THE CENTURY FOUNDATION AND THE STANLEY FOUNDATION
Joint Project on
DOMESTIC POLITICS AND AMERICA’S RUSSIA POLICY

AT ODDS WITH IRAN AND IRAQ:
CAN THE UNITED STATES AND RUSSIA
RESOLVE THEIR DIFFERENCES?

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A CENTURY FOUNDATION AND
STANLEY FOUNDATION PAPER

February 2003
For many years, Iran and Iraq have been among the sorest points in American foreign policy. We are once again at the brink of war with Iraq, and Iran may become a crisis in the not too distant future. The most important champion of both these countries has been Russia.

The United States has been distressed by Russia’s continuing support of these nations as well as Russian attempts to thwart our efforts against them in a variety of forums, particularly the United Nations. Indeed, Russian efforts in those two countries of the axis of evil has added a disturbing and often acrimonious aspect to U.S.-Russian relations, raising questions about the durability of the relationship and the domestic political support in the United States for it.

The impact of American domestic politics on U.S.-Russian relations was the subject of a task force convened jointly in 2001 by The Century Foundation and The Stanley Foundation. The joint task force paid a great deal of attention to Iraq and Iran as major factors in U.S.-Russian relations. Dr. Stephen Sestanovich, a senior fellow of the Council on Foreign relations and a member of the joint task force, made an oral presentation on the subject to the group, which then asked him to prepare a more comprehensive essay that would bring the material up to date. The result is this insightful piece on the relationship by a one-time insider.

Sestanovich’s essay, which was completed in December 2002, is focused more on the developments on the policy side and the thinking behind them than on the American domestic political side, but he does not ignore the latter. He provides an excellent and candid overview of the basic issues between the United States and Russia—Moscow’s protection of Saddam
Hussein and its economic stake in Iraq, and Russian contributions to Iran’s efforts to develop, supposedly, its nuclear energy capabilities but, likely, much more—and interesting supportive material of the way both countries maneuvered on these issues. Surprisingly perhaps, Iran’s nuclear program seemed to get more attention from the U.S. Congress and domestic political interests, particularly those supporting Israel, than did Russia’s efforts to buttress Saddam Hussein.

The U.S. efforts to get Russia to change its policies through incentives or threats of sanctions or the personal relationship of leaders have mostly failed. Moreover, Russian support for the war on terrorism has further complicated U.S. efforts. The Bush administration apparently hopes that Vladimir Putin’s increasing stake in good relations with Washington will produce more responsible Russian policies toward both Iran and Iraq. So far, change is more noticeable with respect to Iraq. The Russians may believe that the current administration cares less about Iran than its predecessor did, perhaps because it faces less congressional pressure to fix the Iranian nuclear problem. Domestic critiques of administration policy have their uses!

But we may be near the point where Russian efforts to have it both ways—keeping up good relations with the United States while still maintaining profitable relations with Iraq and Iran and exhibiting a certain “fatalism” about nuclear non-proliferation—becomes impossible. Sooner or later there may well be a reckoning between the United States and Russia on these issues.

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February 2003
INTRODUCTION

Iran and Iraq have never loomed larger in Russian-American relations than they do today. At a time when the number of issues on which Moscow and Washington disagree is dwindling, their discussions over these two nations are still contentious enough—even with Russia’s “yes” vote in the U.N. Security Council on November 8, 2002—that officials and commentators on each side regularly suspect the other of ill will and bad faith.

It is hardly a new problem. Long before the president of the United States declared Iran and Iraq to be members of an “axis of evil,” they were already the subject of regular, and frequently acrimonious, Russian-American discussion. They have been, for at least a decade, the countries of the Persian Gulf with which the United States has had the worst relations, and with which Russia has, usually, had the best. American officials and policymakers have often asked their Russian counterparts how they could expect to maintain friendly ties both with the United States and with states that support international terrorist groups, threaten American friends in the region (the Gulf Arab regimes as well as Israel and Turkey), and are—in clear violation of their own international commitments—working to acquire weapons of mass destruction.

Worse, Americans have repeatedly accused Russia of helping Iran and Iraq. The efforts of Russian diplomats at the United Nations to shield Iraq from international pressure in the late 1990s provoked Madeleine Albright on more than one occasion to accuse them of acting as “Saddam’s lawyers.” And the flow of Russian technology, materials, equipment, and expertise to Iran—sometimes with open government endorsement—has long been seen
by the United States as critical support for Teheran's program to acquire both nuclear weapons and long-range missiles with which to deliver them. The acquisition of weapons of mass destruction by regimes deeply hostile to its interests has become America's pre-eminent national security concern, and Russia seems to be making it harder to solve.

The near-alliance forged by President George W. Bush and President Vladimir Putin after September 11 ought to help the two sides to work together on these issues. But the record leaves considerable grounds for skepticism. It is terrorism, not the proliferation of weapons of mass destruction, that provides the new glue for Russian-American cooperation. The United States has raised the issue of Iran and Iraq with the Russians over many years, under Democratic and Republican administrations alike, when relations were good and when they were shaky. It has treated its disagreements with Moscow as matters of the highest priority and as everyday diplomatic nuisances. It has sometimes offered to pay a high price for resolving them, at other times no price at all.

Russia's response to all this has changed little over time. It usually has resisted putting pressure on either country, and only rarely restricted its relations with them. While expressing hope that neither will acquire nuclear weapons, it has betrayed a kind of fatalism about the outcome.

As we face the prospect of another Persian Gulf War, a closer look at the past is in order, if only to understand why years of American effort have not brought the results we sought. Renewed confrontation with Iraq may actually create an opportunity for Russia and the United States to put this disagreement behind them. (Washington has already offered Moscow more substantial inducements to cooperate than ever before.) There even may be a chance for a breakthrough on Iran as well. But none of this will come to pass if the United States does not give the Russians a better sense of what its tolerances are and how relations are likely to develop if cooperation does not take place. If these issues are poorly handled, the Bush-Putin partnership could be an inadvertent casualty of war.
THE IRAQ PROBLEM IN THE 1990S

Since the Persian Gulf War, Russia and the United States have played out their disagreements over Iraq largely within the framework of the U.N. Security Council. It was here that the powers that waged war on Iraq in 1991 gained an international mandate in support of their actions, here that the terms of the peace were laid down, and here that disputes about enforcing these terms on (as the United States saw it) an increasingly recalcitrant Iraqi regime took shape.

These disputes were at their peak in a two-year period starting in 1997 in which Iraq challenged the U.N. inspection system that was created at the end of the war to keep Saddam Hussein from retaining or acquiring weapons of mass destruction. The United Nations Special Commission (UNSCOM) was a unique enforcement mechanism—the team had a roster of more than two hundred professional staff members—and operated under the direct purview of the Security Council. As such, the Council’s permanent members—China, France, Russia, the United Kingdom, and the United States (the P-5)—were the immediate overseers of the Commission’s work and deeply involved in all the details of its wrangles with Iraq.1

In the early 1990s, the P-5 (apart from China, which did not usually join the consensus on Iraq but did not block it) was largely united and able to dictate terms to Saddam. This unity collapsed in the second half of the decade, and by 1999, after two years of confrontation, U.N. inspectors, whose activity had been steadily curtailed by Iraqi pressure, had been ousted from Iraq for good. UNSCOM itself was disbanded soon thereafter and replaced by a new unit, the United Nations Monitoring, Verification and Inspection Commission (UNMOVIC), which was given a far weaker mandate by the Security Council and was not able—until November 2002—even to enter Iraq.

During this period, Russian officials never went so far as to say that Iraq could simply ignore its international obligations. Doing so would have
undermined Russia’s own authority as a Security Council member, not to mention its desire to be rewarded by Saddam for its assistance. But Moscow consistently argued that Iraq had gone far to meet the disarmament requirements that the United Nations had imposed and now deserved to know that the end of the process was in sight—a transition first from constant and intrusive inspections to less onerous “monitoring” and then to a full lifting of economic sanctions.

