



NATIONAL RESEARCH UNIVERSITY  
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**THE US-RUSSIA RELATIONS  
AFTER THE “RESET”:  
PRAGMATISM OR A NEW  
CONFRONTATION?**

BASIC RESEARCH PROGRAM

WORKING PAPERS

SERIES: INTERNATIONAL RELATIONS  
WP BRP 04/IR/2013

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## **THE US-RUSSIA RELATIONS AFTER THE “RESET”: PRAGMATISM OR A NEW CONFRONTATION?**

The US-Russia relations are entering a new political season in a shape which is far from being perfect. The “reset” is over, and throughout the years 2011 and especially 2012 the relations have worsened again. Political leadership of both countries is irritated and disappointed with each other. Unlike the last four years, neither Russia nor the US will invest much political capital in their relations improvement, and their relative priority will decrease in both countries’ foreign policies. The share of contradictions in the relations surpasses that of positive cooperation again. Yet, the paper argues, a new worsening of the US-Russia relations or their new stagnation over the next years is in neither side’s interests. The US and Russia still do have an important positive agenda to work on, which is crucial for both sides’ vital national interests. It includes, above all, Afghanistan and the Asia Pacific. The major impediment of progress on both dimensions, the author claims, will be in the near- and middle term future a lack of political will on both sides to move the relations forward.

JEL Classification: F50

Keywords: Russia, United States, US-Russia relations, crisis, security, reset.

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## A New Negative Cycle

One of the fundamental features of the US-Russia relations since the end of the Cold War has been its cycle nature.<sup>2</sup> Every new attempt to build sustainable partnership failed to be followed by another round of deterioration. This was the case in the 1990-s under Yeltsin and Clinton Administrations, when a period of idealistic hopes of early 1990-s of Russia's quick integration into the West ended, and the relations between Moscow and Washington started to worsen since 1994 and deteriorated in a serious crisis in 1999. A similar cycle happened in the 2000-s under Putin and Bush Administration, when a new attempt to build sustainable cooperative model of the US-Russia relations, then on the basis of counter-terrorism, started to crumble in 2003 and then the relations reached a second profound crisis in August 2008. As of the end of 2012 and beginning of 2013, we might be at the dawn of a new cycle of deterioration, which under unfavorable conditions could result in a new deterioration by the end of the 2<sup>nd</sup> Obama and 3<sup>rd</sup> Putin Presidencies.<sup>3</sup>

Indeed, each time another new distinct period of the relations improvement lasted for 2-3 years only, - just as the "reset" of the US-Russia relations under Presidents Obama and Medvedev. They were undergoing a visible and remarkable progress during the years 2009-2010, marked with a number of important achievements, but already in 2011 a picture became more mixed and contradictory, with a share of irritants between Russia and the US growing steadily and political atmosphere of the relations getting worse. This was also reminiscent of the earlier periods. Both in the 1990-s and in the 2000-s short periods of the relations improvement was followed by longer periods of gradual and slow degradation lasting for 4-5 years, and only afterwards there came a profound crisis.

The degradation periods were marked by stagnating positive agenda and growing share of the negative one, gradual movement of the relations center of political gravity to the latter, as well as slow but steady deterioration of political atmosphere. However, each time the sides were trying to preserve at least an impression that the general paradigm and overall logic of the relations were still positive. During both 2<sup>nd</sup> Clinton-Yeltsin and 2<sup>nd</sup> Bush-Putin terms the sides were keeping and even expanding areas of cooperation, which did not compensate for the agenda gradually becoming overwhelmed with contradictions. They were also officially describing the

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<sup>2</sup> A. Fenenko. Voenno-tekhnicheskaya modernizatsiya i "cikli" sblizheniya mezhdru SSHA I Rossiyej. *Mezhdunarodnie Processi*, Vol. 9, No. 2(26). May-August 2011.

<sup>3</sup> James M. Goldgeier, Michael McFaul. *Power and Purpose: U.S. Policy Toward Russia after the Cold War*. Brookings Institution Press, 2003, 482 pages.

US-Russia relations as “partnership” and emphasizing their continuity, which did not compensate for rising mutual irritation, distrust and even hostility.<sup>4</sup>

This is exactly the pattern the US-Russia relations might follow in the next 3-4 years unless some decisive step is taken by both Moscow and Washington to destroy this negative cycle. Selective cooperation on some issues, where such cooperation suits the sides’ national interests, would coincide with confrontation on the other and with a growing number of contradictions and quarrels. Eventually the latter would seem so important for the sides’ reading of their national interests, that they would overwhelm and perhaps even destroy the former. The mood in both capitals regarding the prospects for the US-Russia relations is quite reminiscent of those existed in 2004 and even 1996, which is that of distrust and mutual irritation, despite the fact that the international environment and even many crucial elements of the US-Russia relations themselves changed fundamentally.

The year 2012 manifested a turning point for the US-Russia relation. Their gradual positive development during the previous three years, labeled by many as the “reset”, finally came into crisis.<sup>5</sup> One again mutual discouragement, alienation and negative political atmosphere started to get an upper hand in the relations. After a short period of modest improvement by the summer 2012, thus overcoming little by little a negative impact of the Russian Presidential election, the political atmosphere of the relations started to deteriorate again by the end of the year. The US-Russia relations agenda by the end of 2013 – beginning of 2013 again started to be overwhelmed by contradictions and irritants, while an explicit lack of political will on both sides impedes their serious exploration and development of a new positive agenda.

