions in Ukraine and Kyrgyzstan, and has stopped to view their rapprochement with Russia through the prism of «the zero sum game.» In addition, Washington downgraded the significance of the remaining differences with Russia in the region (over Georgia) and does not let these differences block cooperation in other issues.

3.1.5. Russia and the U.S. have stepped up the dialogue over European security. Although the United States still does not share the Russian vision of how to resolve the problem of Europe’s persisting geopolitical split and the uncertainty regarding Russia’s place in it, it has begun to acknowledge the problem, in the least. By way of response to Dmitry Medvedev’s initiative on the European Security Treaty, Washington offered Moscow an ambitious (although hardly feasible) project to create a cooperative Russia-NATO tactical missile defense system. The U.S. offered Russia a trial idea (which largely agrees with its
position of the 1990s) on giving some more authority to the Organization for Security and Cooperation in Europe (creating a conflict prevention mechanism, etc.).

3.1.6. Moscow and Washington have intensified their economic dialogue, including on high technology, innovations and modernization, and signed agreements on science and technology partnership (although the discussion of the possible use of the U.S. as an external source for Russian modernization has been largely formal and demonstrative so far). By October 2010, Russia and the U.S. had declared that they had completed the WTO talks (later it turned out that it was not entirely true) and removed one of the main obstacles to Russia’s joining this organization and an irritant in the U.S.-Russian relations. Lastly, the Obama administration has lifted the unilateral sanctions against a number of Russian organizations which had been imposed for their cooperation with Iran.

3.1.7. For its part, Russia withdrew its demand for imposing limitation on the U.S. missile defense policy within the framework of the talks over the new START, and thus ensured that it be signed before the nuclear security summit convened by Washington in April 2010 and before the May 2010 NPT Review Conference. It thereby made a sizable contribution to the implementation of the new U.S. nuclear strategy. Russia supported new UN sanctions against Iran and reversed its decision to supply advanced S-300 missile systems to that country. Lastly, Russia has intensified cooperation with the U.S. over Afghanistan (ground and air transit corridors, training of police and drug police for Afghanistan, supplies of armaments, etc).

3.1.8. The re-launching of the «frozen projects» in nuclear power engineering came as a benchmark in the improvement of the U.S.—Russian relations. An Agreement for Cooperation in the Peaceful Uses of Nuclear Energy (Agreement 123) came into force; the parties signed for the second time an accord committing each to recycle 34 tons of weapon-grade plutonium and resumed discussion over creating a mechanism for the exchange of information on launches of ballistic missiles and space launch vehicles.

3.1.9. Russia and the U.S. have stepped up interaction at many levels, including through a newly created Presidential Commission. Its activity, although somewhat formal at times, is becoming more meaningful.

3.1.10. One of the main achievements of the «reset» is that the Russian elite no longer has the reasons to present the U.S. as nearly the greatest threat to Russia’s security and international political positions, as was the case in the second half of the 2000s (although such attempts — hopefully, subsiding — are still being made). Traditionally anti-Russian forces in the United States are also yielding their positions. As a result of the changes in the U.S. policy in the post-Soviet space and the U.S. stance on Russia’s participation in the European security system, the threats and challenges common to Russia and the U.S. now obviously outweigh the challenges posed by the U.S. policy towards Russia. The U.S.—Russian relations have acquired the logic of pragmatism and are now driven by the parties’ interests — the way they are understood by the political leadership of the two countries.

3.1.11. However, there remains a value gap between the two countries, which stands in the way of their rapprochement. America is suspicious about the model of an authoritarian corrupt state, which has by now emerged in Russia, even though the latter has proclaimed its desire to build a developed democracy. Russia takes the U.S. rhetoric and efforts to spread its model in the world as a cover for expanding the zone of American political, economic and even military (before the suspension of NATO expansion) influence. But this gap is incommensurable with the abyss that divided the two countries during the Cold War, while mutual suspicions that the other party wants to expand the sphere of its influence are an increasingly obvious atavism and the inertia of the past rivalry which prevents the countries’ rational rapprochement.
3.2. The Main Drawbacks of the «Reset»

3.2.1. The main drawback of the «reset» is that it is facing the past in terms of its content, while the improved U.S.—Russian relations lack a strategic perspective. Conceptually, these relations stand apart from the new trends in and challenges to international development that are gaining momentum. The greater part of the achievements of the «reset» and the persisting differences between Russia and the U.S. reflect the old agenda and the old paradigm, according to which Moscow and Washington had to balance — including by arms control — each other’s military-strategic might. This paradigm suggesting that the greatest threat to Russia and the U.S. emanates from each other has lost relevance.

3.2.2. The theoretical capability of Russia or the U.S. to destroy each other makes a stabilizing impact upon their relations and excludes, rather than creates, the possibility of the emergence of a real military threat to Russia from the U.S. or vice versa. Mutually assured destruction (MAD) has been and will be part of the reality of the U.S.—Russian relations. But the assumption that MAD «constitutes the material and technical foundation» for these relations and inevitably implies that Russia and the U.S. secretly pursue a hostile policy towards each other is but groundless old-style thinking. Mutual deterrence remains, but the civilizing role of the strategic nuclear potentials comes to the foreground today.

3.2.3. Essentially, many achievements of the «reset» policy came as a result of «clearing the debris» of the 1990s and the 2000s, i.e. implementing (and making certain additions to) the plans that had not been realized then. For example, Moscow and Washington reanimated the agreement on recycling weapons-grade plutonium, the project to set up a center for the exchange of information about missile launches and the agreement on cooperation in peaceful atom. Washington now tries to reanimate CFE Treaty. One cannot fail to notice that the joint statements made at the Russia-U.S. summit in Washington on June 24, 2010, repeated many points of the Declaration on Strategic Framework of the U.S.—Russian Relations adopted by Vladimir Putin and George Bush at the Sochi summit in April 2008, when the U.S.—Russian relations were already at a downturn.

3.2.4. Although much of the present-day U.S.—Russian agenda is the response to the
threats that emerged after the end of the Cold War and they have an important significance in international politics, these threats no longer belong to the most dangerous fundamental challenges. And even if they do, the U.S.—Russiann response to the new challenges is often based on the admittedly obsolete or incorrect premises that do not match the present-day realities. For example, such are the attempts to strengthen the non-proliferation regime by traditional methods (demonstration by the nuclear superpowers of their commitment to nuclear weapons reduction or punctual strengthening of the International Atomic Energy Organization). At present, these measures are insufficient. More coordinated pressure on Iran and North Korea is needed, along with the efforts to work out models for providing stability in the conditions of nuclear multipolarity.

Another crucial achievement of the «reset» is less competition in the territory of the former Soviet Union. It is impossible to skip it while trying to secure friendly Russia-U.S. relations. Yet viewing it as an ultimate achievement is unjustified either, because an improvement of the U.S.—Russian relations with regard to the CIS without stepping up cooperation in confronting new challenges and threats does not make Russia or the U.S. more influential and will not ensure their security in the new world.

3.2.5. The greater part of the remaining contradictions between Russia and the U.S. involve the problems that no longer exist or do not deserve the attention they are being paid.

- Russia continues to view as an irritant, if not a threat, the Obama administration’s policy to build a missile defense system in Europe. Washington’s refusal to take a truly multilateral approach to this issue and the insufficient transparency of its actions do not enhance mutual confidence, but it would be incorrect to say that these plans pose a danger to the Russian strategic nuclear deterrence potential. The same holds true for Russia’s concern over U.S. plans to deploy long-range ballistic missiles equipped with non-nuclear warheads (Prompt Global Strike), which are hardly feasible in the foreseeable future. Anyway, they are unlikely to pose a serious threat to Russia’s strategic deterrence potential.

