



CHATHAM HOUSE

Chatham House, 10 St James's Square, London SW1Y 4LE
T: +44 (0)20 7957 5700 E: contact@chathamhouse.org
F: +44 (0)20 7957 5710 www.chathamhouse.org

Charity Registration Number: 208223

REP Meeting Summary

The Demise of the US-Russia Reset: What's Next?

Andrew Kuchins

Center for Strategic and International Studies

18 October 2012

The views expressed in this document are the sole responsibility of the author(s) and do not necessarily reflect the view of Chatham House, its staff, associates or Council. Chatham House is independent and owes no allegiance to any government or to any political body. It does not take institutional positions on policy issues. This document is issued on the understanding that if any extract is used, the author(s)/ speaker(s) and Chatham House should be credited, preferably with the date of the publication or details of the event. Where this document refers to or reports statements made by speakers at an event every effort has been made to provide a fair representation of their views and opinions, but the ultimate responsibility for accuracy lies with this document's author(s).

Andrew Kuchins:

The reset in US-Russian relations stemmed from three principal goals: the need to ensure bilateral cooperation over Iran's nuclear programme; the need for Russian support in Afghanistan; and the pressing need to revise arms' control agreements. Evaluations of the US-Russia reset remain a source of debate among scholars and policymakers alike. That evaluation depends on the definition of success and the chronological point of reference. President Obama's claims of success seem more limited today than eighteen months ago, when the reset looked like a success, especially compared to the Clinton and Bush administrations. US-Russian relations had deteriorated considerably by the end of the Clinton era, and by the time President Bush left office, bilateral relations were virtually frozen.

The reset improved the tone. It also resulted in a number of important agreements, including bilateral cooperation over Iran; the establishment of a safe transit corridor to Afghanistan, a new START treaty and the nuclear arms reduction pact in 2010. These developments can largely be attributed to the US administration's decision to shift its focus away from Ukrainian and Georgian NATO membership; less focus on missile defence; the fact that the global recession dictated a more pragmatic policy towards the US in Moscow; and also to Moscow's focus on WTO membership.

However, more positive US-Russian relations did not last long. Although the US provided significant support for Russia's WTO candidacy, unexpected developments, such as the Arab spring, the conflict in Syria and the rise of domestic political opposition in Russia defined the reset's long-term failure. President Putin was particularly at odds with the West over the situation in Libya, and recently Syria, and developments in the US missile defence policy.

Putin uses anti-US propaganda to gain support at home. After his re-election in March 2012, he moved quickly to further suppress the opposition. Initial hopes of a more moderate Putin have been dashed. The appointment of Michael McFaul as US Ambassador to Russia increased hostility in US-Russian bilateral relations, especially as it coincided with a period of concern about the prospects for reform and domestic change. McFaul has been the target of harassment and accused by pro-Putin Russian forces of organizing a political revolution. Despite some misinterpreted comments McFaul made in the past, he remains a close advisor to Obama on a number of issues including US policy on the Arab spring. Any amelioration of bilateral relations

is most likely to endanger rather than benefit the position of Prime Minister Medvedev.

Several analysts have pointed to US reluctance to act more decisively following Moscow's suppression of political opposition. There will be pressure on Washington to cut funding to Russia sooner or later, although this is not the answer to domestic developments in Moscow. The root cause of the modest US response is because the US administration is looking vulnerable for a number of unrelated foreign and security-related reasons. Yet many analysts wish to see a more decisive pushback by the US.

A possible aggravation of domestic political developments in Moscow could trigger a more decisive response on the part of the US. Political developments in Iran and Syria are equally critical inter alia because of their impact on Russia-Turkey and Russia-NATO relations. Instability in the Middle East could have a negative impact on the bilateral relations between Russia and the West.

Moscow's attitude towards Iran is shaped on two levels: regional and global. For Moscow, Teheran can be seen as an important partner in the Middle East and the South Caucasus. Yet on a global level, part of Russia's fear is that for economic reasons Iran will normalize its relations with Washington and the West. Economic factors are not as important as once suspected in driving US cooperation with Iran. A greater Russian concern is the Iranians playing against Russian interests in the region. Moscow is alarmed by the international allegiances of insurgent groups within Iran which may be able to challenge Russia's influence. Although the Arab spring brings Russians and Iranians closer together in support of the Assad regime, the extent of their cooperation remains unclear.