Russian diplomats did not have to veto Security Council resolutions in order to support Iraq in its struggle with UNSCOM. In September 1997, after mounting difficulties in the work of its inspectors, UNSCOM sought the Security Council’s backing; Russia, along with France and China, responded by abstaining on a resolution (UNSCR 1134) calling on Iraq to cooperate, even though its language had already been watered down and did not declare Iraq in “material breach” of its obligations. Seeing this split within the Security Council, Saddam Hussein was able to challenge the inspections regime with greater confidence. Over the next two years and more, Iraq enjoyed consistent Russian support on the many occasions when it sought to dilute the authority of the inspectorate, replace its leadership, change the composition of its staff, or restrict its activities and freedom to move around Iraq. When these Iraqi challenges provoked counterpressures by the United States, including military retaliation, Russia invariably denounced American actions. It even declared that there was no legal basis for U.S. enforcement of the “no-fly” zones in northern and southern Iraq.

Two motives appeared to guide Russian policy in the late 1990s. The first was political—to constrain U.S. actions and preserve Russian authority by keeping the Iraq question within the framework of the U.N. Security Council and to maximize U.S. isolation should Washington choose to act unilaterally. The second motive was economic—to reap the commercial and other material benefits of being Iraq’s chief protector against American pressure.

Both of these goals were well (but not fully) served by the standoff that developed between Iraq and the United States after 1997. In part because it
continued to insist on the authority of the United Nations and on the legal force of previous resolutions, Russia was not able to free Iraq completely from U.S. pressures or from U.N. sanctions. But it did provide cover for Saddam’s successful overthrow of the international inspection and disarmament regime.

As for Russian economic interests, these could be profitably advanced without fully dismantling the sanctions regime. Iraq rewarded Russia economically for its political support, and the oil-for-food program, established in 1996 to enhance Iraq’s ability to meet the needs of its population, proved a useful and lucrative vehicle for doing so. While this program perpetuated U.N. regulation of Iraqi trade, it allowed the Iraqis to select their trading partners. Accordingly, Russian-Iraqi trade increased dramatically between 1997 and 2000.4

To assure himself of continuing Russian support for ending sanctions, Saddam also held out the prospect of larger payoffs down the road. In 1997, at the beginning of his campaign against UNSCOM, he signed his first big exploration and development contract with a Russian energy company, LUKoil, with a value estimated at somewhere between $4 billion and $12 billion. But benefits on this large a scale—as well as collecting on Iraqi debts to the Soviet Union, themselves estimated at approximately $7–8 billion—could not be realized unless sanctions were lifted. In the mixed outcome of Saddam’s challenge to the United Nations, Russia was able to win substantial economic rewards, but not the larger payoff for which it had surely hoped when the period of confrontation began.5

While serving as Iraq’s defender, Moscow made clear that it hoped to do so without provoking the enmity of the United States, and indeed, Russian officials sometimes claimed that their policy would actually serve American goals. As Saddam’s confrontation with UNSCOM unfolded in the winter of 1998, Boris Yeltsin suggested to Bill Clinton that a “good cop/bad cop” formula was most likely to lead to success. “You apply pressure,” he said, “and we apply pressure.” Later that spring, Iraq agreed—after much
diplomatic haggling and a buildup of Western military forces in the region—to let inspectors (temporarily) resume their work. Russian relief was palpable. The Russian ambassador in Washington announced proudly to a roomful of his colleagues from other former Soviet countries that a crisis had been averted because of the mutually reinforcing impact of “one little Russian diplomat”—a reference to Moscow’s special envoy Viktor Posavaliuk—“and one big U.S. aircraft carrier.”

There were limits to this good cop/bad cop vocabulary, of course. Russia probably did not mind much when the bad cop brandished his truncheon to make the suspected criminal behave a little more reasonably and may have advised Saddam in the course of 1998 to moderate his challenge to the United Nations, the better to avert American bombing strikes. What Russia would not do was support—or even seem to accept—the use of force itself. When the United States and Britain bombed Iraq for four days in December 1998, Ambassador Vorontsov stopped chortling about diplomats and aircraft carriers working together. Russian spokesmen—including President Yeltsin himself—denounced the action, the Duma branded the United States and Britain “international terrorists,” and Vorontsov (along with the Russian ambassador to Britain) was ostentatiously summoned home to Moscow. This was the first and, to date, only occasion since the end of the Cold War on which either the Russian or American government has used this particular form of diplomatic protest, but it was not followed by other gestures of displeasure. Vorontsov himself returned to Washington within a week, and his counterpart to London a few days later.

Saddam’s two-year confrontation with the United Nations subsided in 1999, leaving a muddled result in which no party got what it was after. Having hoped to free itself from all the constraints of the 1991 settlement, Iraq had ousted the inspectors and broken up UNSCOM, but sanctions remained in place for the time being. To remove this final vestige of 1991, Saddam would have to further exploit the divisions among the P-5 that his actions had already exposed.
As for the Russians, they had demonstrated that Moscow was too weak to prevent U.S. military action or to overturn the sanctions regime entirely. As a result, the large economic benefits for which some Russians had hoped were not achieved. At the same time, Russia was guaranteed increasing rewards from a client that it had kept in power. And it did so without letting Iraq become a major source of Russian-American hostility.

In the late 1990s, accumulating Russian-American disagreements stoked a growing conviction on both sides that meaningful cooperation, not to speak of real partnership, could not last. As one of the most important issues on which the two sides disagreed, Iraq was part of this downward trend. Yet what is striking about the evolution of Russian-American relations in this period is how limited the impact of Iraq turned out to be. American officials wanted to keep discord over Iraq from having negative side effects; they called this “managing our differences” and considered it a mark of maturity in Russian-American relations. Russia, too, clearly wanted to avoid paying a price in American enmity for the support it gave Saddam.

Domestic politics provide part of the explanation for Iraq’s marginal impact on relations between Russia and the United States. Both presidents were politically vulnerable and had more pressing matters on their minds. (In late 1998, Clinton, of course, was especially preoccupied by the issue of impeachment; Yeltsin, by the political turmoil that followed Russia’s financial crash during the previous summer.) Other international issues, such as the Balkans, evoked a much stronger domestic response. Iraq, by contrast, was an issue for foreign ministries.

Yet the main reason that Iraq did not cut more deeply into Russian-American relations was that American aims were so limited. The Clinton administration treated confrontation with Saddam as a test of core international principles—non-proliferation of nuclear weapons, respect for multilateral obligations, great-power solidarity against rogue states and terrorists—but it was not willing to push matters to a decisive conclusion. American use of force did not aim to make Saddam comply, only to make
his actions costly. No one thought a brief show of force would change Iraqi behavior, get inspectors back in, alter Russian policy, or, least of all, dislodge the Ba`ath regime. President Clinton had just signed a bill making Iraqi “regime change” the goal of U.S. policy, but airpower alone was clearly not going to achieve it, least of all in four days. When this episode was over, the administration paid little further attention to Iraq.\(^8\)

Because America’s ends were limited, so were its means. During this period, no U.S. official ever offered a serious quid pro quo for Russian support or warned Moscow of the consequences of not cooperating. Measured against the priority given Iraq since September 11, these omissions may seem strange, but as part of a strategy that did not aspire to solve the problem, they were not strange at all. The most obvious economic inducements that Russia sought were those associated with an end to sanctions, but because it was unwilling to do what was needed to disarm Saddam or overthrow the Ba`ath regime, the United States came to rely more heavily on keeping sanctions in place. They were all that remained of a tough U.S. policy.

As for warning Russia of the negative consequences of backing Iraq, this was hard to make credible. Russian-American relations were already troubled, and the Clinton administration wanted to salvage what was left, rather than subject the relationship to still greater stress. More important, pressure tactics against Russia would have been inconsistent with the administration’s own strategy toward Iraq. Washington was not trying for a knockout punch against Saddam Hussein, and because it was not, there was no sense in telling the Russians that they were to blame when American policy itself fell short.

**The Iran Problem in the 1990s**

Iran might seem at first glance to have posed the same problem for Russian-American relations in the 1990s that Iraq did. It was another Persian Gulf country whose efforts to acquire weapons of mass destruction generated
recurrent discord between Moscow and Washington—discord stoked by both strategic and economic interests. And yet the American approach to dealing with Russia over Iran was very different, and it left a far deeper imprint on Russian-American relations.9

Russia’s relations with Iran were seen to represent a larger and more dangerous threat than the diplomatic protection it afforded Saddam in the United Nations. American officials believed—and insisted that they had the evidence to show—that Russian assistance (sometimes with explicit government approval, sometimes perhaps not) was helping Iran to acquire long-range ballistic missiles and nuclear weapons. On the worst possible construction of the evidence, it appeared that high officials of the Russian government were part of a conscious effort to arm a sworn enemy of the United States with weapons of mass destruction—for reasons that ranged from strategic resentment to personal enrichment. But even a more generous reading of the evidence was quite disturbing. Top Russian officials might not be witting members of a conspiracy, but they were clearly not trying very hard to block those in their own system who were, and the pervasive corruption of Russian institutions meant that even determined efforts to solve this problem were likely to fail.