- For its part, the United States raises the issue of cuts in the Russian arsenal of tactical nuclear weapons — which by no means threatens it or NATO countries in Europe — only for the reason that Russia has a quantitative superiority and because it just needs to continue — somehow — the process of nuclear weapons reductions. As a result, Russia and the U.S. trade accusations and claims which start to live their own life that has nothing to do with the real international situation and cause serious damage to their relations.

3.2.6. Russia and the U.S. have not overcome their obsolete geopolitical controversies. The solution of many of them has been postponed or they have become latent. For example, the
U.S. has not changed its basically negative stance on Russia’s strengthening its positions in the post-Soviet space and on the development of the Russia-led integration project. Today this stance has less tactical influence on the practical agenda of the U.S.—Russian relations than before. The accumulation by Russia of a «critical mass» of successes in the post-Soviet space or the emergence of new instability in the Caucasus or Central Asia may again put the parties’ rivalry in the region on the top of the agenda of their relations. On the part of Russia, the logic of geopolitical confrontation with the U.S. is manifested in its policy towards some anti-American states (Iran, Venezuela and Syria), which Russia has been pursuing largely in revenge for Washington’s support of anti-Russian regimes and groups in the post-Soviet space.

3.2.6.1. Meanwhile, even a limited success of integration projects in the former Soviet Union will not turn Russia and its potential allies in these projects into a challenge to the United States, especially into a military-political challenge. No less senseless and even counterproductive is Russia’s symbolic counteraction to the U.S. where the latter has already lost or is losing its dominance due to objective circumstances. Indeed, Washington will never be able to return to the Monroe Doctrine, while Russia will not dominate Eurasia, which geopolitics of the past century feared so much.

3.2.7. Both parties, and especially the U.S., while declaring the objective to build a Whole Europe with an indivisible security space, in actual fact contribute to its persisting split. Guided by the old geopolitical conceptions, the U.S is still apprehensive of a whole Europe with a strong Russia, and therefore stands for the strengthening of the NATO-centric order there, to which Moscow might be «fastened» as a junior partner, at best. In Russia, the majority of the ruling elite call for creating a bipolar Euro-Atlantic space represented by NATO and the EU on the one part, and the CSTO and the CIS, on the other, with both parties being equal. This kind of order would mean a revival of bipolar Europe and appear as a farce after the Cold War tragedy. It must be noted though that Russia’s idea of a new European Security Treaty still aims at building a whole Europe. Our idea of creating an Alliance of Europe also has the same aim.

Both parties, and especially the U.S., while declaring the objective to build a Whole Europe with an indivisible security space, in actual fact contribute to its persisting split. Guided by the old geopolitical conceptions, the U.S is still apprehensive of a whole Europe with a strong Russia, and therefore stands for the strengthening of the NATO-centric order there, to which Moscow might be «fastened» as a junior partner, at best.

3.2.8. Therefore, despite the past two years of improvements, the U.S.-Russian relations remain fragile and unstable in the face of international political and especially domestic political risks. The relations may worsen if Russia and the U.S. again change the priorities in their foreign-policy interests and downgrade the significance of those of them that have ensured their political will to cooperate and minimize the negative impact of their disagreements. It may occur as a result of a sharp aggravation of one or several contradictions between Russia and the U.S. (i.e. escalation of violence in the Caucasus), changes in domestic policies in one or both countries, or a failure of the current U.S. «Big Strategy» and a change to the «new-old» foreign-policy course.

3.2.9. This multiplies with the parties’ persisting low mutual confidence and great mutual suspicion regarding each party’s motives and actions. This is especially characteristic of Russia, which is very suspicious of not only U.S. policy in the CIS, but also the motives behind its involvement in Afghanistan and its counteraction to Iran’s policies. For the U.S., the rejection of many elements of the Russian political system will remain a permanent negative factor.
4. Renewing of the U.S.—Russian Agenda

4.1. Preamble

4.1.1. We believe that U.S.—Russian relations can and should be radically restructured within the current decade or next 10—15 years. However, the proposed new philosophy of their relations cannot be introduced overnight by simply leaping over conflicts persisting from the past. New elements should be introduced along with a constructive solution of problems inherited from the past, while trying not to aggravate them by using outdated solution mechanisms.

4.1.2. Russia and the U.S. should maintain and develop those mechanisms that make their mutual relations more robust and rich already now. These mechanisms include informal and trust-based dialogues between the elites and public groups and, most importantly, the U.S.—Russian Bilateral Presidential Commission which has already started working and prepares decisions to be taken at the top level and implements them.

4.1.3. Meanwhile, one should not forget about objective limitations, either. The two countries’ interests simply do not intersect in many areas. In the foreseeable future, the value gap between them will persist, which will prevent their rapprochement, especially on the U.S. part. At the same time, it would be incorrect to overemphasize the differences between the two countries. Such attempts often conceal Russophobia and anti-Americanism, persisting from the Cold War times. The United States maintained in the past or maintains now de-facto allied relations with countries such as Iran under the Shah, Spain under Franco, Pakistan,
Saudi Arabia and many others, the value gap with which was/is much broader than the gap with Russia of today. In contrast, Russia is building relations with some democratic states in Europe, which increasingly really (although not formally) resemble allied relations, and is seeking to build such relations de jure.

4.2. What Is to Be Done with the Old Agenda?

4.2.1. The Post-Soviet Space

4.2.1.1. Since interaction by Russia and the U.S. in the post-Soviet space remains a determining factor for bilateral relations, the parties should begin honest consultations over the models of relations in the region and the development of positive cooperation there. A joint review of threats to security and development opportunities in the region may become a positive guideline. Many estimates may coincide, while many differences and suspicions may be smoothed over.

4.2.1.2. After that it would be advisable for Russia and the U.S. to have an open and earnest dialogue about what interests they have in the territory of the former Soviet Union — and not just in general categories, but with regard to specific countries in the region. For example, it makes sense to discuss the bounds of Russia’s strengthening in the CIS (which, if trespassed, would be regarded by the American political elite as inadmissible), as well as to define what kind of U.S. involvement — in specific actions — in the CIS region Russia will regard as critical. This will not only help draw the «red lines» in relations in the post-Soviet space, but also identify shared interests.

4.2.1.3. As a result of this dialogue it may appear that the U.S. will find as unacceptable not just any strengthening of Russia in the former Soviet Union, but only the establishment of its full hegemony there. It may also turn out that support of explicitly anti-Russian regimes in the Post-Soviet space is not in the U.S.’s national interests. This would create preconditions for cooperation, for indeed in the current conditions Russia’s hegemony in the region is neither feasible nor needed. Perhaps, such a dialogue should be conducted at the expert level and with the use of the «second track diplomacy.»

4.2.1.4. In the short term, it is expedient to invigorate cooperation between Russia and the U.S., involving also the EU, to resolve the Trans-Dniestria and Nagorno-Karabakh conflicts. This will demonstrate the ability of both parties to overcome the logic of «zero-sum game» and to settle regional conflicts.

4.2.1.5. With respect to Georgia, Abkhazia and South Ossetia it is expedient to promote the conclusion of agreements not to use military force against each other. The more so since a number of EU countries (such as France) came out for them lately. These agreements will not ultimately institutionalize the independence of Abkhazia and South Ossetia, but serve as a precondition for their dialogue with Georgia in general. Finally, it is worth thinking about expanding access for international observers to Abkhazia and South Ossetia — on the condition that a separate agreement be concluded, which would either not qualify their status at all or would declare them as independent entities subject to the operation of international law. This measure will not change the status quo in the region, but will let the White House declare progress on a foreign policy issue important for the U.S. (and the Republicans). Today this proposal might seem unrealistic. However, in the contemporary world what is unrealistic today might turn out evident overnight.