In a nutshell, the year 2012 manifested that the US-Russia relations are again trapped by the negative cycles logic, and that they are in a midst of a new cycle from their gradual and dynamic improvement of the years 2009-2010 to a new stagnation and, quite possibly, a new degradation and eventual deterioration crisis, which might take place in 4-5 years. This means that the “reset” of the US-Russia relations, proclaimed by the US in 2009, and if understood as not just an attempt by Russia and the US to overcome the deep crisis of their relations back in 2008, but as an effort to build a new model of sustainable long-term partnership, has failed. Moreover, this failure occurred in a situation, where Russia and the US objectively pose no serious military threat to each other, where the number of their objective converging interests exceeds the number of their contradictions, and when the US is ruled by the most realist in its foreign policy

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<sup>4</sup> Thomas Graham. U.S.-Russia Relations: Facing Reality Pragmatically. CSIS, 2008. 20 pp.

<sup>5</sup> Stent, Angela. US–Russia Relations in the Second Obama Administration. *Survival*. Dec2012, Vol. 54 Issue 6, p123-138.

and most favorable and constructive towards Russia administration since the end of the Cold War.<sup>6</sup>

Indeed, for the 1<sup>st</sup> time throughout the two decades the US-Russia relations improvement of 2009-2010 had a sound and real foundation.<sup>7</sup> It was based, first, on a clear recognition by the US that it is not all-mighty and that it needs partners, not necessarily the Western and democratic ones, but those capable in relevant policy areas. Secondly, it was based on a clear understanding of both sides that they need each other for realization of their vital and important interests. The US recognized that they needed Russia's cooperation to advance its interests in relation to Afghanistan, Iran, as well as to implement President Obama's agenda of nuclear arms reduction and nonproliferation, presented in Prague in 2009 and central for the US soft power and leadership capacities after the Bush era. Russia, on its part, also realized that it needed constructive relations with the US to advance its interests at the Post-Soviet space, in Europe and Asia Pacific, as well as for economic modernization and development.<sup>8</sup>

According to this understanding, both sides took important steps during each other in 2009-2010, which became the key achievements of the US-Russia "reset".

Russia, first, accelerated air and land transit to Afghanistan and back through its territory and the territories of its Central Asian allies and partners. The so-called Northern Distribution Network, anchored at Russia and Central Asian states and politically and logistically dependent on Moscow, accumulates today for roughly 40 % of all cargo (and 75% of ground transportation cargo) going to and from Afghanistan for the needs of the International Security Assistance Force (ISAF), thus making it key for at least preventing the "Obama's war from complete disaster. The latest positive development in this regard happened in 2012 - at a time when the overall vector of the US-Russia relations was already negative. In summer 2012 Russia launched a multi-modal Transit Center in Ulyanovsk (on the Russian territory) to accelerate the Afghanistan-related transit even further at a time when this acceleration is mostly needed given the US and ISAF plans to withdraw from the country by the end of 2014.<sup>9</sup>

Second, Russia agreed back in 2010 to apply new set of the UN sanctions against Iran, thus advancing the US policy on this issue central for the US foreign policy, and even voluntarily

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<sup>6</sup> Charap, Samuel. The Transformation of US-Russia Relations. *Current History*. Oct2010, Vol. 109 Issue 729, p281-287. 7p.

<sup>7</sup> S. Karaganov, D. Suslov. U.S.-Russia Relations after the 'Reset': Building a New Agenda. A View from Russia. Valdai International Discussion Club Report. March 2011. [http://vid-1.rian.ru/ig/valdai/US-Russia%20relations\\_eng.pdf](http://vid-1.rian.ru/ig/valdai/US-Russia%20relations_eng.pdf)

<sup>8</sup> S. Karaganov, D. Suslov, T. Bordachev. Reconfiguration, Not Just a Reset: Russia's Interests in Relations with the United States of America. Valdai International Discussion Club Report. June 2009. [http://vid-1.rian.ru/ig/valdai/Doklad\\_eng\\_reset\\_june2009.pdf](http://vid-1.rian.ru/ig/valdai/Doklad_eng_reset_june2009.pdf)

<sup>9</sup> Mattox, Gale A. Resetting the US-Russian relationship: is 'cooperative engagement' possible? *European Security*. 2011, Vol. 20 Issue 1, p103-116. 14p.

abrogating supplies of the S-300 missiles to Iran.<sup>10</sup> Third, Moscow helped a lot to advance the Obama Administration's "Prague Agenda", both by elaborating and signing of the New START Treaty and by helping the US to convene a successful nuclear security summit in Washington in April 2010 and to make sure these summits become a regular process.<sup>11</sup> Many other positive steps were also made.

On its part, the Obama Administration substantially weakened or eliminated those dimensions of the US foreign policy, which had been previously perceived as the major irritants of the relations and allowed many in the Russian political elite to paint America as nearly the main threat to Russian political and even military security, as an unfriendly power interested in Russia's weakening. In particular, the Obama Administration removed the issue of NATO expansion to the Ukraine and Georgia from the real foreign policy agenda. It rejected open geopolitical rivalry with Russian in Central Asia, reducing the scope of its interests in the region to maintenance of the Afghani transit and support of the operation in the country.<sup>12</sup> It cancelled the previous Bush Administration policy on missile defense aimed at creating a strategic missile defense installation in Central Europe, and substituted it with its own plan, focused on developing an essentially tactical missile defense system, hardly capable of undermining the Russian strategic potential in the observable future. Finally, it diminished the tone of criticism of Russia on the matters of democracy and human rights.<sup>13</sup> These were the principal prerequisites of the "reset" and the major ones among the constructive steps the US made towards Russia during 2009-2010. Naturally, the list could be continued.