No matter how U.S. officials read the evidence, they were led to negative conclusions, either about the personal probity of the Russians they were dealing with or about Russia’s broader post-Communist evolution. Like Iraq, Iran was a serious issue in Russian-American relations in the late 1990s, but it was also more than that. It was a source of uneasy second thoughts about the overall wisdom of American policy toward Russia.10

Given the nature of the threat posed by the Russian-Iranian connection, a far larger—and more diverse—group of political actors sought to influence U.S. policy. Members of Congress who took little interest in the Iraqi issue were thoroughly energized by the goal of getting Russia to stop the flow of assistance to Iran. Israeli diplomats and government officials also joined the debate, arguing that the growing threat to their security called for
the strongest U.S. pressure on Russia to change course. They worked to involve others—lobbying groups, the media, members of Congress and their staffs. Israeli officials were, in the words of Sandy Berger, the president’s national security adviser, “the swizzle stick” in the cocktail of Washington agitation on this issue. But—like congressional pressure—their role could be as potent as it was because the level of concern inside the administration was already very high. Those on the outside who felt that the United States was too passive on the issue had many sympathizers on the inside who provided the information and arguments in favor of a tougher approach. It is hard to think of any recent issue that has inspired such incessant leaking of highly classified material to the press and to Capitol Hill.

As a result of this roiling domestic context, the Clinton administration handled Russian policies toward Iran and Iraq completely differently. The framework for addressing Iraqi issues was provided by international institutions and processes, whose legitimacy Russia did not contest (and over which its permanent Security Council seat gave it automatic influence). With Iran, by contrast, it was U.S. domestic legislation that provided the framework. American officials were constantly demanding better Russian performance so as to prevent a dissatisfied Congress from taking action on its own—among other things, by voting to cut American assistance to Russia. The amounts at issue were rarely large, but they raised the prospect of deeper cuts in the future. Worse (and this was what Russian officials particularly resented), they labeled Russia as an international miscreant.¹¹

Each of these differences between Iran and Iraq seemed to call for different strategies for communicating with the Russians. Iraq remained by and large in traditional diplomatic channels, a subject for heated debate between Secretary of State Albright and Foreign Minister Primakov. Iran, by contrast, called for a formula that the administration had previously employed to address urgent and dangerous issues between Washington and Moscow, particularly those that seemed to require the assent and cooperation of multiple
government agencies (and nongovernmental actors) in each country. American policymakers sought to keep domestic critics and lobbies and their congressional advocates at bay for as long as possible by pledging that the problem would get high-level attention. Meanwhile, the administration would try to come up with a solution that combined credible, if usually incremental, changes in Russian policy with a series of inducements that offered Russian policymakers political cover as they gave in to the United States once again. To work, this formula required initial agreement of the two presidents that a particular problem would not be allowed to spoil the cooperative Russian-American relationship they had created. This mandate was seen as the basis for successful bureaucratic follow-through.12

By the time the Iran problem subjected this approach to its most strenuous test in the late 1990s, it had already produced what the United States considered good results on other tough issues. In fact, Iran itself was thought of as part of the successful track record. In 1995, discussions between Clinton and Yeltsin, and Vice President Al Gore and Prime Minister Viktor Chernomyrdin, had produced an agreement that circumscribed Russian nuclear cooperation with Iran—and then blocked an attempt by the Russian atomic energy ministry to subvert the agreement.13

Given this positive history, there was guarded confidence within the administration when, in 1997, concerns were raised about dangerous new transfers of Russian technology and expertise, this time to the Iranian missile program. The usual urgent high-level conversations were orchestrated—first, during Prime Minister Chernomyrdin’s visit to Washington in February 1997, and then, when Yeltsin himself came to the United States for the Denver G-8 summit in July. What might be called the “Bill-and-Boris” phase of the strategy produced strong Russian affirmations, as desired, that the problem needed attention and that lower-ranking officials should be told in no uncertain terms to fix it.

Merely getting high-level acknowledgment that the flow of assistance to Iran was in fact a problem was considered a step forward by
U.S. policymakers. Now the job was to enhance Russia’s institutional capacity to deal with the problem, modernize its legislation relating to export controls, and show that violators would be punished—all in the name of advancing a common security interest and shielding the broader Russian-American relationship from damage. By the beginning of 1998, a steady schedule of bilateral consultations—in particular, meetings between special representatives designated to “work the problem”—had produced the first trickle of results, including a Russian government decree that would eventually lead to adoption of something like Western criteria for controlling sensitive exports. There were also indications that the activity of at least a few of the offending Russian entities had been curtailed.

These steps were not regarded by any means as a sign that the problem was solved, only that the approach was working and that Moscow was taking the issue seriously. Senior figures in the administration generally believed they needed more time to push the Russians for further action, and to win it, they were prepared for some measure of confrontation with Congress. The mandatory sanctions that many in Congress wanted to legislate were thought likely to provoke the Russians to stop cooperating altogether.

The problem of how to preserve a coherent policy toward Russia in the face of limited Russian responsiveness, on the one hand, and growing congressional impatience, on the other, was considered so acute that in January 1998 the administration convened a cabinet-level meeting to review policy toward Russia. Known as the Principals Committee (PC), it was only the second such session on Russia in the course of the entire Clinton administration (and it proved to be the last). Though billed as a general review, it actually had a different purpose—to discuss the effort to get Russia to shut down assistance to Iran and, if possible, to record a consensus for holding firm against congressional pressure for early sanctions.

On this point there was little real disagreement. Secretary Albright warned that yielding to Congress on sanctions would result in a broader
loss of control over foreign policy and that congressional interference would only intensify if the administration yielded. Sandy Berger had already described President Clinton’s view: he was not going to “shift the paradigm of how we deal with the Russians.” Accepting this judgment, that the overall policy “paradigm” was at stake, the president actually vetoed a bill requiring sanctions in May 1998. (Shortly thereafter he also exercised the waiver provisions of the Iran-Libya Sanctions Act so as to avoid having to impose sanctions on Russia and France in connection with the contract signed in the fall of 1997 by Gazprom, the Russian gas monopoly, and two partner firms, Total of France and Petronas of Malaysia, to develop Iran’s South Pars gas fields.)

The president’s veto was not only the high-water mark of the Bill-and-Boris phase of policy, but virtually its end point as well. Had the Russian government moved promptly to use its new institutional tools—not to speak of its older “tools,” such as the KGB—to sharply curtail sensitive contacts with Iran, it might have been possible to defuse congressional pressure. But such steps were not taken, and by mid-year the consensus inside the administration was that only the imposition of its own sanctions could preserve its credibility. (Russian passivity was partly responsible for this conclusion, but so was Iran’s test of the Shahab 3 missile on July 21, 1998.)

At first, decisions about sanctions were made in a kind of semi-unison with the Russian government. By pre-arrangement, the announcement in July 1998 of U.S. government action against Russian firms providing assistance to the Iranian missile program was coordinated with Russian statements launching criminal investigation of the same firms. But this superficial amity was short-lived. By the time another round of U.S. sanctions decisions were ready in January 1999 (this time the focus was illicit nuclear cooperation), implementation on the Russian side was not considered adequate by the American side to warrant repeating the pas de deux, and in any case the new Russian government led by Yevgeny Primakov did not want to lend further credence to Washington’s allegations against it. For the remaining two
years of the Clinton administration, the question of whether new sanctions would be needed was constantly at the center of Russian-American discussions of Iran—for that matter, at the center of most high-level Russian-American discussions. Senior administration officials always worked from a high-priority list of actions that they wanted the Russian side to take so as to justify postponing new sanctions.