4.2.1.6. There is a need for a frank dialogue that is currently nowhere in sight. If the U.S. says that even tacit consent to Russia’s violation of Georgia’s territorial integrity is unacceptable, because it views it as a precedent for restoring a «Russian empire» by force, it will be a clear argument and create greater prerequisites for the two parties to produce sustainable contacts. The currently used arguments, such as respect for the «internationally recognized» territorial integrity and «consequences of aggression,» merely multiply suspicions. After
NATO, CIS and Russia

4.2.2. European Security

4.2.2.1. The gradual removal of the problem of Russia’s partial exclusion from the military/political Europe and the Euro-Atlantic region, as well as its isolation from the NATO-oriented system of decision-making on European security is possible through promotion of a dialogue with the U.S. along three lines. It would be reasonable to further discuss Russia’s initiative concerning a new European Security Treaty and impart new ideas and proposals to it. For instance, the draft treaty might include provisions like the guarantees of territorial integrity, the right of nations to independently choose ways to ensure their security, measures that would guarantee a transparent arms control system, etc.

4.2.2.2. It is worth expanding cooperation between Russia and NATO, as well as NATO and the CSTO, and strengthening the NATO-Russia Council. Russia–NATO cooperation on Afghanistan might serve as a foundation for this. It makes sense to revert to the idea of turning the NATO–Russia Council into the main decision-making instrument on Euro-Atlantic security issues, especially those that have vital significance for Russia.

4.2.2.3. One of the ways to overcome the European split would be to build a de facto...
4.2.2.4. Russia and the U.S. might undertake a series of practical steps aimed at consolidating security and trust in the Euro-Atlantic region. For instance, they might offer cross guarantees of territorial integrity and security to non-bloc countries of the CIS (like Ukraine) as an alternative to the accession to NATO, and thus support their non-block status. Moscow and Washington might also put forward an initiative urging the OSCE member-states to reaffirm their commitment to the non-use of force, or threat of the use of force, against one another. Besides, they might jointly initiate the signing of a full-format peace treaty with Germany, thus reinforcing the Russia-U.S.-EU trilateral cooperation on the problems of European security.

4.2.2.5. The problems of control over conventional armed forces in Europe and the reanimation or readjustment of the Treaty on Conventional Armed Forces in Europe (CFE) requires much caution on the part of both Russia and the U.S. Although the step may seem justified //It was Russia that advocated a conclusive ratification of the CFE. Besides, if one proceeds from the traditional logic of security, the current NATO superiority over Russia in conventional armaments makes Russia objectively more interested than NATO in the presence of conventional arms control regime in Europe and transparency rules. If the latter are absent for a long period, Russia and NATO may start looking at each other with suspicion again//, it may consolidate the traditional philosophy of balances existing in Russia-U.S. and Russia-NATO relations. Resuming the negotiation process will again position Russia and NATO as potential enemies and will fuel militarization of European politics. Furthermore, the reanimation of the CFE may fertilize the soil for launching Russia-U.S. talks on the reduction of the tactical nuclear arsenals //Washington could...
make at least a small step to meet Moscow halfway on conventional armed forces in Europe (for instance, by removing the "flank restrictions" and lifting the demands on the "Istanbul Commitments") and say that it is time to get down to slashing the tactical nuclear weapons now that Moscow’s concerns have been eliminated/. Finally, the discussions of the CFE as such may weaken Russia’s initiative on drafting a new European Security Treaty, which also contains a certain vision of a new regime of control over conventional armed forces in Europe.

4.2.2.6. The CFE treaty’s two core functions — averting a major war in Europe and maintaining a military balance there — do not seem to be pressing today. The real threats to military security in Europe have either a supra-regional or a sub-regional character and are linked to the conflicts in the Balkans and in the Southern Caucasus. Accordingly, it would be much more prudent to devise sub-regional mechanisms of security and arms control in problem regions, and confine pan-European security measures to the maintenance of confidence-building measures and transparency, including those envisioned in the operational CFE. They can be singled out into a separate treaty.

4.2.3. Further Reductions of Nuclear Weapons

4.2.3.1. The ratification of the New START Treaty emphasized achievements of the «reset» of the U.S.—Russian relations; at the same time, it has created new risks. The parties face the problem of further reductions of nuclear weapons, in which their positions differ significantly. The difference is obvious if one compares the resolutions on ratification of the New START Treaty by the Russian State Duma and the U.S. Senate, which are in many ways opposite. The United States view the ratification of the Treaty as a step towards further reduction of nuclear weapons, above all, towards «addressing the disparity» between Russia and the U.S. in tactical nuclear weapons, i.e. towards unilateral reduction of Russian tactical nuclear weapons. Moscow considers the levels set by the Treaty for strategic nuclear forces to be sufficient for the coming 10 years; it also seeks to delay as much as it can the launch of negotiations on tactical nuclear weapons and links them with unilateral withdrawal of American tactical nuclear warheads from Europe (although they threaten no one and even help stabilize the military-political situation there).

4.2.3.2. Contradictions between the sides with regard to further reductions of nuclear weapons (after the New START) could be brought to a minimum if Russia and the U.S. revise the very philosophy underpinning their approaches to their relations in the field of nuclear weapons and their own nuclear arsenals (for more detail see Paragraph 4.4). Neither Russia nor the U.S. has a clear idea of the specific quantitative level of nuclear weapons arsenal sufficient for guaranteeing military security and for maintaining strategic stability including for keeping the gap between the size of the Russian and the U.S. nuclear arsenals and
The U.S.—Russia Relations after the «Reset»: Building a New Agenda. A View from Russia

4.2.3.3. It might make sense for both Russia and the U.S. to launch an earnest discussion of these issues. Then they might arrive at the conclusion that it would be more prudent for Russia and the U.S. to determine their policies on their strategic nuclear forces not by each other’s potentials and not by the idea of «parity,» which is becoming obsolete, but by the capabilities and intentions of third countries. As a compromise solution, Russia and the U.S. might make a new round of nuclear arms reductions «after the START treaty,» provided China, France and Britain sign a legally binding agreement that would pin down their commitments to refrain from building up their nuclear arsenals above the current levels.

4.2.3.4. It is much more difficult to minimize the differences between Russia and the U.S. in the sphere of tactical nuclear weapons, which Washington would like to cut on a first-priority basis in the framework of a new round of nuclear arms reductions. The problem hinges on NATO’s quantitative advantage over Russia in conventional armed forces, the uncertainties in Russia-NATO relations and Russia’s de facto exclusion from the NATO-centric security system in Europe. Last but not least, Russia needs tactical nuclear weapons to avert the rise of fears over the «Chinese threat» in the future. Attempts to slash Russia’s advantage over NATO in the tactical nuclear weapons will only strengthen the logic of suspicions in Russia-U.S. and Russia-NATO relations.

4.2.3.5. It would be reasonable to consider the introduction of a unified system of accounting of strategic nuclear forces and tactical nuclear weapons (although this might involve a range of technical difficulties) and their possible reduction in a single pool rather than separately. The differences between them, introduced in the Cold War years to facilitate negotiations, are largely artificial and probably outdated. As for the limits on such categories of weapons as intermediate-, medium- and short-range missiles, they certainly belong to the past.

4.2.3.6. Most importantly, it would make sense to seek a format for Russia-NATO relations that will make the problem of Russia’ superiority in tactical nuclear weapons and NATO superiority in conventional weapons disappear, as this superiority would not be viewed as a military threat
4.3. The Logic of the Renewing and the General Principles of the New Agenda

4.3.1. Making the U.S.—Russian relations stable, positive and capable of withstanding changes in the international and domestic political situation directly depends on the parties’ ability to markedly renew the philosophy and content of their relations. The current relations still have elements of confrontation, along with elements of cooperation done according to the old agenda. The essence of the renewing is to set a strategic goal making the relationship between Russia and the U.S. friendly — and, in certain cases — allied, and open to engage other countries. The new model must be based on correct estimation of own and common interests, joint adaptation to new international development trends, joint counteraction to new challenges and threats, and joint use of the new opportunities.

