

Commission on Russian-American Relations 2010



Task Force, 495F
Winter Quarter, 2010

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Executive Summary

New presidents provide the chance for a new start, which is why we have put together a report for Russian-American relations containing information about Russia, as well as recommendations for President Obama. President Obama and President Medvedev have an opportunity to relinquish old sentiments and pursue future progress. In search of common national interests and cooperation, the Obama Administration alongside the Medvedev Administration developed the US Russia Bilateral Presidential Commission in 2009; this report is meant to supplement the Presidential Commission by giving new perspectives and updated information and to serve as a guide in how the Obama Administration could proceed in bilateral relations with Russia. Increased understanding may lead to successful outcomes, such as; strengthening international non-proliferation, improving human rights efforts, bettering international cooperation and cultivating economic growth. Particularly during a time of great economic turmoil and international conflict, we hope that this report can act as a bridge between the US and Russia for mutual prosperity and peace. This report is divided into the following sections; arms control, human rights, regional issues and trade and foreign assistance. As a collective, this task force recommends the following:

Arms Control and Disarmament

- Ratify the CTBT to demonstrate cooperative interest
- Strengthen the existing NPT by moving towards non-proliferation and global disarmament
- Sign a revised START I with levels consistent with rates of decrease

Human Rights

- Increase international organization's involvement protecting child welfare
- Support democracy assistance programs
- Support exchanges of judicial professionals to make the court transparent and independent

Regional Issues

- Avoid a zero-sum competition with Russia for influence in Georgia
- Minimize unilateral sanctions against Iran
- The US, Russia, and the EU should have equal part in facilitating dialogue and between the Gulf countries

Trade & Foreign Assistance

- Support Russia's accession to the WTO
- Renegotiate a new FTA between the U.S. and Russia
- Graduate Russia from the Jackson-Vanik Amendment

Arms Control and Disarmament

Introduction

In May 2010, the third Review Conference of the Nonproliferation Treaty (NPT) will be held in New York. This event will be crucial as it will be the first since President Obama took office. The previous Review Conferences have been highly contested between Nuclear Weapon States (NWS) and Non-Nuclear Weapon States (NNWS) over the provisions of non-proliferation and disarmament.

As Nuclear Weapon States that have a vested interest in preventing further proliferation of nuclear weapons, it is imperative that both the US and Russia take initiatives in strengthening the international non-proliferation regime. The Cold War is over, yet Nuclear Posture Review prepared by the US government still reflects the old era. Russia can no longer be treated as a competitor in the nuclear arms race, but rather as a leading partner in the global non-proliferation and disarmament effort. The effort should not be limited to bilateral agreements between the two NWSs, but should also include multilateral resolutions with the NNWS as well since there can be no assurance for nonproliferation if there is no assurance for disarmament.

Recommendations

- NPT: Strengthen the existing NPT by 1) Outlining the US direction towards non-proliferation as well as complete global disarmament in the upcoming Nuclear Posture Review, 2) Draft and adopt generic and binding resolutions on compliance with safeguards responsibility and withdrawal from the treaty, 3) Sign and ratify other crucial treaties, including new or existing

versions of the Strategic Arms Reduction Treaty, Comprehensive Test Ban Treaty, and Anti-Ballistic Missile Treaty.

- Based on our current test moratorium and its actual and political benefits, we should ratify the CTBT. Why? In order to demonstrate our cooperative interest with Russia and other states which have ratified the CTBT. The United States should be a contributing member of the verification network that monitors for weapons' tests around the world.
- The US should sign a revised Strategic Arms Reduction Treaty (START) agreement, maintaining the structure of the START I agreement but negotiating lower levels that are consistent with rates of decrease evident in START I. This would mean an 80% decrease of current levels, bringing warhead limit down to 1200 and vehicle limit to 880 within the next seven years.
- We should negotiate a Fissile Material Cutoff Treaty (FMCT) that would limit fissile material necessary to manufacture nuclear weapons. This would prevent the spread of these weapons to other nations and NGOs such as terrorist organizations.

Strengthening the Nuclear Non-Proliferation Treaty

Introduction

The Nuclear Non-Proliferation Treaty (NPT) was signed in 1968 as an international regime to prevent proliferation of nuclear weapons beyond the existing nuclear weapon states at that time. Currently, there are 190 signatories in the treaty who are committed either as a Nuclear Weapon State (NWS) or as a Non-Nuclear Weapon State (NNWS) to prevent proliferation and progress towards complete disarmament of nuclear weapons.

Previous Review Conferences since the indefinite extension of the treaty in 1995 revealed that there are still significant disparities between the interest of the NWS and the NNWS that need to be resolved in order to promote non-proliferation. As NWS, both the US and Russia have vested interests in non-proliferation.

Recommendations

In order to strengthen the NPT, we propose President Obama needs to do following:

- Clarify the US position on nuclear disarmament and non-proliferation issue in the upcoming Nuclear Posture Review (NPR) in March.
- Establish legally binding agreements on compliance with safeguards responsibility and for withdrawal from the treaty.
- Sign and ratify other crucial treaties including new or existing agreements for START, CTBT, and ABM.

Clarifying Nuclear Posture Review

The upcoming US Nuclear Posture Review must deviate from the past, outdated Cold War politics. It should set the course of the US nuclear program towards complete disarmament as President Obama has proposed in his Prague speech last year. The NPR should recognize that there is no sense of retaining thousands of nuclear warheads to deter a Russian nuclear attack and defend US forces or allies against conventional attack.¹ Furthermore, given the US conventional military edge and the catastrophic effects of nuclear weapons, no circumstances can justify the use of nuclear weapons to deal with a non- nuclear threat. The previous NPR in 2002 however, still emphasizes on maintaining first strike nuclear capability that is highly offensive minded. Even though the strategy is not specifically aiming against Russia, the ideology is still present in

which the nuclear weapon is heavily weighted in preemptively deterring any nuclear threat. Therefore, the new NPR should reduce the role of nuclear weapons to a core deterrence purpose; preserving nuclear weapons sufficient enough to deter others from using against the US or its allies.

This posture would not only satisfy the Article VI NPT proposition to make progress in disarmament, but also allow the stockpile of nuclear weapons to be reduced to hundreds rather than in thousands. These reduced numbers are still sufficient enough to fulfill the negative assurance responsibility (to deter others from nuclear attack on the US and its allies). The People's Republic of China, for example, has shown that they have and continue to be successful in deterrence measures with little as 80 deployed ballistic missiles with warheads separately stored.² If this posture were adapted, the US would be able to engage in talks with Russia to reduce its nuclear warheads as a partner in global nuclear non-proliferation and not as a competitor resonating from the Cold War era.

Establishing Binding Agreements on Compliance

Under the current NPT, there are no legal obligations for the signatories on the safeguards of nuclear material. The issue of compliance with safeguards obligations is a vital part of US's involvement in the global nuclear nonproliferation regime. However, there is no generic and legally binding resolution in place that the International Atomic Energy Agency (IAEA) and the United Nations Security Council can implement in the case of noncompliance. United Nations Security Council Resolution 1887, adopted in September 24, 2009, is a significant but still inadequate step in the right direction. The resolution emphasizes that noncompliance with proliferation obligations must be brought to the attention of the Security Council. There are no legal obligations for the NPT signatories to follow the recommendations

contained in the resolution. The absence of binding agreements on the safeguard section can be critical, as Iran has already posed threat on this matter. In order to handle Iran's case, the foreign ministers of France, Germany, and the United Kingdom (EU-3) had to broker a compromise specifically for Iran in October 2003. Under that deal, Iran agreed, "voluntarily to suspend all enrichment activities as defined by the IAEA" while the EU-3 tacitly promised not to support an IAEA resolution referring Iran's noncompliance to the Security Council.³ Had there been a generic resolution before the incidence, the IAEA and those countries would not have set the precedent of undermining the IAEA (failing to report Iran's noncompliance) that its consequences are still eminent today.

The issue of withdrawal from the NPT is another critical threat to non-proliferation. Under Article X.1 of the Treaty, any member state can withdraw from the NPT with 90 days' notice. However, North Korea recently set a devastating precedent, withdrawing from the NPT after being cited by the IAEA for noncompliance in 2003.⁴ In the past, the Security Council has issued specific resolutions for specific case/country based on the report of noncompliance from the IAEA. The North Korea case destroys that process.

Therefore, we propose that the US should lead discussions in the Security Council to formulate more generic and legally binding resolutions under Chapter 7 of the UN Charter stating that a country's withdrawal from the NPT after being found by the IAEA to be in noncompliance with its safeguards responsibilities constitutes a threat to international peace and security. This will strengthen the legitimacy of the IAEA, which has been bestowed with the UN authority to detect and report unauthorized nuclear work in any non-nuclear weapon state that is a signatory of the NPT. Furthermore, it will prevent any future misfortune from individual negotiations that will de-legitimize the non-proliferation mission.

Sign and Ratify other Important Treaties

In addition to these multilateral objectives to non-proliferation, the US should also continue to collaborate with Russia in disarmament negotiations. There can be no success for non-proliferation efforts without assurance for disarmament efforts. The US and Russia can show their good faith by signing/ratifying a new START treaty, ratifying the CTBT, and reengaging negotiations for a new ABM treaty. The last Review Conference in 2005 was highly criticized for its inability to find compromise on any of the agendas.⁵ By ratifying these treaties, the Nuclear Weapon States will find common ground on disarmament issues. At the same time, this will also convey a mutual gesture of willingness by the NWSs to work towards disarmament as called for in Article VI of the NPT. This is the most fundamental way to earn the trust from the other 185 NPT signatories in continuing to commit to the NPT and working towards a common vision in non-proliferation and disarmament issues. The U.S. and Russia has made progress in reducing the number of nuclear warheads from the Cold War era thus far, but there needs to be more concrete measures to make a significant impact on the progress. Conversely, the U.S. must lead the way by signing those treaties that has concrete measures such as SALT, CTBT, and Fissile Material Cutoff Treaty. By taking these disarmament initiatives, the U.S. and other NWSs will win the support of non-proliferation effort from the 185 NWSs.

Reconsidering the CTBT

Introduction

By striving towards better compliance within the NPT and renegotiating or ratifying US-Russian arms control agreements, the US will also effectively participate in the Comprehensive

Nuclear Test Ban Treaty (CTBT). The purpose of the CTBT is to stop nuclear atmospheric, surface, subterranean, and submarine testing everywhere on the planet.⁶ The Russian Federation has already signed the treaty, but no ban goes into place until all 44 states listed in the treaty as states with nuclear technology ratify the treaty, of which the US is included.⁷

Recommendations

- The United States must ratify the Comprehensive Nuclear Test Ban Treaty
- Even without US ratification of the treaty, the verification component of the treaty is already in effect
- Russia has already signed and ratified the CTBT
- Ratification of the CTBT would make further weapons development too costly and difficult
- CTBT in conjunction with the NPT would dramatically improve limits on nuclear proliferation

The CTBT today

Even though the United States has not ratified the CTBT as of today, the Comprehensive Nuclear Test Ban Treaty Organization (CTBTO) has already installed more than 300 monitoring installations worldwide with 98% reliability of detection. The effectiveness of the nuclear test monitoring system was demonstrated by these installations detecting the 2006 North Korean subterranean test, which was considered to be a fizzle. A fizzle is the term of art used in describing a nuclear test that did not reach the intended explosive power, which is measured in megatons or kilotons of the equivalent amount of TNT. The sensor verification installations include seismic, hydro acoustic, infrasound, and radionuclide, which can differentiate between different activities, demonstrated in a CTBTO exercise that attempted to shield an explosion

intended to be masked by a smaller mining explosion. Radionuclide sensors can detect whether an explosion is natural, civilian, and or a nuclear weapons activity. All sensors can report in real time to the CTBTO and CTBT member states, with the system centrally reporting to the headquarters in Austria, that then disseminates the information in a synthesized manner to its members.⁸

Whether or not the US ratifies the treaty, the verification factor of the CTBT cannot be stopped, so the implications of testing a weapon for any state can still be costly, as we have seen with the detection of the North Korean weapon test. It is no longer possible to secretly test nuclear weapons anywhere in the world. Even without US ratification of the CTBT, the repercussions would likely be dire with or without testing being conducted in the public eye, or the attempt at being secret.

The US and Russia Today

The reasoning behind our recommendation of US support of the CTBT directly correlates with the fact that Russia has already taken this step in the arms control relationship. We should not fail to ratify this agreement. Russia and the United States have tested over 85% of the world's 2000 plus tests.⁹ The safety and future of the world depends on a new path by these former competitors regarding nuclear weapons testing. The advanced network already established to monitor for a nuclear test is the best verification system with respect to actual tests that any state or organization could hope to achieve. Russia and the US no longer face ideological opposition from one another and even have extensive economic interactions.

As such, there is no longer any need for a nuclear force that is valuable only for destroying one another. Nuclear weapons are so powerful that no state could comfortably maintain a force posture that included them in their arsenal. The arms race began after WWII

because former powers that ruled Europe were in pieces and the US and the USSR were the most capable and powerful after the war. The nuclear weapons that the US used to end the war with Japan became the object of power that would be able to help one of the aggressors overpower the other as they developed newer and more powerful nuclear and then thermonuclear weapons. The Cold War ended without any nuclear weapons actually being used on any other state. This demonstrates the fact that nuclear weapons are no longer necessary components of any arsenal. Maintaining a nuclear capable force has become more of a liability than an asset.

The CTBT as a Bar to Nuclear Development

The CTBT is one of the key components of complete denuclearization. If we can agree to cease testing nuclear weapons, there will be a point where our current arsenals are too old to maintain and we are not able to develop new weapons for the nuclear arsenal. Some parts of our aging nuclear weapons can be replaced and repaired, like the radioactive tritium that only has a twelve-year shelf life. But other components cannot be easily replaced without upgrading them.¹⁰ Surrendering the right to test would prevent the US from verifying the capability of a weapon and would make nuclear weapons an unviable tool of security. The CTBT is yet another case that upon its ratification, we will reach a point of what could be no return with regard to modernizing nuclear weapons. If we cannot test nuclear weapons for the future, those nuclear weapons will go the way of the space shuttle.

While it is true that the CTBT will not go into effect until it is ratified by all states, the United States should ratify the CTBT and then continue the moratorium on nuclear testing until the CTBT is ratified by all necessary states. Dedication to the end of nuclear tests may be able to lay the path for non-ratifying states to give up their nuclear weapons aspirations. Such a commitment may seem fool hearty, but the United States has the most nuclear weapons of any

state. Such commitments would therefore not be threatening in the preliminary stages of going to zero even if the CTBT were never fully implemented as the US nuclear arsenal slowly aged.

CTBT NPT Cooperation

If the US joined Russia as a ratified member of the CTBTO and with both functioning within the NPT, verification would be two fold. The IAEA would be able to ensure stocks within the two cold war foes are safe and secure while dual use technology would be verified as reserved for civilian purposes. Also, the two states would be able to feel secure more if the other is not proliferating nor developing new weapons since it is so difficult to develop new technology without testing the technology.¹¹ This would diminish the likelihood of the inclusions of nuclear forces presence in the US and Russia force postures.

A credible enforcement regime would require extreme multilateral cooperation because a nuclear police force would have considerable sovereignty implications for states that have signed on to the agreement. Accepting this loss of nuclear weapons sovereignty would likely be enough for states to give up programs that had been established their own nuclear weapon abilities, and would not require the ban on atomic energy or research. Nuclear power and research is not something to be left behind with nuclear weapons, when they can yield powerful civilian benefits. Creation of mandatory safeguards for technology and ensuring that no fissile material is adequate to build a weapon would be a goal of this multilateral enforcement regime. If a state is not complying with enforcement regulations, it will face opposition of the denuclearized world as a whole, particularly neighboring states.

The FMCT

Introduction

The Fissile Material Cutoff Treaty (FMCT) is a treaty that has been discussed as a possibility to the future of counter proliferation. Its goal would be to limit the production and proliferation of the material necessary to manufacture a nuclear weapon. Fissile material is the critical component of a nuclear weapon that makes it a nuclear. A nuclear weapon is a device that causes a critical mass of materials like enriched uranium or plutonium to go into a fission reaction that causes an explosion. By limiting the critical components of these weapons, we would be able to prevent their construction.

Recommendations

- Negotiate an FMCT
- Create fissile material limits

Negotiate FMCT

As early as 1995 a treaty discussing the limitation of fissile materials had been in discussion, but there has never been any actual treaty negotiation.¹² The best option for nuclear futures would be to negotiate an actual FMCT that would create international regulations for the fissile materials necessary for making a bomb. However, the treaty would not limit the production and distribution of low enriched fissile materials that are necessary for nuclear energy.

Fissile Material Limits

The FMCT would by design limit the materials that have been previously discussed. Experts believe that the primary factor in developing a nuclear weapon is in obtaining the fissile materials. By ensuring weapons materials, like plutonium are not manufactured, and dual use materials like uranium 233, enriched only to levels satisfactory for power needs, it would become far more difficult to manufacture a weapon, in any capacity.¹³

Renegotiating START

Introduction

Renegotiating a Strategic Arms Reduction Treaty (START) agreement is essential to securing a political route of denuclearization, as it continues the significant reduction in arms achieved by START I, supports a positive arms control relationship with Russia and sends a message of dedication and reliability to the world. The fast approaching White House disarmament negotiations this April represent an important deadline; resigning this treaty before these talks should be made a priority and to do so we must remove impediments (such as the Russian concerns over the US defensive missile system). We therefore recommend the resigning of START with a level of arms reduction consistent with the first agreement (80% reduction), bringing warhead levels to 1200 and vehicle levels to 880. In order to secure this agreement's timely approval, we also recommend the inclusion of a defense missile agreement limiting development to immediate-range missile protection.

History

For the first time in 40 years, the US and Russia are without a standing arms control agreement. START I expired December first 2009 and the political pressure to fill the void have been building. Although President Obama and Prime Minister Medvedev agreed to “honor the spirit”¹⁴ of START I until a new agreement was reached, their unofficial deadline (the end of 2009) passed without a new agreement being signed. This tenuous and unofficial political understanding is beneficial to no one; the sooner an agreement can be reached the better.

With the expiration of START I, however, there is an opportunity to reaffirm the commitment to significantly reduce arms. The success of the START I is largely agreed upon. A bilateral agreement signed by the U.S. and the USSR in 1991, it effectively led to the decrease of deployment devices and the deactivation of 80% of nuclear weapons in existence at the time of the treaty’s signing.¹⁵ Even after the agreement’s final implementation in 2001 and expiration in December 2009, it remains a backbone of arms control relations between the US and Russia; the two nations have agreed to keep the treaty in force until the agreement of a successor. Bearing this in mind, we believe that both nations renegotiating and resigning the treaty with lowered levels is both a feasible and important step towards total disarmament.

The Next Step

The original START was signed by General Secretary Gorbachev and President Bush Sr., and began implementation in 1994. Specific limits on certain devices were outlined; aggregate limits amounted to 1,600 Strategic Nuclear Delivery Vehicles (SNDVs) and a ceiling of 6,000 warheads on the SNDVs.¹⁶ The time frame for completion was no more than 84 months after entry into force of the treaty.

Unlike the Strategic Offensive Reduction Treaty (or SORT, the Bush Administration's attempted START successor) START I also outlined methods of verification and communication. The verification and communication mechanisms described in START are fairly comprehensive; it establishes a complex and intrusive verification regime to help verify compliance, permitting OSI, production monitoring, notification, data exchanges and cooperative measures to enhance National Technical Means (NTM) of verification. These measures are essential to establishing trust and ensuring compliance with the requirements of the treaty. Any renegotiated START should maintain these provisions.

The failure of SORT is testament to the importance of verification measures. SORT, which came into effect in 2003, provides no verification process, no penalties for withdrawing from the agreement (a process merely involving three months written notice), and does not require that the arms reductions attained be permanent. This lack of obligation, in addition to reducing the incentive for effective reduction, suggests to the world that there is little real dedication to disarmament on either side. To avoid such hollow gestures and the message of limited commitment it implies, the verification provisions outlined in START I should be maintained and even expanded. This way, both the US and Russia can demonstrate their commitment while expanding the process of disarmament to a global scale.

This demonstration of commitment is not simply political gesturing. The US's withdrawal from the ABM treaty may have directly contributed to the failure of the START II treaty proposed by President Bush Jr. Russia claimed that the withdrawal nullified their previous agreement, and quickly withdrew from it themselves. A reliable and strong dedication from the United States, both to any revised START treaty and to other international disarmament agreements, will provide assurance of motivation and secure the success of any arms control

process. We believe enhancing or at least maintaining the verification provisions in the treaty will be essential to this process.

Ensuring START Approval

In the build up to the denuclearization conference in April 2010, the major threat to US-Russian negotiations is the unsure future of the US missile defense system. Russia has expressed concern over the program, particularly Obama's plan to expand deployment systems throughout Europe.¹⁷ The US Ambassador to Russia has stated that the US only has plans to develop immediate range missiles; Russia lacks these missiles, while Iran has been working to build them. This defense plan is less objectionable to Russia, but the lack of guarantee is still unsettling. In order to ease the resigning of the treaty, an assurance that the US will produce only immediate range missile defense systems should be included in the new START agreement. This will increase the likelihood of Russia agreeing to a new START, accelerate the signing of the treaty, and set an optimistic tone for the denuclearization talks in April.

The US and Russia began the process of renegotiating START I at a conference in July of 2009. They agreed to maintain the levels of START I until a new agreement was reached, and began discussion of what a START III would accomplish. Numbers were loosely agreed upon, namely a warhead cap of 1500-1675 and a deployment vehicle limit of "around 800".¹⁸ Although the vehicle limit is consistent with the decrease seen in START I (880 represents 80% of the current levels) the warhead limit is not. This represents a missed opportunity to continue the success of START I; when the final agreement is reached, we should maintain the 80% decrease in warheads (taking levels from 6,000 to 1,200 or below). Continuing the positive tradition begun by START I is an easy and obvious step we can take to secure a path to denuclearization.

Future Goals

Considering the success of the START I, we have justification to set optimistic disarmament levels in a revised START agreement. Moving from the levels achieved by START I, we believe an additional 80% decrease in warheads and vehicles in a time span not to exceed 84 months is achievable. Signing other international agreements (such as the ABM treaty and the NPT) would garner support for this scale of disarmament.

The missed deadline for a new START agreement puts increased importance on the approval of a new agreement by the current April 2010 deadline. If the nonproliferation and disarmament conference comes and goes without a new agreement with Russia, the United States' credibility will be reduced and the positive momentum from the success of START I will further fade. It is essential that we make every effort sign a new treaty as soon as possible and at reductions levels that represent a reliable commitment to total disarmament.

Human Rights Sub Group Report

Introduction

Over the last 19 years the Russian Federation has made significant progress in reforming its institutions to meet the standard of democracy advocated by Western countries. It has gone from a totalitarian state with limited regard for human rights, to being a member country of the European Court of Human Rights. This is a testament to their dedication to the protection of human rights, as this membership allows for the supervision of an outside body with regard to Russia's protection of human rights guaranteed in the Russian Constitution, the European Convention for Human Rights and the Universal Declaration of Human Rights.

Furthermore, membership in this body also allows for the European Court of Human Rights to bring claims against the Russian government, which entails monetary fines, in instances where the Russian Federation neglects their duty to protect their citizens' rights and the Constitutional Court of the Russian Federation fails to establish and enforce an effective remedy. Despite the progress made by the Russian Federation in protecting the rights of its citizens, there remain areas where human right abuses still persist. These cases include infringements on the religious freedom of Russian citizens, racial discrimination of minorities, neglect of child welfare and trafficking of individuals into and out of the Russian Federation. These issues are important to the US because of the implications they have on freedom and democracy and international security.

Recommendations

- Should be willing to allow the international community to promote and enforce the rights of children by assisting Russia in transforming its system from an institution-based to a community-based service and education system. With such aid, the Russian Federation may be able to convert their social welfare system to one that has the ability to comply with the human rights obligations Russia has committed itself to follow.
- Allow international organizations to take part in deciding when parent's rights should be terminated, along with aiding in the construction of a new policy regarding the placement of these children by the Russian court system.
- The Russian government needs better tracking on cases and prosecution of traffickers to show improvement and scale of the operations. Many cases are filed under illegal immigration which skews the statistics on cases and prosecution, which in turn hinders progress made in eliminating human trafficking. Reclassification of the case types also prevents investigators, prosecutors and judicial staff to get familiar with these types of cases to better prepare for future cases. By not investigating and prosecuting under the human trafficking classification under article 127, the Russian Federation is in fact ignoring the issue while trying to appear as if something is being done.
- Increase transparency in the investigations and punishing of human trafficking offenders on both the Russian side as well as the American side. This will show the Russian people, as well as the world, that Russia and the US are taking the issue seriously and will follow through with the accords created to combat the trafficking of humans from and through its territory.

- Strategies aimed at preventing trafficking should investigate the root causes of human trafficking. Inequality, poverty, discrimination, and prejudice are all factors that affect the vulnerability of the potential victims. Improvements in social services and infrastructure would help eliminate the desire to go abroad. Jobs, health and other social services are needed and the United States can aid in these efforts by providing aid and intelligence.
- The Russian Federation should also provide adequate training to law enforcement officials on how to identify and handle human trafficking cases as well as give these cases more priority.
- Once victims are found, there should be ample government sponsored services for victims of human trafficking to assist them in readjusting into life. Victims can need medical as well as psychological aid and currently the NGOs are the chief providers of this service. NGOs do not have sufficient funding or resources to care for the victims and the Russian Federation should provide this for their citizens.
- Continue to support US democracy assistance programs to Russia;
- Focus more on “rule of law programs”;
- Continue to provide funding for technical assistance in the areas such as legal reform and human rights;
- Support efficient and thorough training and exchanges of Russian and American judges, judicial professionals and lawyers in the area of judicial education and governance, ethics, and court administration to make the judicial system more transparent and independent;
- Continue funding the American Bar Association’s Central European and Eurasian Law Initiative and the Russian American Judicial Partnership to strengthen the rule of law in Russia;
- Fund legal components of NGO’s to help with lawsuits;

- Fund leaders in the legal profession to help “form a strong, independent bar association in Russia, and to mobilize its members to focus particular effort on protecting the rights of vulnerable groups in the population, and in creating the legal climate in which NGOs and community groups can thrive;”^{19, 20}
- Impress upon the Russian government that, as a responsibility of membership to the European Convention on Human Rights and other international human rights organizations, it must provide its judiciary, law enforcement and local governments access to and education about the materials produced by these organizations, such as the articles of the ECHR charter, so that they may know what kind of standards and obligations Russia has undertaken in connection to the promotion of human rights;
- Remind the Russian government that, according to statements it made in a 2009 report submitted to the UN Human Rights Council, international conventions to which it belongs take precedence over national legislation, and encourage the Russian government to elevate its national legislation regarding human rights to meet the principles and standards of these international conventions;²¹ and,
- Facilitate the issuing of visas for Russian citizens, especially Russian students attending U.S. universities and officials participating in training, with the hope that they will return to Russia carrying a newfound respect for democratic ideals.

Human Trafficking in the Russian Federation

Introduction

Human trafficking is an urgent issue that requires cooperation from all nations as well as international organizations and non-governmental organizations. The UN High Commissioner for Human Rights has estimated that over 500,000 men, women and children have been smuggled out of Russia illegally since the collapse of the Soviet Union. The dramatic rise in persons trafficked puts the Russian Federation in a vulnerable place in the world as Russian citizens are coerced, tricked and kidnapped out of the country and citizens from abroad are moved through the vast Russian territory. Once sold, these men, women, and children are forced into manual labor or prostitution. The Russian Federation has transformed over the last twenty years to not only a country of origin for human trafficking but also as a destination. The porous borders allow for easy transit in and out of the country and cities such as Moscow and St. Petersburg are popular transit cities with safe houses created for the transportation of people through the country. Women, mostly from impoverished areas, are tricked or kidnapped into the human trafficking system, promised a good job or an education, but really wind up in the sex industry.²²

Much of the human trafficking is controlled by crime groups known as mafia. These are not the traditional mafia families, but can range from small groups to a bigger organization. This type of organized crime is one of many factors that could contribute to an unstable Russian Federation. Stability is a key necessity for the United States-Russian relations. The United States needs Russia to be a civil society to secure more trade and investment, as Russia is the twelfth largest market in the world.²³ With their large population, there are opportunities for

businesses to sell to Russia as well as invest in production within Russia. With an image of persistent human rights abuse and the consistent illegal transportation into and through the country, Russia is not creating an environment attractive to investors. Along with a desire for economic growth, in the early 1990s the United States attempted to forge a relationship with Russia to help it get on track to a capitalist, democratic society. Treaties have been signed by both parties and the enforcement of these agreements should be followed. Only with US-Russian cooperation can the United States handle this difficult challenge as well as open roads for cooperation in regards to terrorism, climate change, drug trade, and nuclear non-proliferation. These are all important issues of interest to the United States and the more civil stability that exists within the Russian Federation; the easier it will be for the United States to engage Russia in cooperative efforts.