In this second phase of trying to get Russia to stop the flow of technology to Iran, sanctions were the most prominent policy tool, but the United States also continued to make use of positive inducements to elicit better Russian behavior. The record here was mixed at best. In the Bill-and-Boris phase, the administration had reminded the Russians at every level that lucrative high-tech cooperation could be significantly expanded if Russia took credible action to stop illicit technology flows to Iran. But U.S. officials also warned that even existing cooperation would be put at risk if nothing were done. As Vice President Gore put it to Primakov in November 1998, “You can have a piddling trickle of money from Iran or a bonanza with us, but you can’t have both. Why do you keep trying to have it both ways?”

Among the projects that were supposed to sway the Russians to do the right thing on Iran were cooperation in building the international space station, licenses for Russian missiles to launch U.S. telecommunications satellites, long-term storage in Russia of spent fuel from nuclear reactors in other countries, joint research on a new generation of nuclear reactors, and increased spending under the so-called Nunn-Lugar program to improve protection of fissionable materials. For a time, the satellite launch business, which was regulated by a U.S. government grant of “launch quotas” to other countries, seemed the most effective of these levers, not least because it affected large Russian entities in the very sector—space and missile technology—whose reputation was being blackened by its assistance to Iran.

But what might have been a powerful lever to change Russian behavior began to weaken when U.S. defense industry lobbyists realized that existing joint ventures with Russia might also be blocked if the administration tightened
sanctions or widened their reach. Obviously, when the United States threat that Russian assistance to Iran might lead to broad penalties collided with U.S. corporate support for raising the Russian launch quota, one of them had to give way. Not surprisingly, it was the threats. With strong congressional concurrence, the administration let the quota expire at the end of 2000, thereby ending any use of this issue as a policy lever.\textsuperscript{17}

A parallel example of mixed priorities and mutually canceling messages involved the administration’s decision in the wake of the 1998 Russian financial crisis to support what it called the Enhanced Threat Reduction Initiative. At the very same time that the United States was trying to make the Russian government feel that the support it got from the West would be undermined unless the Iran problem were cleaned up, U.S. officials were also sketching out their ideas for increasing that support, including assistance to the same atomic energy ministry that it regarded as one of the main culprits in helping Iran’s weapons program.

To stop Russian assistance to Iran, American policy sought the extra torque it lacked over Iraq. No other issue was said to threaten Russian-American relations so fundamentally, was tied so closely to mutual confidence between presidents, was so incessantly and insistently discussed by officials at all levels, or was linked to such large material inducements. It would be hard to draw up a cleaner textbook case in which outwardly similar and highly important issues were handled so differently.

Why, then, was the result so similar? Russian export-control laws and regulations were tightened, and some glaring cases of freelance cooperation with Iran appeared to end (especially when the U.S. government provided specific information about them). Yet no moonlighting Russian missile engineers were arrested, no Iranian middlemen were expelled for misusing their diplomatic status, and the largest item of Russian-Iranian cooperation—the reactor complex at Bushehr—continued to provide effective cover for illicit assistance. By the end of the decade, the U.S. intelligence community judged that Iran continued to benefit from Russian help.
In the effort to stop Russian assistance to Iran, each tool of U.S. pressure proved blunter than it should have been. The very claim that Iranian nuclear weapons proliferation was a matter of high priority may have been doubted by Russian officials, who seemed to view American warnings about assistance to Iran as essentially a way of fending off partisan domestic attacks on the Clinton administration. To American accusations and appeals, the Russians typically retorted that it was not their job to save the president from his critics. Similarly, they may have read American forecasts of deep damage to Russian-American relations as an invitation to engage in a joint effort to deflect and manipulate congressional opinion. In discussing the prospect of sanctions, they usually wanted to know what minimum set of actions would defuse pressure for a time, not how to solve the problem for good. Their perceptions were wrong, but they were not altogether unreasonable.

The administration’s use of inducements was also problematic. The Russians needed to be convinced that their performance alone would determine whether they got the carrots they wanted. They saw instead that corporate lobbying successfully blocked the use of sanctions whenever it was likely to hurt American business. The administration’s own message about the link between performance and payoff was inconsistent.

Finally, the assumption that a presidential handshake could stop Russian assistance to Iran proved mistaken and out of date. By the late 1990s, Boris Yeltsin lacked the interest, energy, aptitude, and maybe even the power to meet this complex political and institutional challenge. And American appeals to him, and to the grand goal of Russian-American partnership, no longer had their old motivating force. Russian assistance to Iran seriously eroded mutual confidence, but so did financial meltdown and scandal, Kosovo, NATO expansion, national missile defense, and other first-order disagreements. The circuitry of relations between Moscow and Washington was overloaded. They did not become manageable again until each country’s transition to new leadership was complete.
When its two-year confrontation with UNSCOM ended in 1999, Iraq ceased to be a matter of real Russian-American contention (or even attention). It regained its prominence only when President Bush’s axis-of-evil speech of January 2002 again put U.S. policy on a collision course with Saddam Hussein.

Russia’s response to the renewal of U.S.-Iraqi confrontation would have been familiar to any observer of this issue in the late 1990s. As before, Moscow seemed determined to protect its authority as a member of the U.N. Security Council, to maintain existing constraints on the use of U.S. military power, and to show that its policy toward Iraq produced material benefits for Russia. Both President Putin and Foreign Minister Ivanov frequently—and publicly—reminded Washington that the use of force had to be “justified,” and that it required explicit authorization by the U.N. Security Council.18

Echoing European and Arab leaders and commentators, they expressed worry that unilateral American action to force a change of regime would exacerbate the instability of the region and argued that diplomatic priority should go to efforts to address Israeli-Palestinian problems, with Russia playing a leading role as a member of a new international “Quartet.” Challenging Washington’s core claim about the danger Iraq represented, Sergei Ivanov, the defense minister, repeatedly called on the United States to present new evidence that Iraq actually has any weapons of mass destruction.

On the economic front, the threat of U.S. military action against Iraq brought Russia substantial benefits, as it had in the past. With Russian firms the biggest beneficiaries of the U.N.’s oil-for-food program, Russia remained Iraq’s leading trade partner. And Iraqi officials continued to use the prospect of increased trade and long-term oil field development contracts as lures for Russian support. In August 2002, the Iraqi ambassador to Moscow announced that the two sides had finalized a ten-year trade agreement—a
symbol of the economic windfall that Russia would supposedly enjoy if war were averted and sanctions lifted.

Yet these elements of seeming continuity were superficial, even misleading. From the way Moscow handled the resurgence of tensions between the United States and Iraq in 2002, it became clear that Washington no longer had to take Russian opposition for granted. To the contrary, Russian-American cooperation of some sort has come to seem the greater likelihood—a strategic transformation made possible by a series of basic changes in Russian politics and foreign policy.

The first of these developments was the formation after September 11 of a near-alliance between Russia and the United States on the issue of terrorism, and the inevitable Russian downgrading of Iraq that followed from it. Having engineered this unexpected Russian-American rapprochement (whose first manifestation was Russia's dramatic endorsement—not just acceptance—of the U.S. military campaign in Afghanistan) and having said that nothing would be allowed to diminish it, Putin was clearly reluctant to let an issue such as Iraq undo his achievement.

Second was the unquestioned control that Putin had established over Russian foreign policy. His high approval ratings and lack of serious political challengers gave him an authority that his predecessor lacked. With poll ratings that have stayed in the mid-70 percent range since his election in 2000, Putin is not only far more popular at home than Yeltsin ever was, but he has had far less need than Yeltsin to prove that he can stand up for Russian interests when necessary. A bristly attentiveness to Russian interests is in fact one of the enduring elements of his political persona. Where Yeltsin apparently felt that to look strong he had to denounce every American military action, Putin clearly believes—and he is surely right—that ineffectual public tantrums would only make him look weak.