4.3.2. Currently Russia and the U.S. are not enemies or potential antagonists (although part of the elites of both countries continues to regard them as such due to the old-style thinking). Furthermore, Russia and the U.S. act as allies in the face of new challenges and threats and the growing disorder in international relations. Yet it would be incorrect to set a goal of the U.S.—Russian relations evolving into a full-fledged alliance. An equitable alliance would rather be an exception for U.S. political identity and history. For Russia, which views itself a center of power in its own right and an independent strategic player, a position of a «junior ally» is unacceptable.

4.3.3. It would be more correct to talk about a friendly relationship between Russia and the U.S. with elements of alliance wherever it is possible or expedient, not about a full-fledged alliance between the two countries. Seeking ways to respond to new challenges and threats will revive the philosophical bond of the U.S.—Russian relations with both major trends in the international development and objective interests of Russia and the U.S.

4.3.4. By adopting a new philosophy and agenda, Russia and the U.S. would develop a new «positive mutual dependence.» It would be based not on their internal factors and manifested not in their economic cooperation, but on the need for each other in an effective collective response to the challenges of the international environment. In the foreseeable future, the U.S.—Russian economic cooperation is unlikely to reach a level that would make it a major stabilizing factor for their relations. Rather, it will play an auxiliary role, for example, by facilitating the much needed modernization of the Russian economy.

4.3.5. Focusing on the new global and regional problems suggests not so much U.S.—Russian bilateral cooperation or even an alliance, as their cooperation in creating various formats for multilateral interaction between major centers of power, with the participation and possible leading role of Russia and America. Since neither the U.S., nor — all the more so — Russia, nor both of them together can act as the sole leader any more, it appears impossible to overcome the growing disorder of international relations and resolve the key regional problems only within the framework of the U.S.—Russian bilateral cooperation. It would be more productive for Moscow and Washington to co-organize collective actions in broader formats, such as tripartite interaction in Russia-U.S.-China or Russia-U.S.-EU formats. These formats may fit perfectly into Russia’s relations with the EU //An Alliance of Europe, which would be expedient for Russia and the EU to create on the basis of common economic, energy and human spaces and close foreign-policy cooperation, might be one of the pillars of Russia-U.S.-EU tripartite relations. On the concept of the “Alliance of Europe” see: http://vid-1. rian.ru/ig/valdai/Alliance%20eng.pdf// and China, the way they are envisioned by Russia.

4.3.6. Focusing on the collective response to new challenges and threats will help Russia and the U.S. facilitate the settlement of existing contradictions. The latter may appear insur-
mountable only if the old paradigm prevails. According to this paradigm, Russia and the U.S. are the main threats to themselves; MAD is the material and technical basis of their relations, and the parties must look for balances and countermeasures. Switching Moscow and Washington to addressing new threats and challenges will make the need for these balances and countermeasures less prominent.

4.3.7. The renewing of the Russia-U.S. agenda includes three elements, in the least. First, it suggests forming a new agenda that would reflect the new challenges and threats, and adapting the current guidelines for cooperation between the two countries to the real international environment. Second, the parties need an optimal approach in order to resolve Russian-U.S. contradictions //Of course, it is hardly possible to renounce the old agenda and adopt a new one on short notice. An overwhelming majority of the elites of the two countries find themselves within the scope of the traditional paradigm of Russian-U.S. relations. Also, the current agenda of Russian-U.S. cooperation is important for improving the climate of their relations and forming a tradition of constructive cooperation//. Third, they should overcome the philosophy of military deterrence, which continues to prevail in the U.S.—Russian relations and interferes with the parties’ efforts to develop a long-term partnership on the basis of shared interests.

4.3.8. To overcome the deterrence philosophy, the Russian and U.S. political elites must have a clear understanding that the very existence of military potentials and the physical capability to destroy each other do not automatically program their relations towards deterrence. It only emerges when the availability of military hardware assumes the nature of threat, which is basically a feeling, political and psychological. Importantly, the parity in, or approximate numerical equality of the strategic forces does not imply either the presence or absence of a hypothetical threat. For example, having slightly less than 2,000 nuclear warheads now, the parties cannot, even theoretically, pose a real military threat to each other. And when they have 200 warheads each, placed, for example, on 40 ICBMs (minimum deterrence), they will have to fear a preemptive disarming strike; and certainly the importance and danger of third countries’ potential will grow. Such «minimal deterrence» might be the worst possible nuclear posture for both sides.

4.3.9. Objectively, neither Russia nor the U.S. is a threat to the other today. Being a political and psychological, rather than a material and technical problem, deterrence can be overcome not by the cuts in nuclear arsenals, which is becoming increasingly difficult, but by building new friendly and allied, and not hostile, relations between Russia and the United States. To this end, each country first should convince itself that Russian or U.S. nukes are no longer a threat, improve the climate of their relations, overcome mutual suspicion and the tradition to view the other party’s moves
through the prism of competition and «zero sum game,» and, lastly, develop a tradition of mutual confidence.

4.3.10. Ideally, the U.S.—Russian relations in the nuclear weapons field should acquire the nature of relations between the United States, France and Britain, or between China and Russia. In this case, nuclear weapons will continue to play a civilizing and stabilizing role.

4.3.11. Russia and the U.S. need to enter into an in-depth strategic dialogue to define the role of nuclear weapons in the new world and in bilateral relations. As a result of this dialogue, many of the old dogmas may turn out to be counterproductive — not only the dogma of «mutual containment through deterrence» but also a morally attractive, although unrealistic and probably counterproductive, dogma of «nuclear abolitionism,» and even the old model of arms control, based on the assumption that weapons must necessarily be reduced. We need a new model of approach to the Russian and U.S. nuclear arsenals, and their joint reorientation to the maintenance of political and military stability in the world. As they rethink the role of nuclear weapons, the parties may come to the conclusion that the preservation of significant nuclear potentials is needed for «self-containment.» (When such «self-containment» weakened, the United States started its Iraqi adventure.) And certainly significant nuclear potentials are needed to restrain a conventional arms race and attempts by small nuclear powers to be on a par with the U.S. and Russia.

4.4. The New Agenda

4.4.1. Increasing Governability of the International Relations

4.4.1.1. Collective efforts to reduce the disorder in international relations and to increase their governability should be a long-term guideline for the new agenda of the U.S.-Russian relations. Moreover, a better governability and less disorder will be a prerequisite for building a friendly relationship between Russia and the United States, and, in some respects, a relationship of alliance. In case international relations, including relations among the great powers, grow more contradictory and conflict-prone, the chances for positive interaction between Russia and the U.S. will be minimal. //For example, one can hardly expect the emergence of friendly or allied relations between Russia and the U.S., if there is escalating confrontation between America and China//. Russia and the United States may contribute to strengthening international governability in any of the following ways.

4.4.1.2. Easing tensions and conflicts in relations between the great powers, above all, the U.S. and China. Both parties in their dialogue with Beijing should emphasize the feasibility of collective cooperation to address common challenges of global and regional scale, and push it towards a variety of trilateral and multilateral formats. In their bilateral dialogue, Russia and the U.S. should steer clear of any hints at an «encirclement» of China and its
The U.S.—Russia Relations after the «Reset»: Building a New Agenda. A View from Russia

prospective deterrence. It will make sense to seek «trilateral dialogues» whenever possible.