The Russian Federation has enacted laws to combat the human trafficking situation as the issue continues to make headlines and cause concern for Europe and other allies. President Putin introduced anti-trafficking legislation that passed in 2003 making trafficking of people illegal and established a punishment. This prompted the United States Department of State to move Russia from a category three, a group not addressing the problem, to a category two, meaning Russia is making some, though still inadequate, efforts to combat the issue.²⁴ The following year, Russia had ratified the UN Palermo Protocol. The protocol committed Russia to prevent and combat human trafficking and also to provide assistance to victims.²⁵

However, the exploitation of people continues. Article 127 of the Russian Federation Criminal Code prohibits the trafficking of humans and gives a punishment of up to fifteen years for violation of this code. This code has not detracted this booming industry, mostly due to the complex nature of catching the offenders as well as the low priority assigned to this task.

Victims of trafficking are sent to Turkey, Greece, South Africa, Germany, Poland, Israel, Vietnam, Thailand, Australia, the Middle East, and the United States.²⁶ Many of these destination countries are allies of the United States. Thus, the United States is able to exert its influence in conducting international cooperation to reduce the number of victims.

Since passing article 127, the instigations on human trafficking cases has been few and the sentences imposed have been fewer. There are various factors that contribute to this low number, including the complexity of offences, lack of consistency in the investigations and the low priority assigned to them. In 2004, under article 127 there were eighteen cases that went to trial under human trafficking. Of these eighteen, only seven verdicts were made regarding nine people. Two of these people were acquitted but the others were only found criminally accountable for crimes other than human trafficking. Frequently, the classification of the human trafficking crimes is changed during the investigation of organized crime, forgery, management of brothels, rape, or involvement in prostitution.

In March of 2001, Oxana Rancheva was trafficked to Cyprus on an artist visa to work in a cabaret but quit after three days. Her note indicated she was going back to Russia. When the cabaret owner found her he took her to the police to have her declared an illegal immigrant but the police found no evidence that she was illegal. One hour later, Rancheva was found dead. It was concluded that she fell off the balcony while trying to escape. The ECHR fined Russia's lack of actions in this case as Russia failed to investigate how and where the victim was recruited and hold those people accountable. This fine from the ECHR only came about because the father of the victim pressed the ECHR on the issue and took nine years to occur.²⁷

The lack of government interest in finding the traffickers and holding them accountable to the human rights standards that the Russian Federation agreed to shows how low of a priority

human trafficking is. The cabaret owner wanted this woman deported so that he could purchase another woman for prostitution. His presence at the police station in Cyprus could have been a start to an investigation in bringing down the organization involved in trafficking women from Russia to Cyprus.

In 2004, two Russian citizens were charged for the recruitment of three minor girls they transported to Moscow and forced into the prostitution ring. Instead of being prosecuted for the human trafficking, these men were charged for “organization of prostitution with involvement of a minor”.²⁸ In fact, between 2004 and 2005, there were only four prosecutions with no one sentenced to more than seven years imprisonment.²⁹

The United States does not have a much better history in regards to prosecution of human traffickers. From 1996 to 2000 there were four cases of human trafficking busts in the United States where illegal Russian women were being held. None of the accused traffickers were prosecuted.³⁰ Actions like this show the Russian Federation that the United States does not put a priority on the lives of these people and hence will not pressure Russia to increase prevention and punishments to end this problem.

Recommendations

- The Russian government needs better tracking on cases and prosecution of traffickers to show improvement and scale of the operations. Many cases are filed under illegal immigration which skews the statistics on cases and prosecution, which in turn hinders progress made in eliminating human trafficking. Reclassification of the case types also prevents investigators, prosecutors and judicial staff to get familiar with these types of cases to better prepare for future cases. By not investigating and prosecuting under the human

trafficking classification under article 127, the Russian Federation is in fact ignoring the issue while trying to appear as if something is being done.

- Increase transparency in the investigations and punishing of human trafficking offenders on both the Russian side as well as the American side. This will show the Russian people, as well as the world, that Russia and the US are taking the issue seriously and will follow through with the accords created to combat the trafficking of humans from and through its territory.
- Strategies aimed at preventing trafficking should investigate the root causes of human trafficking. Inequality, poverty, discrimination, and prejudice are all factors that affect the vulnerability of the potential victims. Improvements in social services and infrastructure would help eliminate the desire to go abroad. Jobs, health and other social services are needed and the United States can aid in these efforts by providing aid and intelligence.
- The Russian Federation should also provide adequate training to law enforcement officials on how to identify and handle human trafficking cases as well as give these cases more priority.
- Once victims are found, there should be ample government sponsored services for victims of human trafficking to assist them in readjusting into life. Victims can need medical as well as psychological aid and currently the NGOs are the chief providers of this service. NGOs do not have sufficient funding or resources to care for the victims and the Russian Federation should provide this for their citizens.

Religious Freedom

Since the fall of communism, the Russian Federation has gone through a complete social, economic and legal transformation. In these areas there has been much positive change that

continues to bring it in line with other western countries. Despite these reformations, there has been continuing problems in the area of human rights, specifically the protection of religious freedom. Much of the problem stems not only from 70 years of enforced atheism in the USSR, but also from a deeply entrenched tradition of Orthodox Christianity, which was officially adopted in Russia in the tenth century.³¹

In the 1990s, a rise in Russian nationalism occurred during the transformation of Russian society from a state socialist to post-socialist society. Part of this nationalistic tendency was to emphasize all things historically that were “Russian”, including the Russian Orthodox religion. Naturally this emphasis on a Russian religion promoted antagonism toward many other religions seen as foreign. The rising internal tension came to the attention of the international community when in 1997, tensions between the Russian Orthodox Church and specific minority religions boiled over, resulting in the passage of a law titled “On Freedom of Conscience and Religious Associations”.³² According to the law, all religions that had not been established for 15 years were denied the right of replacing military service with civil service for church members, the right of priests not to be drafted, the right to establish educational facilities, the right to have foreign representation, the right to perform religious services in hospitals, orphanages and prisons, the right to buy and export religious literature, audio, and video recordings mass media and the right to invite foreign citizens to perform religious and missionary activities.³³

The law exempted the Russian Orthodox Church and other “long established religions” Islam, Buddhism, and Judaism from complying with this law as they were afforded a “special role”.³⁴ All other religions were greatly impacted because fifteen years prior to 1997 the Russian Federation was under a communist government, which strictly limited religious practice. This law, according to the Slavic Center for Law and Justice was in direct contravention of seven

provisions of the Russian constitution including freedom of religion, right to freely assemble and freedom of expression.³⁵ There were appeals by several religious organizations, three of which are discussed in the case study below, to the Constitutional Court regarding the constitutionality of this law. The results of these appeals however, had little impact on the enforcement of the law. This is because of the lack of stare decisis-adherence to the Rule of Law and weakness of the judiciary. Traditionally, according to James Apple and Robert Deyling in *A Primer on the Civil Law System*, in a civil law tradition, as distinguished from common law, the law is not developed based upon previous rulings, known as the principle of stare decisis; rather law is developed from the legislative body only.³⁶

The adherence to the rule of law is also a big problem within the Russian Federation, especially when it comes to rights cases. Robert Pope explains that the problem lies in Russian culture and developed out of a history of autocratic and socialist rule for the past 1000 years. During both periods, it was common practice for those in authority or, those with enough “contacts” or money, to escape prosecution by the law. Pope illustrates this fact when he states that “prior to the fall of Communism, neither the tsars nor the commissars were bound by the law”.³⁷ Finally, the strength of the judiciary plays a large role in determining the effectiveness of the legal system. In the specific instance in question, the Constitutional Court deferred to the legislature, rather than asserting their constitutionally granted authority to overturn the law.

Legal and Constitutional Protections

According to Article 17 of the Constitution of the Russian Federation “rights and freedoms of man and citizen according to the universally recognized principles and norms of international law and according to the present Constitution” shall be upheld.³⁸ Furthermore, Article 19 states The State shall,

guarantee the equality of rights and freedoms of man and citizen, regardless of... religion...[that] all forms of limitations of human rights on social, racial, national, linguistic or religious grounds shall be banned [and that] Man and woman shall enjoy equal rights and freedoms and have equal possibilities to exercise them.³⁹

These provisions clearly afford protection for all religions within the Russian Federation. Regarding the 1997 law passed by the Duma restricting the actions of specific religions, the following are the provisions in the Russian Constitution that are violated by this law. Specifically the restriction of dissemination of religious material specified within the law contradicts the rights guaranteed by Article 29 and the right to freedom and expression of religious beliefs guaranteed in Article 28. Article 28 states that,

Everyone shall be guaranteed the freedom of conscience, the freedom of religion, including the right to profess individually or together with other any religion or to profess no religion at all, to freely choose, possess and disseminate religious and other views and act according to them.⁴⁰

Furthermore, Article 29:4 declares that,

Everyone shall have the right to freely look for, receive, transmit, produce and distribute information by any legal way. The list of data comprising state secrets shall be determined by a federal law.⁴¹

The next few articles deal specifically with the responsibilities of the government to protect these rights and the responsibilities of the judicial system to take action if these rights are violated. Furthermore, the right of the individual to appeal not only at the domestic level if their rights are abridged, but also at the international level to international bodies that protect the freedoms and rights of individuals.

Article 45: 1-2 states that, “State protection of the rights and freedoms of man and citizen shall be guaranteed in the Russian Federation”.⁴² “Everyone shall be free to protect his rights and freedoms by all means not prohibited by law”.⁴³ Article 46: 1-3 says, “Everyone shall be guaranteed judicial protection of his rights and freedoms”.⁴⁴ “Decisions and actions (or inaction) of bodies of state authority and local self-government, public associations and officials may be

appealed against in court”.⁴⁵ “Everyone shall have the right to appeal, according to international treaties of the Russian Federation, to international bodies for the protection of human rights and freedoms, if all the existing internal state means of legal protection have been exhausted”.⁴⁶

Since the Russian Federation is a signatory to the European Court of Human Rights, they have agreed to also uphold the rights outlined in several provisions of the “Convention for the Protection of Human Rights and Fundamental Freedoms”. Article 9: Freedom of Thought, Conscience and Religion states,

Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief and freedom, either alone or in community with others and in public or private, to manifest his religion or belief, in worship, teaching, practice and observance⁴⁷. Freedom to manifest one’s religion or beliefs shall be subject only to such limitations as are prescribed by law and are necessary in a democratic society in the interests of public safety, for the protection of public order, health or morals, or for the protection of the rights and freedoms of others.⁴⁸

Article 10: Freedom of Expression says,

Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers. This article shall not prevent States from requiring the licensing of broadcasting, television or cinema enterprises.⁴⁹ The exercise of these freedoms, since it carries with it duties and responsibilities, may be subject to such formalities, conditions, restrictions or penalties as are prescribed by law and are necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority and impartiality of the judiciary.⁵⁰

Article 11: Freedom of Assembly and Association claims,

Everyone has the right to freedom of peaceful assembly and to freedom of association with others, including the right to form and to join trade unions for the protection of his interests.⁵¹ No restrictions shall be placed on the exercise of these rights other than such as are prescribed by law and are necessary in a democratic society in the interests of national security or public safety, for the prevention of disorder or crime, for the protection of health or morals or for the protection of the rights and freedoms of others. This article shall not prevent the

imposition of lawful restrictions on the exercise of these rights by members of the armed forces, of the police or of the administration of the state.⁵²

Interestingly, this convention not only requires states to uphold the rights proscribed here, but also to adhere to the rights described in the “Universal Declaration of Human Rights” proclaimed by the UN General Assembly in 1948. Articles 18 and 19 of that Declaration are particularly relevant, Article 18 states,

Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship, and observance.⁵³

Article 19 continues,

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.⁵⁴

Case Studies

The first case is Jehovah’s Witnesses and the Christian Church of Praise v. Russia 243/2001, Russian Constitutional Court, (2001).⁵⁵ In this case, the plaintiffs, the Jehovah’s Witnesses and the Christian Church of Praise, filed for re-registration in accordance with the 1997 law. Both churches were unable to prove continuous presence in Russia for the required 15 years, and were therefore, denied registration. They were then required to be a religious group, which meant they lost all the rights previously mentioned that are afforded to registered religious organizations.

Accordingly, these groups appealed all the way to the Constitutional Court. The court ruled that religious associations “which do not possess a document proving their existence at least 15 years are to enjoy the rights of a legal person on the condition of re-registration every year until the expiration of the designated period. Instead of discussing the constitutionality of the actual law, they examined the constitutionality of the contested article 9.1, where they ruled

that the Law provides two ways of establishing a local religious organization.⁵⁶ Groups may either prove that they are part of a centralized religious organization, or they may present evidence of fifteen years presence in Russia.

The Court reasoned that Article 27 is constitutional and does not violate the rights of organizations. While the court secured the rights for the individual religions that brought suit they did not nullify the unconstitutional law thereby securing rights for all. In fact, according to Marina Thomas “the Court deliberately interpreted Article 27 in ways that avoided a ruling of unconstitutionality” thereby deferring to the legislature to determine unconstitutionality.⁵⁷

The next case is the Salvation Army v. Russia. 43-44/2001, Russian Constitutional Court, (2001).⁵⁸ In this case, the Moscow branch of the Salvation Army applied for re-registration following the 1997 law but was unsuccessful for spurious and illegal reasons. On December 31, 2000, the time limit for re-registration specified by the law expired. According to the law, all organizations that failed to re-register were liable for dissolution.⁵⁹

At this point, in September 2001, the Salvation Army lodged a complaint before the Constitutional Court, arguing that it was unconstitutional to dissolve an organization for failing to re-register. The Constitutional Court ruled that “re-registration of a religious organization could not be made conditional on the fulfillment of requirements that were introduced by the Religions Act and had not legally existed at the time of the founding of the organization”.⁶⁰ They furthermore declared that “the dissolution could occur only if the organization ceased its activity or had engaged in unlawful activities; dissolution should not be based on ‘formal grounds’ such as the failure to re-register”.⁶¹ Though the dissolution order was dismissed in response to the ruling from the Constitutional Court, the Salvation Army was still refused re-registration.

As such the Moscow branch of the Salvation Army filed a complaint with the European Court for Human Rights. After reviewing the facts, the Court found that Russia “interfered with the freedom of association through the re-registration process”.⁶² The Court then declared that there is “no reasonable and objective justification for a difference in treatment of Russian and foreign nationals from being founders of Russian religious organizations”.⁶³ This case is important in that the European Court reiterated the inherent right under Russian law to form an association as a legal entity.

Despite the guarantees in the Russian Constitution, the European Convention on Human Rights and the Universal Declaration of Human Rights, there continues to be abridgments of those rights when it comes to protection of the freedom of religion and religious expression. This perhaps is rooted Russia’s legacy of totalitarian domination of all parts of society including religion. Perhaps it was simply a flare-up of Russian nationalism that may be resolved. Whatever the outward reason, these abridgments were caused by the lack of adherence to the rule of law, a weak judiciary and the lack of stare decisis. Only by instituting and instilling these principles can the Russian people be protected from this law and, more important, the laws that succeed this one that may be even more restrictive.

Recommendations

- Continue to support US democracy assistance programs to Russia;
- Focus more on “rule of law programs”;
- Continue to provide funding for technical assistance in the areas such as legal reform and human rights;
- Support efficient and thorough training and exchanges of Russian and American judges,

judicial professionals and lawyers in the area of judicial education and governance, ethics, and court administration to make the judicial system more transparent and independent;

- Continue funding the American Bar Association's Central European and Eurasian Law Initiative and the Russian American Judicial Partnership to strengthen the rule of law in Russia;
- Fund legal components of NGO's to help with lawsuits; and
- Fund leaders in the legal profession to help "form a strong, independent bar association in Russia, and to mobilize its members to focus particular effort on protecting the rights of vulnerable groups in the population, and in creating the legal climate in which NGOs and community groups can thrive".⁶⁴

Child Welfare

Child welfare in the Russian Federation is a pressing issue that deserves the attention of the United States government. The topic of child welfare is a term used to assure that the children of a nation are secured their basic human rights. According to the United Nations International Children's Emergency Fund 1946 (UNICEF), "protecting children from violence, exploitation, and abuse is an integral component of protecting their rights to survival, growth, and development".⁶⁵ There are many pressing issues within the Russian Federation regarding child welfare and a protective environment for Russian children, specifically orphans and abandoned children, which demonstrate the urgency for a resolution. These critical issues that the Russian Federation needs to resolve are: the extreme neglect of children with disabilities, the improper placement of children in institutions, and the human rights violations that these Russian institutions practice. Through following these policy recommendations, Russia will be able to

convert from an ineffective Soviet-style arrangement that was an “extensive institutional system of services and education for children that unnecessarily and improperly segregates them from society” to a more humanitarian arrangement.⁶⁶ This newfound culture of fostering the basic needs of children will generate a stronger Russian nation through building on the importance of family-based values. By recognizing the importance of the youth in their nation, Russia will be able to produce a society with citizens who can reach higher levels of education as well as social welfare.

The International Convention on the Rights of the Child 1989 (CRC) established a set of non-negotiable standards and obligations pertaining to humanitarian law that are to be respected by all signatory governments. The CRC makes the assertion that if national child protection systems, protective social practices, and children’s own empowerment is coupled with good monitoring, it will establish a protective environment and enable countries, communities, and families to prevent and respond to violence, exploitation, and abuse.⁶⁷

The humanitarian abuses committed against children by the Russian Federation violate the standards put forth by the CRC, and despite the appointment of Alexei I. Golovan by President Dmitry Medvedev to the newly created post of Child Rights Ombudsperson at the national level in October 2009, fulfilling Russian obligations to protect child rights under the CRC is going to take an immense amount of effort. Through observing case studies pertaining to child welfare in Russia in the context of orphaned children and the correlated institutions legally responsible for the protection of such children, it is evident that the Russian Federation needs to commit itself to a new policy of promoting the maximum possible community involvement and family support for all children.

The institutionalization of disabled and non-disabled children in the Russian Federation is a substantial issue that should be addressed. There is a continuous placement of Russian children with no disabilities into institutions for children with disabilities as a result of children that are the product of a “troubled” family or from being abandoned. When children are institutionalized, they are deemed as “disabled” so that they are allowed to reside in a “specialized” institution.⁶⁸ According to socwork.net, services that are administered at these institutions could easily be provided to children in their homes if transportation was freely available or if service systems were de-centralized.⁶⁹

These institutions, however, have made no serious effort to keep children with their families. A common depiction of what a “troubled” family represents to Russian law is parents who are disabled, alcoholic, or “unfit”.⁷⁰ The most pressing concern with the institutionalization of non-disabled children lies within the legal process and how the court rules parents “unfit” and terminates the parents’ rights to their child. The verdict regarding the initial placement of a child into an institution is only one step in a chain of decisions. There are two options for placement, either a child is disabled and the parents maintain their rights, but cannot provide adequate care for the child, or parental rights are terminated by the Guardianship Commission and the child is placed into an institution.

The termination of parental rights and the involuntary placement of a child into a neglectful institution is a critical concern. The Russian government is removing children from their home environments with suspicions of neglect, and legally resolves this by placing them in an inefficient institution that will subject children to an equal if not a greater amount of neglect. There are no legal norms for disputing the decision of exemption by the Guardianship Commission, which is an interagency service under the local government authority. The Guardianship

Commission tends to make a restrictive orientation toward parents under review, and many parents have reported that inspectors threaten to take their children.

Case Study

Through collecting data, the Russian Supreme Court was able to display the dramatic increase of parental rights termination from 1999 to 2006, from 30,000 cases to 70,000 cases, which led President Dmitry Medvedev to comment that parental rights termination rulings are too restrictive. The termination of parental rights in Russia is only more detrimental to their welfare. The organization Human Rights Watch (HRW) asserts that many of the children in Russian institutions do not need to be there at all, and could be better cared for at home, or in foster homes, at a considerably less expense.

HRW stresses the severity of this situation in stating that, “the population of these orphanages is far too high and it’s growing”⁷¹ (www.hrw.org) as well as acknowledging that even “normal” abandoned children whom the state evaluates as intellectually competent of functioning on a higher level are prone to physical, mental, and sexual abuse when placed in an institution.⁷² Nongovernmental organizations and independent professionals metaphorically describe the placement of children into institutional care as “the staircase leading below”. There are very negative impacts associated with child institutionalization in Russia, such as poor intellectual and physical stimulation, and once a child is placed into an institution, “it is very difficult to return a child from the downward staircase”.

The issue of excessive institutionalizing children in Russia can be resolved through the creation of support services in the community and preventative measures that are aimed at bolstering the family unit. Along with strengthening the community, the Russian Federation can expand the existing foster care system so that children who are separated from their parents by

Russian courts can be implanted in a better environment that is more suitable to their needs than their current placement in institutions.⁷³ Through being placed in a foster home, these children are more likely to have access to the rights assured to them by international conventions like the CRC.

Legal Protection

Through correlating this case study of Russian child welfare to the implications assumed under Russia's acceptance of the CRC, it is apparent that there are numerous human rights obligations being neglected by the Russian Federation. In November 2009, UNICEF launched a number of public service announcements educating Russians about the current child welfare dilemma. In this announcement, UNICEF revealed that:

“(1) Child mortality rates in Russia are still four times higher than in Western Europe. (2) Many Russian children still live outside of the family unit, despite progress in developing family-style alternatives to institutionalization; 156,000 children are currently housed in orphanages or boarding homes. (3) Many of the country's 500,000 children with disabilities are without access to quality education”.⁷⁴

Due to the functions of Russian system of services for children, which continue Soviet-era preferences for institution-based rather than community-based care, the child's right to community integration is being violated. Institutional placement in Russia is used instead of family support and counseling programs. International human rights law recognizes the right to community integration regardless if a child is disabled or not.⁷⁵ Along with this specific violation, the Russian Federation is also violating children's' rights under the CRC, including the right to family and community support, the right to the highest attainable standard of health and development, the right to an education, the right to protections against inhuman and degrading treatment, the child's right to exercise choice, and a substantial number of other violations.⁷⁶

The Russian Federation's failure to transform from their past Soviet-oriented institutions with regard to children's welfare has led to a malfunctioning in the Russian social welfare system as a whole. Though no longer a totalitarian state, the Russian Federation is struggling at assimilating persons with disadvantages, such as orphans or the disabled, into suitable institutions that acknowledge the human rights of the inhabitants in correlation with international human rights standards. As a result of this ineffective process of child placement, the Russian Federation is segregating at least 200,000 Russian children from a stable environment to develop in, and at least 500,000 children without an education who are disabled.⁷⁷

Recommendations

We recommend that the Russian Federation:

- Should be willing to allow the international community to promote and enforce the rights of children by assisting Russia in transforming its system from an institution-based to a community-based service and education system.⁷⁸ With such aid, the Russian Federation may be able to convert their social welfare system to one that has the ability to comply with the human rights obligations Russia has committed itself to follow.
- Complies with coordinating their operations of community-based services with the supervision of international humanitarian organizations like UNICEF, which should provide funds to monitor and evaluate the functions of this transformation and its establishment.⁷⁹
- Allow international organizations to take part in deciding when parent's rights should be terminated, along with aiding in the construction of a new policy regarding the placement of these children by the Russian court system.

Nationalism, Xenophobia, and Discrimination

The Russian Federation experienced a sharp rise in nationalism following the collapse of the Soviet Union. The path chosen for transition –shock therapy– led to a particularly traumatic economic crisis accompanied by severe unemployment, significant wage arrears, and an overall increase in poverty. Compounding this crisis, in 1994 Russia initiated an unpopular military campaign into the secessionist Chechen Republic. Refugees flooded into northern Russian cities, combining with the already escalating tide of migrants from other republics. The local populations developed intense fear and hatred of these encroaching ethnicities, specifically Caucasians, and, because of this xenophobia, they reacted by seeking protection for ethnic Russians, which contributed to the rise in nationalism. Xenophobia, if not counteracted, tends to intensify over time, progressing from general intolerance of ‘outsiders’ to violent discrimination.

Nationalism can quickly evolve into ultra-nationalism, an extreme form of exclusionary patriotism associated with violence. Since the 1990s, nationalism and xenophobia have increased yearly and have become institutionalized in media, law enforcement and politics. US citizens of non-Slavic appearance can expect to face more discrimination, intolerance, and threats of violence in Russia, especially in Moscow, St. Petersburg, and the Krasnodar territory.⁸⁰

In a 2009 report to the United Nations Human Rights Council, the Russian Federation stated that “violations of equal human and civil rights and freedoms is quite low [in the Russian Federation]; in 2006 and 2007, just three discrimination-related offenses were registered”.⁸¹ In contrast, the Federal Bureau of Investigation in 2006 registered 4,737 race-based offenses and 1,233 ethnicity-based offenses in the United States.⁸² If Russia’s claim of almost nonexistent violations is correct, then the government is unaware of or, more likely, disavows the existence

of these issues, the judiciary system is unable or unwilling to prosecute hate crimes, and/or the public deems law enforcement to be ineffectual or inimical.

President Medvedev frequently refers to the problems caused by nationalism, xenophobia and intolerance in meetings and speeches. Former President Putin also directly addressed the issue with the heads of Russian political parties in fall 2006 and again during a speech before the Council for Facilitating the Development of Civil Society Institutions and Human Rights on January 11, 2007. He acknowledged that the Russian government had “repeatedly [my emphasis] ascertained that displays of nationalism, xenophobia, religious and racial intolerance not only seriously infringe on the rights of Russian and foreign citizens living in Russia, they create a serious threat to stability and security in the country as a whole”.⁸³

The United States should be concerned that, although the Russian government recognized the gravity and scope of the issue, the country did not acknowledge the problem of intolerance when reporting to an international human rights organization. The Russian government may not have disclosed the existence of discrimination offenses to an international body, but it did publicly identify at least 200 active extremist groups. Unfortunately, authorities do not make consolidated statistics easily accessible.⁸⁴ When completing its country human rights profiles, the US State Department relies upon the highly detailed compilations and yearly reports provided by Russian human rights NGOs such as the SOVA center, an independent think tank that monitors and reports on ultra-nationalism, xenophobia and extremism.⁸⁵ This commission will also rely on the same sources for most statistics used in this report.

Legal and Constitutional Protections

The United States should focus on Russia’s enforcement and not its adoption of anti-intolerance legislation. Russia has adopted legislation that acknowledges the problematic nature

of intolerance and violent discrimination, but, as evidenced by the low conviction rate, it has been slow to demonstrate that it is committed to eradicating the problem (see Table 1). The Russian federal judiciary system defines and prosecutes intolerance-based offenses under the Criminal Code Article 282 ‘Incitement of National, Racial, or Religious Enmity’. It reads:

1. Actions aimed at the incitement of national, racial, or religious enmity, abasement of human dignity, and also propaganda of the exceptionality, superiority, or inferiority of individuals by reason of their attitude to religion, national, or racial affiliation, if these acts have been committed in public or with the use of mass media, shall be punishable by a fine in the amount of 500 to 800 times minimum wages, or in the amount of the wage or salary, or any other income of the convicted person for a period of five to eight months, or by restraint of liberty for a term of up to three years, or by deprivation of liberty for a term of two to four years.
2. The same acts committed:
 - a) with the use of violence or with the threat of its use;
 - b) by a person through his official position;
 - c) by an organized group,
 - d) shall be punishable by deprivation of liberty for a term of three to five years.