A third development with a bearing on Iraq was the commitment made by Putin to advancing economic interests through Russian foreign policy. A less popular leader might make himself vulnerable to the charge of putting Russian national interests up for sale, but when Putin probes to see how
much the United States is prepared to pay for Russian support against Iraq, he does not create any public controversy or embarrassment. To the contrary, he appears to gain credit for hard bargaining (unlike Yeltsin, who is remembered as having let others take advantage of him). It is now widely alleged in Washington that, from the moment the Bush administration began advertising its intentions toward Iraq, high-ranking Russian officials regularly and suggestively reminded their American counterparts of Russia's economic interests there. In contrast to the 1990s, when U.S. policy did not offer Russia inducements for its support against Iraq, American officials now say they are quite ready to do so.19 “We understand that Russia has got interests there, as do other countries,” President Bush himself has said. “And of course those interests will be honored.”20

A final source of change in the ability of Russia and the United States to deal with the issue of Iraq has been the emergence of a successful and self-confident Russian business elite with its own strategic rationale for improving relations with the United States. Riding a four-year surge in oil production, leading Russian oil men—most notably and vocally, Mikhail Khodorkovsky, the very visible head of Yukos—now say their prime corporate goals are to gain access to Western markets and put their business on a truly global footing, rather than remain bottom-feeders dependent on semi-illicit ties with the world’s rogues. For businessmen with such an outlook, Russia's economic motives now parallel its political interests. For them, Putin's alliance with Bush does not sacrifice the corporate bottom line; it strengthens it.21

Taken together, these changes all but ruled out the reflexive pro-Saddam stance that Russia had adopted in the past. Saddam might face defeat, but Putin was not going to let it become his own defeat as well. Some commentators even wrote of the risks for Russia in standing by Iraq too long. Russia, they said, might find itself empty-handed and isolated when the war was over: what kind of hard-boiled defense of the national interest would that be?

As such talk suggested, the hardening of U.S. policy against Iraq in the course of 2002 had narrowed the benefits that Baghdad could offer
M oscow. To be sure, the trade—often valued at over $2 billion annually—that the Iraqi government directs Russia’s way as a reward for its political support has increased. But Iraqi officials are no longer in a position to make more than empty promises when it comes to the other economic interests that Russian officials most frequently invoke as their prime concerns—the repayment of long-standing Iraqi state debts to Russia and Russian participation in the long-term development of Iraq’s energy potential. These benefits are blocked as long as the existing sanctions regime remains in place. When Iraq talks of paying its debts, it says it will do so “when sanctions are lifted.” When Russian firms sign up for big oil field development contracts, they are also obliged to add “when sanctions are lifted.”

This, Russians now concede, probably means “never.” Even if war is averted, the United States will be able to keep a sanctions regime in place far into the future, and whether or not it is as effective as originally intended (it clearly is not), it would continue to be an obstacle to both debt repayment and large-scale energy investments. Strong Russian support for Saddam Hussein cannot, in sum, produce an economic payoff for Russia outside of existing trade ties. Working with Washington, by contrast, may actually clear the way for Russia to secure benefits that have until now seemed unattainable—unattainable, that is, as long as Saddam remains in power.

Even while Russian policymakers remain publicly guarded on questions such as these, Russians free to speak their minds have increasingly taken for granted that the main question for Russia is when, how, and on what terms to switch over to an alignment with the United States. Khodorkovsky himself has argued that what Moscow can offer Washington is a pledge of sustained support if a military campaign against Iraq does not go as well as planned. In exchange for this, he has suggested, the United States could be expected to offer Russia benefits that it might otherwise be expected to keep for itself, especially if victory proves easy. Other Russian commentators have proposed that Russia prepare to protect its interests in an anticipated postwar bargaining process by establishing contacts with the
Iraqi opposition and émigré groups that are likely to make up a new Iraqi government. Much of Russia's handling of Iraq over the past year has seemed to follow from such calculations about the relative advantages of standing with Iraq or with the United States. After Bush's axis-of-evil speech, Putin avoided personal identification with Iraq, declining to meet with Saddam's longtime deputy Tariq Aziz. On the eve of the Bush-Putin summit in May 2002, Russian diplomats at the United Nations worked with the United States to reach agreement on new sanctions procedures—even though Iraqi officials criticized the idea right up to the moment of its adoption. Over the summer, Russian embassy officers in Washington got the go-ahead for official contact with Iraqi opposition figures. And at the end of the summer, when Iraqi diplomats began touting a draft ten-year economic agreement, Russian officials quietly declined to sign.

Meanwhile, Russian oil companies talked up cooperation with the United States. From LUKoil's CEO, Vagit Alekperov, came the (probably false) claim that the United States had promised to honor the contract he had signed with Iraq in 1997. For his part, Mikhail Khodorkovsky of Yukos urged the Russian government to get assurances that Washington would prevent too big a drop in postwar oil prices. When British prime minister Blair came to Russia for consultations on Iraq, Putin joked to a press conference that he was not trying to squeeze more out of the West in some sort of “Oriental bazaar.” No one believed him.

The most telling sign that Russia did not want to go down with Saddam was, of course, its vote for U.N. Security Council Resolution 1441, warning Iraq of “serious consequences” if it did not meet its disarmament obligations. Russia’s initial reaction to President Bush’s speech to the U.N. General Assembly in September had been negative, with Foreign Minister Ivanov rejecting the idea of a new Security Council resolution setting out what Iraq had to do. Within days, however, the line had changed; now Ivanov said Moscow did not “exclude” the idea. During two months of subsequent
diplomatic stalling, it often seemed that Russia’s principal goal was simply to stay America’s hand. But in voting for the resolution when it came before the Security Council, Russia began to position itself to blame Saddam should war break out. Between 1997 and 1999, Russia’s abstentions and endless haggling in the Security Council had clearly encouraged Baghdad to flout its obligations, knowing that Moscow would continue to front for it no matter what. Joining a unanimous Security Council vote in November 2002 sent a completely different message: you’re on your own.

Yet, for all the seeming clarity of this message, Russia had not foreclosed the option of further efforts to block U.S. action. Indeed, as Iraq’s confrontation with the United States unfolds, Moscow would have many reasons to try to do just that. There were likely to be the unavoidably gray areas of UNMOVIC’s mandate and findings. There would be the example set by France, Germany, and other European critics of U.S. policy. There was also the likely temptation to seek further concessions from Washington on Georgia and Chechnya. Putin may have believed that protracted haggling would still further bolster his domestic image as a tough advocate of Russian interests. Above all, there were those within the Russian government, particularly the foreign ministry, who have argued that Russia cannot defend its authority in the U.N. Security Council—a last residue of Soviet great-power status—by supporting the United States; it can do so only by checking it.

How Putin would weigh these factors was unknowable, but the record of his actions over the past year suggested two conclusions. First, he was unlikely to make any definitive decision to lean toward the United States as long as he remained unsure of the success of American policy. The United States, after all, has sought Russian support in part by offering economic inducements on which it can make good only if it wins outright. While Russia might not be happy looking as though it yielded to U.S. pressure on this issue, there was likely to be a major psychological and practical difference between yielding to a winner and doing so to a loser. The image of
ineffectiveness conveyed would be far greater if Russia signed on to American policy only to see the United States pull back. Until it was clear that the United States would act—and prevail—Russia risked more by aligning itself prematurely with the United States than by standing aloof. Were American policy to unravel and Saddam to stay in power, what reward would Russia then claim, and from whom? Putin no more wanted to tie himself to an American failure than to an Iraqi one.24

Second, Putin’s choices were likely to be affected by how he read their likely impact on what has been his supreme foreign policy achievement—a partnership with the United States that elevates Russia’s international status. Four years ago, Russian policymakers knew that their handling of Iraq would have no material impact on their relations with the United States, since Washington made clear it would not link the two. Today, by contrast, no goal of U.S. foreign policy is more important than success against Iraq. For all their improvement, Russian-American relations cannot be insulated from this issue. If, when it is all over, the administration felt that it had been critically held back by Russian policy, it would hardly be able to shrug off the disagreement as it did before. President Putin has probably told President Bush that he does not want Iraq to harm U.S.-Russian relations, and if so, he surely meant it. But Bush has probably not told Putin that they will be just as good friends if this disagreement between them keeps U.S. policy from succeeding. Russian-American relations would bear the marks of such a result for a long time.

However difficult the choices that confront Putin in navigating the confrontation between Iraq and the United States may be, that he has the options he does is testimony to the transformation of Russian policy and politics since the late 1990s. Yet the revival of more effective Russian policy is not Putin’s achievement alone. The prospect of American actions that go beyond the halfway measures of 1998 has also played a major part. Yeltsin’s condemnations of the United States may have looked self-marginalizing and ineffectual, but so in its way was the U.S. policy that provoked
them. When American bombing was over in 1998, nothing had changed. Russia lost little by siding with Saddam at that time, and would have gained little by siding with the United States. American policy aimed to inflict pain and show displeasure, but not to change the situation fundamentally. For this reason, it had little to offer Russia. Halfway measures left Saddam Hussein in place—and left Russia and the United States at odds.