Also important is the fact that the US remained committed to these newly established principles during the whole time of the 1<sup>st</sup> Obama's Presidential term, including the period of 2011-2012, when the relations started to crumble again. Indeed, the issue of NATO expansion to the Post-Soviet countries did not reemerge, the US-Russia competition at the former USSR was being kept latent at best, and not open, and the US rhetoric towards Russia on human rights and democracy was in times more modest and calm in comparison to the ones of the Bush and Clinton Administrations.

The fact that despite all these positive prerequisites the US and Russia failed to build sustainable partnership and the negative cycle of their relations is being repeated again, means that these

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<sup>10</sup> Edward A. O'Connor. U.S. and Russian Strategic Perspectives of Iran: Different Views of Nuclear Proliferation. 91 pp.

<sup>11</sup> Mehrish, B. N. US-Russia Relations Under the Obama Administration: A Focus on Nuclear Arms Race Issues. IUP Journal of International Relations. Jan2011, Vol. 5 Issue 1, p18-26.

<sup>12</sup> Isabelle Francois. The United States, Russia, Europe, and Security: How to Address the "Unfinished Business" of the Post-Cold War Era. / Transatlantic Perspectives, No. 2. 52 pp.

<sup>13</sup> Klenov, A. Russia-USA: A "Software" Update. International Affairs: A Russian Journal of World Politics, Diplomacy & International Relations. 2012, Vol. 58 Issue 5, p36-44.

relations are systemically defective. Unless this defect is eliminated, the negative cycles of the relations will repeat themselves. This defect consists of three components.

First, it is a lack or deficit of a new positive agenda in the US-Russian relations, the one which would correspond to the objective challenges and opportunities that they face in the rapidly and constantly changing international environment. Indeed, the US-Russia agenda lacks a strategic dialogue on China and the Asia Pacific, on managing nuclear multipolarity, on developing Siberia and the Far East, and even on Afghanistan and the Central Asian region beyond 2014 (after the US and NATO withdrawal from Afghanistan).

Second, it is the continuous domination of the strategic deterrence philosophy in the US-Russia relations and its remaining to be their political imperative for both sides, and especially to Russia. Indeed, both Washington and especially Moscow are still committed to the parity principle in the nuclear arms field, and view it as a prerequisite of their military security. As a result, they are very sensitive and suspicious to any steps of each other, which could hypothetically impact not simply vulnerability of the opposite side and their capacity to deter it from hostile behavior and especially direct use of force against each other, but which could undermine their current “balance of terror”, the current levels of deterrence. This undermines trust and forces the sides to plan against each other and counterbalance each other. Obviously, preservation of the deterrence and counterbalancing philosophy impedes the sides from resolving the current contradictions, especially in the military and defense area, as well as from creating and implementing a new positive agenda, including the one in the strategic defense area.

Third, it is the backward nature of the current US-Russia relations agenda, especially in the security realm, its mismatch with the objective needs of the sides in security and foreign policy areas. This relates in particular to the role of arms control in the US-Russia relations, which remains to occupy a central place in their agenda despite the fact that it is no longer central for either objective security needs and challenges of Russia and the US, nor for real matters of regional and international security.<sup>14</sup>

## **A “mini-crisis” of the US-Russia Relations**

Particular worsening of the US-Russia relations occurred by the end of 2012, when their political atmosphere reached the lowest point since 2008, and at least one of the sides – Russia - gave up

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<sup>14</sup> S. Karaganov, D. Suslov. U.S.-Russia Relations after the ‘Reset’: Building a New Agenda. A View from Russia. Valdai International Discussion Club Report. March 2011. [http://vid-1.rian.ru/ig/valdai/US-Russia%20relations\\_eng.pdf](http://vid-1.rian.ru/ig/valdai/US-Russia%20relations_eng.pdf)

the attempts to keep even the semblance of positivity in relations with the USA. In December 2012 Russian president's aide Yuri Ushakov stated that "a mini-crisis" had developed in the bilateral relations. This was the first official recognition of the dramatic aggravation of the relations, and this assessment was unofficially supported in the US as well.

This mini-crisis was most graphically manifest in two gestures. First, in a sharper rhetoric against the United States on the part of Russian President Vladimir Putin, whose tonality was reminiscent of his statements during his presidential campaign a year ago. For example, Vladimir Putin, during his annual news conference on December 20 named the USA's approach to Russian officials and human rights problems in Russia "insulting" and severely criticized the USA's own problems in this sphere. Second, in Russia's tough and asymmetric reaction to the Magnitsky Act, approved by the U.S. Congress and signed by the U.S. president on December 7 and 14, respectively. In retaliation, Putin supported the so-called Dima Yakovlev's Law, which he signed on December 28. The law banned the adoption of Russian children by Americans and the activity of Russian political non-government organizations with U.S. funding.

The "mini-crisis" came as a result of the confluence of several factors: the unfriendly moves against Russia that the United States made in succession late last year, Moscow's discontent over long-term trends in the development of bilateral relations and the U.S. foreign policy in general, and the negative influence upon bilateral relations by the domestic policies of Russia and the United States.

In November-December 2012, the United States made a number of targeted anti-Russian moves, which Moscow had all the reasons to consider unnecessary, far-fetched and not conforming to the positive results achieved in bilateral relations and the White House's assurances to keep these positive results during Barack Obama's second term in office.<sup>15</sup> Specifically the moves included: the endorsement by U.S. Congress, and Obama signing of the Magnitsky Act, which imposed visa and economic sanctions against a group of Russian officials who U.S. congressmen believed were involved in the death of Sergei Magnitsky in 2009; the approval by the Congress and the White House's endorsement of the amendments to the U.S. defense budget for 2013 which prohibited Pentagon to cooperate with the Rosoboronexport (a state-owned weapons-trading company); and Hillary Clinton's allegations about Russia's bid to revive the USSR in the post-Soviet space and the U.S. intention to resist it. Also, Moscow was irked by the persistent inertia of the United States' anti-Russian policy in the European and Eurasian energy sector. The U.S. moves were far-fetched and even ridiculous (such as Hillary Clinton's statement about re-

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<sup>15</sup> Deyermond, Ruth The Republican Challenge to Obama's Russia Policy. . Survival. Oct/Nov2012, Vol. 54 Issue 5, p67-92. 26p.