The Russian-Chinese partnership has gained new momentum over the past few years. What unites them is not an 'axis of convenience' but an 'axis of necessity'. Moscow and Beijing are determined not to allow Western-backed regime change in Syria as they consider this a violation of Syria's sovereign rights and are reluctant to embolden jihadist groups in Iran, Central Asia and Xinjiang. They also share the same concerns about missile defence and while they both want the Western sanctions to succeed in blocking Iran's nuclear project, they oppose US military intervention.

Another issue the Chinese and Russian leaderships seem to agree on is the need for both countries to play a leading role in international relations. Echoing Cold War rhetoric on a recent visit to China, Putin argued that 'it shall

no longer be possible to ignore Russia's and China's participation in all major decisions of international politics'.

Putin views Russia's role in international relations as that of a balancer. Central Asia is an area of both cooperation and competition between Russia and China. Given the two countries' vast common border, cooperation is vital. From Moscow's point of view, their interests coincide. Yet a reset in US-China relations would likely devalue China's relations with Russia. Although Afghanistan will be diminished as a foreign policy priority, for the next administration, this is not true for Iran. The future of US-Russian cooperation in the Middle East depends to a considerable extent on the Chinese factor. But for the moment it is evident that the Russians are moving towards Beijing.

The US will need Russian support in Afghanistan and Iran regardless of which candidate wins the US presidential election. Obama feels that his reset policy has been successful, but in the last year or so he has avoided engaging in public debate on Russia. The core of his administration believes that bilateral cooperation is important, yet in 2013 cooperation incentives will remain marginal.

If Mitt Romney wins, his ability to get Russia's support will depend on whether his policy towards Russia is going to differ from his current rhetoric. Although Romney has called Russia America's 'number one geopolitical foe', it still remains unclear how much of his rhetoric will translate into policy if he is elected. Nuclear security and missile defence remain key bones of contention. Romney's approach to nuclear cuts is much closer to the Bush administration's than to President Obama's. A Romney administration will not have a major incentive to push the nuclear security issue through, while Obama has tried and is likely to continue to try hard, as shown by his recent comments in South Korea. At the same time however, Moscow's nuclear build-up will proceed with caution as *inter alia*, it does not want to aggravate relations with Beijing. In terms of economic cooperation, although the US is going to grant Russia Permanent Normal Trade Relations, the next administration should carefully examine Russia's decision to expel USAID.

Central Asia and Afghanistan are the two areas with the greatest cooperation potential between Russia and the US, although the Russian preference for cooperation within the CSTO framework remains a problem. Yet on the American side, there is a sense of fatigue in dealing with the Central Asian states, especially Uzbekistan. The way in which this is handled will increase or decrease prospects for cooperation with Moscow. Regarding the global war on terror, the bilateral cooperation framework seems to be working better,

although developments in Syria have reduced both sides' willingness to engage in intelligence sharing. There is only a mild correlation between investment volumes and foreign policy. The arms trade between the two countries, however, is more politicized and will have to take place only in the context of a better bilateral relationship.

Russia's need to exploit the oil and gas fields in western Siberia is likely to encourage investments from US energy companies, who are more experienced and possess the technological expertise. Diversification is possible in Russia, yet this will only have a modest impact on Russia's economic growth. Bilateral cooperation between the two leading Russian and US oil companies could offer a different dynamic in political relations.

Russian interests in Venezuela are twofold: Venezuela helpfully acts as an irritant to the US. But Russian companies would welcome the opportunity to be engaged in the exploitation of Venezuela's oil and gas fields. Yet Moscow has come to realize that Venezuelan President Hugo Chavez is not an easy interlocutor.

In modern day Russia, there are contending schools of foreign policy thought expressed by scholars and elites, divided into westernizers, liberals and nationalists. Westernizers are sceptical about the nature of the regime and so are the nationalists. Yet, foreign policy making in Russia is driven by pragmatic interests rather than abstract values and ideas. Putin has never used the term 'reset' when referring to US-Russia relations. In his electoral manifestos published shortly before the presidential elections, he stressed the need for enhanced economic cooperation between Russia and the US but also criticised the START treaty. It appears that Putin still carries the psychological scars of the Bush administration, fearing that the United States does not respect Russia's interests. The Russian side does retain some respect for the US, albeit a waning one. During his years as Prime Minister, Putin witnessed Washington's support of Georgia and an increasingly ineffective response to the Arab spring; he holds the US responsible for regime change in the Arab world and expresses profound scepticism over the prospects of democratization in the region.