Within this Article, the Russian government explicitly detailed the consequences of employing discriminatory propaganda.

Case Study

In 2002 the governor of the Krasnodar region, Alexander Tkachev, stated that people with Russian last names can live freely in the region, but people with Georgian or Armenian last names were not welcome. Tkachev violated Russian law by publicly suggesting the inferiority of Georgians and Armenians and the superiority of ethnic Russians. Then President Putin expressed no immediate reaction nor did he condemn Tkachev’s declaration as a violation of the Criminal Code. The Prosecutor General also did not initiate criminal proceedings against the governor as stipulated by Article 282, Section 2.⁸⁶ Xenophobia and ultra-nationalism cannot be

effectively addressed at the national level without executive-level intercession, namely condemnation and prosecution of political officials. In the eight years since this incident, the Russian government has become generally more outspoken and is beginning to target political groups with clear ultra-nationalist agendas.

During the Bush Administration, the United States was more accepting of any action deemed beneficial to the War on Terror. The Putin Administration exploited this lenient attitude when it adopted the 2002 Federal Law, ‘On Counteraction to Extremist Activities’, which established additional provisions for combating discrimination and racial violence by categorizing these crimes as ‘extremist activities’. This law contains an undifferentiated list of actions that describe what constitutes ‘extremist activities’ ranging from terrorism to interfering with the work of public agencies through violence. It equalizes all ‘extremist activities’ without regard to level of danger posed.⁸⁷ The Commission on Security and Cooperation in Europe noted- as did most Russian human rights NGOs- that the definitions and provisions used in the Extremist Activities Law are too broad and vague to be practically applied by law enforcement. This law may be and is used, however, to persecute oppositional political organizations and media outlets.⁸⁸ In addition, law enforcers are authorized to rule extra-judicially on suspending the operations of public organizations.⁸⁹ The Obama Administration is reevaluating techniques and legislation used by the Bush Administration to pursue the War on Terror, and while doing so, it should also reconsider the leniency granted the Putin Administration in when it created deceptively similar legislation. Russia has used such vague legislation as the ‘On Counteraction to Extremist Activities’ to justify a reduction in civil liberties.

In September 2008, President Medvedev issued the Presidential Order, ‘On several matters of the Ministry of the Interior of the Russian Federation’, which designated ‘extremist’

crimes as a category requiring specialized investigation. As a result, law enforcement could increase security for witnesses, victims, legal staff and others participating in the prosecution of the ultra-right, Neo-Nazis, and other potentially violent offenders. Although the Order did not clarify the definition of ‘extremism’, law enforcement was now empowered to provide some degree of protection for these participants, a service which could potentially increase the number of cases presented for prosecution.⁹⁰ The Order also created subdivisions for the counteraction of extremism. The General Prosecutor’s Office, for example, now possessed a Department on Combating Extremism and Implementing State Security Laws.⁹¹ Even without revoking the ‘On Counteraction to Extremist Activities’ law, the Medvedev Administration has crafted useful legislation enforceable by law enforcement. The US would like to see a continued reduction in extremists groups, particularly in Eurasia and the North Caucasus. Perhaps Russia will continue to decentralize its anti-extremism infrastructure and develop effective counteraction departments on the regional level, specifically in the North Caucasus, an area intricately tied to the US fight against terrorism in Afghanistan.

The Russian government is also improving the methodology it uses to prosecute violent crimes associated with ultra-nationalism, xenophobia and general intolerance. In 2005 and 2006, the SOVA Center documented the first cases where prosecutors recognized crimes which had a hate motive as an aggravating circumstance, instead of pursuing hate crimes only as isolated cases under Article 282.⁹² This Article referred primarily to crimes involving propaganda and did not specifically refer to violent crimes perpetrated with hate as the motive. In summer 2007, the Criminal Code was modified, and investigators began successfully prosecuting cases with the “specific penalty enhancement of hatred.” Law enforcement also began attaching hate motive to cases where threats to murder (article 119) involved ‘everyday’ xenophobia, a most promising

Table 1. Violent Crimes with a Recognized Hate Motive: Convictions versus Reported Crimes, 2004 – Nov. 30, 2009

Year	Number of Convictions	vs.	Number of Reported Crimes ^a
2004	9		268
2005	17		468
2006	33		588
2007	23		707
2008	35		575
2009	41		354

Source: The SOVA Center, <http://sova-center.ru>

development. A hate motive has been successfully applied in charges involving murder, battery, torture, and inflicting bodily harm.⁹³ When the legal system begins successfully prosecuting these types of cases, the Russian government begins establishing itself as a state capable of providing security and legal recourse for minorities and foreigners. In such a climate, American tourists can feel safer, and US businesses can operate with increased confidence.

The Russian legal system improved qualitatively and quantitatively in its prosecution of violent crimes and its recognition of xenophobic propaganda. Convictions may have increased overall, but the number of cases prosecuted represents a small fraction of crimes committed (see Table 1). The Special Rapporteur on racism for the Committee on the Elimination of Racial Discrimination noted that national legislation reflects the “existence of institutionalized discrimination”.⁹⁴ Between 2006 and 2009, the Russian government improved legal qualification of offenses but did not clarify its vague definition of ‘extremism’. Law enforcement continues to avoid acknowledging the nationalistic or racist motives behind many crimes, but prosecutors are now beginning to, not only recognize hate motives, but also charge extremist organizations as a whole instead of just targeting single members.⁹⁵ The Russian

Federation is slowly improving its response to hate crimes and xenophobic propaganda, but counteractions remain inconsistent, passive and biased. If Russia can effectively retard the growth of ultra-nationalism, it will demonstrate that its state apparatus can enforce its laws and protect national security. US interests would be served by a stronger Russian state capable of readily identifying and preventing the rise of extremist groups.

Recommendations

- Recognize that xenophobia, nationalism, and racial intolerance are not only threats to Russia's stability and security, but also are indicators and predictors of escalating dangers that will affect U.S. and international security.
- Facilitate symposiums between Russian and international NGOs with the goal of sharing best-practices and establishing training exchange programs for prosecutors, justices, and law enforcement.
- Continue direct and indirect funding of programs that train public officials, especially judiciary and law enforcement, to be proactive in dealing with hate-based violence and propaganda.

Regional Issues

Introduction

Conflicts in the Near Abroad and Middle East present opportunities to address common interests between the United States (US) and Russia and can provide an impetus for resetting relations. The regional conflicts discussed will include: Georgia, Ukraine, Iran, and Iraq. These conflicts are complex, historically-rooted tensions fueled by vast ethnic and ideological divisions. Regional issues surrounding Georgia and Ukraine share similarities. Both countries in the Near Abroad are plagued by deep internal political divisions and are targets of Russian aggression. Russian policies towards these states are determined by an overarching narrative of a “sphere of influence” in the post-Cold War Soviet Bloc status they inhabit. Many tensions regarding the presence of the US and Russia in Iran and Iraq arise from the conflict between the US’ interest in the promotion of Western ideals of democracy and free markets in the Middle East, and of Russia’s involvement in this region driven mostly by legacies of the Soviet Union.

Therefore, the regional conflicts discussed in this section call on detailed and carefully drafted recommendations that aim to draw a compromise between various actors struggling for conflicting notions of sovereignty. The recommendations outlined in this section are intended to reset US-Russian relations by employing US policy towards Georgia, Ukraine, Iran, and Iraq as a tool. Pushing the reset button on relations will reduce tensions between the United States and Russia by reducing conflicts in their agendas.

With the following recommendations, the United States will hopefully create a peaceful and beneficial relationship with Russia and promote stability in the Middle East and Near East regions. In the past, it was common for the US and Russia to pursue policies based on a zero-sum

competition for influence in a region. We aim to dismantle this Cold War style ideology in exchange for a more cooperative relationship; however, we do not underestimate the overwhelming complexity of this task. We hope that our policy recommendations regarding these regional issues will help foster this vision.

Recommendations

Georgia

- The US should assist in diplomatic negotiations between Georgia and Russia, with Russia ending its confrontational policies towards Georgia and in turn, Georgia giving a greater degree of autonomy to South Ossetia and Abkhazia.
- Help Georgia to achieve better economic independence from Russia.
- The US should withdraw military support from Georgia in order to lessen tensions on an already militarily tense situation.
- In the future, the US should engage Georgia and Russia in parallel-track negotiations where Georgia negotiates for a North Atlantic Treaty Organization (NATO) membership and Russia negotiates for a World Trade Organization (WTO) membership
- Assist in relations between Georgia and NATO.
- Give better support to Georgia's democracy in order to help the democracy flourish.

Ukraine

- Promote political cohesion in Ukraine in order to reduce internal tensions within the country.
- Advocate and support energy independence for Ukraine so Kiev does not remain dependent on Russian gas.

- For the time being the US should not push for Ukrainian NATO membership until Ukraine is stable and no longer divided.

Iran

- The US should let the International Atomic Energy Agency (IAEA) deal with Iran's indiscretion around nuclear technology in order to convey a semi-neutral presence.
- Iran human rights violations should be addressed through the United Nations (UN) as a way to still Russia's fear of the US pushing democracy into Russia's proverbial backyard.
- Sanctions should be shifted from unilateral to multilateral sanctions in order to dispell the belief that the US is using sanctions as a way to heavily control other states.
- The US should join with Russia in an attempt to create a forum for peaceful discussion in the Middle East. If a common interest can be found and solidified between Iran and Israel, Iran's power in the Persian Gulf will create a more peaceful burgeoning relationship between Israel and other Arab countries; placating any tensions the US and Russia may have because of old ties.

Iraq

- The US should facilitate a dialogue between the facets of Iraqi society focusing on reconciliation.
- The US must recognize itself as a member of the international community rather than act unilaterally.
- A security system called the Gulf Regional Security Forum should be established to address regional instability and security.
- The US should enter into dialogue with Iran about Iraq focusing on US presence in Iraq and Iran's policies and activities supporting various Iraqi factions.

Georgia

Introduction

For the most part, relations between Russia and the United States have been steadily deteriorating for the past decade. The August 2008 Georgia-Russian War posed a substantially obstacle towards building a more cooperative relationship. Leading up to the August 2008 War, Russia had been growing increasingly frustrated with expansion of the North Atlantic Treaty Organization (NATO) expansion and a more pervasive US presence in the Near Abroad. NATO and US involvement in the post-Soviet region is primarily viewed by Russia as attempts at reducing Russian influence in the region and installing pro-Western regimes.⁹⁶

The 2008 conflict was a culmination of a complicated and tense relationship Russia has with the Near Abroad, in addition to the tensions caused by the increasing Western presence in the region. Diverging notions of regional sovereignty have been central to these tensions: on one side, Russia claims a preponderant role in the handling of ethnic and political divisions occurring within the Near Abroad; on the other side is US-supported Georgia, which aspires to better integration with the West, especially to membership in NATO, and hopes to consolidate its authority over its own territory which is threatened by Russian support for ethnic groups that are still legally part of Georgia under international law. There are important implications of these diverging notions of authority in the two disputed Georgian regions of South Ossetia and Abkhazia. For Russia, these two regions are “now officially Russia protectorates, or ‘independent states’ recognized only by Russia, Nicaragua, and Venezuela;”⁹⁷ Georgia regards the two regions as its own territories occupied by Russia.

The United States' role in this relationship has been important with regard to the economic and political support it has lent Georgia. This support includes a US military presence in Georgia, training of Georgian troops, financial assistance to Georgian democratic reforms, and support of the country's membership ambitions into NATO. The role the US occupies in Georgia has emerged based off of a unique set of interests it holds in the region: the stability and success of Georgia and the region is vital in providing a potential source of support to the US in fighting two wars in Iraq and Afghanistan; Georgia offers an important access point for the West into Central Asia and Afghanistan; economic and political success in Georgia can be held up as an example of successful state-building and democratic development for other post-Soviet countries and the wider Middle East; and finally, the country resides in a key strategic point for transporting energy resources in Eurasia.⁹⁸

All of these objectives contribute to a vested US interest in the country. US involvement in the region, however, has recently proved to lead to increased regional tensions with Russia expressing anxiety over an encroaching Western presence. Therefore, in the interest of maintaining civil relations with Russia and promoting regional stability, future policies should respect Russia's presence and history in the region. The conflict between the central Georgian government and South Ossetia and Abkhazia should also be taken into consideration when formulating US policy in the region. These two breakaway regions remain economically and politically close to Russia and policies that impact the future of the two regions need to be carefully considered. Overall, US policy in the region should strive to promote better relations between Georgia and Russia in order to advance regional stability. Regional stability will be beneficial for all parties involved, including the US.

History of Georgia's Alliance with the West

The August 2008 Russia-Georgia War has proven to be a major negative factor in Russia's relationship with the West, with most Western commentators accusing Russia of being too aggressive and being instigators of the conflict. Tensions between Russia and Georgia go back much farther than the 2008 conflict. Since the last years of the Soviet Union, Georgia has been one of the most independently minded and pro-Western of the post-Soviet countries, much to the frustration of Russia. Georgia's independence ambitions strongly emerged in 1989, but were aggressively suppressed by Soviet forces. After the collapse of the Soviet Union, Georgia initially rejected membership into the Commonwealth of Independent States (CIS), a regional organization of former Soviet Republics. Once it became a member of this regional organization, Georgia was one of the most vocal pro-Western states of the CIS. Georgia was also one of first post-Soviet states to declare ambitions for a NATO membership.⁹⁹

The 2003 Rose Revolution in Georgia that gave Mikhail Saakashvili the Georgian presidency was an important event in the current status between Georgia's pro-West stance and Russia's opposition. Even though the result of this revolution irritated Russia, as Saakashvili allied himself the West, the revolution positioned the Georgian government to make substantial advances in developing its democracy. Saakashvili's presidency committed itself to a series of efforts to end rampant corruption present in the Georgian government. The purpose of these reforms was to increase the likelihood of Georgia's chances to a NATO membership. However, these democratic reforms have not been as successful as the US would have liked, as evident in a visit by Vice-President Joseph Biden to Georgia in July 2009, where he criticized Georgia's failure to fulfill its democratic reforms promised by the Rose Revolution.¹⁰⁰

Russia regards Georgia's pro-Western orientation with hostility. Specifically, Russia has taken issue with Georgia's NATO aspirations and its challenge to the Russian supported independence movements among the South Ossetians and Abkhazians. Russia views the prospective NATO memberships in the Near Abroad as a threat to its "zone of influence". Due to Georgia's pro-Western inclinations, Russia has engaged in an assortment of aggressive policy decisions toward Georgia, including: maintaining military bases in Georgia and in South Ossetia and Abkhazia; the deportation of ethnic Georgians from Russia; and frequent economic blackmail through Georgia's dependence on Russia for energy and work remittances from Georgian citizens working in Russia that provide an extensive proportion of Georgia's GNP. Russia uses Georgia's economic dependence on it as leverage by imposing stricter worker visas qualifications for Georgians coming into Russia, putting up trade barriers for Georgian goods, and increasing energy prices for Russian energy delivered to Georgia.¹⁰¹

Both Georgia and Russia have established interests in the two breakaway regions, South Ossetia and Abkhazia, thus contributing to the majority of recent tensions between the two countries. The interests for Georgia in the two regions derives from the fact that a key pipeline route carrying oil and gas are located in South Ossetia and that more than half of Georgia's shoreline on the Black Sea is located in Abkhazia.¹⁰² Consolidating authority over these two regions would provide Georgia with more a more stable economy and economic independence from Russia.

For Russia, support for the independence of the two regions comes primarily from Russian nationalists' anxiety over the loss of its Soviet era buffer zones in the Near Abroad. Russia maintains a military presence in the two regions, because it regards Georgia's relationship with NATO as posing a potential unfriendly military presence at its borders.¹⁰³ Russia advances

its influence in the two regions by providing passports to the citizens of the regions, allowing Russia to claim “it is intervening on behalf of its own citizens”.¹⁰⁴

Developments since the 2008 Conflict

In the one and a half years since the August 2008 war, little has changed and a “frozen peace” between Georgia and Russia has emerged. Small exchanges in the disputed areas of South Ossetia and Abkhazia are typical and threaten to boil over into another conflict. Both sides accuse each other of bolstering forces in the region and of using propaganda.¹⁰⁵ Russia has also openly refused to negotiate with the Saakashvili government.¹⁰⁶ However, the director of the Georgian Security Analysis Centre, Ambassador David Smith, noted that concerns over another massive assault have been eased with President Barack Obama’s visit to Moscow on July 6, 2009 and Vice-President Joe Biden’s visit to Georgia on July 23, 2009.¹⁰⁷ Apart from the potential surge of another violent conflict emerging between the countries, the current stalemate is having additional detrimental effects to the Georgian economy, with Russia escalating its economic blackmail towards Georgia.

In addition to the drawn out stalemate that has emerged between Georgia and Russia, US relations with Georgia since the election of President Barack Obama have tempered. During the Bush years, Georgia could expect the unquestioned support of the US, but with Obama’s presidency a different discourse has emerged. Obama’s presidency seeks an improved and more cooperative relationship between the US and Russia, which has subsequently led to the end of the once unquestioned US support of Georgia. During Vice-President Biden’s trip to Georgia in July 2009, he not only criticized Georgia’s failings to fulfill its promised democratic reforms, as mentioned earlier, but he also warned Georgia against any further forceful efforts of integration

with South Ossetia and Abkhazia.¹⁰⁸ This is a sign of the US' change of heart regarding the role it will play in countries in the Near Abroad.

When formulating US policy in Georgia we need to: first, recognize the importance of the US maintaining close relations with Georgia and throughout the region, and second, that US involvement could further exacerbate regional tensions. At the same time, Russia's aggressive behavior in its declared "zone of influence" should not be tolerated. These countries in the Near Abroad should be allowed to pursue alliances as they see fit without having to worry about Russia's response. We should also not attempt to carve out our own sphere of influence near Russian borders. There are ways of finding mutually beneficial circumstances between the West and Russia without resorting to intimidation and violence and we must work to find these alternatives. US policy should avoid a confrontational zero-sum competition with Russia for influence in the region. Furthermore, with Russia regaining its footing in the world stage, promoting cooperative relations with Russia will be vital to finding the solutions to the problems facing the US and the world today.

Recommendations

- It is in every one's interest to end this "frozen peace" between Georgia and Russia. However, at this time, Russia seems resistant to the idea of engaging in negotiations with Saakashvili's government. Therefore, we recommend a bargain: we recommend that Russia ends its confrontational policies directed at Georgia in turn for Georgia to permit a greater degree of autonomy to South Ossetia and Abkhazia. In this situation the US could act as an intermediary in the proposed exchange.

- Georgia should attain relative economic independence from Russia. This will restrict Russia's ability to hold the Georgian economy hostage. To achieve this policy, the US should increase aid to Georgia, but focus aid spending on building Georgia's social and economic infrastructure instead of military funding. Also the US should encourage more foreign direct investment going into Georgia.
- The US should withdraw military support from Georgia because this kind of support could reawaken conflict an already tense situation. Taking sides in this unresolved conflict will additionally further strain relations between the US and Russia.
- This conflict between Russia and Georgia has resulted in further difficulties for Russia's accession into the World Trade Organization (WTO). Georgia's leverage in this situation could be used as a way for easing tensions between Georgia and Russia. That is why the Georgia should end its blocking of Russia's WTO membership, as the membership will help with Russia's economic integration into the global market and possibly foster greater normalization of relations between Russia and the West. A way in which the US could persuade Georgia in this direction would be for the US to provide aid to Georgia only on the condition that Georgia stops its blockade of Russia's WTO membership.
- Support for Georgia's accession into NATO should be halted until tensions have been eased further. These negotiations should be approached with caution and not haste, as this process poses an element of threat towards Russia's current presence in the region. A possible trade off in the future that might ease tensions between Georgia and Russia would be for the US to engage both of the countries in parallel-track negotiations where Georgia would negotiate for a NATO membership and Russia would negotiate for a WTO membership.

- Help build a more cooperative relationship between Russia and NATO. In order for this to happen, the NATO-Russian Council (NRC) should be reengaged in order to permit a continuation of dialogue between the two powers. NATO's expansion should not be viewed as a threat to Russian sovereignty. The implications of a NATO membership for many countries in the post-Soviet region can be enormous, with benefits including improved trade relations and opportunities, economic support for democratic and infrastructure development projects, and strategic military support.
- Mikhail Saakashvili's campaign promises during the 2003 Rose Revolution of developing Georgia's democratic institutions remains unfulfilled. Therefore, we recommend that the US helps Georgia to continue in Saakashvili's unfulfilled democratic reforms. Improving human rights conditions and freedom of the press are of particular concern to us when addressing Georgia's democratic development. The US could help promote this goal by pressuring the implementation of human rights monitoring agencies in Georgia. Our primary reasons for support of Georgia should be aimed at nurturing its democratic development, and not narrowly aimed at extending our influence in the region. Georgia's democratic stability is of strategic interest to the US because the stability of Georgia's democracy is beneficial for democratic stability of the region as a whole.

Ukraine

Introduction

The relationship between Russia and Ukraine during the last decade has been anything but cooperative. Russia has always regarded Ukraine as part of its sphere of influence

considering that it was not until the collapse of the Soviet Union that the former Soviet Republics became independent. It is for this reason that Russia views Ukraine's attempt to merge with the West, such as joining NATO, with animosity. Currently Ukraine's domestic political system is riddled with internal frictions and the presidential elections of 2009 will exacerbate this issue. It is reasonable to assume that Russia will exploit these problems to ensure that Ukraine does not align with the West. In order to avoid serious political turmoil between these two states, the US should advocate a policy of promoting political cohesion in Ukraine, increase Ukraine's self-sufficiency in order to avoid its reliance on Russian commodities, and the United States and other NATO members should construct a national development plan for the eventual inclusion of Ukraine so a Westward orientation is adopted. These recommendations would create a stable, democratic, and market oriented state which would offer new markets to the US and also provide a model for Russia to follow.¹⁰⁹

Issues

Kiev has conflicts of interests with the Kremlin regarding Westward orientation, natural gas, and the Black Sea Fleet. Ukraine consists of vast pipelines running throughout its borders that lead to Western Europe and in 2006 and 2009 the Kremlin shut off all natural gas exports to Ukraine. Gazprom, the Russian natural gas giant, can only transport 30% of the gas that it sells to Western Europe when it does not utilize the pipeline infrastructure within Ukraine. In addition to this fact; approximately 80% of Europe's natural gas imports come from Russia and pass through Ukraine.¹¹⁰ Therefore, Russia wants to maintain a relationship that will allow it to continue to transport its gas. Otherwise, much business profit will be foregone. Ukraine is not energy independent and would need to maintain cordial relations with the Kremlin to ensure its access to gas so that no more cut offs will occur as they did in 2006 and 2009. This reasoning is

why the United States should advocate energy independence for Kiev to decrease its dependence on Russia.

The Black Sea Fleet is an entirely different issue which has been growing in severity for many years, and now is very problematic. The Black Sea Fleet issue has intensified with the growing severity of relations between these two countries. In order to demonstrate the tense relationship between the two nations one must only look at recent events. Russia has accused Ukraine of arming Georgia during the war with South Ossetia last year; which has recently become another serious issue for the region, inciting even more animosity between the two states.¹¹¹ Armed conflict is unlikely considering that it is a last resort measure for both Russia and Ukraine, but the probability of a conflict will increase as relations continue to sour. An example of these rising tensions is when Ukrainian officials attempted to seize back a lighthouse occupied by Russian troops in the Crimean Peninsula where the Black Sea Fleet is located; no shots were fired.

Andrew Wilson, a senior policy advisor at the European Council on Foreign Relations stated that,

Another unspoken problem is that the Black Sea fleet is a bit like the East India Company-all over the place. You have all this extra infrastructure; you have commercial activities, lighthouses, and all sorts of back-door operations. It doesn't mean Russia will invade. But it does have the potential to fast-forward things very quickly.

Wilson characterized Medvedev's most recent letter to Ukraine regarding the Black Sea Fleet as being "extraordinary". Wilson described the letter by stating that, "Here are the rules for your foreign policy, domestic policy, and here's how to interpret your constitution, and history". Russian officials also just announced that they sanction the use of their military abroad to protect Russian interests; therefore, in Ukraine's latest appeal to the Obama Administration. This proves

that Russia would not rule out using force to achieve its foreign policy aspirations regarding Ukraine.

Historically, the Black Sea Fleet was part of the Soviet Union's navy and it served as a counterbalance to the US naval presence in the Mediterranean. After the fall of the Soviet Union much of its fleet was located within the borders of Ukraine which necessitated negotiations considering that much of the fleet now resided within Ukraine's territory. Thus, Russia and Ukraine decided to divide the fleet between themselves and Kiev agreed that Russia could lease the port in Sevastopol until 2017.¹¹²

It is also important to note that on the Crimean Peninsula, where the harbor is located, it is mainly ethnically Russian. Historically, in Crimea there have been secession sentiments among the Russian residents. To illustrate how large the Russian presence is, one must only look at the fact that 77 out of 80 schools in Sevastopol only teach in Russian. The problem of the large population of ethnic Russians is compounded by the fact that there are still many Ukrainians who are loyal to Russia considering that for so long they belonged to it. These attitudes are reflected in an October 2008 Razumkov Center Poll that surveyed the entire Ukraine which revealed that 44.6% favors strong relations with the West and Russia, 31.2% prefer solely close relations with Russia while 12.6% favor better relations with the West. These divisions are also present along political party lines in Ukraine as well which will most likely lead to much controversy in Ukraine's upcoming elections. Russia will be sure to take advantage of these internal cleavages to ensure that no coherent Ukrainian policy can be realized that would conflict with Russian interests by favoring the West. Russia could, for example, encourage Crimean separatism to further disrupt the internal affairs of Ukraine so it could not achieve any coherent goals.

Russia's main interest is to maintain the Black Sea Fleet's use of the harbor in Sevastopol, continued use of pipelines through Ukraine, and preventing Ukraine's alignment with the West. The two reasons that these three issues are of prime importance to Russia is because the Kremlin wants continued use of the pipelines for business purposes and views Ukraine as a sphere of influence due to the fact that they used to be one in the same. However, these two interests may again spur the notion of the East-West divide because of past Ukrainian leadership's NATO aspirations and Russia's persistence at preventing that from happening.

The Ukraine has no clearly defined political interest because it is so fractured and divided, which is demonstrated by the survey mentioned above. When Ukrainian leadership has promoted a Westward orientation through seeking NATO membership, it has met stiff opposition both internally and the Near Abroad, specifically Russia. The United States' interest in this manner is to maintain a stable, independent, democratic, and market-oriented Ukraine that is part of Western Institutions. A Ukraine that would meet these qualifications would advance the US goal of a more stable Europe, would be a beacon of security rather than a problematic state bordering the volatile regions of the Balkans and Caucasus, would provide Russia a model to follow, and open more markets for both the US and Ukraine. Therefore, the United States should adopt and implement these recommendations:

Recommendations

- Promote political cohesion in Ukraine in order to reduce internal tensions within the country. The US should attempt to reach this goal by having US officials meet Ukraine's president and prime minister to urge unity between the two as well as meet with the leaders of the opposition to stress the importance of cooperation so the internal divisions do not become

exacerbated. All other levels of the government will notice the US' insistence on cohesion and cooperation causing the remaining portion of Kiev's political elite to follow the same recommendations. Not only would this alleviate the division of the country but it would also allow the US to engage in foreign relations with a coherent unified nation.

- Advocate and support energy independence for Kiev so it does not remain nearly as dependent on Russian gas. Ukraine has large natural oil reserves which are estimated to contain 395 million barrels, but the problem is that Ukraine lacks capacity for production due to obsolete technology. The United States must invest and encourage foreign direct investment in Ukraine to eliminate Kiev's deficiency in order for high capacity production to be actualized thereby severing Ukraine's energy dependency.¹¹³ The US would then have access to new reserves as well.
- The U.S. wants Ukraine to be a NATO member, but during and after a very dividing political season, reintroducing a controversial issue may reignite former tensions and destabilize the region. The Obama Administration should trade regional stability for Ukraine's NATO membership status. However, as time passes the United States and other NATO members should analyze the Ukrainian political situation and if deemed suitable should push for NATO membership by creating a national development plan ensuring Kiev's Westward orientation.