Sovietization of the Commonwealth of Independent States), and were largely generated by the U.S. domestic policy.

Moscow was particularly irritated at the Magnitsky Act, which was mainly meant to make an unfriendly gesture at Russia, demonstratively underscore the United States' critical attitude to the democracy and human rights situation in Russia, and show the Congress' unpreparedness to cancel such a hoary and obsolete Cold War attribute as the Jackson-Vanik amendment. The legislative imposition of visa and economic sanctions is basically absurd (these restrictions can be and are imposed by the executive branch), as they demonstratively violate the presumption of innocence principle and are a remake of the Cold War style in the new international environment. The adoption of the Magnitsky Act in the present conditions appears even more absurd than keeping the Jackson-Vanik amendment, and a far more unfriendly move against Russia.

Moscow regarded the signing of the Act by Barack Obama as a kind of treachery and a move refuting the U.S. administration's assurances of their commitment to "resetting" relations with Russia. Moscow repeatedly made it clear that keeping the Jackson-Vanik amendment was the least of the two evils, compared with swapping it for the Magnitsky Act. It appeared the Obama administration realized its own priority (it was U.S. business that suffered from the Jackson-Vanik amendment in the first place, as it was denied the opportunity to use the advantages of Russia's joining the WTO), but fully ignored Russia's priority.

Another reason behind Moscow's discontent over U.S. moves and the December "mini-crisis" has been the United States' stance on Syria and before that Libya, which Moscow believes indicates that Washington is still committed to its hegemonic and interventionist policy, as it seeks to unilaterally determine the fate of states and replace unwelcome regimes.<sup>16</sup> In December, the U.S. made a move which firmed Moscow's opinion about Washington's unwillingness to jointly look for ways to settle the Syrian crisis, its disregard of Russia's position, as well as its commitment to replace the regime: it recognized the Syrian Opposition (united in November 2012 with its direct participation) as the legitimate representative of the Syrian people. That is, Washington named the Opposition the legitimate Syrian government. Moscow concluded that the United States was not changing, and that the Obama administration's coming to power had not overhauled the U.S. policy and had not properly adapted the United States to the multipolar world realities.

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<sup>16</sup> Putin likens UN Libya resolution to crusade call. RIA Novosti, 21/03/2011. <http://en.rian.ru/russia/20110321/163126957.html>

This perception is consistent with a “multipolar logic” that has obviously strengthened in Russia’s foreign policy. Moscow believes that in the conditions of the objective emergence of a multipolar world and the ongoing shift of power not in U.S. favor, Washington should renounce interventionism and behave like “a normal” great power. Moscow maintains that the main principles in Russia’s relations with other great powers, including the U.S., should be equality and non-interference in internal affairs. This stance, besides considerations of foreign-policy identity, has important implications for Russia’s domestic policy, as well.<sup>17</sup>

Also, Russia was very much displeased with the extraterritorial use of U.S. legislation, which Washington has vigorously been practicing recently. This practice violates the principles of equality and non-interference in internal affairs defended by Moscow, and becomes particularly irritating when it assumes a clear anti-Russian character, such as the approval of the Magnitsky Act and the arrests of Russian citizens (namely Victor Bout and Konstantin Yaroshenko) in third countries.

A combination of these factors must have produced a “screw breaking” effect on the Russian leadership. It enhanced the feeling of unfriendliness, even hostility towards America, and might have generated the impression that, contrary to forecasts, the Obama administration would not pursue a friendlier and more well-disposed policy towards Russia during the second term. Indeed, such U.S. moves as the Magnitsky Act, the ban on Pentagon’s cooperation with Rosoboronexport, Hilary Clinton’s statement about Russia’s intention to “re-Sovietize” the post-Soviet space and recognition by the Obama administration of the Syrian Opposition as the legitimate representative of the Syrian people were all made after the November 4, 2012 election in the United States.

Russia’s domestic policy was no less significant reason behind the “mini-crisis” in U.S.-Russia relations and, specifically, the way Moscow responded to the Magnitsky Act. Namely, the leadership’s domestic policy was aimed at stabilizing and conserving the ruling regime, marginalizing and eliminating the protest movement and Opposition-minded non-government organizations (above all human rights NGOs), maximum restriction of the external influence on Russian political processes, and the country’s development along the stagnation scenario, or the authoritarian/modernization one at best.

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<sup>17</sup> Vladimir Putin signed Executive Order On Measures to Implement the Russian Federation Foreign Policy. <http://eng.kremlin.ru/acts/3764>; Vinod K. Aggarwal, Kristi Govella. Responding to a Resurgent Russia: Russian Policy and Responses from the European Union and the United States. Springer; 2012. 154 pp.

This course will inevitably lead to a clash between Moscow and Washington, not only because of irritation caused by the continuing U.S. support of rights and pro-democracy organizations and recurring criticism of Russian domestic policy (which is far less severe compared with the criticism under the Bush administration). The Russian leadership may even find it advantageous to stage “mini-crises” with the United States, similar to the current one, and in general, create an enemy image of the United States. The enemy-making tactic is a perfect background to excuse tougher measures at home.