4.4.1.3. Preventing degradation of strategic stability in the world due to both the emergence of «nuclear multipolarity,» and the U.S.-suggested concept of «new strategic stability» (a significant reduction in strategic nuclear forces and simultaneous development of missile defense) and the Prompt Global Strike program. To this end, the parties should, as a minimum, maintain their nuclear arsenals at levels many times above the arsenals of other nuclear powers, and to more actively discourage the proliferation of nuclear weapons (for more detail see paragraph 4.2.2.). Above all, the parties should see the basis of strategic stability in the world not in the strategic deterrence of Russia and the U.S., but in «cooperative bipolarity» in the strategic nuclear sphere, which means that Russia and the U.S. retain their prevailing arsenals of strategic nuclear forces and cooperate in preventing nuclear proliferation and limiting the nuclear arsenals of other nuclear countries.

4.4.2. The U.S.—Russian Nuclear Alliance

4.4.2.1. One of the most effective ways of overcoming strategic deterrence for Russia and the U.S. will be to build allied or quasi-allied relations in the nuclear field focusing on the most conflict-prone regions of the world, and those regions which are problematic in terms of nuclear proliferation. A nuclear alliance of Russia and the United States may become a new support structure for a system of strategic stability in the world (instead of their mutual nuclear deterrence), one of the main tools to combat the spread of nuclear weapons and, finally, an important factor for stabilization in conflict regions around the world.

4.4.2.2. Such an alliance may suggest provision by the U.S. and Russia—and possibly by engaging some other countries—nuclear security guarantees to states in conflict regions, especially, in the Greater Middle East. Cross nuclear guarantees for the non-nuclear and non-bloc countries, especially in regions where the problem of nuclear proliferation is the worst may become a critical tool for reinforcing the nonproliferation regime. These guarantees must be accompanied by much tougher concerted sanctions against the abusers of the non-proliferation regime than those existing now, and guarantees of their inevitability, which requires direct participation by China, France, Britain and other countries.

4.4.2.3. A nuclear alliance of Russia and the U.S. could become the basis for them, as well as for China, the EU and Japan, to put more pressure on Iran and North Korea, which are currently the most dangerous «proliferators.»

Easing tensions and conflicts in relations between the great powers, above all, the U.S. and China. Both parties in their dialogue with Beijing should emphasize the feasibility of collective cooperation to address common challenges of global and regional scale, and push it towards a variety of trilateral and multilateral formats.

Analytical Report by the Russian Group of the Valdai International Discussion Club
4.4.2.4. If nuclear arms continue to spread, a U.S.—Russian nuclear alliance will furnish the basis for a preliminary discussion of the new rules and models of multilateral nuclear stability and for achieving a new level of coordination of nuclear policy. In particular, this may require revision of a number of international agreements which were elaborated over the years of the Cold War and the subsequent decade and which were based on the NPT, such as the Comprehensive Test Ban Treaty, the treaty on the Elimination of Intermediate-Range and Shorter-Range Missiles (INF). It may also require the development of new agreements.

4.4.2.5. At the regional level, the Greater Middle East may prove a «pilot project» in the activity of a Russia-U.S. nuclear alliance. Providing nuclear security guarantees to countries in the region, in conjunction with their further nuclear-free status, would contribute to solving the problem of Iran’s nuclear program and the risk of further proliferation of nuclear weapons in the region.

4.4.2.6. Finally, a nuclear alliance of Russia and the U.S. could become the basis of a broader cooperation of the sides on the Middle East. In particular, Moscow and Washington should begin a discussion of the risk of Iraq’s disintegration after the pullout of U.S. troops, Iran’s acquisition of nuclear capability or of a «threshold» status, the internal destabilization of several Arab countries in the region, an escalation of the Palestinian-Israeli conflict, or a conflict between Israel and Iran.

4.4.2.7. The risk of the most dangerous conflict in the long-term perspective — between Iran and Israel — can be reduced if Russia and America offer both countries security guarantees, including nuclear ones, on condition that Iran not cross the «nuclear threshold.» (Iran’s achieving the «threshold status» and capability to produce nuclear weapons is more than likely). But if Iran deploys nuclear weapons, nuclear guarantees will be required not only for Israel but also for other countries in the region, and a coordinated policy will be needed for nuclear deterrence of Iran.

4.4.2.8. Providing security guarantees, including nuclear ones, imposing harsh sanctions against violators of the non-proliferation regime, not to mention aggressors, and building on this basis a security system for the Gulf region and the Middle East would be the best, if not the sole, solution for reducing and eliminating Israeli nuclear weapons. Reliable nuclear guarantees from Russia and the United States and a regional security system seem to be the only guarantee of the survival and security of the state of Israel, and an alternative to the preservation of its nuclear arsenal.

4.4.2.9. There is a profound and still increasing security vacuum in the Gulf region. Moscow and Washington should actively contribute to the establishment of a multilateral forum, with a view to building a regional security system. It is only Russia and the United States that could become external guarantors. Of course, it would be also desirable to involve China, India and the EU or its individual members in these efforts.

4.4.3. Cooperation on Missile Defense

4.4.3.1. Today, the missile defense-related issues are one of the controversies on the agenda of the U.S.—Russian relations. However, it is worth trying to transform missile defense into a new sphere of the U.S.—Russian cooperation, which could even lay the foundation of an allied relationship.

4.4.3.2. To this end, both parties must realize, first of all, the virtual nature of the current controversy on this issue. The United States should develop the awareness that there is no real threat which could require building such a system, and that devising a plan to preempt the emergence of a possible future missile threat should be adopted in cooperation with Russia, not unilaterally //The chances that this recommendation will be followed are low in short term in view of U.S. domestic political
constraints (the desire of most Republicans to attain utopian “absolute security,” which, they think, can be achieved with the help of a missile defense, and the Iranian factor blow up as a convenient “threat”), and the factor of Israel. Nevertheless we believe this recommendation is logical and reasonable/. Moscow should realize that the Obama administration’s proclaimed goal of creating a multi-tiered missile defense system is unlikely to ever be achieved even in its European version — at least because the U.S. will be forced to slash military spending due to the accumulated budget deficit. And even if such a missile defense system is created, it is unlikely to pose a threat to Russia’s strategic deterrence potential. The parties need a serious and frank dialogue; otherwise a new arms race may emerge. Some in Moscow have already begun to talk of the need to deploy the next generation of heavy ICBMs to overcome a possible future strategic missile defense system. Such plans, as well as talk of a multi-layered missile defense system, damage relations between the two countries, and throw them back to the old paradigms.

4.4.3.3. The problem of the emergence of tactical missile defense elements near Russia’s

**U.S. missile defense system in Europe**

Possible deployment of elements of a new missile defense system

Earlier the United States planned to station ground-based missile defense systems in Poland and the Czech Republic. Washington later renounced this plan. The new program involves a more economical mobile option for Europe.

Deployment is planned in four phases

- **Elements to be deployed**
  - Aegis sea-based systems
  - SM-3 (Block IB) interceptor missiles
  - AN/TPY-2 sea-based mobile radar warning system
  - SM-3 (Block IIA) interceptor missiles
  - SM-3 (Block IIB) interceptor missiles

- **Targets**
  - Defense against regional missile threats
  - Defense against short and medium-range missile threats
  - Defense against medium- and long-range missile threats and intercontinental ballistic missiles

- **Deployment Schedule**
  - 2010
  - 2011
  - 2015
  - 2018
  - 2020

**Diagram**

- Standard Missile-3 (SM-3)
- Lightweight composite nosecone
- Warhead
- Third stage guidance section
- Third stage rocket engine
- Staging assembly
- Dual thrust rocket engine
- Steering control section
- Booster
borders (or speculations about their emergence) can be easily resolved through Russia’s participation in these discussions and in the process of the immediate deployment of such infrastructures. Russia’s proposal to build an interconnected «sectoral» missile defense system seems constructive at least as one of the starting point for discussion. An agreement on coordinated simultaneous development of «sectoral» missile defense systems, which would provide for the interception of missiles flying over either party towards the other and the protection of each other’s territories, would create de-facto allied relations. Missile defense would thus cease to be a separating problem and become a uniting factor. Such coordination of efforts and mutual commitments in missile defense would also be effective in keeping other countries from developing long-range missiles.

