U.S.-RUSSIA RELATIONS:

FROM CONFRONTATION TO COMPELLED COOPERATION

In 2016, we mark the 25th anniversary of the collapse of the USSR and the creation of the independent Russian Federation. For most existing nations, this is a very short amount of time. However, for my generation of Russians, these years were extremely challenging, since they brought radical changes to practically every aspect of our lives. After 80+ years of the Communist system, we have managed to return to a market economy and democracy without a civil war and bloodshed.

However, building a new economy, creating new institutions of civil society, and therefore a new foreign policy, was not a smooth process, and contradictions between various social forces were unavoidable. And this process is not over yet in any of the vital areas. The multiple controversial trends brought into our lives by globalization do not make this task any easier.

I used to be a leader of a major Soviet oil enterprise, the governor of one of the largest and richest regions in Russia, the minister of fuel and energy of Russian Federation, and a private businessman, and my personal experience tells me that no matter how big is a country, its influence on the results of globalization is still limited. Hence, its foreign policy in general and bilateral relations with other nations should be built on this belief.

It is quite natural that our relations with the U.S., the largest economic and military power of the world, should be based on the principles of mutual respect and mutually beneficial cooperation. Besides, both countries share the main burden of responsibility for securing peace in the world and preventing a nuclear catastrophe.

With these thoughts in mind, I am particularly concerned by the unprecedented deterioration in the relationship between our nations. Nowadays it is up to the new administration to decide whether this relationship can manage to move from deterioration to stabilization and eventually improve in the next year or two, or if the weight of these problems will lead to confrontation on a number of key issues. As I see it, there are a number of areas of interaction where we might be able to cooperate, even though it may be compelled. An alternative to cooperation would be fraught with growing contradiction all the way up to loss of control over a crisis situation.

**In my opinion, the relationship between the U.S. and Russia has gone through three stages during last 25 years**.

In the early 1990s, as a result of the euphoria brought by democratic changes and the transition to a market economy, Russian elites viewed the U.S. as a model of a modern economy and prosperity, and developed high expectations in regards to U.S.-Russia relations in literally every area.

Without a doubt, the Washington Consensus prescriptions were used as guidelines for our radical reforms and defined the spirit of our interaction in the 1990s. The bilateral Gore-Chernomyrdin Joint Commission on Economic and Technological Cooperation was set up. I was actively involved in its operations and can confirm that it created a great deal of work by providing a political impulse and creating a legal basis for economic cooperation and the implementation of a number of major joint economic projects. Many large U.S. companies came to Russia and made an essential contribution to building the market economy, and made technological progress in a number of industries, including those of oil and gas, with the help of the Commission.

One of the outcomes of the May 2001 U.S.-Russia Summit was the U.S.-Russian Energy Dialogue initiative, which was supposed to help commercial cooperation in the energy industry and to increase interaction between the respective companies of two nations from upstream to downstream, as well as in the implementation of joint projects, including those in third countries.

The White Paper “U.S.-Russia Partnership: a new times, a new beginning” was published in 2001. It set forth the position of the U.S. Congress position toward energy cooperation with Russia. The paper clearly stated: “*Development of U.S.-Russian cooperation in energy should become a priority for international policy because of its capacity to address the risks of uncertain supplies*.”

However, from 2008-2015, the new breakthrough technologies that came from US progress radically changed the situation. On the other hand, by the end of the 1990s, our citizens, who were disappointed with the results of shock therapy, the dramatic decrease of industrial production, and the drop in income for a large part of population, changed their attitude toward the Western model, and they began to look for Russia’s own path of development.

The discrepancies in the political agendas of our nations emerged in the early 21st century. Some people in the United States deemed the collapse of the Soviet Union followed by the Russian economy crisis as a result of the victory of U.S. and NATO in the Cold War. That victory has once and forever deprived Russia of any influence on regional developments, let alone global ones. This logic implied that the world became unipolar, and that the U.S. emerged as the only pillar of international security entitled with full rights to intervene into the domestic affairs of any nation, even with military force. Meanwhile, certain political forces in Eastern Europe set a course for NATO eastward expansion. Nobody wanted to take into account the lessons of Russian history: throughout the entire history of the Russian state, its neighbors have regularly encroached on its territorial integrity and were sometimes successful in this endeavor. These factors in the aggregate triggered Russian concerns about U.S. activities.