The possible “screw breaking” effect on the Russian leadership and domestic policy considerations nudged Moscow to a pointedly unfriendly retaliating move towards the U.S. in December 2012 as it adopted the Dima Yakovlev Law. This move fulfilled two tasks. First, it dealt an even harder blow at the Opposition-minded Russian NGOs and the Opposition, by introducing direct ban on political activity of noncommercial organizations that received U.S. funding, and equated the receiving of U.S. grants with activity posing a threat to Russia’s interests and security. Second, it created a rather repelling, unfriendly, and even hostile image of the U.S. as a country which humiliates and kills adopted Russian children and acquits adopting parents who have committed these crimes. It is difficult to find any other explanation to the ban on the adoption of Russian orphans by Americans and the denunciation of the Russian-U.S. child adoption agreement that became effective just a couple of months before that.

The immediate negative impact of the “mini crisis” in Russian-American relations manifested itself in the plummeting political will of both countries to invest in their development and further progress. This is particularly true of Russia where the political leadership seems to be considering the United States an unfriendly power that has to be deterred and counteracted in both foreign and domestic policy. But this is equally true of the Obama administration. The style and content of Russia’s response to the Magnitsky Act and other steps aimed at portraying the United States as a foe and minimizing its involvement in Russia’s domestic affairs can destroy what little remains of the White House’s political will to make politically complex decisions for the sake of a stable partnership with Russia. The political situation will clearly not be conducive to that.

## **Positive Developments**

Meanwhile, there is obviously no fundamental or full-fledged crisis of the US-Russia relations, at least so far, and the “mini-crisis” of 2012 cannot be compared with overall deteriorations of

the US-Russia relations like in 1999 and 2008. Even sharp worsening of the political atmosphere of the relations in the end of 2012 produced a sort of compensatory positive counter-action on the part of foreign and security establishments in Moscow and Washington, which immediately launched some mitigating efforts and indicated quite clear by the end of the year that they are not interested to have a drawn-out crisis and total degradation of relations on their hands.

There are also some fundamental factors in favor of the US-Russia relations sustainability and at least prevention of their overall degradation. First, reelection of Barack Obama for the 2<sup>nd</sup> term and Vladimir Putin's return to the Presidency mean that foreign policies of both countries will be marked by continuity. Second, unlike Russia the Obama Administration avoids highlighting the current cooling of the relations and officially proclaims continuity of its foreign policy towards Moscow with the "reset" period, including its positive dimensions, and its will to continue normal and pragmatic cooperation with Russia on those issues where the sides' interests converge and where this cooperation is beneficial for the US national interests. Third, despite the overall worsening of the relations and deterioration of their political atmosphere, many of the cooperative tracks and projects, initiated during the "reset" period, have not only been preserved in the year 2012, but also intensified.

For instance, the US-Russia cooperation on Afghanistan, which is today the central pillar of their positive cooperative agenda, was intensified. In particular, a transit center in the Russian city of Ulyanovsk was created to intensify the transit of non-lethal goods for the ISAF needs to Afghanistan and back; the "return transit" from Afghanistan through the Russian territory – essential at a time of the US and ISAF withdrawal from the country – was launched; the US continued to buy the Russian military equipment and arms for the Afghan Armed Forces, including helicopters; counter-narcotics cooperation was moving on, etc. Moreover, the Obama Administration has already indicated that it will refuse to implement the Congress-adopted "ban" on Pentagon's future purchases of the Russian helicopters by resorting to the "national security exemption", provided by the US legislature. Thus, the US-Russia multi-dimensional cooperation on Afghanistan will move on.

Another example of preservation and intensification of the US-Russia cooperative momentum is the performance of the Bilateral Presidential Commission, which was created in 2009 and became since then the major working institution for the two countries, comprised of more than 20 Working Groups, covering nearly all the possible aspects of interaction from strategic stability up to culture, youth exchanges and innovations. Existence of such an institution of working cooperation by itself creates positive inertia of the relations, as it pushes the both

countries' bureaucracies to search for cooperative agenda and actually do something. Hence, 2012 witnessed creation of two additional Working groups of the Commission – on Military Technical Cooperation and on Innovation.

There was also a profound activation in 2012 of the US-Russia cooperation and dialogue on East Asia and Asia Pacific. For the first time in history Russia took part in the RIMPAC military naval exercises, run by the US and its Pacific allies and partners (such as India). As the exercises have a vivid anti-Chinese connotation and are a part of the US strategy of containing China, Moscow' participation signaled about a substantial interest on the Russian part to rebalance its posture in the Asia Pacific and activate its security engagement with the US and American allies in the region, while not undermining its strategic relations with China at the same time. The Russia-hosted APEC summit in Vladivostok also played an important role in building preconditions for a Russian-US comprehensive dialogue on Asia Pacific. According to the US diplomats, the Russian side indicated during the bilateral meetings with the US within the context of the summit (there was, for instance, a meeting between the Russian foreign minister Sergei Lavrov and US State Secretary Hillary Clinton) that it was interested in developing such a dialogue to cover not just inter-regional cooperation, but also more general economic, political and military-strategic aspects.

Finally, both sides remain committed to increasing trade and investment cooperation and even regard it officially as the main positive priority for the next several years.<sup>18</sup> Important progress has been made here during the last two years, despite the overall worsening of the US-Russia relations. With crucial political and diplomatic support on the part of the Obama Administration Russia finally finished its bilateral and multilateral negotiations on joining the WTO in 2011 (including with Georgia, which agreed to Russian membership only due to direct pressure from Washington) and became a member of the organization in 2012. This has become one of the major direct achievement of the US-Russia positive dynamic: Russia joining the WTO was proclaimed the major US foreign policy priority towards Russia beyond the security realms for 2011. Also the end of 2012 witnessed eventual repeal of the Jackson-Vanik amendment, which allowed Russia and the US to establish permanent trade relations and their “most favored nation” regime. Again, this happened due to intensive and difficult work of the Obama Administration, which had to overcome substantial opposition on the part of Republicans.<sup>19</sup>

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<sup>18</sup> William H. Cooper. Permanent Normal Trade Relations (PNTR) Status for Russia and U.S.-Russian Economic Ties. Congressional Research Service. June 13, 2012

<sup>19</sup> Jonathan R. Krause. U.S.-Russian Economic and Political Relationship (Russian Political, Economic and Security Issues: American Political, Economic and Security Issues). Nova Science Publishers, 2012. 185 pp.