4.4.3.4. Implementation of this proposal would require great political will and readiness for compromise. in particular, Russia could at a certain stage waive its demand for «two keys» for activating the U.S./NATO or Russian missile defense (so that a decision to launch interceptor missiles could be taken only with the consent of the other party). This requirement is inefficient and not applicable in practice. In turn, the United States should revise its approach, under which exchange of information is the highest form of cooperation with Russia. Moscow’s proposal to create a joint U.S.—Russian/NATO missile defense headquarters, a joint early warning center and information analysis center will not weaken the United States’ and NATO’s future plans, but also for building a de facto alliance relationship in this sphere and attaining a genuine joint strategy.

4.4.3.5. As the first steps towards initiating such a dialogue one might make use of the United States’ declared commitment to allow Russian observers to its future missile defense facilities in Eastern Europe (should these ever appear), creation of a mechanism to exchange information on launches of ballistic missiles and space vehicles, as well as the Obama administration’s proposal to revitalize Russian President Vladimir Putin’s initiative of 2007 for the joint use of the Russian radars in Gabala and Armvir. Russia may use all of these initiatives for not just gaining access to the United States’ and NATO’s future plans, but also for building a de facto alliance relationship in this sphere and attaining a genuine joint strategy.

4.4.3.6. It makes sense to put before the U.S. again the question of recognizing the 1997 New York Protocol to START-2 (which has never taken effect) on the differentiation of strategic and tactical missile defenses, or to press for signing a new agreement — albeit in the form of a declaration — with the United States and/or NATO to regulate the development of missile defense systems in Europe. This could ease tensions over the Obama administration’s deployment of a tactical missile defense system and open up a window of opportunity for closer cooperation between the United States and Russia in this field.
Russia and the United States and Russia and NATO in establishing a non-strategic missile defense.

4.4.4. Cooperation on Afghanistan and Pakistan

4.4.4.1. In the short term, it is advisable that Russia and the U.S. and its European NATO allies intensify cooperation to combat the Afghan drug trafficking. As the United States has no immediate interest in actively suppressing the production of opium by destroying plantations, such cooperation may take the form of sharing with Russia and the CSTO more complete intelligence information on drug producers in Afghanistan and the routes of supply through Central Asia. Also, it would make sense for Russia to expand the supplies of arms and military equipment for the Afghan army. Moscow, perhaps, should also increase economic and humanitarian assistance to Afghanistan. Finally, it would be reasonable to increase Russia’s participation in the restoration of Soviet-built facilities in that country.

4.4.4.2. Given the fact that the U.S. and NATO have practically lost the war in Afghanistan, Russia and the U.S., together with China, India, the Shanghai Cooperation Organization and the EU/NATO, should hurry to enter into a dialogue in order to minimize the destabilizing effects Afghanistan will be radiating after the pullout of U.S. and NATO troops. It is advisable to start drafting joint or at least concerted action plans for ensuring the security of countries in Central Asia and for strengthening internal stability in Pakistan.

4.4.4.3. In view of the risk of Pakistan’s collapse and of Islamic radicals laying hands on its nuclear arms or materials, it might be expedient for Russia and the United States, with possible involvement of China and India, to initiate a dialogue on the prospects for that country’s development and stabilization, on the safety and security of its nuclear weapons and materials. Given the recent serious deterioration in U.S.-Pakistani relations, it would be imprudent to hope that the U.S. can protect that country’s nuclear facilities on its own. It may be advisable for Moscow to build up its involvement, including technical and advisory assistance to Islamabad, promotion of the Indo-Pakistani dialogue (there was this sort of experience in the past), and the development of an action plan in case of an internal political destabilization and possible loss of control of nuclear materials there.

4.4.5. Tripartite Cooperation with China

4.4.5.1. It would be expedient for Russia and the United States to consider the question of
establishing bilateral and multilateral cooperation on China and the problems associated with its strengthening, and to do so with that country’s participation in order to avoid any anti-Chinese overtones in this dialogue and make it more efficient. The dialogue should be started with evaluations of China’s further economic, political, and military-political development and its impact on the regional situation in Asia, Russia, the U.S., the EU, and the global economic and political situation.

4.4.5.2. Even the slightest hints at the possibility of the U.S.—Russian cooperation in containing China should be avoided. A vast majority of China-related issues, as well as broader issues of international stability and global governance, can be solved only on the condition of China’s constructive engagement. Accordingly, it makes sense to complement the bilateral U.S.—Russian dialogue on China with activities within the tripartite U.S.—Russian-China format (thus building up a permanent Dialogue of the Three or D-3, as Chinese experts put it). It is also advisable to bring into this dialogue the European Union, India, ASEAN countries, Japan, and other centers of power.

4.4.5.3. The creation of a multilateral security and development system in the Asia-Pacific region must be the key area of Russia-U.S.-China cooperation. It will eliminate the risk of a security vacuum that may objectively emerge as a result of the uneven development of the countries in this region. There are indications that China is beginning to realize the importance of creating such a system in order to forestall apprehensions of its growing power among its neighbor countries. The conception of such a system can be initiated by Russia and China, but a constructive approach to it on the part of the U.S. is highly desirable also.

4.4.5.4. It also looks expedient to start U.S.-Russian cooperation along the following specific bilateral and multilateral lines:

A tripartite Russia-U.S.-China dialogue on economic development and security in East Asia and the Pacific as a whole. With the construction of the Eastern Siberia-Pacific Ocean pipeline and the development of cooperation with Malaysia and Thailand in space exploration Russia is becoming a more significant player in East Asia than ever before. Russia, China, Japan and South Korea should discuss the possibility of creating a free trade zone in the northern part of the Asia-Pacific region (a second center of economic integration in the region — after ASEAN).

- A tripartite Russia-U.S.-China dialogue on the world finance, climate change, nuclear non-proliferation, North Korea, and integration processes in the Asia-Pacific Region.
- Discussions on the possibility of the United States joining the SCO — at the early stages, as an observer — with the reservation that Washington should abandon any ideas of creating any geopolitical configurations in Central Asia without Russia’s and China’s participation.
- Reinforced U.S.-Russian and Russian-American-Chinese cooperation in the APEC, including that on the agenda of Moscow’s presidency of the APEC in 2012.
- Intensification — with U.S. support — of trading and economic relations and political cooperation between Russia and U.S. allies in East and Southeast Asia.
- A broader dialogue between Moscow and Washington on the economic development of Siberia and the Far East, including raising resources from both the U.S. and its Asian allies (for detail see paragraph 4.4.6.).

4.4.6. The Siberia Project

4.4.6.1. One of the most promising areas of economic cooperation between Russia and the U.S. with the participation of China and other countries of the Asia-Pacific region and even the EU may be the development of Siberia and the Far East. Among other things, this may help prevent the risk of these areas falling under the economic (and, eventually, political) domination of China and the weakening of Russia’s sovereignty over the region.
In actual fact, China is not interested in this domination as it may bring consolidation and counteraction of external powers. The regions of Siberia and the Far East need external sources of modernization. Russia will not be able to promote their revival on its own. Yet the development projects offered by China are semi-colonial and resemble those proposed to African countries. In the meantime, the U.S. and other countries in Asia and the Pacific Rim are interested in access to natural resources in that region.

4.4.6.2. It would make sense for Russia to come out with an initiative to launch an international project for the development of Siberia and the Far East to draw companies and capital from the U.S., China, Japan, South Korea, India, ASEAN and the EU. It might be appropriate to launch this project within the framework of the APEC, using Russia’s presidency of that organization in 2012. The meaning of this project is to create Russia-controlled competition among many countries and companies in Siberia and the Far East and thereby strengthen Russia’s sovereignty over that territory. And also to provide increased international access to the resources of that territory.