The same was true as both Russia and the United States reviewed their options in early 2003. A U.S. policy that fell short of its objectives was likely to revive Saddam's leverage with Russia. By contrast, a more radical American strategy would create new opportunities for Russian-American cooperation.

**Iran Today: Beyond “Bill and Boris”?**

Before the Bush administration took office, its supporters and senior spokesmen advertised Iran as one of those issues in Russian-American relations to which the new president would give higher priority and a sharper edge than had his predecessor. The record of partisan warfare was clear enough. Congressional Republicans had battled the Clinton administration over this question for years. Russian assistance to Iran was one of few foreign-policy specifics mentioned in the party’s 2000 platform, and it also had a prominent place in the so-called Cox report, a harsh critique of policy toward Russia issued by GOP House members during the 2000 campaign. A more authoritative statement of the incoming president’s leanings came in an article published in early January 2001 by Condoleezza Rice, already the national security adviser-designate. She too warned that a cooperative resolution of the two sides’ disagreement over missile defense “would depend heavily on [Russia’s] record—problematic to date—on the proliferation of ballistic missile and other technologies related to weapons of mass destruction.” **25**
In office, however, the Bush administration has handled this issue differently—and not only because of the dramatic transformations wrought by September 11. Well before terrorism moved to the top of the U.S. foreign policy agenda, President Bush had decided to accentuate the positive in relations with Moscow. His clear priority was to give Putin reasons not to overreact when America finally withdrew from the ABM Treaty. Until then, contentious discussions on other matters—Iran among them—would have to wait.

After September 11, of course, the new administration’s reason to postpone a showdown over Iran changed again, and not just because the United States now gave priority to an even larger goal—winning the war on terrorism. In the past, failed efforts to stop the flow of Russian technology to Iran had shaken American confidence in the entire idea of partnership with Russia. The re-invigoration of this idea by Bush and Putin in fall 2001 put problem issues such as Iran in a new light. With senior American officials suddenly speaking of “alliance” with Russia, and convinced that the two countries were pursuing parallel interests, it was hardly surprising that they should also conclude that their new friend Putin would, with more time, adjust his Iran policy as well. Disagreement over Iran had not simply been assigned a lower priority in Russian-American relations; it had lost much of its power to shape the U.S. view of Russia’s trustworthiness and reliability.26

Quite apart from the restoration of strategic confidence between Moscow and Washington, there were signs that Putin might, for his own reasons, be fashioning a new approach to Iran. In March 2001, he fired Yevgeniy Adamov—viewed with deep suspicion and dislike by most U.S. officials—from his post as head of the Ministry for Atomic Energy of the Russian Federation (Minatom) and replaced him with Aleksandr Rumyantsev, a research physicist and director of the prestigious Kurchatov Institute. As both American and Russian observers interpreted the change, the ministry was now, for the first time in years, led not by a salesman for nuclear power projects (such as the planned complex at Bushehr) but by
someone whose professional background was likely to make him see the
United States (not customers such as Iran) as his most valuable potential
partner.

Russian policy toward Iran showed change in other areas as well. After
Iranian planes harassed Azerbaijani oil research boats in June 2001, Russia
responded by switching sides on the issue of territorial demarcation of the
Caspian (for the first time backing Azerbaijan and Kazakhstan against
Iran). The Russian navy staged exercises there in summer 2002, and
Moscow proposed a multilateral strike force that other states of the
Caspian Basin might join—the only discernible purpose of which was to
defend themselves against Iran.

There seemed in these steps a belated Russian recognition that a decade
of cultivating Iran as a regional partner had only estranged other Caspian
states, oriented them more toward the United States, and encouraged Iran
to try to bully them. Far from slowing down this reassessment (as might
have been expected), Bush’s axis-of-evil speech appeared to give Putin fur-
ther cause to avoid identifying himself personally with Iran policy. Within
days of the speech, a scheduled visit to Moscow by the Iranian foreign min-
ister was abruptly postponed, as Russian officials let it be known that it
might not be possible for Putin to receive him.

Taken together, these trends suggested that—perhaps for the first time
since they began grappling with this problem—Russia and the United States
might have the ingredients of a solution at hand. A transformation of the
relationship to which two popular presidents were committed freed both
governments from much of the suspicion and ill will that had burdened dis-
cussion of the issue in the past. The fact that the Bush administration was
not under the constant pressure of congressional legislation mandating
changes in Russian-American relations, nor of commitments to the Israeli
government to achieve early results, nor of regular leaks to the media that
compromised intelligence information—all these gave the United States a
better chance to work out a durable arrangement with the Russian side.
And Putin’s evident second thoughts about Iran—or at least his willingness to differ with Teheran on major issues—suggested that he might scrutinize sensitive high-tech cooperation as well. A fresh lineup at Minatom, moreover, might make it easier for him to come to new conclusions.

Both Russian and U.S. officials have acknowledged that it should not be hard to find a way out of their deadlock that meets the requirements of both sides. Privately, American officials agree that the heart of the proliferation danger is not the Bushehr project itself (even though they continue to object to it), but the fact that such cooperation can serve as a cover for the acquisition of other nuclear fuel-cycle technologies. Seen in this light, U.S. objectives can be met by assuring that, even if Bushehr were to be completed, Russia would avoid all other forms of nuclear cooperation—not only as a matter of declaratory policy but also through the strictest possible enforcement. For their part, many Russian officials now acknowledge that Iran does have a nuclear weapons program, that it is “hiding” elements of it even from Russia, and that this obliges Russia to impose tighter restrictions on transfers of expertise, technology, materials, and equipment—to assure that cooperation on nuclear reactors not become the channel through which Iran acquires mastery of the full nuclear-fuel cycle.27

To resolve this issue, in short, both American and Russian positions would have to be adjusted, but in a way that effectively served non-proliferation goals. The United States would narrow its focus to what it really cares about, if it believed that Russia would at last treat the problem seriously, rather than continue to make excuses for Iran—or for its own lax policy and lax law enforcement. Russia would restrict its own cooperation with Iran in order to eliminate real proliferation risks, as long as it could be confident that the United States would consider this enough.

Russian and American officials were visibly affected by this relative optimism in the run-up to the Bush-putin summit of May 2002. Rumyantsev traveled to Washington on the eve of Bush’s departure for Europe for a round of discussions, and although his meetings brought no breakthrough,
American officials remained enthusiastic about dealing with him. In their public preparations for the summit, they let it be known that Iran was one of the issues on which the president most wanted to make clear the depth of his concern. They also emphasized that they detected a positive Russian approach. “They’re saying all the right things!” senior officials kept telling skeptics outside the administration.

Yet the summit and its aftermath were a serious setback to these hopes. Far from showing that the new relationship he had created with President Bush since September 11 would alter Russian policy, Putin opened his American friend to public embarrassment by refusing at their joint press conferences to confirm “assurances” about the limits of nuclear cooperation with Iran that Bush had just claimed to have heard from him in private. Putin actually launched into a defense of such cooperation, insisting that it was only a commercial matter, that International Atomic Energy Agency (IAEA) inspections eliminated any proliferation risks, and that when it came to giving Teheran sensitive technologies it was American companies that might be at fault.28 American officials bravely insisted that private discussions between the two presidents were more encouraging than this display at the press conference, but even if this was true, those Russian officials who favor expanded nuclear cooperation with Iran clearly felt under no new constraints. In July 2002, they announced plans to build as many as five more reactors once the one still under construction at Bushehr was completed.29

Why did high hopes for a breakthrough not produce a better result? The Bush administration had hoped for a convincing indication that Russian policy was changing, rather than an argument for why change was unnecessary. Ironically, one factor in the disappointment of this hope was precisely the new atmosphere of Russian-American relations. With less public heat on the issue, and no threat of congressional interference, U.S. officials had hoped that Putin would push for a solution without fear of seeming to yield to U.S. pressure. But the lack of pressure also implied that the
United States now cared less about the whole issue. Wittingly or not, the
Bush administration may have come to believe in the very solution that the
Clinton administration did—mutual trust between presidents as a lever to
override narrow bureaucratic or economic interests. Far from thinking they
should reciprocate because the administration had become so reasonable,
Russian officials may have concluded that Washington was looking to
retreat from a failed policy. As a result, internal bureaucratic pressures to
curtail nuclear cooperation with Iran may actually have eased.\textsuperscript{30}

Similarly, although the Bush administration had described a long and
impressive list of material inducements intended to elicit a change in
Russian policy, it had not persuaded the Russians that getting these benefits
depended on changing their own policy. The American effort to pick up the
pieces after the summit illuminated the problem. Perhaps, the president's
advisers admitted, Putin had not gotten a clear message in Moscow, but he
would definitely hear straight talk at their next gathering, the G-8 summit
in Canada. When that meeting rolled around, however, the leaders spent
their time discussing a new $20 billion aid program to improve the security
of Russian nuclear materials. They barely touched on Iran. Demands for
better behavior, in other words, were now being downplayed in favor of
offers of new assistance, just as the Clinton administration had done in
1998 when it veered from imposing sanctions to increasing aid in just a few
months.\textsuperscript{31} Undersecretary of State John Bolton, the Bush administration
official handling these issues with the Russians, tried to set the record
straight in congressional testimony in October, saying that poor Russian
performance on Iran would block the G-8’s new aid.\textsuperscript{32} But it would take
more than one statement to make this linkage credible.