Last but not least, the sides launched a number of concrete important and prospective commercial projects, among the most ambitious among which is the “strategic partnership” between the Russian state energy corporation Rosneft and the US energy giant Exxon Mobile. The relevant agreement was signed between the companies in 2011, and since then its implementation has been quite dynamic. Notably, their cooperation involves joint research and exploitation of resources in such politicized regions, as the Arctic shelf, swaps of assets (which is unprecedented for the US-Russian economic and especially energy cooperation), and other forms.

If successful and sustainable, the Rosneft – Exxon Mobile cooperation could become a game changer in the Russian-US energy and economic relation. First, it could reduce excessive politicization and securitization of the Arctic energy resources theme and show that mutually beneficial cooperation here between Russia and the US, which have traditionally been perceived and claimed as natural rivals in the region, is possible and desirable. Second, it would prove the desirability and possibility of a US-Russia energy cooperation, which also is traditionally viewed as highly unlikely, whereas the dominant feature of the sides’ relations in the fossil fuels field has been confrontation, especially in the Eurasian context. Third, it could pave the way for emergence of the US-Russia economic interdependence in the future.

## **Scenarios for the Future**

### **Scenario No 1: Pragmatic and selective cooperation**

Combination of the described above positive and negative factors provides for two likely scenarios for the US-Russia relations development in the near and middle-term future.

The first would be the relations acquiring essentially pragmatic and instrumentalist nature. In this case the US-Russia relations would become less ambitious, ideological and strategic, but more instrumental and tactical. Maximalist visions of the relations will be taken over by pragmatic collaboration on concrete project when desirable, feasible and politically beneficial, whereas political leadership of both countries decline even to talk about their strategic goal and desired sustainable shape. Negative linkages between different components of the US-Russia agenda would be weakening to the relations benefit. Moscow and Washington would continue combining cooperation on one set of issues with competition and confrontation on the other, with

the latter not undermining and blocking the former, even if the latter, not the former, constitute the majority of the relations.

Indeed, the current US-Russia contradictions on Syria, missile defense and Magnitsky Act do not hamper their cooperation on Afghanistan or joint exploitation of the Arctic resources. Whereas the political atmosphere of relations would remain rather lean and restrained, without excessive emotions to either direction. The relations would lack strategic goal and desirable shape, and the political establishments of the countries would decline to provide the US-Russia relations with labels and assessments, such as “partnership”, “friendship”, “alliance” or “hostility”. The sides would simply cooperate when they can and find it beneficial, and compete and confront, when their immediate reading of their national interests require.

As neither Russia nor the US are interested in comprehensive deterioration of their relations, as both are sustaining cooperation on a selected list of issues, and, finally, as full-fledged partnership seems very unlikely given the current deterioration of the political climate of the relations and their “mini-crisis” of 2012, this pragmatist model appears to be both likely and even desirable for the next several years.

It looks like that the policy of the Obama Administration towards Russia is already evolving in this way, emphasizing pragmatism and selective cooperation on converging interests, while downplaying emotions and the value-driven agenda. Indeed, Washington is persistently emphasizing importance to cooperate with Russian on such issues as Afghanistan, Syria and nuclear materials. At the same time, its reaction to the developments of the Russian domestic politics and to some Russian critical public statements in relation to the US, accusing America itself in gross violation of human rights and democratic principles, remains remarkably and unprecedented mild and restrained. Moreover, the Obama Administration is itself downplaying and degrading the value-driven agenda with Russia, which historically has been central to the US foreign policy agenda.

Witness, for instance, the US decision in January 2013 to withdraw from the Civil Society Working Group of the Bilateral Presidential Committee. This step depicts that the US is regarding Russia as a fundamentally alien player in terms of values. However, this official and vivid alienation does not prevent it to cooperate with Moscow on many things.

This is exactly the model that Russia has been insisting on with Washington for many years already. Readiness of the Obama Administration to accept it highlights a crucial transformation of the US foreign policy in general, its de-ideologization and adjustment to an increasingly

multipolar and “Post-American” world. Another example of the US readiness to accept the “Russian” rules of the game, i.e. the principles of parity and equality, on those issues on the US-Russia agenda, which according to Russia reflect the “paradigm of the 1990s” in the US-Russia relations. Among them are the Nunn-Lugar program on elderly and excessive weapons and nuclear material utilization and USAID expel from Russia. Indeed, these programs and projects were designed at a time when Russia was weak and declining, while the US seemed all-mighty, and thus were not entirely equal in terms of the modalities of the sides involvement. Whereas today, especially after Vladimir Putin return to the Presidency, Russia – according to its multipolar world vision and its foreign policy identity - is persistently trying to establish its relations with the other centers of power in the world on the basis of the parity and equality principles and revises their agendas accordingly.

The US reaction to these Russian steps was remarkably constructive. Washington indicated it was ready to re-negotiate the relevant agreements with Moscow according to the rules and principles that Russia finds appropriate. Thus, the Obama Administration shows readiness to depart from the traditional notion of the US foreign policy towards Russia since the end of the Cold war, when Russian transformation according to the US values and preferences was regarded as a criteria and precondition for positive bilateral relations.