4.4.6.3. The new rules of access for foreign companies should not resemble the production sharing agreements (PSAs) Russia concluded in the 1990s; rather, they should contribute to the influx of new technologies into the region and to launching — with the help of foreign capital — of processing, mining and high-tech industries there, including modern farming targeted towards fast-growing Asian markets. This will help reduce the influence of the anti-Russian lobby in the U.S. and create a group of influential businessmen and politicians interested in strengthening cooperation with Russia.

4.4.6.4. Multilateral participation of American, Chinese, Asian and European companies in the development — under Russian control — of resources in Siberia and the Far East, as well as the supply to China of finished agricultural, pulp and paper and energy products which it needs for growth and development, may have far-reaching positive geopolitical effects. Namely, this may ease U.S.-China rivalry on foreign markets (in Africa, the Greater Middle East and Latin America) and on the global scale in general, minimize the need for China to «win over» the needed resources through a build-up of the armed forces, and, consequently, encourage peaceful rise of China — beneficial for all.

4.4.7. The Arctic Project

4.4.7.1. There is a vast potential in the Arctic for positive interaction by Russia and the United States (again, with the involvement of other countries — Canada, Norway, and Denmark). They should abandon the current philosophy of competition for unexplored resources of the Arctic and prevent militarization of the region. They should get ready to use — jointly with
Sea routes in the Arctic: the Northern Sea Route and the Northwest Passage

There is a vast potential in the Arctic for positive interaction by Russia and the United States (again, with the involvement of other countries — Canada, Norway, and Denmark). They should abandon the current philosophy of competition for unexplored resources of the Arctic and prevent militarization of the region.

4.4.7.2. Cooperation between Russia and the United States, involving Canada, in developing the Bering Sea and the North Pacific in general, which is one of the least developed regions of the world, may prove an important part of this project. Its development will intensify trans-Pacific trade, become a visible symbol of positive cooperation between Russia and the United States and may become one of the most important contributions to the expansion of trading and economic relations between the parties in general. Creating a free economic zone of Kamchatka-Alaska or, more generally, of the Bering Sea, may prove a promising idea.

4.4.8. Cooperation in Combating International Terrorism

The agenda of cooperation between Russia and the United States in combating international terrorism also needs expansion. First and foremost, it will make sense to narrow differences between Russia and the U.S. in
their understanding of who should be branded international terrorists. This will help intensify efforts to establish an international legal framework for combating international terrorism (the UN Convention). Also, it will be possible to step up exchange of intelligence information and coordinate special operations against terrorist networks. It is advisable to conclude special agreements on cooperation by the security and intelligence agencies of Russia and the U.S. Given the transnational nature of the threat of international terrorism, Russia-U.S. cooperation in this area should be made part of multilateral efforts by the international community in the broadest possible format.

4.4.9. New Guidelines for Cooperation in the Economy

4.4.9.1. It is important to invigorate the stagnant dialogue between Russia and the United States in the field of investment //Washington is blocking talks on a bilateral agreement on mutual guarantees and investment promotion, because it doubts that in the context of domestic problems with the rule of law such an agreement will fail to become a reliable tool to ensure the interests of American companies//. It is worth discussing the possibility of creating additional guarantees for American capital, and foreign capital in general, above all in Siberia and the Far East. Given the fact that even technological modernization of Russia is impossible without a massive influx of foreign capital, and bearing in mind that corruption and the abuse of law in Russia objectively holds back foreign direct investment, Moscow should probably resume the idea of investment insurance and support by delegating these functions to state-owned bank or institutions.

4.4.9.2. It would be appropriate to consider again the possibility of opening branches of foreign banks in Russia, including U.S. banks, based on international banking standards, which will help improve the Russian banking system.

4.4.9.3. It is in Russia’s interests to build broader cooperation with the U.S. in the field of high technology and innovation, rather than attract American companies to Skolkovo. It is advisable to expand cooperation in space exploration (with particular emphasis on the period after 2020, when the lifecycle of the current International Space Station will expire) and to actively involve the two countries’ universities, research centers and companies into a dialogue on innovation. Russia and the U.S should expand cooperation on energy efficiency — above all, by creating preconditions for broadening the participation of American companies in upgrading Russian infrastructures (the utilities, water supply and transport), which is a major cause of wasteful spending of electricity and thermal power in Russia.

4.4.9.4. Russia and the U.S. should be more active in coordinating policies within international financial institutions (the IMF, World Bank) and regulatory forums (G20 and G8). Russian gold and foreign currency reserves are big enough for Russia to expect the G7 mem-
ber-states to take its opinion on world finance issues into account to a greater degree.

4.4.9.5. It would make sense to expand the agenda of Russian-American dialogue on trade. Alongside work for Russia’s accession to the WTO, it would be appropriate for major economies of the world to enter into a dialogue on the future of a new world trading system. Indeed, we are likely to see a gradual weakening of universal rules and institutions governing international trade and the strengthening of regional trading and economic blocs and alliances.

4.4.9.6. Finally, Russia and the U.S. should expand the agenda of cooperation in the sphere of peaceful atomic energy. This is one of the few areas where Russia is holding leading positions. Cooperation in this field was for many years held back by the U.S. which feared the strengthening of Moscow’s positions. This policy did not work and damaged the U.S. itself. Now great opportunities are opening up as the U.S.—Russiann Agreement for Cooperation in the Peaceful Uses of Nuclear Energy, called the 123 Agreement, has come into effect. Yet, the countries should go beyond commercial cooperation now taking shape in this sphere (trade in nuclear fuel). Firstly, it will be expedient to combine efforts to develop a new-generation nuclear reactor, which would substantially reduce Russia-U.S. competition in this area and enhance trust. The partners may also eventually develop joint international commercial projects in the markets of third countries. Secondly, the U.S. (as well as France and Britain) might furnish greater assistance to the International Uranium Enrichment Center that Russia and Kazakhstan have established in Angarsk. These efforts would contribute, among other things, to strengthening the nuclear nonproliferation regime.

4.4.10. Interaction in Science and Education

4.4.10.1. Science and education are among the most promising areas of U.S.—Russian cooperation. The U.S. remains the world leader in research and development, primarily in the sphere of high technology and innovation, as well as in the humanities. The leading American universities (Harvard, Stanford, Yale, Columbia, Georgetown, Princeton, etc.) will for long yet remain the best in the world. Meanwhile, Russia has seriously weakened its positions in these fields over the last 20 to 30 years. Having greatly destroyed the Soviet system of science and education, it has failed so far to create a new, competitive model and is already lagging behind countries that are developing fast in these fields, for example China. In this respect, close scientific and educational cooperation with the United States in the fields of technology and the humanities would be
In this respect, close scientific and educational cooperation with the United States in the fields of technology and the humanities would be exceptionally important for overcoming Russia’s current backwardness in technology and mentality, for modernizing the Russian economy and society, and building up the Russian economy’s innovation potential.

4.4.10.2. First of all, it would be advisable to intensify university cooperation, which has so far been sporadic and which is insufficiently financed. This cooperation must be made permanent. To this end, the parties may set up a special U.S.—Russian foundation and a special intergovernmental commission. There should be extensive student and faculty exchanges and internships. In addition to improving skills and competence and providing new expertise, they will create a basis for human and professional contacts required for building the proposed model of friendly and selectively allied relations between the two countries. The parties should systematize and intensify efforts to analyze, discuss and harmonize their educational programs, including the study of the curricula by the other party’s specialists. These efforts should first of all involve the leading Russian universities, which would later share the experience with other universities in Russia. Amidst the fast-changing world economy, politics and increasingly complicated and complex environment, it would make sense to work out, jointly and on a permanent basis, new educational standards and new curricula, and to develop new avenues of research.