Under the impact of foreign factors and domestic experience, Russia has developed a new system of governance, which was a result of the development of new tools and interactions acceptable for major actors and society. This process is not over yet, however it is worth noting that the existing system is not run by a single man or some kind of shadow “Politbureau,” as some Western commentators try to convince us. The Russian elites went through a painful path from full imitation and acceptance of Western values and system of governance as the model to compelled correction, which took the centuries-long historical and cultural traditions of the people inhabiting Russia into consideration. The accumulated discrepancies and the damage Russia has suffered in the area of its national interests have enhanced the contradictions between the two nations. The situation further worsened when the U.S. intervened in Yugoslavia and the Middle East. By the end of the 2000s, our political relations have radically deteriorated, and this had impact on our economic cooperation.

In the third stage (post-2010), after U.S. intervention into Libya’s domestic affairs and due to discrepancies regarding peaceful settlement of the Syrian civil war, the relations continued to get even worse. The reunification of Crimea with Russia and the continuing civil conflict in Eastern Ukraine exacerbated the situation.

At the same time, thanks to the joint efforts of our diplomats, we have managed to conclude a new Strategic Arms Reduction Treaty, to develop an agreement on Iran’s nuclear program, and to reach a significant mutual understanding on our joint efforts in Syria. These successes prove that when both sides commit the necessary political will, we are capable of reaching significant progress not only for the benefit of both nations, but for the stabilization of the political situation in the entire world. I believe that the two last cases clearly stress the need to put in more effort to reach an understanding of the true goals, reasons, and motivations for each partner’s actions, and to have bigger respects for its reasoning.

As I have already mentioned, by the end of the 1990s, the euphoria Russians had about the almost “brotherly friendship” they felt with the U.S., was replaced with a deep disappointment. Instead, Russians lapsed into another extreme: they began to see the “*Washington Obkom*” intrigues in every development, suspecting that the U.S. endeavored to eliminate the Russian Federation as an independent state. These sentiments became widespread in the environment of economic turmoil with the help of deeply engraved clichés and stereotypes of the Soviet propaganda.

I should admit that these kinds of public sentiments have a negative impact not only on the bilateral relations, but also on the perception of the main challenges of our time. They induce isolationist sentiments, attempts to oppose the globalization process with building economic autarchy, and raise administrative barriers for cooperation with foreign companies. Actually, I believe our partners could find analogies of this phenomenon in U.S. politics and economics as well.

These days, the influence of the unipolar world is clearly fading, mostly due to the continuing success of China and India. As China’s economic and military might grows, its influence is growing not only in Asia, but also in the rest of the world. China is pursuing a traditional balanced, though increasingly active policy of enhancing economic cooperation with many nations.

New, more favorable conditions for revising deep-seated biases and mistrust will emerge in the U.S. after the recent presidential and congressional elections. In this climate the Dartmouth Conference mechanism acquires an increasingly important role. This format of a direct and sincere dialogue of key public figures from both sides was established more than 50 years ago, thanks to the efforts of Russian academics Gheorgy Arbatov and Evgheny Primakov and (US) Secretary of State Henry Kissinger. It provides an opportunity to discuss our existing concerns and to develop mutually acceptable ways to address them. I think that in the coming years, we should maximize our efforts to increase the efficiency of the Dartmouth conferences.

As I look back at the results of cooperation in the 1990s, I can’t avoid but to mention the prospects of joint work in the area of energy. With the *shale revolution,* the U.S. government, business and academic communities have shown the model of cooperation: when a private initiative, backed by government support of scientific research, introduced a new technology in the most promising areas of technological progress allowing for a quick overhaul of the energy industry in order to meet the requirements of the national economy and population.

As a professional who was directly involved in the first stage of development of new fields in Western Siberia, I have a great deal of respect for the managerial and economic efficiency of the U.S. oilmen who developed the shale gas and oil reserves. I was deeply impressed with quick pace of the industry transformation, how the associated financial and transportation infrastructure was upgraded, and how the production facilities increased the professional qualification of the staff, and the integration of the new industry into the national economy.

In the short run, the effect of the technological leap in developing non-traditional resources is limited, however in the long term it can be quite significant. No other country in the world but the U.S. is capable of developing non-traditional resources so actively. Even Europe, with its almost perfect management repeatedly failed in this endeavor for a number of reasons, to the great chagrin of its investors. These reasons involved not only different geological structures and ecological restrictions, but mostly because the new projects could not compete against the existing traditional and new renewable sources of energy.

The Western European markets, which have been going through a serious transformation due to a transition to clean types of fuel and the downturn of gas production by European states, are the key areas for both Russia and U.S. energy interests. Russia was known for providing stable reliable gas supplies to the European market even in the times of instability and industrial transformation. It is worth noting that if European regulators were indeed striving to diversify its gas supply sources, they would focus on preserving a long-term stability in the Middle East, since it takes decades to pay off investments into infrastructure projects. For the purposes of the European gas market diversification, Iran was and continues to be the most economically feasible source of natural gas supply. Two years ago Iranian priorities in terms of natural gas exports were ordered as follows: LNG; gas pipeline deliveries to Pakistan and India; the Chinese market. Shifts in the global energy and political landscape in the last two years made LNG less attractive, while Iran’s involvement in the European *Southern Gas Corridor* project was made possible. Such radical and quick challenges are difficult to predict, but one should be always ready for them.