Russian handling of the Iran issue during the Bush administration sug-
ests that it may hope to find a middle path that will satisfy both
Washington and Tehran: on the one hand, curtailing cooperation enough
to quiet American complaints but without any formal or rigid understand-
ing about future limits; on the other hand, preserving a relationship with
Iran that offers both commercial and political advantages but without letting Iran dictate its terms or demand ever more dangerous technologies. This is a difficult strategy to maintain, but far from hopeless. With the United States focused on confrontation with Iraq, desiring Moscow’s support, and committed to a renewed Russian-American partnership, Putin would be entitled to think he could keep disagreement over Iran on a back burner for a long time. Getting Iran to accept enhanced international inspections—as some Russian officials have proposed—might further blunt any American effort to get Russia to oppose Iran’s weapons of mass destruction program more openly and actively.

Yet this strategy is vulnerable to shocks if either Washington or Teheran ups the ante. Recent revelations about covert Iranian facilities—or other evidence that Iran’s weapons programs are continuing—put Russia under pressure to define its position more clearly.33 Russian officials can, of course, try to insist that there is no connection between the purely commercial cooperation that Putin has openly endorsed and Iran’s clandestine programs and that the former do not in any way support the latter.34 Once the issue is joined in this way, however, it will matter less what kind of help Iran is receiving from Russia, and matter more what kind of help Russia is giving the United States. Putin will face a choice between seeming an apologist for a weapons program that clearly violates Iran’s international commitments and supporting U.S. demands that this program be ended. It will be a choice closer to the one he has faced with respect to Iraq. Washington is unlikely to try to force both choices on him at once, but once the U.S. confrontation with Iraq is resolved, Russia is likely to face greater American insistence that it take a stand on Iran. Getting it to do so will not be easy.

In its dealings with two administrations on Iran, Russia’s preference has always been for partial solutions—at best—that only stored up trouble for Russian-American relations in the future. If the Bush administration wants to change that preference, it will have to show that more hangs in the balance than has ever been true in the past.
Conclusion: Overcoming Russia’s Fatalism

Over the past decade, most of the issues that were thought to have the potential to sink Russian-American relations for good did not do so. Almost all have in fact faded into insignificance. Iran and Iraq, however, are likely to have far greater staying power. Not only do the Persian Gulf and Middle East seem certain to remain first-order preoccupations of American national strategy for years to come, but Moscow and Washington continue to have very different approaches to the issue that has lately animated the U.S. government more than any other—the spread of weapons of mass destruction.

The American approach to this problem has become, especially since September 11, increasingly absolutist. The prospect of having hostile states vault the nuclear threshold is viewed as a fundamental threat, to which the right policy response is to make use of all available instruments of pressure—stopping nuclear cooperation with offenders, branding them as pariahs, using force in extremis to block their progress or to disarm them. The Russian outlook has been more fatalist—less fearful, more resigned, less determined to act, less confident that action will succeed, and therefore more tempted to collect short-term commercial winnings. Proliferation, in the Russian view, is hardly good, but it may be inevitable. If so, the right response is to preserve one’s influence with those who acquire such weapons, the better to deter their use and avoid becoming a target.

The United States has never had a better opportunity than it has now to draw Russian policy away from this fatalism. We need to seize this opportunity, for the more absolutist our own approach becomes, the more we need others to work with us and to block those routes by which states that threaten American interests can acquire weapons of mass destruction. Absolutism—trying to solve this problem outright—is not the same thing as, and is not served by, unilateralism.

Given Russia’s circumstances, of course, fatalism has something to be said for it, and absolutism may seem like reckless overreaching. But only at
first glance. The record of recent years suggests the high costs—for both the United States and Russia—of pretending that partial solutions are complete ones. It cannot really be lost on President Putin that if Yevgeny Primakov had not let Saddam defy the United Nations four years ago, Russia would not be in the awkward fix it is in today, trying to decide which way to jump when war comes. From the Russian standpoint, North Korea's recent sensational disclosures—that it has covertly defied its 1994 agreement to forego a nuclear weapons program, and will now openly restart a reactor it had agree to close—must be equally unnerving. Putin knows that Russia is, in a sense, the sponsor of a still looser arrangement with Iran and that Russian help is already implicated in subverting it. Does he like the prospect of being told by George Bush—or, for that matter, President Khatami—at some point in the future that Iran has decided to take the North Korean path?

To change Russia's fatalistic calculus, the United States has to suggest the results that will follow from such scenarios in the future, as well as from continued inability to cooperate in the interim. It must also suggest the possibilities that greater cooperation would open up—not only in slowing or stopping proliferation but also in the consolidation of Russian-American relations. If America's new absolutist goals are at the center of its national security policy, then they need to be at the center of its relations with Moscow as well.

2. Butler, pp. 90–91. Russia abstained again in December 1999 on the vote that created UNMOVIC, further signaling to Saddam that he did not have to take the new organization too seriously. Ibid., pp. 226–227.


4. “Country Report: Iraq,” Economist Intelligence Unit (London), March 2002, p. 30. Complete figures for Russian-Iraqi trade are not available, as the IMF appears not to include oil-for-food contracts in its reporting; Russian officials claim that contracts under this program reached $2.5 billion in 2002, a doubling from the year before. ITAR-TASS News Agency (Moscow), April 10, 2002.

5. Iraq may have expected that the lure of these contracts would actually induce Russia to break sanctions; in its frustration, it frequently threatened to cancel the contract for nonperformance and did remove LUKoil from the list of companies eligible to handle Iraqi oil exports. Finally, seemingly angry at the boasting of LUKoil officials about assurances they had received that their contract would be respected in the event of war and a change of regime, Iraq notified LUKoil in early December 2002 that the contract was null and void.

6. Both these remarks were made at moments when it seemed the use of force had been averted; Yeltsin’s reference to Russian pressure on Iraq was to the possible future need to deal with Saddam’s defiance of his obligations.

7. As will be seen below, in contrast to the problems it faced in dealing with Russia on Iran, the Clinton administration did not have to explain to Congress why it was unable to win Moscow’s support for a tougher policy toward Iraq. It faced little pressure from Congress to toughen its own policy toward Iraq. Even when the administration accepted the congressionally mandated policy change (like President
Clinton's embrace of the “regime change” as the goal of U.S. policy), the shift had no real practical effect.

8. Pollack reports that after the December 1998 strikes, the National Security Council staff was asked to develop serious options for a “regime-change” strategy, but plainly this was intended at most to be part of a policy review by the next administration. The Threatening Storm, pp. 94–104.

9. For two insider accounts of the Clinton administration’s handling of the Iranian problem with Russia, see Strobe Talbott, The Russia Hand: A Memoir of Presidential Diplomacy (New York: Random House, 2002), and Robert J. Einhorn and Gary Samore, “Ending Russian Assistance to Iran’s Nuclear Bomb,” Survival 44, no. 2 (Summer 2002), pp. 51–70; the latter also includes proposals for dealing with the problem in the future.

10. Russia was not the only country whose policies toward Iran or Iraq the United States found objectionable, but assistance to Iran put Russia in far more disreputable company. Russian policy toward Iraq was not so different from that of France; its policy toward Iran was not so different from that of China and North Korea.