A strong indication of the US will to preserve positive and pragmatic cooperation with Russia in many areas despite mutual alienation and the December 2012 “mini-crisis” is its commitment to minimize the negative impact on the US-Russia relation of the unfriendly steps, undertaken towards Russia by the US Congress in the later months of December 2012. In particular, the Obama Administration has already made clear that its cooperation with Russia on the “helicopter package” will continue despite the legislative amendment demanding to cease this. Administration will use the “national security exemption” to avoid implementing the Congressional demand. Also, it will do its best to minimize the negative impact of the Magnitsky Act by including all the sensitive figures into the “closed” list, non-transparent to the US Congress.

However, the model of selective and pragmatic cooperation, which might be considered as the best among worst, still has a number of serious disadvantages.

First, allowing the model of pragmatic selective cooperation, the sides lose many opportunities to advance their objective national foreign economic and political interests through cooperation on a qualitatively new agenda. This agenda does not exist today, but could emerge given the current



challenges and opportunities that Russia and the USS face in the current international system. The sides simply do not see these opportunities, for their identification and development requires designing and building cooperation on the issues quite new for the US-Russia relations, such as Asia Pacific, and this, in its turn, requires substantial political will and positive political atmosphere of the relations, which today is clearly absent. In the other words, the model of pragmatic selective cooperation narrows the sides' foreign policy visions, contributes to their sticking to the agenda of bilateral relations and the reading of national interests which are at least partly outdated in the current international conditions, and thus deprives them of many opportunities to advance their real interests and standing. Moreover, failing to cooperate on many issues where this cooperation is desirable in the given international system, the sides weaken their relative position to the other centers of power in the world and in the international system in general.

Second, this model fails to prevent widening of the negative part of the US-Russia relations agenda and deepening of their confrontation on the contradictions. This is exactly the reason why such a model, even if desirable for some, is practically unsustainable. Without control and compensation, and especially given the negative and skeptical political atmosphere, the negative part of the US-Russia relations agenda will be deepening and widening at the same time, resulting in escalation of quarrels and confrontation on the areas of contradictions and overall worsening and deterioration of relations. Today the triggers for such a deterioration could be the US-Russia contradictions over Syria and especially Missile Defense. If left without careful management, which requires the political will, which is lacking, they might spill over by the end of the 2<sup>nd</sup> presidential term of Barack Obama into a serious crisis of the US-Russia relations, including a new farcical arms race. The later would be almost inevitable if Russia withdraws from the New START and the INF Treaties as a response to the US Missile Defense policies. Such a withdrawal is possible given the low probability that the sides will find a mutually acceptable compromise on Missile Defense in the next several years and the negative political mood in both capitals.

Finally, such a deterioration of existing contradictions could cause new aggravation of some old aspects of the US-Russia relations, which have been taken off the top of the agenda during the last several years and at least for now are remaining in a latent state. First and foremost, open geopolitical rivalry between Washington and Moscow at the Post-Soviet space. Its relative relaxation and marginalization on the overall agenda of the US-Russia relations has become one of the central prerequisites of their improvement during the recent years and many achievements

associated with it. If this rivalry aggravates again, the relations as a whole will be doomed for another fundamental deterioration – given the importance of the region for Russian foreign policy and national great power identity.<sup>20</sup> Provided the overall negative direction of the US-Russia relations, deterioration of the existing contradictions and shrinking positive agenda, the risk of such an aggravation might be rather high. Especially after the US expected withdrawal from Afghanistan in 2014, when its dependence on Russia on the issue of Afghan transit continuity will be substantially reduced.

## **Scenario No 2: Comprehensive Deterioration and a new crisis**

Thus, the second scenario for the US-Russia relations for the next 3-4 years would be their deterioration up to a new fundamental crisis by the years 2015-2016, when the 2<sup>nd</sup> Presidential term of Obama will come to an end. Such a deterioration occur by default, rather than by design.

Indeed, the main negative consequences of the current “mini crisis” can be as follows: the year 2013 and Barack Obama’s second term as a whole may turn into a period of missed opportunities in U.S.-Russia relations; the positive effect from his reelection in November 2012 may be downgraded; and the positive bilateral agenda may be gradually truncated. There are no signs of total degradation of U.S.-Russia relations or of a new “confrontation farce” at this point. However, if the current downward trend in bilateral relations is not reversed in 2013-2016 to foster closer cooperation on a new agenda and resolve existing contradictions, they may face complete degradation. It is a lack of political will that minimizes the chances of stopping or reversing current negative processes in U.S.-Russia relations.

Yet now even a cautious attempt to make a new start in 2013 may be doubtful. It is very important that the “mini crisis” in relations occurred after the presidential election in the United States at a time when the White House was forming a new administration for the second presidential term, and the political establishment in both countries was looking forward to their further improvement. As a result, the probability of the two countries undertaking in 2013 what they planned to do just recently has dwindled. This is borne out primarily by the declining likelihood of Obama’s visit to Moscow in 2013. Reports from Washington indicate that while the White House was quite positive about this before the adoption of the Dima Yakovlev Law in Russia, the positions and arguments of those who supported the visit weakened after it, and the overall political situation became less agreeable. There has formed some sort of a vicious circle.

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<sup>20</sup> Amanda Deatsch. Misperceptions in U.S.-Russia relations: Prospects for a new Cold War? ProQuest, 2011. 132 pp.

Under the present political circumstances the Obama administration may agree to pay a separate visit to Russia only if there are a clear positive agenda and tangible achievements that can be reaffirmed during the trip. However, such an agenda and success in Russia can be possible only if the attitude of its top political leadership changes for the better. This, in turn, can happen if the visit takes place.