Iran

Introduction

There are many issues that the United States currently has with Iran that are affecting the United States relationship with Russia. These policy problems include, but are not limited to: nuclear proliferation; Iran's political turmoil; unilateral sanctioning and Iran's prominent stance in the Arab-Israeli conflict. Iran is a triple threat as, "persistent nuclear ambitions and domestic political turmoil make it an increasing focus of international concern. Its vast oil and natural gas reserves make it a key player in energy security discussions, and its political interests, particularly in Palestine, Syria and Lebanon, make it a regional power in the Middle East."¹⁴ The United States needs to have peace with President Mahmoud Ahmadinejad's regime, even if not with the president himself, in order for the United States and Russia to create a more harmonized relationship.

Nuclear Ambitions

Iran has been striving for nuclear technology for decades. This technology has been illusive for many reasons including: the difficulty level of creating atomic bombs; the extreme difficulty to buy weapon or parts after the IAEA and NPT were put into place and; the lack of guidance systems and technology available to the Iranian government. The most recognized treaties and organizations that attempt to regulate nuclear weapons and material include, the aforementioned, International Atomic Energy Agency (IAEA) and the Nuclear Non-Proliferation Treaty (NPT). Iran has openly admitted to working towards nuclear power, but President Ahmadinejad states the power is for energy, not weapons. However, there are only slight differences in plutonium grades and the types of materials needed to turn this technology into

weapons grade status. Due to Iran's previous illegal dealings and hidden agenda's it is hard to take their word for truth, especially since nuclear power production is legal, but the current tests were done in secret. In many cases what Iran says and does are different. Iran accomplishing their goal to create a nuclear missile is a threat due to the instability of the government, the Patriot Missile Defense System's effect on Russia and Iran's promises to international institutions.

The June 2009 elections in Iran were a controversial moment for Iran that led to political upheaval. President Ahmadinejad is strongly believed to have illegally taken office during his second term and from there taken radical steps to ensure his continued position. With a history of supporting terrorism against the United States and Israel; the threat of nuclear weapons and technology falling into the hands of a terrorist group in Iran is highly likely.

The US Patriot Missile Defense System, "a long-range, all-altitude, all-weather, air defense system to counter tactical ballistic missiles, cruise missiles, and advanced aircraft"¹¹⁵ is a system designed by the US as a safety guard for the US and allies. President Obama has recently proposed placing this missile system in Turkey in order to keep Israel safe from potential Iranian missiles, but Russia refused. If the US puts the Patriot Defense System in Turkey, they are effectively getting rid of mutually assured destruction (MAD). Without MAD, peace with Russia is very thin because one of their main bargaining tools, their nuclear weapons status, would be irrelevant. While trying to deal with the threat of Iranian missiles, the US also needs to be aware of Russia's stance on the matter and find a successful compromise. Compromise is important because without support, the US will cut itself off from its allies.

Aside from terrorist threats and the Patriot Defense System, Iran signed off on the NPT and the IAEA statute, making all of their current actions unlawful under international law and

punishable by said organizations and treaties. With such unreliability on the international level, there is easily a lot of doubt and threat emanating from the idea of Iran receiving nuclear technology. If Iran succeeds in achieving a nuclear status; they could be a threat to the world. The state has shown that it tends to be impulsive and not stay true to its word. This reason, the political turmoil in Iran and the US' current relations with Russia on the issue of nuclear weapons, creates a state that should not gain the technology they so longingly desire.

Political Strife

Iran has a long history of political struggle. Being along the Southern border of Russia, Iran was of great interest to the US and the Soviet Union (SU) during the Cold War. Some of Iran's political turmoil is because of the US' interests at this time. In 1953 the US put Mohammad Reza Shah back on the throne in Iran in order to gain support in the government against the SU. By overthrowing the government, the US divided the people and failed at creating a strong ally. The tug of war over the political regime in Iran has moved support from the SU-Russia to the US and back again. In the current regime, the major problem is the corrupted election process.

Human rights violations are happening on the highest level in Iran since the Islamic government came into being in 1979 and it is in the US' interest to help the people succeed in their creation of a democracy, not keep President Ahmadinejad in office falsely. However, this action is extremely dangerous. Although the government in Iran is in turmoil because of the rigged election, the US must not take it into their own hands to force democracy upon them with fighting. Bringing troops into Iran will irritate the government further and lead to a violent intervention.

Up to this point, the US has looked at the fighting in the Middle East and come to the conclusion that, “The Middle East must be urgently rebuilt on democratic principles through political and market reform”.¹¹⁶ Although the Middle East would thrive from political restructuring, the urgent rebuilding called for in Iran would involve military intervention if done quickly. Through the use of international organizations, the US can promote rebuilding the Middle East through more peaceful manners because the actions will not come as a threat or a plug for democracy.

Being in the middle of an economic struggle, the US does not have as many assets as prior years; and with the market at home plummeting, US citizens will not stand by while money is funneled out of the country to help others. Add this to the political strife in Iran and the recipe is for disaster.

Never in the 30 year-old history of Iran’s current governing system have people poured out in the streets in such numbers, demanding that their votes and their rights be respected... The disputed June elections were followed by a brutal crackdown in which flagrant human rights violations were committed by the Iranian authorities.¹¹⁷

There are obvious issues with the current Iranian government, and this platform can be used as a way to make peace with Russia. Russia has historically backed Arab countries, while the US has sided with Israel. If the US and Russia can gain peace over the stabilization of the Iranian Government, a leap will be made in their relationship. This peace will be well met by both sides, the US and Russia, because a stable government means people are relatively safe, and the safer the people are, the more trade and economic growth will help all the states involved.

US Sanctions

The United States has numerous unilateral sanctions against Iran which are used for purposes including the promotion of Western ideals and increased safety of US citizens from terrorism and other threats. Unilateral sanctions have been used to protect the US against Iran

since 1979 when President Carter issued Executive Order 4702. This order imposed an import embargo on Iranian oil and then later Iranian goods and services because of Iran's support of terrorism, seen through the hostage situation in the US embassy in Tehran, and shady shipping actions in the Persian Gulf. Since 1987 when this order commenced, many orders have come to follow from President Bush Sr., President Clinton and President GW Bush. Russia has been affected by many of the US and UN imposed unilateral sanctions. This is widely seen when the UN imposed a sanction stating no oil can be exported from Iran, who at that point was Russia's main supplier of oil. The end of the Cold War, during the Clinton Administration, led to many changes in the US towards the world. The US became a global super power instead of a member of a bipolar world with Russia, and sanctions were seen, "as low cost alternatives to foreign military interventions."¹¹⁸ After the Soviet Union collapsed, the main world issue was no longer Communism but, "Human rights violations, WMD [weapons of mass destruction], and regional issues".¹¹⁹

Sanctions are used today to keep the US safe and pressure foreign governments into abiding by human rights laws and international treaties; but the current sanctions in Iran are interfering with US–Russia relations. During and especially after the collapse of the Soviet Union, Russia and Iran became trade partners. They depend on each other for many goods including natural resources, such as oil, and weapons trade. When the Soviet Union collapsed Russia made money by selling its leftover Cold War weapons to Iran; but, with the current unilateral sanctions, the UN is consequently pressuring Russia and Iran by making trade between the two countries virtually impossible. Through various UN economic sanctions, Russia, a deciding member of the Security Council, must abide by the decisions even if it hurts their economy.

Today, Russia is much more agreeable to sanctions towards Iran than in previous years because of Iran's continued desire to get nuclear technology illegally and Russia's increased ability to produce its own oil. Unilateral sanctions have never held a strong grasp over Iran and with potential trade customers dwindling; sanctions are having less of an effect instead of more. President Ahmadinejad plays hardball politics and in this presidency and the prior one has not responded to any of the imposed sanctions as expected. New sanctions are needed that will attack from a different angle.

Since Russia is currently the second largest exporter of oil in the world, second to the Middle East, with "10.7% of the world's oil output,"¹²⁰ there is a strong likelihood that new sanctions would be approved in the Security Council by Russia. In addition, "Russia far outpaces other countries in the production and export of natural gas,"¹²¹ which is the rising energy commodity in the world. With this abundance of natural resources, and the technology to process them, Russia is easily able to produce oil and gas for itself as well as some other parts of the world, further stabilizing its acceptance of US and UN sanctioning.

Unilateral economic sanctions have many uses, but are mainly being used as a way to coerce Iran into becoming a democratic state. However, what the sanctions are really doing is giving the Iranian government the separation it needs to suppress its people. President Ahmadinejad is responding unkindly to economic sanctions that make the Iranian economy crumble and people lose their jobs, as expected, but instead of loosening his grip over Iran, he is in fact tightening it. As the economy becomes weaker through sanctions, President Ahmadinejad becomes more controlling and hard on the Iranian people. By continuing with these sanctions and additionally making it difficult, if not impossible, for Iran to use some technologies and

communications devices, such as Google and Microsoft products. The US is not promoting the Western ideals it desires.

Arab-Israeli Conflict

The United States has continually strived to forge an alliance against Iran, the Anti-Iranian Alliance, comprising the Gulf States, but has been unsuccessful. These actions desired intent it to normalize, “the relations between the Gulf countries,”¹²² against Iran for security, but instead the Gulf States have been turning from US support because they are frightened of shunning Iran.

Historically Iran has been against Israel in any Arab-Israeli conflict. In 1979, during the Israeli-Egyptian peace, the religious leader of Iran, Ayatollah Khomeini, informed Cairo that there was no possibility of making a deal with “the Little Satan” and “the Great Satan”; referring to Israel and the US. Also, during the Lebanon War in 2006 Iran, not only funded Hezbollah against Israel, but also gave troops to fight alongside them.¹²³

Today’s invisible line, barely separating US, Russia, Iran and Israel, has two meanings. This line is peace, waiting to be formed, as well as the remnants of the Arab-Israeli conflict still present in the shadows. “Iran was said to support terrorist activities against Israel, which has been subjected to a series of bombings perpetrated by Hamas and the Palestinian Islamic Jihad since the spring of 1994”.¹²⁴ This continued division between Israel and some of the surrounding Arab countries is still relevant today and causing a rift between Russia and the US because of their old ties. As Iran vies for more power from the surrounding Gulf States, the threat to Israel grows. As an Israeli ally, the US must be careful in this situation. Russia and the US were on different sides of the Arab-Israeli conflict in the 1980’s and if those issues rehash, the US will be further divided from Russia instead of closer.

The continued stress on the US because of Iran's strives for nuclear material and political strife must be dealt with in a non-violent manor. If the US enters Iran with force, this will align the surrounding Arab countries against the US, and consequently Israel, because of the gulf countries fear of Iran. In order to create peace with Russia, the US must not let this happen.

The growing possibility of power for Iran on the international scale through nuclear power, gas and oil, and desired dominance in the Persian Gulf makes Iran an issue politically, militarily and economically. The United States should adopt the following policies to promote peaceful US and Russian relations through Iran.

Recommendations

- The US should let the IAEA deal with Iran's inability to follow the guidelines of their signed agreement against advancing nuclear technology. By using the powers currently put in place to deal with this threat, the US will save money and man power if the issue escalates to a violent one. Also, by allowing the IAEA and NPT enforcers to deal with Iran's indiscretions, the US will keep on better terms with Russia. Both Russia and the US are IAEA treaty signers and cannot openly support Iran's program if the IAEA begins to criticize Iran. IAEA intervention will reduce the de-legitimization that US Patriot Defense technology would have on Russia's MAD if it was set up in the region.
- Human Rights violations that are occurring because of the political tension in Iran should be addressed through the United Nations. The UN has peacekeeping forces in place that are ordered to combat violations of human rights; therefore, if the United States uses these international avenues, there will be less possibility of backlash stating that the US is trying to promote democracy, instead of help the Iranian people. Although the US historically acts

quickly, especially in countries with goods of interest, this policy will help Russia–US relations. Russia feels threatened by the growing democracies in the Middle East and post-Soviet Bloc states, and the US separating itself from the burgeoning democracy in Iran, a Russian ally, will lessen tensions between the two states.

- Sanctions should be shifted from unilateral to multilateral sanctions. Through the use of multilateral sanctions, Iran will feel more pressure from a variety of states and organizations on multiple economic and social levels, instead of pressure from the US alone, on one level. Through the use of multilateral sanctions, there is less likelihood that Iran can become violent. Since NATO and the UN have forces and committees, respectively, to combat terrorism, sanctions to ensure decreased funding to terrorist groups will be backed by these organizations. Also, the new sanctions should be more focused in order to attack the government, not just the people. With focused sanctions Russia will be less likely to have their trade needs disrupted and the US and Russian relations will be calmer.
- Iran is critically important to foreign policy issues outside its borders as well as in; therefore, dialogue must be had and peace kept at all costs. The Arab-Israeli conflict is still highly volatile in many aspects, and Israel and Iran are strong enemies. Talks should be facilitated, and a committee formed, between these two countries, and others, in order to generate a peaceful common interest. Since Russia is an ally to Iran, promoting peace in the Middle East will, in turn, keep peace with Russia. Russia will approve of this approach because it saves money and man power in this time of economic need, and if peace is made in the Middle East, there are more states open to trade.

Iraq

Introduction

In comparison with past Russian-American relations specifically in regard to Iraq, the current situation is relatively stable. Therefore, the policy recommendations outlined in this section will focus on continuing diplomatic relations and preventing potential areas of tension. After years of pressuring the UN and the US to lift nearly complete economic sanctions on Iraq that would allow contingent oil agreements between Russia and Iraq to become active, Russia's requests were met as the sanctions were removed following the fall of Saddam Hussein's regime in 2003. Russia has vested interest in Iraq, as Lukoil, Russia's largest oil company, secured a bid to develop the West Quarna-2 oil field in post-war Iraq. The Obama Administration should use this common interest of Iraqi stability and economic investment to better Russian relations. The US must continue to promote democracy and stability in Iraq by increasing dialogue and transparency and committing to President Obama's plan to remove all combat troops in the region.

Background

Recognizing Russian economic and political interests is important in developing the context in which to analyze current Russian-American relations and developing policy recommendations. An understanding of Russian interests and historical relations with Iraq will provide additional and critical insight behind these recommendations.

The Soviet Union unsuccessfully attempted to negotiate the Iran-Iraq War in the mid 1980's, resulting in a period of strained relations with both countries, however in the late 1980's the Soviet Union sought closer relations with states in the gulf.¹²⁵ The UN Security Council

passed a resolution to place complete economic sanctions on Iraq in attempts to remove Iraq's occupation in Kuwait. The sanctions failed to achieve this and a US-led military coalition forced Iraq out of Kuwait. The sanctions remained however, with new aims to end Iraqi possession of WMD among others. The US and UK employed their veto power in the UN Security Council to keep the sanctions in full force for over a decade despite widespread criticism of devastating humanitarian consequences, during which time Russia negotiated contracts with Saddam Hussein to develop Iraqi oil fields. These contracts however, were contingent on the lifting of the sanctions. Russia appealed to the UN Security Council to ease international economic sanctions on Iraq, but had no success.¹²⁶ The sanctions were not lifted until the fall of Saddam Hussein's regime after the US-led invasion of Iraq in 2003.

Obstacles

Many obstacles make the US' task of transforming Iraq into a functioning state a daunting one. Iraq is unable to contain violence without outside assistance, the state budgets remain largely unspent, reconstruction is lagging, state services are not being delivered, different cities and towns are controlled by different groups with little if any allegiance to the central government, and official governmental institutions compete with unofficial structures that have developed in the vacuum of authority, all of which indicate Iraq is a failed state.¹²⁷ Historically, outside intervention has been successful in bringing violence under control in small countries such as Bosnia, Kosovo, East Timor, and Sierra Leone, however outside military intervention has not yet proven to be successful in larger states such as Afghanistan, the Democratic Republic of the Congo, and now Iraq.¹²⁸ A central explanation for such failure is that compromising on a political solution is exceedingly difficult, as it cannot be imposed. Instead, it depends on domestic agreements among competing groups.¹²⁹

While the US has employed various tactics during its occupation of Iraq, it must settle on one, comprehensive, diplomatic, and realistic approach that accounts for others' interests in addition to its own. In this light, Iraq is a perfect opportunity to reset relations with Russia. Although historical relations between the US and Russia have been tense, the US and Russia can use Iraqi reconstruction to recognize each other as potential allies and start developing areas of bilateral cooperation and in fostering a favorable psychological climate.¹³⁰

Recommendations

The first key approach of the US in Iraq should build from President Obama's plan to remove all combat troops from Iraq by August 2010. Although criticism objects that Obama's intention to leave 35,000 to 50,000 support troops in Iraq after this deadline will only serve to secure American interests in the region, outside security troops will be absolutely fundamental during and following the withdrawal process to ensure political stability among sectarian groups.¹³¹ However, due to the ethnic divisions, more attention must be directed at this issue. The Kurds are the only group in Iraq with a clear and consistent vision of Iraq. They support the adoption of an Iraqi constitution that puts minimal power in the central government and the majority of power in the regions and provinces.¹³² Since the Shi'a have the most members in parliament and control over the office of the prime minister, the Shi'a have vested interest in preserving the power of the central government, although variation within different Shi'i factions does exist. Although Sunnis only account for 20% of the Iraqi population, they still advocate for the rebuilding of a strong, centralized Iraqi state.¹³³

While the US seeks to strengthen the Iraqi military and bolster the power of the central government, it is also encouraging, training, and arming many tribal Sunni militias to fight al-

Qaeda and provide local security, without a plan for how these groups can be reintegrated into a cohesive state.¹³⁴ It is time that the US recognizes its limits of power in the region and throughout and after the withdrawal process, facilitates a dialogue between the facets of Iraqi society focusing on reconciliation, and involving Russia in this process will demonstrate the US' willingness to cooperate and compromise as well as recognize Russian interests.

Iraqi stability is important for economic and diplomatic relations with Russia. Iraq needs modern technologies and skills from contracts with major energy companies, as its fuel and energy complex has been crippled by years of UN sanctions and the US "export of democracy".¹³⁵ Lukoil's recent bid to develop West Qurna-2 oil field in Iraq will profit both Iraq and Russia, but is dependent on regional stability. This is largely dependent on the Iraq-Iran relationship, from which regional stability is in the interest of both the US and Russia. In 2007, Russian authorities stated that,

The security system in the Gulf zone should be universal and comprehensive; it should be based on equality of and respect for the interests of the regional actors and all other sides in all security spheres including military, economic and energy security. These are important propositions that can ensure a sound foundation of the security system without exclusions and exemptions. There is no such thing as a hierarchically arranged security system in which some members are either pushed to the side or left out in the cold. The Russian conception treats the multisided nature of security as a mechanism that invites all sides concerned to assess the situation, make and fulfill decisions. This gives all sides a chance to voice their concerns and insist on their legal rights and interests.¹³⁶

A security system in the Gulf Zone called the Gulf Regional Security Forum should be established through bilateral and multilateral consultations to work on confidence building measures, bring the Gulf states, the US, the EU, and Russia closer together and ultimately reduce foreign military presence in the region.¹³⁷ Iraq was the only country capable of checking Iranian power, but by invading Iraq, the US perpetuated a shift of power resulting in Iranian regional hegemony.¹³⁸

The US has tried to counter Iran by forming the anti-Iranian alliance and with its own presence in Iraq; however this is not proving successful.¹³⁹ The US must enter into a dialogue with Iran about Iraq that focuses on the ongoing US presence in Iraq and Iran's policies and activities supporting various Iraqi factions. It must also seek to achieve a rebalancing of regional power that can be maintained mostly by regional actors without the need for a substantial US presence.¹⁴⁰ Again, Russia's involvement in the Gulf Regional Security Forum and the US' willingness to contribute as a member rather than a dominating leader will ameliorate US-Russian relations. The recommendations are summarized as follows:

- The US should facilitate a dialogue between the facets of Iraqi society focusing on reconciliation. Since this attempt is directed at years of historical ethnic conflict, it is critical that local leaders from each of the Iraqi factions take the leadership in the reconciliation process with US, Iraqi, Russian, and other international oversight. Russia should be included in this process because Lukoil's contract closely ties Russian and Iraqi economic interests, as well as other countries (China and the US among others) that have secured bids to develop oil fields in Iraq. Russia's involvement in this process will demonstrate that the US recognizes and respects Russia as an independent, global actor.
- The US must recognize itself as a member of the international community rather than act unilaterally. This will demonstrate to other countries including Russia its willingness to cooperate and in turn will result in a mutual willingness to cooperate.
- In this light, a security system called the Gulf Regional Security Forum should be established to address regional instability and security. The US, Russia, and the EU should have equal part in facilitating dialogue and peace negotiations between the Gulf countries, particularly Iraq and Iran, and focus on re-instating a balance of power among countries.

- The US should enter into dialogue with Iran about Iraq focusing on US presence in Iraq and Iran's policies and activities supporting various Iraqi factions. While this recommendation does not directly address Russia, it directly addresses regional stability that will largely affect Russian profits in West Qurna-Two oil fields. When Russia is finally able to see profit, after years of unwanted sanctions preventing it, Russia will be more willing to negotiate on the international stage and cooperate with the US.

Trade and Foreign Assistance

Introduction

Since the fall of the Soviet Union in 1991, Russia has experienced tremendous economic turmoil. However, in the last decade or so, under the leadership of Vladimir Putin and Dmitry Medvedev, Russia experienced economic growth and relative stability. From the start of Putin's term as President of Russia in 1999 until the current global economic crisis, Russia rapidly expanded economically by about 7% per year.¹⁴¹ As a result, Russia developed a significant growth of a middle class, a consumer base of about 140 million people¹⁴² and the capital to start modernizing its infrastructure, technology and market. According to the 2008 US State Department profile of Russia, Russian GDP for 2008 was \$1.67 trillion with "principal US exports at \$9.3 billion [and] US imports at \$26.7 billion".¹⁴³ Furthermore within its borders, Russia has a tremendous wealth of natural resources (oil, natural gas, wood, and precious metals) and a population that is nearly 100% literate.¹⁴⁴ Russia's growing economy over the past ten years shows a potential of lucrative business opportunities for foreign investors¹⁴⁵ and has propelled Russia into becoming one of the BRIC nations, a combination of Brazil, Russia, India, and China, nations which are going to play a major role in the future of global economy.¹⁴⁶

In recognizing that the United States stands to benefit from increased trade and generally more friendly relations with Russia the Obama Administration has worked alongside the Medvedev Administration in 2009 to develop the US Russia Bilateral Presidential Commission. The mission statement of the Bilateral Presidential Commission conveys that two nations reaffirm that the era when the two countries viewed each other as enemies is long over and in recognition of the many common national interests, the commission is intended for and resolved

to move beyond Cold War mentalities and chart a fresh start in relations between Russia and the US to contribute to our future progress and shared prosperity.¹⁴⁷ In order to achieve this mission in the economic arena, the Bilateral Presidential Commission will need to address some of the key issues that hinder Russia from being a reliable trading partner. These key issues include Russia's use of energy wealth as a political tool, Russia's inability to meet the requirements for accession to the World Trade Organization, US refusal to graduate Russia from the Jackson-Vanik Amendment, intellectual-property piracy, Russia's protectionist policies, and continued reports of corruption within the Russian government including a lack of transparency in legal, banking and business systems. However, with the current global economic crisis, Russia is looking to create a more business friendly environment for foreign investment and international cooperation creating an opportunity to 'reset' relations between Russia and the US.

Recommendations

In order to facilitate economic opportunities, this report recommends the US:

- Let Russia build its relations in a more progressive, slower-scale pace in order to ensure that Russia is ready for responsibility to join the WTO as a good trading partner.
- Resist taking a direct role in Russian-Georgian relations. Rather, the US should promote a Free Trade Agreement with Georgia and stop funding Georgia militarily in order to ease tensions between Georgia and Russia, thereby improving Russia's application to the WTO.
- Convey the gravity and seriousness of Russia's use of energy as a potential trade weapon against the former Caucuses, Ukraine and the EU, which only serve to detract from Russia's chances at WTO accession.

- Indirectly promote Russian competitiveness in its markets by investing in non-Russian petroleum markets in the Eurasian region.
- Provide financial and technological support for restructuring Soviet-era reactors.
- Support efforts to educate public opinion in Europe that implement stringent and rigorous regulations for plant construction and operation management, which ensures the nuclear power safety.
- Promote the US commercial nuclear industry, sending experts to aid Russia and former Soviet bloc with renewal of the 61 Soviet-era plants.
- Promote democracy in Russia through indirect foreign aid such as voluntary technical assistance and exchange programs.
- Continue reducing nuclear weapons and expertise through foreign assistance from the Department of Defense's Cooperative Threat Reduction Program.
- Graduate Russia from the Jackson-Vanik Amendment in order to bring about permanent normal trade relations.
- Support NGOs and the private sector through financial assistance and greater access to government officials and decision makers which can be achieved through (1) government grants for the purpose of conducting research on how to further improve trade between the two nations, and based on that research provide grants to improve, create and restructure systems of trade.
- Allow access to Russian American NGOs involved in developing economic relationships between Russia and the US and private businesses to government officials and committees that focus on the relationship between U.S. and Russia such as the Bilateral Presidential

Commission in which NGOs will be able to voice suggestions based on their experience and participate in the decided course of action by the Commission.

- Focus on the creation of American Business centers in Russia and Russian Business Center in the US that will guide and support Russian businesses in the US and American businesses in Russia in legal and business matters, and the development of a Russian/American business monitoring and mediating agency that will focus on creating accountability and transparency between Russian and American businesses.

Russian Accession to the World Trade Organization

Introduction

Accession to the World Trade Organization (WTO) has been a key trade and economic priority for Russia since 1993. However, accession has proved to be a difficult task, even with the support of the US and other nations. While according to the US Trade Representative (USTR) Russia has completed bilateral agreements with the majority of member states in the WTO including the US and the EU and has made well-advanced steps towards accession, it has yet to complete negotiations with Georgia, Saudi Arabia, and the United Arab Emirates.¹⁴⁸ In addition, many Russian trade practices do not currently conform to the WTO and its covered agreements.

The US has a direct interest in assisting Russia to integrate into international institutions that promote stability and prosperity, such as the WTO. The Center for American Progress reports that “an integrated Russia will likely be a more consistent partner and a better neighbor in the former Soviet region” and “could help facilitate our own economic growth through increased

trade ties”.¹⁴⁹ Russia wants to join the WTO in order to have access to export markets, as well as participate in setting rules and regulations for world trade. Author Anders Aslund writes in the *Journal of Eurasian Geography and Economics* that “Russia’s lack of membership in the WTO constitutes a severe handicap” laying claim to only 1.6 percent of world trade in 2006 dollars as a non-member of the organization.¹⁵⁰ Thus, Russian accession is priority for both the US and Russia itself. Russian accession would lead not only to more trade and economic growth for both countries but also a means for dispute settlement over trade issues as well as improving bilateral relations.

However, WTO accession is a not an easy undertaking for Russia. Russia is still in the process of negotiating multilateral agreements over sanitary/phytosanitary measures, agriculture, intellectual property rights protection, and the extent of state involvement in its industries.¹⁵¹ Russia must therefore focus on implementing the fundamental principles of the WTO into its trade practices in order to meet the demands of these multilateral agreements. The key principles of the WTO are the Most-Favored Nation and National Treatment clauses (which promote equal treatment of domestic and non-domestic products and trade practices among WTO member states), transparency, lowering trade barriers, and reducing reliance on tariffs, all of which are important to the US and other prospective trade partners.¹⁵² In addition, Russia has yet to enact legislation necessary to implement these commitments and seal its pledge to the WTO, to better trade relations with the US and better trade relationships worldwide.