4.4.10.3. Much importance should be attached to broader and deeper R&D cooperation between Russian and U.S. universities and research institutes and centers. In the field of the humanities, this cooperation will help Russia consolidate prerequisites for the emergence of a strong civil society, the culture of law and the rule of law, and for the recognition of the value of the personality and human rights, which fully meets the national interests of both countries. In the field of the natural and exact sciences, cooperation will help strengthen the two countries’ leadership in areas where they are still leaders, extend this leadership to new spheres and build up confidence in each other. Close R&D cooperation would weaken the inertial tendency of the elites to fence themselves off from each other and prevent a spillover of knowledge, and would thus become another basis of friendly relations between Russia and the United States in the new world.

4.4.10.4. Finally, R&D cooperation also requires creating an appropriate financial and institutional infrastructure. The establishment of a U.S.—Russian Foundation for joint fundamental and applied studies would be positive in this respect.

4.4.11. Cooperation in Managing Effects of Climate Change

4.4.11.1. It is desirable for Russia and the U.S. to activate a serious discussion of the economic, demographic and other impacts of global climate change. It should encompass such issues as the geographic drifting of agricultural production and its consequences for the world economy and the international division of labor; intensification of international competition for food and water; forecasting of natural and, perhaps, man-made cataclysms associated with global warming; the forecasting of migration vectors and, consequently, of socio-economic, ethno-religious and political issues in different countries. It would be expedient to give thought to elaborating new rules to govern the global market of food and drinking water, and also to take measures to prevent man-made disasters and eliminate their consequences and the effects of climate change-related natural disasters.

4.4.11.2. If scientific analysis produces conclusions about the possibility of a marked increase in food production in Russia, primarily for Asian nations experiencing food shortages, it would be appropriate to obtain massive investment and technological assistance from the U.S. — along with other countries (China, Japan, South Korea, etc.) to the development of modern agriculture in Russia.
4.4.12. Freedom of Movement

Although Russia and the United States have already pledged to discuss measures to facilitate traveling, which is essential for building up mutual trust and developing cultural, economic and trading cooperation, the objectives of such cooperation — the way they are set now — look insufficient. Despite the United States’ negative attitude to the idea of liberalizing border crossing, Russia already now should raise the question of transition to a visa-free regime in the long term. This will be an important indicator of trust and Russia’s wish to qualitatively change the «spirit» of the U.S.—Russian relations.

4.4.13. Year of the United States in Russia, Year of Russia in the United States

Holding Year of the United States in Russia and Year of Russia in the U.S. would give a strong boost to efforts to improve the political atmosphere, build up practical interaction in many areas, and intensify political dialogues and contacts between business and civil society of the two countries. Traditionally, such events involve a series of activities that, first, symbolize a friendly nature of mutual relations and bring the two societies closer together, and second, help broaden the agenda of positive interaction. Holding such a Year in 2012 would reduce the negative impact on the U.S.—Russian relations from election campaigns in the two countries.
The U.S.—Russia Relations after the “Reset”:
Building a New Agenda. A View from Russia

CREDITS

**Russian Authors of the Report**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sergey KARAGANOV</td>
<td>Dean of the School of the World Economy and International Affairs at the National Research University—Higher School of Economics (NRU-HSE); Chairman of the Presidium, the Council on Foreign and Defense Policy (CFDP); Chairman of the Editorial Board, Russia in Global Affairs journal. The main co-author and executive editor of the report</td>
</tr>
<tr>
<td>Dmitry SUSLOV</td>
<td>Deputy Director of the Center for Comprehensive European and International Studies, NRU-HSE; Assistant Dean for Research, the School of the World Economy and International Affairs, NRU-HSE; Deputy Director of Research Programs at CFDP. The main co-author of the report and coordinator of the working group</td>
</tr>
<tr>
<td>Pavel ANDREYEV</td>
<td>Head of the International Projects Center at RIA-Novosti</td>
</tr>
<tr>
<td>Oleg BARABANOV</td>
<td>Head of a Department at the European Studies Institute of the Moscow State Institute of International Relations (MGIMO); professor of the School of the World Economy and International Affairs, NRU-HSE</td>
</tr>
<tr>
<td>Timofei BORDACHEV</td>
<td>Director, Center for Comprehensive European and International Studies, NRU-HSE; Deputy Dean, the School of the World Economy and International Affairs, NRU-HSE; Director for Political Studies at CFDP</td>
</tr>
<tr>
<td>Maxim BRATERSKY</td>
<td>Professor of the Department of World Politics, School of the World Economy and International Affairs, NRU-HSE</td>
</tr>
<tr>
<td>Fyodor LUKYANOV</td>
<td>Editor-in-Chief, Russia in Global Affairs journal</td>
</tr>
<tr>
<td>Yulia NIKITINA</td>
<td>Research Fellow, Center for Post-Soviet Studies of the MGIMO</td>
</tr>
<tr>
<td>Alexei PILKO</td>
<td>Associate professor at the World Politics Department of Moscow State University</td>
</tr>
<tr>
<td>Marsel SALIKHOV</td>
<td>Head of the Economic Department of the Institute of Energy and Finance</td>
</tr>
<tr>
<td>Nikolai SILAYEV</td>
<td>Senior Research Fellow of the Center for Caucasian Studies at MGIMO</td>
</tr>
<tr>
<td>Mikhail TROITSKY</td>
<td>Associate professor of the International Relations and Foreign Policy Department, MGIMO</td>
</tr>
<tr>
<td>Alexei FENENKO</td>
<td>Leading research fellow at the International Security Institute of the Russian Academy of Sciences; senior lecturer at Moscow State University</td>
</tr>
</tbody>
</table>
### Consultants of the Report

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sergey Dubinin</td>
<td>Member of the Board of Directors of VTB Capital, the investment business of VTB Group; former head of the Central Bank of Russia</td>
</tr>
<tr>
<td>Andrei Kolosovskiy</td>
<td>President, Interconsult Company; former Deputy Foreign Minister of the Russian Federation</td>
</tr>
<tr>
<td>Sergey Ryabkov</td>
<td>Deputy Foreign Minister of the Russian Federation</td>
</tr>
<tr>
<td>Yevgeny Savostyanov</td>
<td>Former Deputy Head of the Presidential Administration of Russia</td>
</tr>
</tbody>
</table>

### U.S. Participants in the Evaluation of the Report

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rawi Abdelal</td>
<td>Professor of Business Administration at Harvard Business School</td>
</tr>
<tr>
<td>Alexandra Vacroux</td>
<td>Executive Director, Davis Center for Russian and Eurasian Studies, Harvard University</td>
</tr>
<tr>
<td>Timothy Colton</td>
<td>Professor and the Chair of the Department of Government, Harvard University; former Director of the Davis Center for Russian and Eurasian Studies</td>
</tr>
<tr>
<td>Jeffrey Mankoff</td>
<td>Associate Director, International Security Studies at Yale University</td>
</tr>
<tr>
<td>Randall Stone</td>
<td>Professor and Director of the Skalny Center for Polish and Central European Studies, University of Rochester</td>
</tr>
<tr>
<td>Henry Hale</td>
<td>Associate Professor of Political Science and International Affairs; Director of the Institute for European, Russian and Eurasian Studies, Harvard University</td>
</tr>
<tr>
<td>Samuel Charap</td>
<td>Associate Director for the Russia and Eurasia Program, Fellow in the National Security and International Policy Program at the Center for American Progress</td>
</tr>
<tr>
<td>Yoshiko Herrera</td>
<td>Associate Professor in the department of Political Science, University of Wisconsin</td>
</tr>
</tbody>
</table>