The situation creates a risk that bilateral relations will start degrading slowly unless the two countries make a new start in 2013, overcome the lack of political will, improve the negative political atmosphere, and understand what they can gain from good relations. The “mini crisis” can drag on. The positive agenda may be gradually diluted and curtailed to just one or two areas, primarily Afghanistan. This is where the interests of Russia and the United States coincide most vividly, and the political leadership of the two countries sees clear benefits from further constructive cooperation. Other components of a positive agenda may start dying out slowly. In fact, irritated as it is, the top political leadership in Russia can actually take such dilution of the U.S.-Russia agenda favorably.

In this case, Moscow will lose the possibility to realize many of its foreign-policy and economic interests that continue to depend on the United States and U.S.-Russia relations. These include, above all, Russia’s economic and geopolitical integration with Asia and the Asia-Pacific region, and the use of this integration as a tool for economic development of Siberia and the Russian Far East. This can ruin the important positive head start in the dialogue with the United States on East Asia and the Asia-Pacific region, which was made by Russian diplomacy in 2012 both in the field of economy and security.

In addition, the negative part of relations will grow bigger and can lead to a new round of confrontation farce between Russia and the United States in a couple of years. Afghanistan alone will not be enough to make up for such negative growth. In fact, as the two countries near the year 2014, when a large part of the American contingent is to pull out of the country, contradictions between Russia and the United States over Afghanistan will increase, and after 2014 this factor will completely lose its relevance as the backbone of the positive bilateral agenda.

Lastly, the development of the current “mini crisis” in U.S.-Russia relations into a drawn-out crisis with a possible across-the-board collapse in several more years will mean that the window of opportunity for building a sustainable U.S-Russian partnership during Obama’s reign will close for an indefinite period of time. A new administration, most likely Republican, will hardly

pursue as favorable a policy with regard to Russia as the present one did or make relations with Moscow its key priority.

Diverging views on further nuclear arms cuts remains a separate problem in U.S.-Russia relations. Nuclear arms reduction and primarily Russia's numerical superiority in tactical nuclear weapons remain a key priority issue for Obama's second presidential term. Russia, being adherent to the classical understanding of strategic stability (which is based on strategic deterrence of Russia and the United States), strategic parity with America and overwhelming nuclear superiority over third countries, is clearly negative about a new round of nuclear arms cuts in the years to come.<sup>21</sup>

Russia says that a new round of nuclear arms cuts before New START is implemented would be premature. Moscow links them to the reduction and limitation of all other factors that influence strategic stability, primarily such troubling U.S. defense policy aspects as missile defense, the global blitzkrieg program and militarization of outer space. However, the nuclear capabilities of other countries are equally disturbing. By so doing Russia insists that the next hypothetical round of nuclear arms cuts be, first, multilateral rather than bilateral in nature, and, second, cover not only nuclear weapons but also other weapons that affect strategic stability. Clearly, such broadening does not appear feasible for the time being, and Moscow's linkages are designed to remove the issue of further reductions from the practical agenda in principle. A similar situation can be seen in the field of tactical nuclear weapons: as a precondition for talks, Moscow insists that the American tactical nuclear weapons remaining in Europe be withdrawn to the United States and links their reduction to the existing imbalance in conventional weapons with NATO.

Progress in this field is unlikely in the near future. Yet the suspension of cooperation in this area is completely justified from the point of view of strategic stability and stronger nuclear nonproliferation regime, and will most likely have a curative effect on bilateral relations.

Such a new deterioration of the relations and another repetition of the negative cycle of the US-Russia relations would be of a profoundly artificial nature, unnecessary and harmful for the national interests and international standing of both countries.

First, it would contradict the fact that common challenges and, consequently, areas of parallel or coinciding interests of Russia and the US are more important for their long-term international standing, than their contradictions. These coinciding interests include: managing the peaceful rise of China and the power shift from the historical West to the new centers of power and the

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<sup>21</sup> U.S.-Russian talks on tactical nuclear arms cuts will take time - U.S. official. RIA Novosti, 22/03/2011. <http://en.rian.ru/world/20110322/163136512.html>

Asia Pacific in general; preventing pervasive chaotization and radical Islamization of the Broader Middle East; managing strategic stability in the era of nuclear multipolarity, preventing catastrophic terrorism and fighting nuclear proliferation. Failing to work on them, the US and Russian weaken their relative stance in the International System.<sup>22</sup>

Second, it would breathe artificial life into those features and problems of the US-Russia relations, which are inherited either from the Cold War era or from the 1990-s as best, and look irrelevant in the current conditions. Among them are the continues dominance of the strategic deterrence paradigm in their security relations, the sides' sticking to the strategic parity as an organizing principle of their relations in the nuclear arms field, attempts to counterbalance each other in the strategic field and even geopolitical competition in the Post-Soviet space. Indeed, preserving strategic parity and deterrence as a foreign policy and security imperative is irrelevant when the Cold war is history, and the sides face fundamentally different security environments. Similarly, attempt to impede the Russia-centric integration tendencies at the former USSR seems useless in conditions, where a new strategic rival to the US has already emerged in a different place, and the fate of the Post-Soviet region can not impact the future of the US international leadership and primacy in any way.

As a result, the logic and substance of the US-Russia relations will remain to be detached from the major tendencies of the International Relations and from the real challenges and opportunities that Russia and the US face in the world of today and tomorrow, thus undermining relative weight and competitiveness of each of the sides.

Therefore, the main task facing U.S.-Russia relations in the coming months would be to improve the political atmosphere in relations, thus overcoming the current "mini crisis," and bring the strong commitment of the foreign policy and military-political leadership of the two countries to constructive and pragmatic cooperation to the top level of government in both Russia and the United States.

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