To further complicate Russia’s application to the WTO, Prime Minister Putin declared on June 9, 2009 that Russia would be discontinuing its application to join the WTO as a single state, but rather as a customs union with Belarus and Kazakhstan.¹⁵³ While the three countries have decided to seek accession to the WTO separately (Belarus has yet to apply), each country plans

on having same tariff schedule as the others. The Congressional Research Service (CRS) reports Russia's change in application status as "stunning" and such a move may only prove to extend the now sixteen-year struggle for its accession to the WTO.¹⁵⁴

It is certain that the US role in Russia accession to the WTO should be one of support and encouragement, yet with a watchful eye on Russian trade practices that would prove to become problematic should Russia become a WTO member state. In addition, the US should try to build incentives for Russia to cooperate with Georgian interests, as Georgia stands as one of few WTO member states that have not negotiated with Russia over accession. One way would be for the US to set up a Free Trade Agreement with Georgia that would give Russia incentives to redirect efforts in Georgia from a political to an economic agenda to promote a more cooperative relationship. In addition, the US should continue to be wary of Russian energy practices, and maintain a stern posture towards Russia's malicious use of its energy resources as a possible weapon against dependent countries in the EU and Asia. The US should look to invest in Eurasian energy resources and try to compete with Russia on a smaller scale and work with regional suppliers to help bring about more competition against Russian energy influence. Ultimately, Russia's behavior and practices will decide its possible future in the WTO. However, while implementing indirect strategies to not only help Russian accession but also to help EU and American industries, the US can bolster its relationship and trust with Russia in hopes of its accession to the WTO, which would prove to be profitable for both nations.

Background

In the executive summary of "After the Reset", a timely 2009 commission report on US-Russian relations, the Center for American Progress clearly states that by facilitating Russian integration into international institutions "rather than isolation, will require greater accountability

and could address the weakness of the rule of law and democratic practices in Russia by creating incentives to adhere to norms and enforcing rules of behavior”.¹⁵⁵ The potential that accession to the WTO and other international bodies could bring not only to Russia as an economic power but to the international community in terms of trade and political relations are compelling. In many ways, the US and other nations view Russian accession to the WTO as a solidification of Russia as a reliable and cooperative trading partner as well as a step away from its totalitarian and control-oriented economic and political past.

Nonetheless, Russia has a long way to go to meet standards that would come into compliance with WTO trade law. With regard to import and export policies such as tariffs, tariff-scheduling, and tariff-rate quotas, as well as systemic policies such as labeling, licensing, and standardization, and intellectual property rights, Russia falls short in meeting WTO standards and being a reliable trade partner.¹⁵⁶ In addition, many WTO member states are concerned with Russia’s growing influence in large areas of Europe’s energy infrastructure as well as its dual pricing of domestic energy products and those traded internationally. For example, Russian industrial consumers are charged less for gas than consumers abroad.¹⁵⁷ And, ultimately, Russia will also have to take into consideration the interests of other WTO member states, such as Georgia, that have yet to negotiate the necessary bilateral agreements required for Russian accession to the WTO.

With regard to Russian import and export policies, the USTR points out that “Russia continues to maintain a number of restrictions with respect to imports, charges and fees that exceed the cost of the service, and licensing, registration and certification regimes that are burdensome”.¹⁵⁸ With regards to agricultural products such as meat, Russian trade practice has been inconsistent and unfair in its imposition of Tariff-Rate Quotas on meat imports, which

began in 2003.¹⁵⁹ In this way, Russia trade practices have been viewed as essentially protectionist and “anti-market”, and viewed as barriers to trade by the US and other nations. Even after lifting some of these quotas in 2005 in the United States-Russian Meat Agreement, USTR points out later that “under its ‘Government Program for Agriculture and Market Regulation 2008-2012’, the government announced that after 2009, country allocations would be abolished and out-of-quota tariff rates raised”.¹⁶⁰

In addition, excessive taxes and tariffs on foreign imports such as vodka, automobiles, and aircraft, which are key US exports, are inconsistent in furthering Russia’s accession to the WTO and its trade relations with the US and other nations. For example, the current import duty on a passenger vehicle is about 25%, but combined with excise taxes and a VAT, Russian taxes amount to the vehicle costing 70% more than what it would normally be in its domestic market. Additionally, Russia has failed to publish its trade policies and regulations in a way that industries that trade products in Russia are able to be notified of policy changes.¹⁶¹

With regards to issues on labeling, standardization, and intellectual property rights issues, Russia has changes to make to get into compliance with WTO law and US expectations. On the forefront of US-Russian trade conflicts is intellectual property (IP). The CRS reports that the “apparent lack of adequate intellectual property rights protection in Russia has tainted the business climate in Russia for US investors for some time”, with a total loss of \$2.8 billion in losses in 2008 alone through copyright infringement.¹⁶² And while some improvements in IP have been made policy-wise, implementation and enforcement have been weak.

With regards to standardization, many companies find Russian technical regulations as major obstacles to trade.¹⁶³ While Russia requires certain safety and testing standards on many of its products, standardization of its protocols by international bodies is limited and serves as a

barrier to trade. With regard to pharmaceuticals, for example, the USTR points out how Russia has “required imported pharmaceutical products to be accompanied by a complex declaration of conformity rather than a certification”, causing many well-renown and internationally-recognized drug companies to go through additional red tape to sell their products.¹⁶⁴

Russia must also come to terms with its relationship with WTO member states, like Georgia, in order to have an opportunity to join the organization. The Center for American Progress writes how Russia’s “August 2008 invasion of Georgia was only the most egregious example of Moscow’s retrograde policies toward its neighbors”.¹⁶⁵ In addition, these “retrograde policies” also apply to Russia’s energy practices, such as in 2004 when Russia shut off gas supplies twice during the Ukrainian elections as well as significant decreases in gas supplied to the EU in 2009, creating an energy scare that is taking center stage in EU-Russian relations.¹⁶⁶ Russia’s employment in the “dark side” of politics is one of the greatest threats it imposes on itself with regards to its application to the WTO. Even the threat of Russia’s control of energy resources is enough to cause severe tension between Russia and its neighbors, not to mention its military and political pressure against Georgia. Overall, Russia has a great challenge ahead in its accession to the WTO. It must shed its aura of protectionism and barriers to trade in favor of better, more standardized trade practices as well as change its international reputation as a resource manipulator and untrustworthy trading partner.

Recommendations

The role of the US in terms of Russian accession to the WTO should be one of support, yet watchful of Russia’s actions in regard to policy implementation and its dealing with other nations and US allies. It cannot be denied that the US, along with the EU, would like to see

Russia join the WTO as soon as possible. However, this desire for accession is contingent on the coercive power of the WTO to force Russia's compliance through the Dispute Settlement Body, or face the consequences of countervailing measures (retaliatory trade policies) or expulsion from the WTO. It is best for the US to let Russia build its relations in a more progressive, slower-scale pace in order to ensure that Russia is ready for responsibility to join the WTO as a good trading partner.

Secondly, a key factor in WTO accession is Georgia and its refusal to complete a bilateral agreement with Russia, a necessary component in joining the WTO. The US should not take a direct role in Russian-Georgian relations. Rather, the US should promote a Free Trade Agreement with Georgia and stop funding Georgia militarily. This would help relations in two ways. First, it would signal to Russia that the US is backing off military involvement in Georgia, which may lead to Russian forces leaving as well, thereby improving Russian-Georgian relations. Secondly, it would let Russia see the benefits of an FTA with the US less the Jackson-Vanik Agreement, which it would not be subject to in an FTA with the US through WTO accession. In addition, Russia would be more able to start a bilateral dialogue with Georgia once the US detaches itself politically and simply works with Georgia economically.

Furthermore, the US needs to convey the gravity and seriousness of Russia's use of energy as a potential trade weapon against the former Caucuses, Ukraine, and the EU, which only serve to detract from Russia's chances at WTO accession. The US should indirectly promote Russian competitiveness in its markets by investing in non-Russian petroleum markets in the Eurasian region. This would help to build investment opportunities and US/EU market penetration that would not only help the US economically but also help to lower Russian market share in natural gas and petroleum markets and help to reduce domestic and international price

disparity (“dual pricing issues”). Once competition is established, it would also open doors to Russian-American investment, assuming US companies could prove to be strong competitors in select markets and entice Russia to import some of the energy products.

- It is best for the US to let Russia build its relations in a more progressive, slower-scale pace in order to ensure that Russia is ready for responsibility to join the WTO as a good trading partner.
- The US should not take a direct role in Russian-Georgian relations. Rather, the US should promote a Free Trade Agreement with Georgia and stop funding Georgia militarily. This would help to ease tensions between Georgia and Russia, thereby improving Russia’s application to the WTO.
- The US needs to convey the gravity and seriousness of Russia’s use of energy as a potential trade weapon against the former Caucuses, Ukraine and the EU, which only serve to detract from Russia’s chances at WTO accession.
- The US should indirectly promote Russian competitiveness in its markets by investing in non-Russian petroleum markets in the Eurasian region. This would help to build investment opportunities and US/EU market. This would not only help the US economically but also help to lower Russian market share in natural gas and petroleum markets and help to reduce domestic and international price disparity (dual-pricing).

The US and Russian Foreign Policies in the Russian Energy Sector

Introduction

Energy security in relation to Russian foreign policy is one of the imperative concerns for the US because Russia has used its energy sector as a useful and powerful tool in international politics. Russia holds an estimated 5-6% of the world's proven oil reserves, around one-third of the natural gas reserves of the world and is one of the world's largest coal producers.¹⁶⁷ During the gas transit disputes between Ukraine and Russia in the winters of 2006 and 2009, 18 European countries experienced a hardship due to insufficient gas supplies.¹⁶⁸ The European Union (EU) member nations have depended on Russian energy for 25% each of its gas and oil needs.¹⁶⁹ The former Soviet Union bloc of Eastern European countries, many of which share a border with Russia, are even more dependent on Russian energy.¹⁷⁰

Background

One of Russia's influential political tools in the energy field is the state-owned energy corporation, the giant natural gas monopoly Gazprom. The Russian government owns more than 50% of Gazprom's shares.¹⁷¹ Russia's extreme protectionist policies in regard to the energy fields is an indication that the Russian government does not intend to liberalize Gazprom business practices.¹⁷² Gazprom has aggressively pursued a consistent pattern of absorption, merging and joint ventures with other companies and has established a number of subsidiaries domestically and internationally. The company has made deals for energy extraction and transportation with companies such as OMV (the Austrian oil and gas incumbent), Gas International GmbH and CEGH (the Central European Gas Hub).¹⁷³ There have also been deals with Nigeria's state-operated energy companies, in which a new firm called Nigaz has been

formed.¹⁷⁴ One of Gazprom's subsidiary companies, Gazprom Marketing & Trading (GM&T), is based in the United Kingdom; GM&T also has branches located in Berlin, Houston, Manchester, Paris, and Singapore.¹⁷⁵ These international agreements have resulted in Russia and Iran controlling almost half of the world's proven natural gas reserves.¹⁷⁶

Russia's economic behavior, including Gazprom's business expansion, seems to suggest that it is seeking economic hegemony in the energy field, very much the way that the Soviet Union did in order to develop political hegemony. Moreover, conflicts in energy issues with Russia, together with Russian concerns about the slow pace of its WTO accession and security concerns about NATO expansion, have increased tension between Russia and the US.¹⁷⁷ Russia's interest in energy related issues do not agree with US interests.¹⁷⁸ While Russia seeks strategic partnership development with the EU, especially regarding an economic and political energy-alliance based on equal rights, the US has not been a key player in pursuing this. Furthermore, Russia seeks the strengthening of its status in the global energy market, and hopes that the US' negative response would turn to a positive one. By contrast, the US wants to secure a guarantee for "the greatest possible energy independence," in which Russia would have a role, but not the preeminent one.¹⁷⁹

On the contrary, the position of US policy over energy issues regarding Russia has been in transition since the Obama Administration's effort to "reset" relations with Russia. Still the Obama Administration retains promotion of energy diversification of supplies and infrastructures in Europe.¹⁸⁰ For this reason, the Obama Administration advocates building several pipelines in order to decrease European dependence on Russian energy.¹⁸¹ Currently, the US' view is that Russia and the US are not playing a "great game" due to the continuation of geopolitical

conflicts over energy supplies of Central Asia, while the US is seeking to work out issues with Russia.¹⁸²

Many EU member states also want to be free of their heavy dependence on Russian energy.¹⁸³ One step in this direction is the Nabucco pipeline, “a milestone for energy-hungry Europe”, a €8 billion project.¹⁸⁴ Currently, the authorities are concerned that there are not enough suppliers to fill the Nabucco Pipeline to full capacity.¹⁸⁵ However, the agreement of the Nabucco transit on July 13, 2009, between Turkey and the four EU states (Austria, Bulgaria, Romania, and Hungary) eased concerns of the EU and the US, increasing confidence about gas supplies.¹⁸⁶ Azerbaijan is a strong candidate for one of the main suppliers, but Russia just negotiated a large deal with Azerbaijan two weeks before this EU-Turkey deal; Russia will purchase 500 million cubic meters of natural gas annually.¹⁸⁷ Another supplier candidate, Turkmenistan, disagrees with Azerbaijan over Caspian Sea rights, which involves the main route of the pipeline project.¹⁸⁸

On the other hand, Russia plans to send its gas to Europe through the Nord Stream and South Stream pipelines. Russia intends to undermine the EU’s strategy of reducing Russian gas dependency, and the South Stream is the rival pipeline project to the Nabucco pipeline. The South Stream Pipeline €25 billion project would provide 31 billion cubic meters of gas and pump it from Central Asia and Russia to Europe through the Black Sea.¹⁸⁹



Another problematic issue in the Russian energy sector includes the fact that Russia and some former Soviet bloc states have numerous nuclear plants from the Soviet-era still in operation, include the same type of plants that led to the 1986 Chernobyl accident in Ukraine: in Armenia, the Czech Republic, Hungary, Lithuania, Slovakia, Ukraine, and Russia for a total 61 plants.¹⁹¹ These plants constantly remind the international public about the Chernobyl accident. The EU is excessively sensitive about them despite some significant improvements already made comparable to western standards for safety. For example, in 2006, the EU insisted to close the two early Soviet design reactors in Bulgaria despite more than a decade of safety improvements and the positive reports of International Atomic Energy Agency and the World Association of Nuclear Operators; “the units met all necessary international standards for safe operation.”¹⁹²

Recommendations

The US seeks to balance increasing Russian influence on the world oil and gas market, as well as wants to compete with Russia by seeking alternative energy sources in Europe. However, the US also seeks to stabilize and facilitate US-Russian relations. Two

recommendations would advance these somewhat contradictory goals. (1) The US should actively participate in both the Nabucco and South Stream pipeline projects, as well as (2) offer financial advice and technology support for the restructuring of the Soviet-era nuclear power plants, which are still under operation in former Soviet bloc countries and Russia, including restarting two closed plants in Bulgaria.

The Obama Administration should strongly support the Nabucco pipeline project through working with the EU, the Central Asian countries and some Middle Eastern nations, which are candidates for the energy supply, transit participants and the use of energy from the pipeline. The US' support for the Nabucco pipeline will help to ensure the independence as well as sovereignty of former Soviet bloc nations, and strengthen US relations with the Middle Eastern states. The US' support will also help ensure European energy independence from Russia. Moreover, the Obama Administration's support for the Nabucco pipeline would facilitate energy sector development in Central Asia by increasing investment in Central Asia's energy sector, helping secure the energy sources for the Nabucco pipeline in Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan.

Azerbaijan's possible natural gas reserves are approximately 15 trillion cubic feet, and its Shah Deniz Phase 2 gas field's development completion has been delayed for two years due to disagreement with Turkey concerning transit rights.¹⁹³ Kazakhstan's estimated proven natural gas reserves are 100 trillion cubic feet, and there are several pipeline developments being considered for the Caspian Sea region.¹⁹⁴ Therefore, there is huge potential for both Kazakhstan and the US for opening up new natural gas markets. In 2006 and 2007, Turkmenistan exported 1,593 and 1,745 billion cubic feet of natural gas respectively, which accounts for the world's 10th natural gas net export.¹⁹⁵ However, Turkmenistan and Azerbaijan have a conflict over

Caspian Sea rights involving the Nabucco pipeline's main route.¹⁹⁶ Uzbekistan's natural gas net export was 447 and 495 billion cubic feet in 2006 and 2007 respectively, not as much as the other three Central Asian states, but still abundant enough to profit.¹⁹⁷

For promotion of energy sources to the pipeline through the Central Asian energy sector development, the Obama Administration's strategic role for arbitration is essential both between Turkey and Azerbaijan as well as between Turkmenistan and Azerbaijan.

The US should also respond promptly to some Middle Eastern countries' positive responses to the Nabucco pipeline project regarding the supply of gas by Egypt, Iraq, Syria, Turkey, and possibly Qatar. The Obama Administration should also play a key role in settling regional issues, such as the Kurdistan ethnic conflicts with Iraq and Turkey.¹⁹⁸ By removing political obstacles to participation in the Nabucco pipeline, the Obama Administration would advance the pipeline's economic feasibility.

On the other hand, in order to show Russia that the US is not taking any side in energy markets against Russia's interests; the US should actively participate in the South Stream pipeline project. With the EU's cooperation, the US should initiate a rerouting of the South Stream pipeline. The currently planned route of the South Stream pipeline's offshore section passes through the Black Sea to the Bulgarian coast (see the map 60 below).¹⁹⁹



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A rerouting to almost horizontally penetrate the center of Romania's land via Black Sea and Serpent Island and include Ukraine would shorten the distance of the pipeline and dramatically reduce the total cost of building the pipeline as well as transporting energy. This rerouted pipeline would still go through Bulgaria, Hungary, and Turkey to reach Serpent Island,



Austria, Greece, and Italy; this reroute pipeline would connect almost vertically to the current onshore route, which runs north-south direction near Sofia in Bulgaria (see the map 50 above). In fact, Ukraine has repeatedly had disputes with Gazprom over Russian gas transportation. Therefore, reliable energy supplies for Ukraine would be advanced if it became part of the South Stream territorial geography.

Another recommendation to secure alternative energy sources in Europe is through the restructuring of the faulty Soviet-era nuclear power plants in Russia including the former Soviet bloc to ensure the safe and adequate supply of different sources of energy. Nuclear power is one of the cleanest and the most efficient energy sources when it is handled correctly.²⁰² Therefore, restructuring those Soviet-era nuclear power plants is essential for Russian and European energy needs, and the restructuring requires a radical process to complete successfully. There is a great possibility here for the US to take the initiative and collaborate with Russia in the nuclear power field. This effort would promote US economic growth and create stronger ties between the two nations.

The US should provide financial and technological support for restructuring these reactors. The Obama Administration should propose Russia finance the project, and enable Gazprom and other prosperous Russian firms to participate in the restructuring financially. The US should support efforts to educate public opinion in Europe and to implement stringent and rigorous regulations for plant construction and operational management including nuclear waste management. The Obama Administration should promote the US commercial nuclear industry by sending experts to aid Russia and the former Soviet bloc in the renewal of the 61 Soviet-era plants including the two closed plants in Bulgaria. This project has great potential for revitalizing the US labor market and promoting business growth in the field of civilian nuclear research, development and production.

- Strongly support the Nabucco pipeline project through working with the EU, the Central Asian countries, and some Middle Eastern nations in order to help ensuring the independence, sovereignty of former Soviet bloc nations, strengthen the US relations with the Middle Eastern states, and European energy independence from Russia.
- For promotion of energy sources to the pipeline through the Central Asian energy sector development, the Obama Administration's strategic role for arbitration is essential both between Turkey and Azerbaijan as well as between Turkmenistan and Azerbaijan.
- Respond promptly to some Middle Eastern countries' positive responses to the Nabucco pipeline project regarding the supply of gas by Egypt, Iraq, Syria, Turkey, and Qatar. The Obama Administration should also play a key role in settling regional issues, such as the Kurdistan ethnic conflicts with Iraq and Turkey.
- Actively participate in the South Stream pipeline project: initiate a rerouting of the South Stream pipeline with the EU's cooperation; rerouting to almost horizontally penetrate the

center of Romania's land via Black Sea and Serpent Island, include Ukraine to shorten the distance of the pipeline and dramatically reduce the total cost of building the pipeline as well as transporting energy.

- Provide Russia financial and technological support for restructuring Soviet-era nuclear reactors; enable Gazprom and other Russian prosperous firms to participate in the restructuring for finance.
- Support efforts to educate public opinion in Europe that implement stringent and rigorous regulations for plant construction and operational management, which ensures the nuclear power safety.
- Promote the US commercial nuclear industry, sending experts to aid Russia and former Soviet bloc with renewal of the 61 Soviet-era plants and the two closed plants in Bulgaria.

Foreign Assistance

Introduction

United States assistance to Russia has gone through many changes since the collapse of the Soviet Union. Since the collapse, US objectives, goals, and attention have shifted more towards security concerns rather than democratization. Additionally, Russia, both its government and its citizens, has become more hesitant to accept aid that affects the internal infrastructure of Russia or allows Western influences to enter Russian society. In order to further and improve relations with Russia, the Obama Administration should cooperate with Russia in deciding upon foreign aid programs. In the interests of national security, democracy, and in establishing stable relations with Russia, the Obama Administration should base aid programs

upon Russian interests in addition to US interests in order to (1) promote democracy through indirect foreign aid such as voluntary technical assistance and exchange programs and to (2) continue reducing nuclear weapons and expertise through foreign aid from the Department of Defense's Cooperative Threat Reduction Program.

Background

Both the objectives of fostering foreign aid to Russia and requirements placed upon Russia in order to receive that aid have seen changes in the midst of new developments. Firstly, the three primary objectives of foreign aid to Russia were to facilitate the transition from authoritarianism to democracy, to promote a free market economy, and to manage the proliferation of nuclear, chemical, and biological weapons and expertise.²⁰³ But because of Russia's conflict within Chechnya and the War on Terror, humanitarian relief and supporting the war on terror have become new objectives.²⁰⁴ In order to receive aid, Russia has had to comply with stipulations concerning tolerating religious minorities, stopping sales of nuclear reactor technology to Iran, and cooperating with international investigations of Chechnya-related war crimes.²⁰⁵ But because of Russia's cooperation in the War on Terror, the United States has been relaxed in holding Russia to cooperating in the Chechnya-related war crimes.²⁰⁶ As a result, the US' priorities have moved away from upholding Russia to earlier requirements and have shifted towards the promotion of American security.

US foreign aid has primarily been distributed through two sources, the FREEDOM Support Act and the Department of Defense. Congress has used the FREEDOM Support Act (FSA) of 1992 under the foreign operations budget to provide various types of assistance to influence policy through promoting economic growth and democratization.²⁰⁷ The Department of Defense (DOD) has funded the dismantling and securing of nuclear weapons through the

Cooperative Threat Reduction Program (CTR).²⁰⁸ Since the beginning of US aid efforts, US attention has shifted from the promoting democracy to security concerns. From FY1992 to FY2008, the United States has almost budgeted up to \$17 billion in assistance to promote democratization, create market reform, and address humanitarian needs in Russia, but over half of the assistance has gone towards CTR and other security programs.²⁰⁹ Aid to economic and social development has significantly decreased falling from 43.5% of the budget in FY1995 to 14.4% in FY2005.²¹⁰ In contrast, aid for security programs including nonproliferation of nuclear weapons has increased significantly from 23.7% in FY1995 to 67% in FY2005.²¹¹ The trend appears to be continuing with a request of \$351.6 million for the FSA account in FY2008, a 22% decrease from the previous year.²¹² In contrast the requested funds for Department of Defense's Cooperative Threat Reduction Programs has remained relatively constant with \$348 million in FY2008 compared to \$372 million in FY2007.²¹³ The goal is for the FSA account to be eventually "phased-out," but there are no plans to phase out aid from the DOD.²¹⁴ The shift of funds toward the nonproliferation of nuclear weapons from democratization reflects United States concerns with safety and defense of Russia's nuclear weapons with the onset of the War on Terror.

In addition to the plans for phasing-out democracy assistance through the FSA account, United States efforts to promote democracy in Russia have been deterred by Russia's government and people. In order to transform their political institutions, Russians welcomed democracy promotion assistance in the 1990s, but because of the prevalence of chaos, corruption, and economic uncertainty and collapse during this time, Russian citizens are now disillusioned with Western-style democracy.²¹⁵ Russian citizens now place importance upon economic security before democracy.²¹⁶ It should come as no surprise then that Russians

presently do not appear or demonstrate signs of being disturbed by their current state of affairs or the government's practices and are pleased with the present balance between what they view as "competent governance and some limitations on freedoms".²¹⁷ As a result, any decisions the Obama Administration may make in regards to foreign aid to Russia must take into account the Russia's disillusionment with Western-style democracy.

Recommendations

The Obama Administration's primary goal in developing assistance programs should be to take into consideration and to cooperate with the interests of Russia while maintaining US' interests of promoting democracy or upholding of laws and justice and securing the safety of American citizens living in Russia. Both the goals of democratization and nonproliferation of nuclear weapons can be achieved through cooperation. In US' cooperative efforts with Russia, the Obama Administration should (1) promote democracy through indirect foreign aid such as voluntary technical assistance and exchange programs and (2) continue reducing nuclear weapons and expertise through foreign aid from the Department of Defense's Cooperative Threat Reduction Program.

Firstly, the United States can continue to use assistance programs to facilitate democracy within Russia and uphold human rights, political pluralism, and the rule of law while also respecting Russia's distinguishing history and culture.²¹⁸ In order to achieve such a feat, the United States will have to take a more tactful and indirect approach. For example, the US should offer to assist in fighting corruption and improve rule of law through technical assistance.²¹⁹ Additionally, the US can expand exchange programs to allow judges and Russian executives to come and learn from our current justice and business systems.²²⁰

Secondly, the United States should continue to aid in the nonproliferation of nuclear weapons. Since 1993, the United States has funded programs under the Cooperative Threat Reduction Program. The importance of these efforts is displayed through the expansion of programs to Department of Energy and Department of State in addition to the Department of Defense and in the increase of funding from \$400 million initially to more than \$1 billion across the three agencies.²²¹ Russia's President Medvedev and President Obama have even signed a joint statement on nuclear cooperation indicating a bilateral agreement to continue programs in the destruction of nuclear weapons.²²² Since the US and Russia have similar goals in the reduction of nuclear weapons, the US should continue to offer assistance in the nonproliferation of nuclear weapons through the three agencies: Department of Defense, Department of Energy, and the Department of State.

- Promote democracy in Russia through indirect foreign aid such as voluntary technical assistance and exchange programs.
- Continue reducing nuclear weapons and expertise through foreign assistance from the Department of Defense's Cooperative Threat Reduction Program.

Jackson-Vanik Amendment

Introduction

The Jackson-Vanik amendment, first enacted in 1974, was meant to prohibit the USSR from attaining permanent normal trade relations status until it lifted its restrictions on emigration.²²³ Even though, Russia has shown continued compliance the initial requirements of the amendment, it has yet to be graduated from the amendment. In order to improve relations with Russia and since they are acting within the requirements of the initial agreement, the Obama Administration needs to graduate Russia from the amendment to permanent normal trade relations.

Background

The Jackson-Vanik amendment originally prohibited the USSR from normal trade relations in response to emigration restrictions. But since 1992, the president has annually waived Russia from the provisions of the amendment in order to continue normal trade between Russia and the United States.²²⁴ Both the Clinton and Bush Administrations have even affirmed that Russia is in compliance with the requirements of the amendment but have not attained the necessary legislation to graduate Russia from the amendment.²²⁵ The lack of support from the legislature is not responsive to Russia's emigration policies and practices, which have changed fundamentally since the enactment of the amendment.

Recommendations

It is necessary to repeal the Jackson-Vanik Amendment in order to improve relations between the United States and Russia. By building a legislative compromise to repeal the

Jackson-Vanik Amendment, the Obama Administration would be liberated of an irritation to bilateral relations.²²⁶ Secondly, the repeal would be a step in expanding commercial links with Russia.²²⁷ Some Congressmen have been hesitant to grant Russia a formal graduation due to concerns that Russia is not making progress toward democracy.²²⁸ The degree of democracy should not be used in determining whether Russia should be graduated from the Jackson-Vanik Amendment as long as they act within the bounds of the initial agreement which called for open emigration. Since Russia acts in accordance with the original requirements of the amendment, the Obama Administration and Congress should make it a priority to formally graduate Russia from the Jackson-Vanik Amendment to permanent normal trade relations.