The U.S. oil and natural gas production leap, along with the economic growth of China, led to radical changes in the hydrocarbon markets. Every stakeholder was compelled to revise his/her strategies and projects. On one hand, it led to a surplus of supply over demand for oil and gas and to a dramatic drop in prices on hydrocarbons in general. This led to a significant reduction of the oil-producing countries’ revenues. On the other hand, prices became stabilized due to a decreased dependency of the energy-importing nations on the politically volatile Middle East. Now we have a better environment for the development of economic activities and the growing prosperity of nations in the future.

In general, the increase in the global production of hydrocarbons has a positive effect, mostly because securing sustainable growth has been the main challenge for the world economy. Today the U.S. is the largest producer of liquid hydrocarbons and natural gas in the world, while Russia holds second place. That means that it is hard to overestimate the importance of their cooperation for securing economic and political stability in the world. I believe that energy is the area of the long-term mutually beneficial cooperation between our nations.

At the same time, we are facing a number of serious political challenges, which cannot be addressed without close cooperation between the U.S. and Russia. First of all, it is international terrorism, specifically ISIS, which has provoked a large-scale humanitarian catastrophe in Syria and Iraq, and is trying to spread its influence not only to the adjacent countries, but also throughout the whole world.

Starting in 2011, despite the efforts of positive forces both from the inside and outside, the situation in Syria has been relentlessly deteriorating. For a while Russia stayed out of the fray and limited its activity with appeals to the opposing sides. However, when it became evident that the most radical barbaric forces were making the situation worse in order to achieve their goals, we offered a military approach as the only efficient measure at this stage of the conflict.

The extremists became increasingly active throughout the world: in the U.S., Europe, and Russia; but it is Syria where, given the scale of the humanitarian catastrophe and the number of engaged actors, the international security faces the hardest test for its feasibility. Russia could not stay indifferent and has offered its own solution for an early ceasefire and transition to a peaceful process.

In the recent past, the U.S. and Russia have provided a very successful example for regional cooperation, when they managed to destroy the stockpiles of chemical weapons in Syria without spilling a drop of blood. It became a reality and was accomplished in a short time frame only because of cooperation between our nations. And it is in striking contrast to a similar operation the U.S. has conducted alone: it took several years and the lives of 4497 U.S. soldiers and about a million of Iraqis to carry out the weapons of mass destruction operation in Iraq, which led to a long ongoing period of destabilization in the region.

**Summarizing everything said above, I would like to identify the guidelines for building architecture of cooperation:**

● Russia is mostly integrated into the system of international legal relations, though growing confrontation with the West has slowed down this process. Russia is interested in continuing it, in enhancing Russia’s role in the global economy, and in securing equality among the participants in global cooperation. For these purposes, Russia keeps developing regional alliances and mutually beneficial cooperation not only with the former Soviet republics, but also with newly industrialized emerging markets like China and India.

● Russia and the U.S. are compelled to cooperate on the issues of control and nonproliferation of WMD. This is still a priority for both nations. Therefore we should continue our cooperation on both Iranian nuclear program and on the international commitments of third countries, which have pledged to fulfill them.

● The natural priorities of both nations’ international agenda are to prevent the spread of ISIS-like ideologies and the growth of similar terrorist organizations, and concerted efforts to combat international terrorism. Cooperation in this area should exclude any potential conflicts among the participants and raise the efficiency of their efforts.

● The energy is the area of global-scale activity for both the U.S. and Russia. Cooperation among our nations, our companies, and our experts is required in order to improve the efficiency of the energy industry in general and to secure sustainable growth of the world economy.

● Our energy cooperation in the Middle and Far East and the construction of new energy corridors could become a crucial element of political stability and provide for economic growth.

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In a recent interview, former U.S. Secretary of State Henry Kissinger said: “*The world is in chaos. Fundamental upheavals are occurring in many parts of the world simultaneously, most of which are governed by disparate principles. We are therefore faced with two problems: first, how to reduce regional chaos; second, how to create a coherent world order based on agreed-upon principles that are necessary for the operation of the entire system.*”

I completely share his assessment of the state of international relations and believe that only more constructive cooperation between Russia and the U.S. can actively help to solve the acute problems accumulated for many years

**Thank you!**