11. To make American pressure more palatable, the Clinton administration typically argued that, since both Russia and the United States had an interest in averting the proliferation of weapons of mass destruction, all the United States was really asking Russia to do was to act in accordance with its own proclaimed interests and goals. It was hard to make such arguments wholly convincing, however, since other American legislation threatened sanctions against Russia for failing to adopt policies that it had not accepted. The Iran Libya Sanctions Act of 1996 (known as ILSA) was a conspicuous example: it provided for U.S. penalties against foreign firms that invested in the Iranian energy sector. U.S. pressure to curtail Russian conventional arms sales to Iran was also the by-product of congressional legislation.

12. There was a further reason that foreign ministry channels did not seem adequate to deal with the question of controlling technology flows to Iran: successive Russian foreign ministers told Secretary Albright that on an issue so tied up with Russian domestic and bureaucratic politics they were too weak to have much impact. To U.S. officials, these statements seemed obviously self-serving but probably true.

13. For a good summary, see Einhorn and Samore, pp. 52–54.


17. Looking back on this period and the uneven results of U.S. policy, Strobe Talbott has speculated that Yeltsin’s firing of Viktor Chernomyrdin in March 1998 may have been the moment when the Bill-and-Boris phase began to unravel—“cost[ing] us both time and a vital channel” (The Russia Hand, pp. 265–266). Chernomyrdin had indeed frequently declared his determination to control technology transfers to Iran, but the specific results he produced—which focused on legal changes and codifying a system of export controls—continued after his departure. In some respects, Russian performance in this area even improved. The reason that the Clinton administration turned to sanctions in the summer of 1998 was because of the same shortfalls—poor implementation and half-hearted enforcement—that had also marked Chernomyrdin’s tenure. To think that he might have done better had he kept his job assumes that Chernomyrdin would have been able to gain a degree of control over those institutions—the so-called power ministries and the Ministry of Atomic Energy—that had successfully resisted his oversight during the entire time he was prime minister. It was in fact Yeltsin’s own policy to deny him such oversight. And while Yeltsin’s decision to fire him in the spring was a kind of Byzantine whim, within a few months Chernomyrdin would have lost his job anyway, given the political upheaval brought on by the August 1998 financial crash.


19. One U.S. official who participated in such discussions has described the U.S. message this way: “They’re a lot more likely to get their debts paid off and have a better commercial relationship with Iraq if [Russia is] part of the international community again.” Julia Preston, “U.N. Debate Over Bush’s Stance on Iraq Draws Fresh Skepticism, and Some Support,” New York Times, September 15, 2002, p. 21.


21. The Moscow rumor mill is full of stories describing the way in which these new business views have been communicated to political leaders. One account has it that Putin and the “oligarchs” met in the spring of 2002 to discuss Iraq, and that only LUKoil—with its 1997 Iraqi contract still on the books—argued that its business
interests were best served by staying close to Saddam; the rest expected to gain more by close relations with the United States. A Russian parliamentarian with strong business ties claims that energy companies initiated the re-orientation of Russia’s Iraq policy. Neither story can be confirmed, but both fit what we know of political and corporate trends.

22. Andrei Miroshnichenko, “Khodorkovsky: We Need to Reach Agreement with America,” Nezavisimaya Gazeta, November 13, 2002. Russian media articles have recently pointed out that few Russian businessmen or officials know the Iraqi opposition, and some initial probes have been made to remedy this. Steven Lee Myers and Michael Wines, “Russia’s Overtures to ‘Axis of Evil’ Nations Strain Its Ties With U.S.,” New York Times, September 1, 2002, p. 16.

23. As war seemed to draw closer, Russian oil companies certainly acted as though they believed that anything that could be considered an agreement with Saddam would be taken seriously when the war was over. Nick Paton Walsh, “Russian Oil Giants Try to Beat U.S. to Iraqi Reserves,” The Guardian (London), December 11, 2002, which reports that almost-contracts with Iraq had been almost-signed by Rosneft and Zarubezhneft. Such announcements, which would once have been seen as symbols of Russian hope for future favors from Saddam, had instead become symbols of hope for future favors from the United States.

24. Iraq’s cancellation of its five-year-old contract with LUKoil in December 2002 was a dramatic warning of the dangers to Russia’s position of trying to reassure both Iraq and the United States. The Russian foreign ministry reportedly responded to the cancellation with a tough message. Susan Glasser, “Oil Deal Canceled, Iraq Tells Russians; Announcement Called ‘Blackmail’ in Moscow,” Washington Post, December 13, 2002, p. A50. The contract had long been meaningless, even when it was still nominally in effect. As a practical matter, both LUKoil and the Russian government have probably realized that they now depend on U.S. success in toppling Saddam. “Oil Contract Snub Erodes Russian Support for Iraq; government source,” Agence France Presse, December 13, 2002.


26. This remaking of the Iran problem was all the more important because it did not entail any early re-assessment of whether Russian assistance was continuing to flow to Iran. Even after September 11, reporting to Congress by the director of Central Intelligence remained blunt and negative. “Russia continues to supply significant
assistance on nearly all aspects of Tehran's nuclear program," George Tenet testified. “It is also providing Iran assistance on long-range ballistic-missile programs."


27. See Einhorn and Samore, which contains a cogent version of such a proposal that numerous Russian and American officials have praised. The terms the authors, both former Clinton administration officials, outline leave considerable room for diplomatic fine-tuning without losing the essence of the middle ground they favor. For example, they suggest that if Russia accepted their approach, the United States should in return accept further sales of commercial nuclear power reactors to Iran for the Bushehr complex. But the more power reactors Iran acquires, the greater—and more legitimate—is its need for a large force of nuclear specialists and even for additional fuel-cycle technologies; both would make the kind of tight enforcement Einhorn and Samore propose more difficult. Similarly, Einhorn and Samore propose that Russia get Iran explicitly to forswear acquisition of fuel-cycle technologies. To this, Russian officials have insisted that the United States is aiming at a solution that burdens Russian-Iranian relations more than is really necessary to solve the problem of Russian policy. An alternative that shifts the burden from Iran to Russia itself would be for the latter to declare (not only to the United States but to Iran as well) that its own cooperation with Iran excludes fuel-cycle technologies and that its cooperation will cease if Iran seeks to acquire them.


29. It was hardly a surprise that, with Russia being pressed by the United States to cut back nuclear cooperation with Iran, Teheran would offer up still more inducements, including additional reactor purchase, to sustain the existing relationship. Subsequent statements by Russian officials indicated that even within Minatom there was no agreement on how to handle this problem. Trying to answer an American request for clarification, Rumyantsev announced publicly on August 2, 2002, that Russia and Iran had not agreed on anything beyond the one reactor still under construction, and that future decisions would reflect "political" considerations—a comment generally understood as a hint of willingness (but not yet a commitment) to take United States concerns into account. “Soobshchenie (02-08-2002),” Press-Sluzhba Minatoma Rossii (available at www.minatom.ru/presscenter/document/
news/PRINT_news151.htm); see also Dmitry Zaks, “Russia Takes a Step Back on Iranian Nuclear Program,” Agence France Presse, August 2, 2002.

30. The new boss of Minatom, Alexander Rumyantsev, may have been particularly relieved by the low-key U.S. approach. (In July 2002, speaking to a group of former American officials, he expressed his appreciation of the “dramatic” change in Washington’s policy.) Because of his background Rumyantsev is less identified with Russian-Iranian cooperation, but for the same reason he probably wields less certain authority over those parts of Minatom that benefit from it most. His status outside the institutional mainstream leads one Russian critic of the ministry to describe its new leader—uncharitably—as the “Kozyrev of Minatom.”

31. Russian officials who read Condoleezza Rice’s statements about the choice they face surely hear in it echoes of the same choice that Gore framed for Primakov four years earlier (see p. 20 above). “There are whole areas of cooperation in the energy sphere,” she has said, “that could be both technologically and commercially quite advantageous. But there has to be a choice. You can’t participate in the peaceful uses of these and work with countries that are clearly trying to acquire them for military means.” James Harding and Richard Wolffe, “‘We Worry a Good Deal More... September 11 clarified the threats you face in the post-cold-war era’: Condoleezza Rice Interview,” Financial Times (London), September 23, 2002, p. 21.


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