Business Development and Economic Relationship

Introduction

The mission statement of the U.S.-Russian Bilateral Presidential Commission makes a point of reaffirming that the era in which the U.S. and Russia viewed each other as enemies is over,²²⁹ indicating that although the Cold War may be over, a lack of trust and feelings of enmity still exist between the two countries at least on some level. Particularly in the last years of the Bush Administration, Russian-U.S. relations soured and Cold War feelings resurfaced with the Russian-Georgian war in 2008. Although the Obama and Medvedev Administrations are working to “reset” the relationship between the two states, the issues that caused the tensions between the two in the first place remain. With the current global economic crisis that both nations are recovering from, a need for more economic integration between the U.S. and Russia is greater than ever. Both Medvedev and Obama recognize the importance of economic

cooperation between Russia and the US; therefore within the Bilateral Presidential Commission, the two sides created a subcommittee for Business Development and Economic Relations. However, the ability of the subcommittee on Business Development and Economic Relations to build trust and business relationships between Russian and American businesses relies on supporting the work of NGOs who have been working with American/Russian businesses. This is because these NGOs have long-standing, well-established relationships within the Russian business world and the Russian government.

Background

The decade of tremendous economic growth Russia experienced under President Vladimir Putin is largely accredited to Russia's natural resources and the nationalization of the oil and gas industries in which foreign investors such as ExxonMobil and ChevronTexaco lost over \$80 million in investment money.²³⁰ However, the current global economic crisis hit Russia particularly hard and The Medvedev/Putin Administration is looking to foreign investment and private enterprise to pull Russia out of the recession.²³¹ In this environment, Russia has a lot to offer foreign investors and private enterprises, particularly from the West.

The Russian land possesses a great wealth of natural resources and the Russian economy remains highly dependent on oil and gas export receipts,²³² its industry is split between globally competitive commodity producers such as oil and natural gas and less competitive heavy industries such as steel and primary aluminum.²³³ With domestic investments and interest tied up in extracting these resources, the opportunities for foreign investments lie in Russia's need to modernize its infrastructure, its technology and the lifestyle of its people.²³⁴

The growth of Russian industry and the expansion of the middle class have created the capital to back new construction products in Russia that range from extensive residential to

commercial construction across Russia, infrastructure projects and, to some extent, planning for the Sochi Olympics.²³⁵ Construction needs in Russia include construction equipment, light trucks, service equipment, building products, machine tools, metalworking equipment, industrial chemicals, and chemical production equipment.²³⁶ The Russian construction market maintained growth of about 10-15% on average through 2008 and even with some postponements of projects in 2009 the construction market offers opportunities for U.S. construction, equipment and distributors.²³⁷

The growth of construction industries, the middle class, and a new friendly environment toward foreign investors even in the oil industry, offer ample and lucrative opportunities for U.S. technology, software, and telemarketing industries to enter the Russian market. According to the Institute of Modern Development, mobile operators' revenues amounted to \$21 billion in 2008. The average revenue per user (ARPU) by the end of 2008 had increased almost 40% to \$11.²³⁸

However, it is not only Russian consumers that are in need of a technological upgrade, Russian oil companies are embracing new technology and as Russian oil companies adopt technologies, such as horizontal wells and computerized reservoir management systems, the estimated recovery rates of oil are being revised. Thanks to new techniques, it is possible to obtain oil even from apparently depleted fields.²³⁹ In general, it is not just oil and telecommunications that are looking to technology to improve efficiency and production. Most major industries are in the market for new technology from agriculture to steel, even to the military.

The growth and the expansion of the Russian middle class have created a whole new type of consumer market in Russia, one with which US investors and firms are quite familiar. Opportunities for retail and food franchises, automobile sales, medical equipment, and

pharmaceuticals are a perfect fit for US business.

Over the past several years, the Russian pharmaceutical market has experienced the fastest growth in the world mainly due to the improved living standards of its population.²⁴⁰ According to a table from the U.S. Federal Statistic Committee seen below, Russia's imports of pharmaceutical products greatly outweigh its exports; furthermore, the U.S. as of 2008 has only a small portion of that market, thus showing opportunity for growth:

\$ millions	2006	2007	2008 Estimate
Total Market Size	7,750	8,900	9,900
Total Local Production	2,500	2,600	2,800
Total Exports	250	300	600
Total Imports	5,500	6,600	7,700
Imports from the U.S.	400	500	600

Sources: Federal Customs Service, Federal State Statistics Committee, DSM Group, Remedium

The high education level of consumers and the expansion of the middle class have grown tremendously. The recognition of certain brands and franchises, the popularity of western culture and the increase in consumer's salaries all contribute to a growth of consumers who are similar to those in the U.S. and most Western countries. Since 2000, the number of franchising systems in Russia has grown from 54 to approximately 300, with some sources estimating as many as 600. There are over 160 domestic franchising businesses in Russia, with a total of 2,900 franchisees.²⁴¹

Even though the Russian market showed great potential for foreign investments prior to the economic slowdown and US firms consistently reported that their Russian operations outperformed those in most other countries where they conduct business,²⁴² there are still difficulties and challenges in working in the Russian market. These challenges include

transparency and flow of information from Russian businesses, corporations and firms, high tariffs, taxes on imports and foreign businesses, crime, and corruption.

Russia has a complex bureaucratic system at a federal level, it is even more so on a regional level. Within this complex and slow system, there are a multitude of tariffs and tax laws that are not always translated into English and require a company to have a reliable advocate and agent in Russia. Legislature is not only complex but it also contains high taxes and tariffs which cut into profits. For example, the Profits Tax in Russia is levied on gross profits and currently the profit tax stands at 20%. Furthermore, the regional authorities may, at their discretion, reduce their regional Profits Tax rate to as low as 13.5%. Thus, the overall tax rate can vary from 15.5% to 20%.²⁴³ Russia not only heavily taxes imports but it also heavily restricts imports, especially those that compete with Russian products.

Although Russian legislation is very detailed and thorough with regards to foreign imports and foreign trade, Russian legislation on domestic business can be vague. With the collapse of the Soviet Union and the turmoil and confusion that collapse brought, many businesses were obtained by illegal means and currently many businesses could be potentially closed by the Russian government. Such businesses are reluctant to freely provide corporate information. Also the Russian banking system in Russia is unstable and “many of the slightly more than 1,100 banks registered are ‘pocket banks,’ whose main function appeared to be money laundering for specific enterprises or corporations”.²⁴⁴ Thus many foreign investors fear entering the Russian market because of unstable economic infrastructure and corporate corruption.

Much of the potential in the Russian market lies in technology and software. However the Russian Market is notorious for intellectual property piracy. In 2008 copyright industries sustained losses of nearly \$3 billion to copyright infringement and software piracy in Russia.

Although, just this past year, Russia has improved legislature to protect intellectual property and has seen some success it remains on the United States Trade Representative Watch list for intellectual property piracy.²⁴⁵

Recommendations

The United States stands to benefit from increased trade with Russia in that increased trade will financially benefit the citizens of both nations, and create stronger economic ties between Russia and the US promoting mutual stability politically and economically. Productive foreign-economic relations tend to moderate the behavior of U.S. trading partners.²⁴⁶ However, as the United States and Russia have a difficult and tumultuous history and issues of arms control, human rights and regional issues create further tensions, a direct government-to-government economic reform and negotiation is difficult and slow.

To promote trade between the United States and Russia the Obama Administration should focus on non-profit and private organizations that facilitate business relationships between Russian and American businesses and regional government. Focusing on such groups would create grassroots movements and motivate local businesses to appeal to their governments, avoiding the bigger political tensions between the two nations and promoting democracy and civil participation in government.²⁴⁷

Several non-profit organizations that focus on building business relationships between U.S. and Russia are well-established in the US; these organizations include The Foundation of Russian American Economic Cooperation, US Russian Business Counsel and the Coalition for U.S. and Russian Trade. The membership rosters of these organizations include Google, Microsoft, Boeing, The Port of Seattle, and The Port of Everett among others and have

maintained relationships with Russian officials and business for over 20 years. In focusing on these organizations as an avenue for Russian and American cooperation the Obama Administration should specifically:

- Support NGOs and the private sector through financial assistance and greater access to government officials and decision makers which can be achieved through (1) government grants for the purpose of conducting research on how to further improve trade between the two nations, and based on that research provide grants to improve, create and restructure systems of trade.
- Allow access to Russian American NGOs involved in developing economic relationships between Russia and the US and private businesses to government officials and committees that focus on the relationship between U.S. and Russia such as the Bilateral Presidential Commission in which NGOs will be able to voice suggestions based on their experience and participate in the decided course of action by the Commission.
- Focus on the creation of American Business centers in Russia and Russian Business Center in the US that will guide and support Russian businesses in the US and American businesses in Russia in legal and business matters, and the development of a Russian/American business monitoring and mediating agency that will focus on creating accountability and transparency between Russian and American businesses.

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Papers of Individual Commission Members

I. Commission Member Papers on Arms Control Issues

Alexander Dominguez, “The Step after Next: Denuclearization past the Point of Mutually Assured Destruction”

Introduction

The two leaders of the former bipolar system must take on a new role. Instead of bickering about how the power should be balanced after the Soviet Union collapsed. The US and Russian Federation must take on the task of deconstructing the massive arsenal of nuclear arms that they have built up for nearly 50 years. With the Cold War over, the threat of nuclear war has been all but forgotten by many. The number of states that have the capacity to produce nuclear weapons has grown, as has the know-how of constructing a nuclear weapon. States such as the P5 (the US, UK, Russia, France, and China), as well as Pakistan, India, the DPRK, and Israel are known or believed to nuclear weapons.

Assuming that all of these states are ruled by rational actors, none of these states would willingly use a nuclear weapon because there would be too great of a threat of massive retaliation. At the very least, states are looking for self preservation, which a nuclear weapon may advance because they have been such an effective deterrent in the past. As such, a state actor is not a real threat when it comes to first use of a nuclear weapon. The real nuclear threat in this day and age is from terrorist organizations that are able to obtain actual nuclear weapons or simply materials to construct weapons. The strategic necessity of nuclear weapons has largely

disappeared and has turned them into a greater risk than benefit for the states that have small or large stockpiles.

Assumptions

For the purpose of this paper I am assuming **five** critical points for and about the effort toward global denuclearization:

- The first assumption is that Russia and the United States are working within the Nuclear Non-Proliferation Treaty (NPT), meeting the goals and expectations of the NPT to the best of their abilities.
- The US and Russia are working within the means of the Comprehensive Nuclear Test Ban Treaty (CTBT), as ratified members that have committed to cease nuclear weapons testing, even if other states have not yet fully agreed.
 - This includes active participation in helping to maintain the Comprehensive Test Ban Treaty Organization (CTBTO) sensor network around the world.
- The two states have renegotiated a Strategic Arms Reduction Treaty (START) that has reduced nuclear arms by 80% to numbers between 1200 and 880 weapons and delivery systems.
- A Fissile Material Cutoff Treaty (FMCT) is also negotiated and signed, which puts the most important element of bomb making under major new restrictions.

Purpose of Paper

The purpose of the subgroup report on arms control is to propose solutions for denuclearization in the immediate future for the Obama administration and future administrations. The purpose of this paper is to discuss one possible direction for making the world free of nuclear weapons. Assuming the US goes in the direction the arms control group has recommended, there will be a point where all of the nuclear weapons in the world will not be enough for mutually assured destruction (MAD). Without MAD, the deterrent for using nuclear weapons evaporates and the need to completely eliminate nuclear weapons becomes even more imperative.

To guarantee a smooth transition from MAD to a less than MAD state, there must be strong **verification** mechanisms. The political and ideological damage that a terrorist group could cause at a point late in global denuclearization could cause tremendous damage and threaten the overall goal of ridding the planet of nuclear weapons. Accordingly, the solution I propose is to ensure that the materials necessary to create a nuclear weapon become unattainable and **secure**. This can be done by first ensuring the US and Russia have nuclear stocks that are accounted for and inaccessible to anyone with malicious intent, while still allowing for the nuclear materials to be used eventually for non-weapon purposes.

The difficulty with many proposed treaties of this kind has been that of verification. Of course the idea of a treaty can be very appealing to a state and their politicians, but agreeing on and actually implementing verification is often the major sticking point. For example, the Strategic Offensive Reductions Treaty (SORT) never actually established any sort of verification mechanism and only worked loosely within the first Strategic Arms Reduction Treaty (START I). But START I expired last year and SORT is not set to expire until 2012.¹ So, SORT had fairly

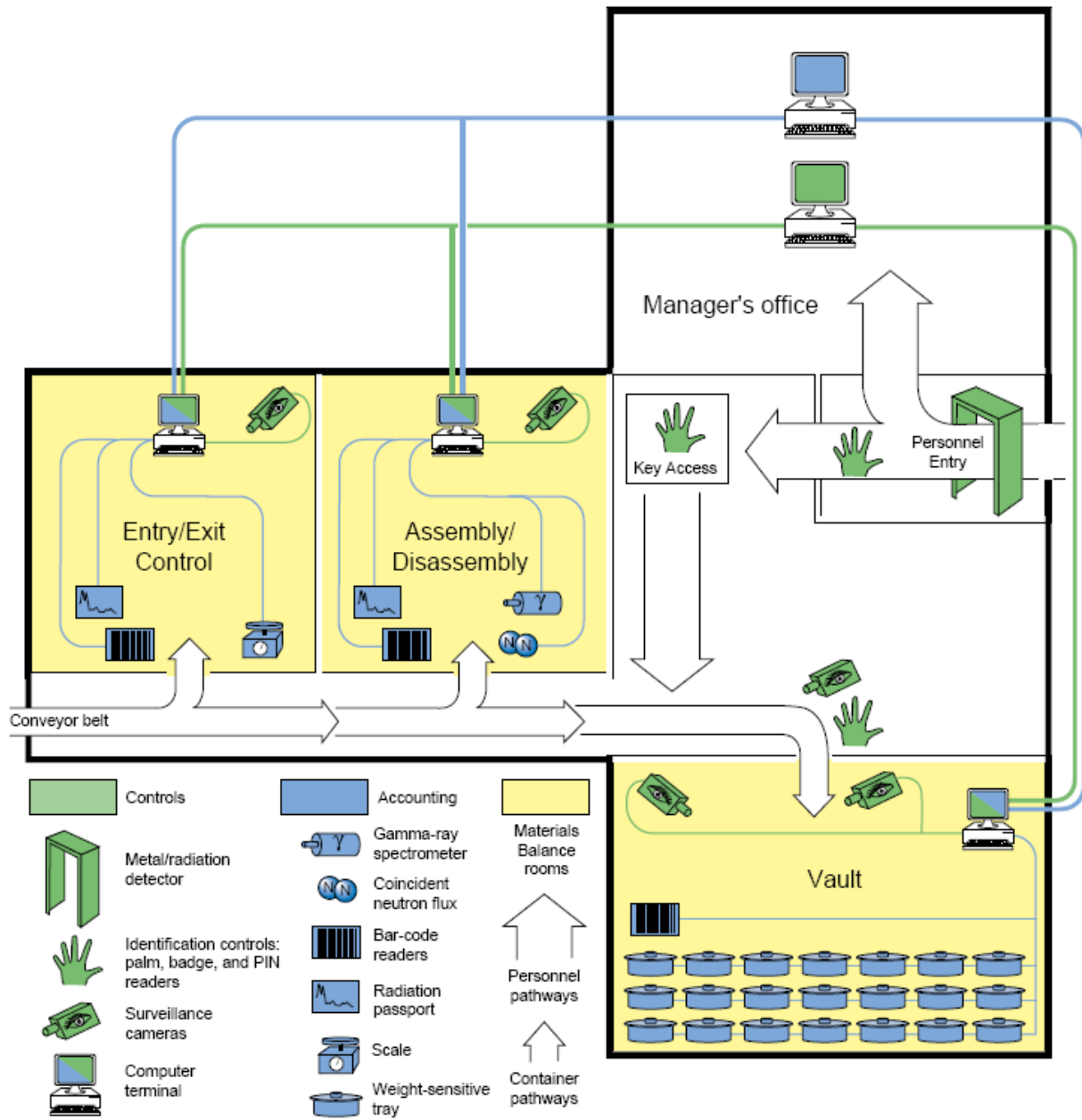
stringent verification measures while START I was still current, but now that it has expired SORT is simply a document discussing how the US and Russian Federation should probably reduce their nuclear arms stocks.

Verification of Proposed Agreement

On the other hand, the CTBT is built entirely around verification and really does not rely on all states ratifying the treaty to be able to at least monitor for nuclear weapons activity that would otherwise be clandestine.² The CTBT is massively multilateral whereas START I and SORT are only bilateral, which simplifies the equation to a certain degree because the two most important nuclear states are the primary focus of this proposal. While this will neglect other nuclear states for the time being, the verification methods will be transferable if the other nuclear states ready to be incorporated in the denuclearization process.

Considering verification is the most major point of contention for many treaties, I would like to discuss an option for dismantlement and accounting of weapons parts could be based on a Russian-American program designed in the mid 1990s to prevent the theft of fissile materials from Russia. The program was named the Russian-American Nuclear Materials Protection, Control, and Accounting in the Russian Federation (MPC&A). By name, the program was to attempt to maintain control of Russian nuclear weapons in a post Cold War world where the importance of nuclear weapons had rapidly decreased in the Russian Federation.³ The component from the MPC&A I would like to emphasize is from the Arzamas-16 facility demonstration.

The conceptual diagram pictured on the next page would be the basis design for a disarmament facility. The facility would be a standardized design similar to this in the United States or Russia working at disarming its arsenal would do so within the confines of this space. The complex, which would be designed so that it was compartmentalized for the state disassembly technicians, but International Atomic Energy Agency inspector supervision, would be uninhibited for verification purposes. The materials placed in the vault would still be the possession of the states, but would be subject to IAEA scrutiny, and would require their supervisions if those materials are to be later used for peaceful purposes.



The Arzamas-16 Demonstration

This is a conceptual diagram of the Arzamas-16 demonstration MC&A system. Controls, which limit and monitor access to materials, are shown in green, instruments for accounting in blue, and the three Materials Balance rooms in yellow. All controls and accounting equipment are connected to a computer terminal in each Materials Balance room, and the terminal is connected to the central controls and accounting computers in the Manager's office. Bar code readers play a dual-role between controls and accounting. Not only are they used to identify containers, they also track the movement of materials through the facility.

Because of the volatility of disarming and disassembling nuclear materials, this process is dependent on cooperation from disarming nations with the IAEA, established by the United Nations to verify peaceful uses of nuclear materials by non-nuclear weapons states under the 1968 NPT. At this point in the disarmament process, the US and Russia must be willing to add transparency to the procedure, so that they can each have a comfortable understanding of where the co-collaborator is in the specific progression of use of decommissioned nuclear materials.

Such a facility would specifically allow the IAEA to verify compliance. The IAEA is intended to be the world's nuclear inspectorate for nonproliferation verification, so if the US and Russia agreed to implement facilities like the Arzamas-16 concept, the IAEA would easily be able to step in on the completed facilities and ensure they are operating in a legitimate manner.⁵ Having the disassembly facilities built under the same safeguards and specifications, the system would make further disarmament far more simple because the only point of contention in negotiation between the US and Russia would be over appropriate levels of nuclear arms. Verification would no longer be a debatable subject matter, and would also alleviate any possible tension that could be caused by having to report from one state to the other. The two states would be able to turn to the IAEA for any question on ensuring verification.

Security

The weapon deconstruction and storage facility serves the purpose of verifying for the other state that their counterpart is meeting disarmament requirements, but they would also be able to be secure sites that would prevent the theft of any material or weapons by a third party like a terrorist organization. The type of group most likely to actually detonate a nuclear weapon is a nongovernmental group, labeled by state actors as a terrorist organization.⁶

Nongovernmental groups are goal oriented. With the term nongovernmental, I am specifically describing the type of organization that is not directly affiliated with a government.

The actual type of nongovernmental group that seems most likely is by and large described as a terrorist organization because if such an organization acquired a nuclear weapon, it would incite terror and have the potential to destroy social, governmental, and economic infrastructure. Making certain that no group is capable of obtaining significant quantities of weapons grade fissile material must hold as much importance as certainty of the opposite state lowering its weapon levels. Thus, these facilities would best be placed on military reservations that would be able to maintain armed security at all hours of the day, so as to prevent theft.

Also, by compartmentalizing the disassembly process and maintaining supervision by facility officials and IAEA observation, theft could not be committed short of an act of war. As part of the agreement, each state should agree that security of facilities is an integral part of verification measures, including inspection of the credibility of security measures by parties to an agreement. There is a differentiation between certification on the verification measures and proof on the security measures because it is understandable that each state likely does not want to release the specific technical data for their nuclear arms. However, security is no trade secret and third party observation is not only necessary, but would also make security verification a relative simple factor in the general verification process.

Non Weapon Use

I would like to first qualify why I use the words non weapon, instead of in terms of civilian use. There are non-weapon uses for fissile material in a military atmosphere such as the powering of naval fleets that need not suffer from a nuclear weapons ban.⁷ Fissile material is certainly extremely dangerous if the wrong intentions are driving its use, but fissile material is also invaluable in many different technologies, including power generation. We would be wasting a massive resource for energy independence from foreign states if we were to simply forgo the use of everything nuclear because of the implications it has had in the past. To be able to safely use fissile material, the material must be down blended to an enrichment percentage that is unviable for weapon production.⁸

Downblending all Highly Enriched Uranium (HEU) stocks would dramatically lower the risk of a nuclear attack conducted by a terrorist organization as because it is far easier to construct a nuclear weapon out of HEU than it would be to construct a bomb out of plutonium due to the comparative technical know-how necessary to construct a bomb from plutonium. HEU refers to the rare uranium isotope U-235. For uranium to be considered highly enriched it must reach a percentage in upwards of 90%, where uranium fit for power generation purposes only needs to be 3-5% with the remaining percent consisting of naturally occurring uranium-238.⁹ As stocks reserved for weapon capabilities are downblended for energy production, the world stocks between the US and Russia will be markedly of less interest to an organization with malicious intent because a disassembled plutonium weapon is of little to no use as a weapon of mass destruction and uranium enriched at low levels is no use at all in terms of weapon capabilities.

Conclusion

The goal of this paper was to propose the step after the next in denuclearization. I started with the assumption that the five key points of the arms control subgroup of this Commission would be met. Admittedly, the US track record for successfully signing and ratifying treaties that limit nuclear sovereignty is only marginal at best, as shown by the US failure to ratify the CTBT and the reality of SORT's lack of an actual verification or enforcement regime. It is a blind guess to try to explain what the US and Russia should do past the immediate future because both states face such extreme difficulties when attempting to form a consensus, but I attempted the task because it is a long road to denuclearize nuclear technology and looking at every aspect of the process now will allow for a better formed plan tomorrow.

Verification will be extremely difficult for both nuclear powers to agree upon on equal terms, and questioning whether the other side really will get rid of all of their weapons will likely always be a question in the minds of policy makers of both sides are not willing to make some concessions. Assuming the US and Russia as rational actors hope to maintain the power that they have been able to keep after the Cold War, they could realize that nuclear weapons pose an immeasurable threat of instability. As long as they exist in any arsenal, nuclear weapons put the world in danger. Launching a standardized verification system for the two countries will be a major point the facilitating further denuclearization agreements.

Of course, the US and Russia are not the only members of the nuclear club, but right now they are the most important in terms of making zero a very real possibility. Getting other nuclear states to join the denuclearization program would be more difficult than convincing the US Senate to ratify the CTBT, but if the US and Russia are willing to take the first steps, then we will see what it will take for the rest of the world to make nuclear weapons a crude tool of the

past instead of part of the arsenal of the future. To tackle this obstacle, we must look at the issue as a whole process and step by step make the world a safer place without forcing anyone into a leap of faith. The three major issues to remember are that of verification, security, and how this technology will be used for the better because it cannot and will not be forgotten.

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Introduction

It has been nineteen years since the ‘Cold War’ ended in 1991. There have been a number of treaties between the main actors of the war, the U.S. and Russia, to reduce the number of their nuclear warheads and prevent further proliferation. Yet, each still possesses nearly 5000 active nuclear warheads. Furthermore, there are approximately 23,000 nuclear warheads that exist today around the world.¹ History reveals how devastating nuclear weapons are and how it requires so few to do enormous damage. Thus, it is absolutely unnecessary to maintain thousands of nuclear warheads and it is counterintuitive to possess such large numbers in light of the effort to encourage global nuclear non-proliferation.

In the discussion of nuclear weapons, there are the nuclear weapons states and there are the non-nuclear weapon states. More specifically, in the international nuclear treaty known as the nuclear Non-Proliferation Treaty (NPT), there are five recognized Nuclear Weapon States (NWS) and 185 Non-Nuclear Weapon States (NNWS). The contention between the two sides has been intense in the past as NWS set priorities on non-proliferation while the NNWS focus on disarmament of existing nuclear weapons. This contest is very sensitive and complex as there can be no assurance of non-proliferation without the assurance of disarmament, and vice versa.

Even though the NWS, particularly as the U.S. and Russia diligently pursue their agenda of nuclear non-proliferation, they have not been successful in preventing proliferation of nuclear weapons. For example, North Korea withdrew from the NPT and possesses nuclear weapon capability. How can the U.S. make a progress in the non-proliferation effort? The short answer is

that the U.S. must lead the NPT regime towards disarmament, which then subsequently eliminates incentives for the NNWS to withdraw or not comply on the non-proliferation mission.

In the Past

On July 1, 1968, the U.S., U.K., Soviet Union, and 59 other countries signed the NPT. After witnessing the massive escalation of nuclear warheads between the two major superpowers and the further spread of nuclear weapon capabilities by other countries in 1950s and 1960s, both nuclear and non-nuclear states concluded that multilateral legal regime was necessary to prevent further nuclear proliferation. The treaty consists of three primary goals: 1) to prevent further spread of nuclear weapons, 2) to encourage negotiations on nuclear arms control, 3) to facilitate peaceful uses of nuclear energy under the auspices of International Atomic Energy Agency (IAEA).² Additionally, the treaty had a provision under the Article X.2 that after 25 years from the time treaty has gone into effect (1970), there will be a review conference to decide on the extension of the treaty. It was a challenge from the start as there were many groups advocating different agendas.

The main divide was between the NNWS (almost all of them were members of the Non-Aligned Movement) and the five recognized NWS. The Non-Aligned Movement (NAM) is an organization of countries that vowed not to side with or against any of the major power blocs during the Cold War. In the NPT process, these countries play the role of balancing the agenda against the NWS. More specifically, they advocate diligent progress towards complete disarmament. Nonetheless, despite this overwhelming opposition of the NAM, the U.S. was able to convince the majority of the NPT signatories to agree on the indefinite extension of the NPT in 1995. This was possible because 1) the U.S. pledged to negotiate a Comprehensive Test Ban

Treaty (CTBT) that would establish a and would continue a nuclear weapons testing moratorium; 2) assurances from the NWS not to attack NNWS with nuclear weapons (negative security assurance), and 3) President Clinton agreed to bring START I and START II into force.³

Unfortunately, the post Review Conferences since the NPT Review and Extension Conference (NPTREC) since 1995 have not been as fruitful. Although, the 2000 Review Conference showed progress by developing consensus on “thirteen practical steps” towards nuclear disarmament, the 2005 Review Conference negated the effort as it ended in disarray from inability to compromise the differences among different groups. The U.S. in particular was stubborn in not bringing the important matter of the CTBT to the table of discussion at the Review Conferences. This is not the way to achieve non-proliferation since once again, non-proliferation cannot be assured without the assurance of disarmament.

Various Possible U.S. Courses of Action Regarding the NPT

The first step in working towards a successful nuclear non-proliferation and disarmament mission is for the U.S. to clearly define the reduced role of nuclear weapons in the future. President Obama has made formal and informal promises in his speeches to work towards complete disarmament of the global nuclear weapons stockpile. Now, he needs to convey his messages into written documents starting with the upcoming U.S. Nuclear Posture Review (NPR) in March.

Since the end of the Cold War, the NPR has been used to strategize the structure of armed forces in the context of nuclear weapons. There have been two such reviews, in 1994 and 2002, but there were many components in the review that still reflect the ideology of the Cold War. For instance, in the 2002 NPR, the report states that nuclear weapons will still play a vital role in

both the offensive and defensive strategy of the armed forces.⁴ Furthermore, intercontinental ballistic missiles (ICBMs), submarine-launched ballistic missiles (SLBMs), bombers, and nuclear weapons stockpiles in general will be key components to offensive deterrence. The report also includes that nuclear weapons will contribute to the defense policy goals under the framework of Assure, Dissuade, Deter, and Defeat.

In summary, this means that nuclear weapons will be used to assure the safety of the U.S. and its allies through deterrence, and nuclear weapons will also be used in combination with conventional armed forces to strike its adversaries when necessary.⁵ This strategy allows the U.S. to maintain nuclear weapons at the level of several thousands, the level which they are at today.

The NNWS countries have raised concerns over this issue. They have stressed in the Review Conferences that the NWS' are still placing great value on nuclear weapons. For example, the Foreign Minister of Malaysia, speaking on behalf of the NAM in 2005 Review Conference, argued that there are still fears among NNWS that NWS are manipulating them through the NPT, because NWS' posture has not changed since the indefinite extension of the NPT in 1995.⁶

Therefore, it is absolutely imperative that the U.S. establish a reduced role for nuclear weapons in the upcoming NPR. The U.S. must deviate from the old strategy of emphasizing first strike nuclear capability. The Cold War is over, and Russia is no longer the rival in the nuclear arms race it once was. The focus now is to prevent both vertical and horizontal proliferation of nuclear arms. If President Obama disengages from first strike capability and merely focuses on core deterrence policy which is to maintain nuclear arms for the sole purpose of deterring nuclear threat on U.S. soil and its allies, then there will be several important benefits. First, the number of operational nuclear warheads (which is at 2200 range) will drop significantly to several

hundred.⁷ This will save millions of dollars on maintaining nuclear materials while still having the same effective deterrent capability. Second, this strategy can also help engagement in arms reduction negotiations with Russia as the strategy would open the way to remove U.S. tactical weapons in Europe, which are part of a first use of nuclear weapons policy pursued by the U.S. in Europe. Lastly, acceptance of a no first use on nuclear weapons policy by the U.S. sets a concrete tone to the rest of the world that the U.S. is serious about Article VI of the NPT, which calls for diligent progress towards disarmament.

Second Course of Action

As NWS', both the U.S. and Russia share a great deal of interest and responsibility in the successful implementation of the NPT. It is imperative that the actions taken by the U.S. should advance that implementation. However, in previous administration there have been actions that threaten the goodwill of the NPT regime.

In 2006, the U.S. and India has signed a nuclear energy deal that significantly undermined the legitimacy of the NPT. The deal was supposed to be one which promoted peaceful use of nuclear fuel and technology. However it had serious implications for nuclear non-proliferation issue. By signing a bilateral deal with a non NPT member and more specifically a non-party nuclear weapon state, it recognized that India is in fact a legitimate nuclear weapon state even though it is not recognized as such by the NPT. According to Ashton Carter, who is the Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L) for President Barack Obama, India is not required to put all of its nuclear facilities under IAEA safeguards; only the ones that they declare to be "civil".⁸ This deal has not only delegitimized the membership of the NPT but also the institution of the IAEA that is supposed to

possess the policing role in the treaty. The deal has also set a very complex precedent that the NPT will have difficulty correcting.

For instance, even though Iran is a member of the NPT, they were denied by the U.S. of its right to possess peaceful nuclear technology while a non-party member (India) was granted the permission. This inconsistency will trigger dangerous signals to the rest of the NPT members and the other nuclear weapon states (such as Israel, India, North Korea, and Pakistan) that the membership of the NPT is presumably irrelevant and that countries that possess nuclear weapons also possess great deal of power and commercial advantages. This is the last thing the U.S. should want to do if we are serious about strengthening the NPT to prevent further nuclear proliferation. There is so much to do to strengthen the existing treaty, such as formulating binding resolutions on the issue of compliance with safeguards and withdrawal provisions. The U.S. needs to focus on those and deviate from understandably tempting, bilateral agreements that will jeopardize the overall NPT mission in the long run.

Third Course of Action

In addition to the previous courses of actions, the U.S. must also return to the negotiations table and take lead in ratifying other crucial treaties that supplements the mission of the NPT. The success of the indefinite extension of the NPT in 1995 was again, largely due to the commitment of the U.S. to engage in crucial treaties such as the Comprehensive Test Ban Treaty and the Strategic Arms Reduction Treaty (START) I & II. Even though the President Clinton has signed the CTBT in 1996, the Senate has denied ratifying it. In addition, the Bush II Administration has the mistrust in disarmament efforts by withdrawing from the Anti-Ballistic Missile (ABM) Treaty in 2001. These series of events created a large barrier of suspicion

between the U.S. and the other members of the NPT that ultimately led to the failure of the 2005 Review Conference.

Therefore, it is vital that the U.S. engages in the arms reduction treaties and ratifies the CTBT. If President Obama adapts the recommended U.S. Nuclear Posture Review, then it will be very possible to reduce nuclear weapons below numbers that were agreed to between President Obama and President Medvedev; which is somewhere between 1500-1675 deployed strategic warheads.⁹ As for CTBT, it may currently be difficult to have the Congress ratify the treaty. But at the same time, there is no incentive for the U.S. to test nuclear weapons in the future as there will be more repercussions than benefits.¹⁰ Thus, the U.S. must ratify the CTBT which then will prevent development of potential nuclear states in the future.

Looking Ahead

In a couple of weeks, there will be a third U.S. Nuclear Posture Review (NPR). Subsequently, there will be a fourth Review Conference of the NPT held in May. These events will be crucial for President Obama in establishing concrete nuclear policies that he has pledged to create in his past speeches. In order to have progressive trajectory in the nuclear non-proliferation effort, there needs to be a strong nexus between the non-proliferation and disarmament. The Bush II administration showed that by bullying through the NPT conference process with only its own agenda in mind will not produce results. President Obama has said in his Prague speech that he will lead in the global disarmament effort and that he will aim towards ratifying the CTBT ratify at the earliest possible date. This is a hopeful sign, but challenges remain ahead.

The Preparatory Committee for the 2010 Review Conference has reported that there are still substantive challenges before the conference. One of the main challenges is to seek a resolution that will strengthen the NPT regime to deal more effectively with issues related to withdrawal, and inclusion of non-NPT Nuclear Weapon States.¹¹ In order to overcome these issues, President Obama must follow the recommended course of actions that were presented in this paper: 1) reduce the role of nuclear weapons by deviating from an offensive minded Cold-War strategy, 2) work on resolutions that strengthen the NPT regime rather than signing bilateral agreements for nuclear fuel and technology that can produce devastating results, and 3) negotiate and ratify treaties that are crucial in strengthening the NPT regime. These are the only means to set the stage for countries from various groups that represents various priorities to come together and negotiate issues of global non-proliferation and disarmament.

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Kate Sumpter, "Obama's Nuclear Frontier: The 2010 Global Summit on Nuclear Security"

Introduction

In the wake of the second Bush Administration, the US and the world are in desperate need of a strong and definitive nuclear policy. The approaching White House summit on nuclear security is an opportunity to put political rhetoric into action. The Obama administration has called for a long-term commitment to total denuclearization, and has suggested that these talks are the crucial first step down this path. With the midterm elections approaching, political pressure building, and a Nobel peace prize hanging around Obama's neck, the expectations for this summit are intense. These talks represent the first major step in the creation of a nuclear plan for the 21st century, and perhaps of exorcising the ghost of the Cold War once and for all.

Foundation of the Summit

The Beginnings of Policy

Since his campaign, nuclear weapons have had a significant presence in President Obama's rhetoric. Although vague, this attention is a marked change from the Bush II Administration, which seemed to pay only lip service to nuclear issues. The failed Strategic Offensive Reductions Treat (SORT) with Russia testifies to Bush's lack of commitment to a lasting global nuclear policy. The absence of verification mechanisms, as well as the ease of removing parties from the agreement, made SORT a self-fulfilling prophecy; no commitment was required so no commitment occurred. If recent President Bush's SORT was meant as a successor to the Strategic Arms Reduction Treaty (START) negotiated by his father it is hardly a

fitting homage; US-Russian relations, the future of nuclear security, and the US's credibility abroad all suffered in the wake of the SORT failure.

Given this poor nuclear relations legacy left by his predecessor, President Obama had an uphill battle in convincing other nations of U.S. credibility in the arms control sphere. Although he mentioned a revised nuclear policy early in his campaign, it was not until summer of 2009 that Obama laid out more specific commitments. During the G8 Summit, Obama promised to host a conference to devise a definitive nuclear security plan. Inviting 25-30 countries to attend, Obama said he hoped to create nonproliferation and denuclearization strategies on a global scale.¹

The Prague Speech

While in the Czech Republic later that July, Obama further framed the ambitions of the conference in a speech delivered in Prague. He presented a refreshing outlook, calling the Cold War a thing of the past and suggesting that the threat of nuclear war should not shape global policy, but rather the threat of nuclear attack by terrorists. The landscape has changed and now terrorist groups present the greatest danger to the US, Russia, and the world. Obama claimed that the U.S. must adapt to these new realities, readjusting our thinking to combat this new enemy.

One goal he emphasized is nonproliferation. It is essential to keep nuclear capabilities out of the hands of non-governmental organizations (NGOs) and secure existing capabilities from theft. While touting the importance of nonproliferation, however, Obama also claimed that “our efforts to contain these dangers are centered on a global non-proliferation regime, but as more people and nations break the rules, we could reach the point where the center cannot hold.”²

He does not concede, however, that nuclear weapons proliferation is inevitable. Instead, Obama stated that this made denuclearization a more effective goal than mere non-proliferation.

Citing the United States' moral obligation as the only power to have used a nuclear weapon, Obama said that we must lead the world in nuclear policy and emphasized, "I state clearly and with conviction America's commitment to seek the peace and security of a world without nuclear weapons."³

Of course qualifiers were made to this statement. Obama does not believe that total denuclearization will happen in his lifetime, and says (in less blunt language) that as long as nuclear weapons exist elsewhere, the US will have them as well. He does set a policy trajectory, however. In order to demonstrate "concrete" and "bold" commitment, he laid out plans to renegotiate a START Treaty with Russia before the year was out.⁴ He additionally committed the US to signing the Comprehensive Test Ban Treaty, (CTBT) creating a new treaty to ban the creation of fissile materials, strengthening the Non-Proliferation Treaty (NPT), and increasing international cooperation concerning nuclear power and weapons. In one speech, Obama essentially outlined the nuclear security path he hopes to take and where that path will lead.

The Next Step

Since that speech, however, he has not traveled far. The 2009 deadline passed without a new START agreement and little else has been achieved. Seven months after Prague, Obama is starting to feel the weight of unfulfilled promises. Vice President Biden's recent speech concerning nuclear security and phone calls from Secretary of State Hilary Clinton urging Russia to approve a new START agreement are both symptomatic of rising desperation from the administration. The one commitment that the administration has followed through on, however, is the organization of the nuclear security summit in April.⁵

Structure of the Summit

Goals and Organization

Not long after the publication of this document, approximately 30 nations will converge on Washington DC to attend a Nuclear Summit, including representatives from both nuclear and non-nuclear states. This is in keeping with Obama's goal for a more global effort towards denuclearization. If he fears that the lack of security will lead to terrorists gaining nuclear capabilities, it is essential that any effort be multilateral. Expanding the talks to many nations also helps to combat Cold War mentality; bilateral bargaining between the US and Russia must no longer take center stage in the nuclear weapons discussions. The pressing nuclear threat has become global, and the solution to that threat should be equally globalized.

In keeping with his offer to lead the world in nuclear policy change outlined in the Prague speech, Obama's goal for the summit is to begin "a communiqué pledging efforts to attain the highest levels of nuclear security, which is essential for international security as well as the development and expansion of peaceful nuclear energy worldwide."⁶ First, he hopes to reaffirm each nation's responsibility to secure nuclear materials on its own territory, providing assistance to those without the ability to do so independently. This can also be achieved by strengthening the institutions that control illicit smuggling and theft of nuclear material, including the Global Threat Reduction Initiative, the Global Initiative to Combat Nuclear Terrorism, and the Proliferation Security Initiative.⁷ On a long-term scale, Obama also hopes to increase restrictions on the spread of nuclear materials. Key among these restrictions is the creation of an effective and verifiable Fissile Material Cutoff Treaty (FMCT). This would take limits on production of weapons-grade fissile material to an international level, banning the production of fissile material for explosive devices and making the verification effort a global undertaking.

Effects and Obstacles

Importance of Success

Looking at the agenda of the summit, it is obvious that this event was on his mind when the Prague speech was delivered. Obama has seemingly claimed the leadership role he set for himself, both in organizing the event and also with the implied obligation connected with any agreement reached at the summit. Most nations will not have many resources to put towards a global verification or security effort, and most likely the implementation of restrictions and increased nuclear safety will fall on the United States. Although at this point Obama's commitment remains verbal rather than practical, the publicity of his promises would make backing out a very embarrassing and destructive blow to US credibility.

All in all, the stakes for the summit are quite high. If the first step is always the hardest, then Obama has his work cut out for him. This is the first attempt to put his nuclear policy rhetoric into action. The success of the summit, or even just the perceived success of the summit, will have a significant effect on the international climate; whether for good or bad, it remains to be seen. The US must negotiate a FMCT and make come to a meaningful agreement about arms reduction in order to retain the positive momentum in the international community and attain the kind of goals Obama has put forth. Yes, nuclear policy doesn't change overnight but a minimalist mentality could cause it not to happen at all. Just as Obama refuses to accept nuclear weapons as an inevitability, so we should refuse to accept inaction and indecisiveness as acceptable outcomes of this summit.

The upcoming midterm elections also emphasize the importance of the summit. As a highly public event, the outcome will be highly public as well. If successful, Obama would receive a boost as he seemingly begins to fulfill his campaign's prophecy of "Hope" and the

expectations of his Nobel Prize. If unsuccessful, it will surely be seen as a referendum on Obama's international security policy. Republicans were up in arms over the perceived relaxing of security standards outlined in the Prague speech, yet would almost certainly characterize the failure of the Summit as political impotence. This would only add weight to the argument that he is full of political posturing but little political action. In the run up to the midterm, Obama cannot afford validating one of his most prominent critiques.

Assuring Success

START and Missile Defense

Certain steps can be taken to assure the success of the summit. As evidenced by the administration's recent political pressure on Russia to approve a new START agreement, this agreement has an important role to play. START I was very successful and led to an 80% reduction in weapons and delivery vehicles. It represented a post Cold War outlook on nuclear relations and its success demonstrated a commitment by the US and Russia to significant disarmament.

However, the expiration of the treaty in December 2009 was not greeted with a fitting replacement (SORT lasted only a few years and led to no permanent reductions). The deadline set by the US for a new START passed, and the US and Russia are left without a standing arms agreement. This is a symbolic failing with practical consequences. How can the US hope to command a leadership position in the upcoming global summit if we seemingly lack the ability to achieve the relatively simple re-negotiation of START? To secure the success of the summit, reestablish US credibility, and set a global precedent for denuclearization, the US must make signing the new START a priority.

There are two major steps we can take to promote the signing of the treaty. We must continue to pressure Russia to approve START as quickly as possible. Public demonstrations of US pressure (such as the Secretary of State's highly publicized telephone call to Medvedev) can be effective in this regard; Russia certainly does not want to be seen as holding up a new era of nuclear disarmament.

The US can also smooth the approval process by dealing with objections to its missile defense program. Russia has expressed concerns in particular over the US plan to expand launch sites throughout Europe. In response to these concerns, the US has said that the systems that are being developed are to combat immediate-range missiles. Russia does not possess these missiles, but Iran is currently developing them; protection against a nuclear Iran is something of interest to both the US and Russia. Thus, the US should suggest including a restriction to immediate range missile defenses in the new START. This would quell Russian fears and strengthen support against a common threat.

Conclusion

The Nuclear Summit comes at perhaps the most crucial time in global nuclear relations for 20 years. START has expired and needs a successor. The United States' damaged credibility abroad is slowly being repaired. The distance from the Cold War may allow for broader multilateral disarmament negotiations. Additionally, the threat of terrorism is real and the White House claims that, "nuclear terrorism is the most immediate and extreme threat to global security."⁸ Never has the need been greater, for both the United States and the global community, to band together against the common and dire threat of nuclear proliferation. If the

Administration really wants a pledge to achieve the “highest standard of nuclear security available,” now is time to strike.

The summit also has specific importance for the Obama administration. It is their opportunity to transcend political ideology by putting it into practice. It is also a test that the global community will be watching very closely. If the US can step up to the policy plate, the world may decide to follow suit.

The effect of the Summit extends past the meeting itself. The White House has suggested that Russia host a second conference to discuss any issues that arise at the first. This would allow for the development of productive dialogue over time, and characterize the denuclearization effort as a continuous path rather than a series of disconnected spurts. The success of the White House Nuclear Summit sets up an excellent precedent for future talks. This can only help the Obama administration in both its international and domestic goals, not to mention bolstering their midterm election prospects.

In order to assure the success of the summit, several measures can be taken, including signing START, getting Russia to approve START (with language about missile defense systems in order to quell fears), and making global integration of denuclearization a priority of nuclear policy talks. By taking these measures, the Obama administration can hopefully continue to ride the positive momentum of international support, and perhaps prove to Americans that they deserve it.

As Obama said, “We should not wait for an act of nuclear terrorism before working together to collectively improve our nuclear security culture, share our best practices and raise our standards for nuclear security.” Hopefully the Administration can lead the world in taking those first steps before it is too late.

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II. Commission Member Papers on Human Rights

Krystle Butler, “Women’s Rights in The Russian Federation”

Introduction

Though legally women in Russia are equal to men, this concept does not reflect real practice. Women in Russia suffer from domestic violence, sexual harassment, trafficking and forced prostitution, often times resulting in their death. This kind of behavior is unacceptable, especially from a country who wishes to regain its superpower status. Since 1992, the Russian government has admitted that at least 14,000 women are murdered every year from family violence.¹ Disorder, uncertainty, unemployment, and harsh economic conditions followed the collapse of the Soviet Union leaving women and children the most vulnerable as conditions deteriorated. Industries dominated by female workers were eliminated on a large scale leaving women to struggle for survival. Those who managed to maintain their jobs are faced with various forms of sexual harassment and unprofessional work environments. These conditions motivate women to seek other opportunities that are generally worse than what they started with in most cases. Women are either tricked by advertisements and are trafficked out of the country to work as forced laborers, beggars or prostitutes or they willingly enter into prostitution within the country to earn money to support their families.

The Russian Federation has not made a significant effort to combat these human rights abuses. With aid and support from the international community, Russia can make significant improvements to combat these offenses. It has been nearly twenty years since the collapse of the Soviet Union and violence against women has only increased. Accurate numbers about violence

against women are almost impossible to obtain due to the lack of reporting as well as the re-categorization of those cases that are reported. The Russian Federation appears to be uninterested in the well-being of the majority of the population.

Domestic Violence

Russian authorities have done little to address the problem of domestic violence even after recognizing that over 14,000 women die every year from violence in the home. Russian authorities and citizens see this as a family issue, not a legal issue and many in the society just accept that in a marriage, there will be violence. It has been estimated by Russian law enforcement officials that eighty percent of all serious crimes occur domestically.² There have been nearly fifty versions of a bill to address this issue but none have succeeded in becoming law.³

Thus, there is no statute for handling cases of domestic abuse. When a beating or rape does get reported to the police it is largely ignored or considered foolish because there is only a small chance that the case will be brought to trial. This lack of reporting makes it extremely difficult to officially know how widespread this issue is but statistics from the Women's Crisis Center Movement suggest that it is definitely more commonplace than numbers report. This group actually argues that a rape occurs once every six minutes in Russia, which is ten times the official rate.⁴

The Russian state does not support victims of violence. There are only twenty shelters in the entire country to help battered women. Since the women have no place to go, they often do not report the abuse and do not try to leave. Non-governmental organizations (NGO) have opened many of the existing centers as well as toll free help lines to offer advice to these women

but this is not enough. The major issue is that society still sees violence as the fault of the woman, that she deserved to be beaten, and even some women feel this way. There is a certain stigma attached to reporting the abuses that make women reluctant to come forward. Additionally, Russian law states that an individual cannot abandon a domicile that is legally theirs, so women who successfully divorce their abusive husbands often continue to live with them, creating an extremely dangerous environment for the women.⁵

The Russian Federation needs to formally criminalize all forms of violence against women within the family and open up centers to take care of women trying to escape the abuse. With more awareness and a legal definition of this issue, the police will be better able to address the problem, creating fewer cases in the first place. Social awareness is also desperately needed to reassure women that they can come forward as well as to reinforce to all of society that this behavior is not acceptable. These types of changes cannot happen over night, even the United States still struggles with domestic violence. There needs to be a cultural shift towards viewing women as equals. The government can lead this change by hiring more women into higher status positions and promoting media that recognizes the contributions women can make to society.

Sexual Harassment

The term sexual harassment is not formally found in the Russian legal system but it instead exists as a social concept. Article 133 of the Criminal Code states that “compulsion of a person to sexual relations” is illegal and this vague statement is considered to be essentially the foundation of sexual harassment laws in the Russian Federation.⁶ Compulsion is regarded as a lesser sex crime and does not get the attention it needs to combat sexual harassment. Crimes of

compulsion are also grouped together with other crimes that are not necessarily sexual harassment making it impossible to determine how many women are actually sexually harassed. Many women, although aware of the sexual harassment, are not likely to report the behavior because of the low priority standard that the government has given to this type of human rights violation.

Only two women have won sexual harassment cases since the collapse of the Soviet Union but one hundred percent of female professionals said they have been subject to sexual harassment by their bosses. It is commonplace for sexual favors to be traded during job interviews, job promotions and for higher grades at the schools.⁷ Several surveys indicate that women assume that they have to participate in intimate relations with their male superiors in order to advance within the company or even just to maintain their position. Since 1992 NGOs have been working to provide awareness of the growing problem of sexual harassment.. However, even with all their efforts, most observers consider the problem worse today than it was in 1992.⁸ Job advertisements frequently describe specific physical characteristics desired for a position and women interviewed are hired based on their appearance and their willingness to engage in sexual relations.

A Russian judge ruled in 2008 that sexual harassment is acceptable because it ensures the survival of the human race. He threw out the woman's case. The case was not thrown out due to lack of evidence but rather it was decided that the man was acting gallantly rather than criminally.⁹ Rulings such as these reinforce the message that it is acceptable to sexually harass women. The government is where citizens look to for leadership, and if the Russian government cannot lead by example and show its citizens that this behavior is unacceptable, then it will take much longer to change the norm about sexual harassment in society.

Sexual harassment takes generations to reduce and even in the United States, it still persists. The Russian Federation is not taking any steps to speed up this process or working toward shaping a different image of women in the workplace or educational institutions. NGOs are trying to push this issue up in priority but they cannot do it alone, The Russian Federation needs to take the lead and enforce the laws of equality for both genders. The international community can also pressure Russia to commit more efforts to reduce the occurrence of sexual harassment by providing support and ideas on how to combat it. The first thing Russia needs to do is change their code of laws to specifically spell out what sexual harassment is and what the punishments are. Gender equality is important for a stable, democratic, capitalistic economy and with professional work environments, women will be able to contribute their share to society.

Human Trafficking

Human traffickers use tough economic and social conditions within the Russian Federation to trick women into the sex trade. Women are promised a job or education abroad and take the chance because they are unable to support themselves at home. Once in their destination country, they find themselves in worse conditions. Pimps and traffickers often keep the women locked in the rooms in which they work, keeping them under constant supervision. The money they make is confiscated by their pimps so they are not likely to save enough to leave. Even if they could leave, they are socially isolated because they do not speak the local language and their families could bear the repercussions for them leaving prostitution. To better control the women, pimps keep them drugged to create a dependency. If the girls try to escape they are subjected to physical and psychological abuses.¹⁰

Russian women are desired in the sex trade due to their supposedly exotic nature as well as their high levels of education. They are surpassing Southeast Asian and Latin American women as the most commonly trafficked.¹¹ Traffickers often also take underage girls as they are in high demand overseas. Underage girls are presumed to be virginal and disease-free, making them sell for more abroad.¹² Often times, women will be sold several times in several different countries. Each time the woman is trafficked to a different country, her debt bondage is renewed, trapping her into forced servitude.¹³

The income from human trafficking exceeds that from drug trafficking.¹⁴ In 2003 the Russian Duma drafted legislation in 2003 to combat human trafficking under pressure from NGOs, and international organizations. But this legislation is not enough to combat this issue. It is estimated that 150,000 women are trafficked abroad, half of them forced into the sex industry. But there are no real efforts made by the Russian government, or the international community, to reduce this number. Often, bureaucrats are actually involved in the sex ring by providing false documents, such was the case in 2009 involving a military official charged with trafficking over 130 women.

In 2008, a move was made to strengthen further human trafficking laws. The 2003 law had led to only ten cases of successful prosecution of human trafficking. The 2003 law had many loopholes. It was difficult to prove intent in the majority of the cases. For example, an employee at an obstetrics and gynecology center in Russia was only charged with kidnapping when she persuaded women not to terminate their pregnancies. She then bought and sold these children. Since there was no proof on intent she was not charged with trafficking. The same problem exists when women are abducted, as there is no proof of the intent to exploit. Tougher laws passed in 2008 may lead to more prosecutions.¹⁵

Prostitution

Prostitution is illegal in the Russian Federation. Nevertheless, thousands of women are employed in the sex industry. Many women are forced into this profession by human traffickers and have come from abroad or other regions of the Russian Federation. There is, however, another portion that voluntarily enters into prostitution. Various reasons are involved in this decision but they are mainly due to poor economic conditions and the difficulty for women to find jobs that support them and their family.

With the changing family dynamic and increasing divorce rate,¹⁶ many women are heads of household and cannot earn enough money legally. Employment for women in Russia is fraught with low wages, sexual harassment and lack of respect. Prostitution offers higher wages than most jobs and many women feel they have to forgo the humiliation in order to support themselves and their families. In one area studied, surveys show that women are coming to view this less as an immoral act and more as a socially acceptable way of earning a living.¹⁷

Although prostitution and pimping is illegal in Russia the law enforcement process is hindered due to the magnitude of the problem and small punishments associated with prostitution. The Russian Federation in 1996 adopted the Conception on Improving the Condition of Women in the Russian Federation, which was primarily concerned with protecting women from "...prostitution, rape, domestic and psychological abuse, sadism and regular beating."¹⁸ In the late 1990s, one province of Russia was considering legalizing prostitution. This way prostitution could be regulated and taxed. This proposal is however, contrary to federal law and was not put into action. Legalizing prostitution is not the answer for Russia. Instead what is needed is stronger action by law enforcement agencies, which can find the pimps and also impose tougher penalties once they are caught.

Vast numbers of prostitutes means that there is a high number of sexually transmitted diseases (STD) tearing through Russia. A 2007 United Nations Children Fund (UNICEF) study estimated that there are between 630,000 and 1,300,000 people in The Russian Federation living with HIV.¹⁹ There is not a widespread information campaign to warn on the dangers of STDs and to advocate for safe sex in Russia. The European Union has opened up one facility in Moscow to treat sexually exploited women, but this one center has been overflowing with patients since its opening. Prostitution leads to many other social problems; disease, abuse, sometimes even death. The Russian government needs to seek out more effective solutions. With the help of the international community, change is possible for these women.

Conclusion

Russia has the ability to do more to combat these tragic abuses of its female population but thus far have not made sufficient efforts towards this goal. The equality of women, domestic violence and trafficking problems are consistently given low priorities, often just ignored. The stigmas involved surrounding the victims of these crimes cannot change by itself, the government needs to spur education and awareness. Transition from post-Soviet Russia has not been easy for any of the poor people involved and the current recession is compounding the issue. However, there are still steps that the Russian Federation can take to protect women from such abuses and create an environment that promotes the professional and psychological growth of its female citizens. Russia's population has been declining and women account for the majority.²⁰ Providing jobs and safe environments for women will spur economic growth and innovation.

One of Russia's goals is to rejoin the international community as a leading world power. Nations with this status do not ignore half their populations well being. Russian women are highly educated, the majority can read and write, and this is something that Russia can take utilize. Women, along with the men, can help create a better society where the appropriate services are offered to all citizens and the exploitation of women does not occur. Instead of selling, harassing, or beating women, they can be trained in positions that contribute to a society where men and women are equal.

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Introduction

In December of 1993 the official constitution of the Russian Federation was ratified.¹ However, the Russian struggle for a constitutional government that protects the individual rights of its citizens has been a difficult and long road, that extends all the way back to the early 1900's with the signing of the October Manifesto by Tsar Nicolas II. It wasn't until 1993 however, after the fall of Communist rule, that the dawn of individual rights began with the institution of a new democratically constitutional government.

Within the 1993 Constitution, the rights of the Russian citizen are enumerated. Most of these rights mirror those prescribed in the UN Charter for Human Rights. The constitution also created many new structures within the government. One of the many new structures of the Russian system is the Constitutional Court, created specifically to protect the constitutional rights of Russian citizens from infringement from the government. While this court has played a significant role in protecting individual rights and modernizing the Russian judicial system, it has also, unfortunately, developed a line of precedents that limit its power and ability to continue to protect those rights. One area of particular concern is in the area of religious freedom.

This paper will discuss three cases where the Constitutional Court was ineffective in protecting the religious freedoms of citizens. The first part of the discussion will enumerate the specific rights provided in the Constitution and other places with regards to religious freedom. This technical discussion is necessary to fully understand the violation of religious freedoms that is occurring within the Russian Federation.

The second part of the discussion will analyze the specific court cases. Each case will begin by reviewing the specific facts in the case, and then move on to the rulings of the court. An analysis of the ruling will illustrate the problem areas.

The third part of the discussion will cover the three specific structural deficiencies inherent within the Russian legal system that prevent it from acting in ways that are effective at upholding its responsibilities to the Russian people. The deficiencies include the lack of stare decisis, a weak judiciary, and deviation from the rule of law.

Legal Protection

In Chapter II of the Russian Constitution, rights to religious freedom are specifically addressed in several articles.

Article 28:

“Everyone shall be guaranteed the freedom of conscience, the freedom of religion, including the right to profess individually or together with other any religion or to profess no religion at all, to freely choose, possess and disseminate religious and other views and act according to them.”²

Article 29:4

“Everyone shall have the right to freely look for, receive, transmit, produce, and distribute information by any legal way. The list of data comprising state secrets shall be determined by a federal law.”³

This chapter of the Russian constitution also grants its citizens the right to appeal to a court, domestically and internationally, if these rights are abridged.

Article 46: 1-3:

1. “Everyone shall be guaranteed judicial protection of his rights and freedoms.”⁴
2. “Decisions and actions (or inaction) of bodies of state authority and local self-government, public associations, and officials may be appealed against in court.”⁵
3. “Everyone shall have the right to appeal, according to international treaties of the Russian Federation, to international bodies for the protection of human rights

and freedoms, if all the existing internal state means of legal protection have been exhausted.”⁶

Furthermore, the Russian constitution also grants its citizens the freedom of expression and association. Most interesting however, the Russian Federation is a signatory to the European Court of Human Rights (ECHR) which means that they must also uphold the rights proscribed in “Convention for the Protection of Human Rights and Fundamental Freedoms” and in the “Universal Declaration of Human Rights.”

ECHR convention:

Article 9: Freedom of Thought, Conscience, and Religion:

1. “Everyone has the right to freedom of thought, conscience, and religion; this right includes freedom to change his religion or belief and freedom, either alone or in community with others and in public or private, to manifest his religion or belief, in worship, teaching, practice, and observance.”⁷

2. “Freedom to manifest one’s religion or beliefs shall be subject only to such limitations as are prescribed by law and are necessary in a democratic society in the interests of public safety, for the protection of public order, health or morals, or for the protection of the rights and freedoms of others.”⁸

Article 10: Freedom of Expression

1. “Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers. This article shall not prevent States from requiring the licensing of broadcasting, television, or cinema enterprises.”⁹

2. “The exercise of these freedoms, since it carries with it duties and responsibilities, may be subject to such formalities, conditions, restrictions or penalties as are prescribed by law and are necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority and impartiality of the judiciary.”¹⁰

Article 11: Freedom of Assembly and Association

1. “Everyone has the right to freedom of peaceful assembly and to freedom of association with others, including the right to form and to join trade unions for the protection of his interests.”¹¹

2. “No restrictions shall be placed on the exercise of these rights other than such as are prescribed by law and are necessary in a democratic society in the interests of national security or public safety, for the prevention of disorder or crime, for the protection of health or morals or for the protection of the rights and freedoms of others. This article shall not prevent the imposition of lawful restrictions on the exercise of these rights by members of the armed forces, of the police or of the administration of the state.”¹²

Provisions within the “Universal Declaration of Human Rights”

Article 18:

“Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.”¹³

Article 19:

“Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive, and impart information and ideas through any media and regardless of frontiers.”¹⁴

These various articles describe the specific rights that individuals within each jurisdiction have. In the case of individuals within the Russian Federation, all three documents apply. This shows the clear right that Russian citizens have regarding the freedom of religion, the freedom of expression and the freedom of assembly. It is all three of these rights that has been abridged in the law “On Freedom of Conscience and Religious Associations” that will be discussed below.

Case Studies

Background

Immediately following the collapse of communism, before the Russian Federation passed the constitution; the Duma passed a very liberal freedom of religion law. John Witt Jr. claims that this law caused an increasing concern for the Russian Orthodox Church as many Russian left their Orthodox roots and converted to other, often foreign based religions.¹⁵

Accordingly, the Russian Orthodox Church petitioned the government to tighten regulations for all foreign churches. In 1997 the Duma complied by passing a law titled “On Freedom of Conscience and Religious Associations”. The Slavic Center for Law and Justice states that this law was in direct contravention of seven provisions of the Russian constitution including freedom of religion, right to freely assemble and the freedom of expression.¹⁶ This does tally does not include the number of violations at the international level.

The 1997 law was intended to do several things. The first was to give the Russian Orthodox Church a preeminent position among all religions. The preamble of the law specifically gives the Orthodox Church a “special role,” it recognizes its traditional influence on Russian culture and history.¹⁷ It specifically endorses several other “long established” religions in Russia such as Islam, Buddhism, and Judaism.¹⁸ This means that the law makes a distinction between traditional and non-traditional religions. To many members of the smaller non-traditional religions the special recognition of certain religions is a violation of the Russian constitutional principle of equality of religions before the law.¹⁹

The second thing the law did was to divide religious associations into two categories: religious groups and religious organizations.²⁰ (Fdom, art 7 and 8) Religious groups can be formed by a citizen of any country that permanently resides in Russia. Religious groups have

very limited rights with respect to operation. Specifically they are allowed to perform religious services and teach its members. The list of normally acceptable religious activities that are prohibited for groups is considerably longer. The following is a list of activities that is prohibited unless a religious association is classified as an organization.

Chapter IV: Supervision and verification of fulfillment of the legislation on freedom of conscience, freedom of religious profession, and religious associations

- 1) “request that their clergy be granted deferment from serving in the military.”
- 2) “teach religion to their adherents or to create educational institutions.”
- 3) “teaching religion in the schools, apart from the general curriculum.”
- 4) “have within itself representation of a foreign religious organization.”
- 5) “own churches or other buildings.”
- 6) “conduct religious services in churches, cemeteries, crematoria, hospitals, children's homes, homes for the elderly and invalids, prison.”
- 7) “publish, import, export, and distribute religious literature and objects.”
- 8) “create cultural-educational organizations and educational and other institutions, and to establish mass media.”
- 9) “establish ecclesiastical education institutions for training of clergy.”
- 10) “own property.”

The law states that in order to be classified as a “religious organization” it must register with the Ministry of Justice. In order to do that however, the group must consist of at least 10 citizens of the Russian Federation and must have existed for at least 15 years.²¹ If these requirements are met, the following rights are afforded to them:

- 1) “establish and maintain buildings”
- 2) “own property in Russia and abroad”.
- 3) “conduct religious services in churches, cemeteries, crematoria, hospitals, children's homes, homes for the elderly and invalids, prison.”
- 4) “public religious gatherings would be subject to laws governing “processions and demonstrations,”
- 5) “publish, import, export and distribute religious literature and objects.”
- 6) “conduct charitable activity.”
- 7) “create cultural-educational organizations and educational and other institutions.”
- 8) “establish mass media.”
- 9) “establish ecclesiastical education institutions for training of clergy.”
- 10) “have international communications and contacts.”
- 11) “invite foreign citizens to come to Russia for religious activity.”
- 12) “conduct entrepreneurial activity and to create their own enterprises.”
- 13) “to establish contracts with their employees.”²²

If a religious group cannot fulfill the 15-year requirement, the law states that they must remain in the religious group category and must re-register annually with the government until the requirement is satisfied.²³ The only exception is if the group can prove that they are members

of a centralized religious organization. Simple arithmetic will reveal that at the date of the passage of this law 15 years had not passed since the fall of the staunchly atheist government of the Soviet Union. This meant that the majority of the new post-Soviet religious organizations in Russia would be affected by this law.

Case 1: Jehovah's Witnesses and the Christian Church of Praise v. Russia 243/2001, Russian Constitutional Court. (2001)

The first of the cases that challenged this law was Jehovah's Witnesses and the Christian Church of Praise in 2001. In this case the plaintiffs filed for re-registration in accordance with the 1997 law. Both groups were unable to prove continuous presence in Russia for the required fifteen years, and were therefore, denied registration. They were then required to be a religious group, which meant they lost all the rights previously mentioned that are afforded to registered religious organizations. Accordingly, these groups appealed all the way to the Constitutional Court. The Court ruled that religious associations "which do not possess a document proving their existence at least 15 years are to enjoy the rights of a legal person on the condition of re-registration every year until the expiration of the designated period."²⁴ Instead of discussing the constitutionality of the actual law, they examined the constitutionality of the contested article 9.1, where they ruled that the law provides two ways of establishing a local religious organization.²⁵ Groups may either prove that they are part of a centralized religious organization, or they may present evidence of 15 years' presence in Russia. They therefore, reasoned that Article 27 is constitutional and does not violate the rights of organizations.²⁶

While the Court secured the rights for the individual religions that brought suit they did not nullify the unconstitutional law thereby securing rights for all. In fact, according to Marina Thomas "the Court deliberately interpreted Article 27 in ways that avoided a ruling of unconstitutionality,"²⁷ thereby deferring to the legislature to determine unconstitutionality. For

the majority of the infringement suits that were filed against the state, the Constitutional Court ruled for the particular plaintiffs however, they never once struck down the law as unconstitutional, rather maintaining that the specific facts in the case prevented the law from being applied to the group that had filed suit. This case demonstrates the courts unwillingness to venture too far out on a limb and make politically unfavorable decisions.

Case 2: Independent Russian Region of the Society of Jesus 247/2001, Russian Constitutional Court. (2001)

Another case that demonstrates the courts weakness at protecting religious freedom from this law was filed by the Independent Russian Region Society of Jesus (IRRSJ). In this case the IRRSJ, which was registered in 1992 under the religious freedom law of 1990, and subsequently enjoyed the broad rights afforded, had to re-register with the Ministry of Justice in accordance with the much stricter provisions of the 1997 law. They were given several reasons for this rejection. First, the IRRSJ was established by the Roman Catholic Church of the World Society of Jesus which, according to Article 13.2, could create only a representative body in Russia.²⁸ These bodies may not carry out religious activities as they are not considered a religious organization. The second reason was that the IRRSJ was not in compliance with Article 8, which requires that local religious organizations can only be established by at least 10 Russian citizens who are at least 18 years of age and are permanently residing in one locality.²⁹ The IRRSJ did not comply with this as they were established and run by a foreign organization. Finally, the IRRSJ had used the word “Russian” in its official name, which was contrary to the 15 year rule in the 1997 law.³⁰ The IRRSJ appealed this law to the Constitutional Court, where the Court again ruled that religious organizations registered before the law of 1997 possessed all the rights of a registered religious organization.³¹ They resolved the problem by claiming that the 1997 law does not have retroactive enforcement powers, as that would violate the Jesuits’

constitutional right of freedom of conscience and religion.³² While the Court once again resolved the suit, they shied away from confronting the constitutionality of the law itself. Marina Thomas states that “here also the court went to great lengths to interpret the problematic articles broadly in such a way as to be consistent with the Constitution.”³³

Case 3: Salvation Army v. Russia. 43-44/2001, Russian Constitutional Court. (2001)

The final example is the case brought before the constitutional court by the Moscow branch of the Salvation Army (MBSA) in 2001. Article 27.4 of the 1997 law created a deadline of December 31 2000, by which time all religious organizations had to re-register or else face “liquidation.”³⁴ The MBSA was unable to re-register in time because it could not pass through the process in time, as their application was denied several times. According to the Slavic Center for Law and Justice, “its registration documents did not conform to the required standard.”³⁵ Several appeals to the Moscow courts were of no avail, and they were ordered to be liquidated.

The MBSA appealed to the Constitutional Court, where the Court formed an important constitutional principle when they stated that “legislative initiatives pertaining to the establishment, formation and registration of the religious organizations should not distort the meaning of freedom of religion, right for association and freedom of activity of public associations.”³⁶ The court also ruled that a religious organization registered in Russia before 1997 could not be liquidated for failing to complete unnecessary technical obstacles.³⁷ They stated that the only way an organization can be liquidated is if it “clearly ceased its activities in the Russian Federation for three years”,³⁸ or if it carries out activities incompatible with the constitution or Article 14.2 of the 1997 law.³⁹ The Court therefore claimed that the action of forced liquidation of the MBSA based on Article 27.4 was unconstitutional because it violated the MBSA’s right the freedom of religion.⁴⁰ Once again however, the court not only applied its

protection to organizations registered before the enactment of the 1997 law, but also interpreted broadly to circumvent having to declare the law unconstitutional.

These cases demonstrate that while the court has been able to stand up in defense of constitutional protections such as the freedom of religion, conscience and religious association in specific cases, it has not provided an overall protection for all citizens.

The Problem with the Constitutional Court's Rulings

Despite all the constitutional and legal provisions, the Russian Constitutional Court has had little effect in correcting the abridgments of citizens' rights that have taken place. This is because their decisions were, in every case, applied only to the present case at hand and its specific circumstances. The lack of general application and unwillingness to annul unconstitutional laws such as the 1997 law has created a large amount of inconsistencies when the law is applied to all citizens. It forces every individual to sue in order to ensure their constitutional rights, in this specific area.

Clearly this process ends up not protecting constitutional rights and the right that the Constitutional Court was set up to protect, such as freedom of religion and the like. Only those with enough time and money to file claims and go through the appeals process can have a chance of having their rights upheld, which the Constitution should do without resort to litigation. These failures by the Constitutional Court to protect these right for all citizens results from a three specific structural problems that will be discussed in the next section.

Structural Problems

Lack of Stare Decisis

Traditionally, according to James Apple and Robert Deyling, in a civil law tradition, as distinguished from common law, the law is not developed based upon previous rulings, known as stare decisis, but rather the law is developed from the legislative body only.⁴¹ The definition of stare decisis is “the legal principle under which judges are obligated to follow the precedents established in prior decisions.”⁴² There is however, a growing trend within many civil law countries, including on a large scale, the European Union, to adopt what is called jurisprudence constante. This principle states that “judges should rule in a predictable non-chaotic manner.”⁴³ This principle is, in effect, introducing the principle of stare decisis to countries with a civil law tradition.

In fact, it can be argued that the principle of jurisprudence constante has always been within the civil law system, if only as a restraint on the courts to act in predictable manner to promote a law that can be depended upon in contractual and individual rights cases. In Russia however, this principle is not only missing, but specifically disavowed in politically sensitive cases. For example, in the above cases of religious freedom, the Constitutional Court has ruled both for and against the plaintiffs, not based on the law, but on the particular station of the plaintiffs. The court then specifically ruled that their rulings did not apply to anyone else,⁴⁴ thereby requiring all individuals who did not want this law enforced on them to file a suit. This lack of stare decisis or jurisprudence constante in human rights, and the Russian courts unwillingness to annul unconstitutional laws has created a capriciousness in how the law of Russia is applied to its’ citizens. The effect is that it forces litigation by every individual in every case to ensure their constitutional guaranteed rights.

Weakness of the Judiciary

The second structural factor responsible for the lapse in protection of Russian citizens is the lack of strength of the Russian judiciary and thereby, the ineffective implementation of legal prescriptions. Chapter VII of the Russian constitution describes the structure and specific powers given to the judiciary.

Article 120:

1. “Judges shall be independent and shall obey only the Constitution of the Russian Federation and the federal law.”⁴⁵

Article 122:

1. “Judges shall possess immunity.”⁴⁶

Article 125:

1. “The Constitutional Court of the Russian Federation consists of 19 judges.”⁴⁷

2. “The Constitutional Court of the Russian Federation shall resolve disputes over jurisdiction: a) between the federal state bodies; b) between state bodies of the Russian Federation and state bodies of the subjects of the Russian Federation; c) between supreme state bodies of subjects of the Russian Federation.”⁴⁸

3. “The Constitutional Court of the Russian Federation, proceeding from complaints about violation of constitutional rights and freedoms of citizens and requests from courts shall review the constitutionality of the law applied or due to be applied in a specific case in accordance with procedures established by federal law.”⁴⁹

4. “The Constitutional Court of the Russian Federation on request by the President of the Russian Federation, the Federation Council, State Duma, the Government of the Russian Federation, legislative bodies of subjects of the Russian Federation shall interpret the Constitution of the Russian Federation.”⁵⁰

5. “Acts and their provisions deemed unconstitutional shall lose force thereof; international agreements of the Russian Federation may not be enforced and applied if they violate the Constitution of the Russian Federation.”⁵¹

Article 128:

1. “Judges of the Constitutional Court of the Russian Federation, of the Supreme Court of the Russian Federation, of the Supreme Arbitration Court of the Russian Federation shall be appointed by the Federation Council following nomination by the President of the Russian Federation.”⁵²

The provision of Article 120 that creates the judiciary as an independent branch of the government allows the courts relative autonomy to make its decisions. The method of judicial appointment described in Article 128 assures the equality of representation within the courts.

Furthermore, the twelve-year single tenure limit and immunity provisions are designed to preserve judges from political pressure. All of these powers granted to the judiciary, which are so similar to the rights of judiciaries in other western democracies, seem to be all the necessary provisions for the creation of an independent judiciary. In application however, the courts, particularly the Constitutional Court, unlike the European Court of Justice, fall back to a much more conservative role even though they are afforded the power to make important controversial decisions, including human rights issues, such as those discussed earlier.

Deviation from the Rule of Law

The final factor that creates the environment in which human rights abridgments can occur, and possibly the most influential, is a general disregard for the rule of law in Russia. Thomas Paine in his pamphlet Common Sense gives an illustration and thereby a definition of the rule of law saying, “For as in absolute governments the king is law, so in free countries the law ought to be king; and there ought to be no other.”⁵³ Furthermore, Kathryn Hendley further refines this definition of the rule of law as “how the law is enacted, implemented, and understood.”⁵⁴ In some countries, such as the members of the European Union, the rule of law is such a fundamental principle that respect for the rule of law is stated in the Copenhagen Criteria, as one of five requirements necessary for membership into the EU.⁵⁵

The listed definitions of the rule of law are important when understanding Russia's disregard of the rule of law. The root of this disregard stems from the history of Russia. The problem, according to Ronald Pope, is "not exclusively the absence of specific laws or legal procedures. Major corruption can only exist in a climate that tolerates it. To a significant extent, the same men and women in the street who complain, often bitterly, about high level corruption and the general lack of justice in the Russian system are themselves a major part of the problem."⁵⁶ In his essay, Pope explains that the problem lies in Russian culture and developed out of a history of autocratic and socialist rule for the past 1000 years. During both periods, it was common practice for those in authority or, those with enough "contacts" or money, to escape prosecution by the law. For example, Pope claims that "prior to the fall of Communism, neither the tsars nor the commissars were bound by the law."⁵⁷ An October 1998 article in the Moscow Times states "knowing how to get around the law and the courts is considered an enviable skill or, at the very least, a just response to the state..."⁵⁸

Throughout the Soviet era, the legal profession possessed little prestige in the eye of the general population. They believed, as Karl Marx claimed in the Communist Manifesto, law to be a necessary bourgeois left over that would become obsolete with the arrival of true communism.⁵⁹ This time also saw a rampant disregard for the rule of law, many times seeing the law as only another way to persecute political opposition, as seen in the Moscow show trials of 1936-38.⁶⁰ Both factors led to distrust and a skewed view of the law not only by the general population, but also judges and lawmakers. This perception has continued into present day Russia, albeit not as widespread, but certainly a force with which to be contended. For example, a poll by the Public Opinion Foundation conducted in February 1998, found that two-thirds of the people who responded said that they did not feel they could rely on the Russian courts to

protect their rights. Another 54 percent did not think the courts had the power to make fair decisions.⁶¹

This is not to say that Russia does not adhere to the principle of the rule of law completely. In fact, there are many who argue that Russia is making great progress towards restoring law and enforcing it. Professor Hendley states that there are in fact positive trends concerning accessibility to the court saying, “in the case of individuals, civil cases doubled between 1996 and 2004,” and for firms, the Arbitrazh Courts have proven “both useable and are actually being used.”⁶²

The effectiveness of the courts in resolving these cases stems from a revision of the process through which cases are handled in the Arbitrazh Court. The revised 2002 Arbitrazh Procedural Code requires most cases to pass through a preliminary hearing before moving onto the actual hearing. At this stage the parties meet together with the judge and discuss the case. This, according to Hendley, avoids “surprise at trial and encourages the parties to put their evidentiary cards on the table.”⁶³ Another important change gives judges more flexibility when it comes to deadlines for decisions. In the 1995 revision there was a strict two month deadline from filing to decision for all cases. While the 2002 revision maintains the two month deadline for most cases, it “provides a differentiated system that moderates the deadline” for cases that are perceived to be more complex.⁶⁴

An area where there is also considerable progress is in cases where the government is a party. According to Hendley, these cases have also increased, reflecting “a more aggressive posture of the state ... [as well as] a greater willingness on the part of individuals to confront the state.”⁶⁵ For example, in her study of several Arbitrazh Courts throughout the country including Moscow, St. Petersburg and Leningrad Oblast, Yekaterinburg, and Saratov, Hendley concluded

that the success rates of the plaintiff were increasing. In Moscow the total percentage of the cases where the plaintiff won was 64.7%, In St Petersburg the percentage was up to 77%; in Yekaterinburg the total was slightly lower at 76.8%; and in Saratov the percentage of cases where the plaintiffs won was 72.4%.⁶⁶ She also mentions that there has been great improvement in the area of enforcement of the courts also citing her study in 2001 that tracked 100 cases in the Arbitrazh Courts. The study found that "almost two-thirds of the firms ended up recovering something."⁶⁷

Another potential factor in the successful reform of the Arbitrazh Courts is the economic growth that Russia has experienced in recent years. According to The Department of State, "Russia's economic growth and rising incomes have attracted increasing interest from foreign investors."⁶⁸ In fact, the Russian Federal State Statistics Service claims that actual disposable income rose by 12 percent in 2007, passing up the real GDP growth of 7.8 percent. Furthermore, the Department of State claims that almost "three-quarters of the Russian economy has been privatized, although the state continues to hold significant blocks of shares in many privatized enterprises."⁶⁹

These developments illustrate another alternative that many scholars are beginning to suggest, which is that Russia is still in a period of transition and will eventually come to fully respect the rule of law, but it will just take more time.⁷⁰

Instances of Improvement

The abridgment of Russian citizens' right to the freedom of religion, expression and association is clearly a result of the lack of stare decisis, a deviation from the rule of law and a weak judiciary. These problems do not necessarily mean that the Russian Federation has

rampant incurable human rights problems; it just means that the process will take longer, as these shortcomings must be resolved. In fact, though the Russian Federation has been at the center of many investigations since they became full members of the Council of Europe, their sincere attempts at implementing the judgments have shown that protection of rights remain key core values to the Federation.

For example, in 2002 the ECHR issued a judgment regarding the case of *Kalashnikov v Russia* 373/2002. In this case Valeriy Yermilovich Kalashnikov, a Russian national, was charged with embezzlement from the Northeast Commercial Bank, of which he was the president. In June 1995, he was arrested. The trial began in November 1996, but was subsequently “adjourned from May 1997 to April 1999.” He was finally convicted on August 3, 1999; however, by September the case had been “terminated.”⁷¹ According to the ECHR ruling, “On 30 September 1999 a further charge was brought against him relating to misappropriation of property. He was acquitted on 31 March 2000. On 26 June 2000 he was released from prison following an amnesty.”⁷²

Following his release, Kalashnikov filed two complaints with the ECHR. The first stated that the environment in which he was held at the Magadan detention facility was in violation of Article III of the European Convention of Human Rights which prohibits inhuman or degrading treatment.⁷³ He stated, among other things, that during his incarceration at the Magadan detention facility he was assigned to a cell that was “17 square meters, contained eight bunk beds”⁷⁴ and 24 inmates. There was no privacy when using the toilet; he claimed that “the toilet was in view of both his cellmates and the prison guard.” Furthermore, he stated that the cell was infested with cockroaches and ants. Finally he claimed that he had contracted fungal infections and skin ailments resulting in the loss of “his toenails and some of his fingernails.”⁷⁵ The

European Court of Human Rights concluded in 2002 that Russia was in violation of Article III, a prohibition against degrading treatment; Article V chapter III, a right to stand trial within a reasonable time and Article VI chapter I, a right to a fair hearing within a reasonable time. For the abridgment of these rights the court awarded Mr. Kalashnikov “EUR 5,000 for non-pecuniary damage and EUR 3,000 for costs and expenses.”⁷⁶ According to Pamela Jordan, the Russian representative to the ECHR, Pavel Laptev, said in response to the ruling “that Russia did not agree with the Kalashnikov ruling but would honor it.”⁷⁷ As such, the Russian government responded by paying the restitution fees.

There is still much work to be done concerning the Russian government being in full compliance with the European Court of Human Rights and protecting the rights of its citizens. But considerable progress towards enforcement, and continued membership in the ECHR in the face of the numerous judgments shows their commitment to the protection of individual rights.

Conclusion

Despite the written provisions provided by the Russian Constitution, the Convention for the Protection of Human Rights and Fundamental Freedoms and the Universal Declaration of Human Rights that explicitly protect an individual’s right to the freedom of religion, the freedom of expression and the freedom of association, there continues to be instances within the Russian Federation that deny these freedoms to select individuals. This was the case when the Duma passed the 1997 law “On Freedom of Conscience and Religious Associations” that essentially stripped all new religious organization of many of the basic rights that have traditionally been applied to all religious organizations. This law was clearly unconstitutional, yet was never openly declared to be such by the Constitutional Court of the Russian Federation.

A survey of case law within this area clearly demonstrates that each time a case was brought forward, the court stated only that it did not apply to the specific case before the Court. Unfortunately, this being the trend in the Russian legal jurisprudence, the newer Russian system does not always work for their citizens. Though the structure of Russian law and its tenets are similar to most other western democracies,⁷⁸ inherent flaws undermine the stated principles that make for a strong legal system. Russian law maintains a broad cultural norm that deviates from the rule of law. Their judiciary lacks the independence and strength to go against the other branches of the Russian government, especially in human rights. Lastly, there is no externally imposed stare decisis to create unity among decisions and the consistency necessary to provide protection to all Russian citizens. Together, these flaws work towards undermining the rights of the Russian citizen. Unless solutions to these problems can be found, human rights violations will continue to occur, resulting in an increasing number of Russian citizens that are left exposed to the whims of the majority.

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⁷⁸ “The Constitution of the Russian Federation”. Chapter I.

Introduction

The United States government has the obligation to address human rights violations that occur against children in the Russian Federation's institutions. Russian orphans' welfare should be attended to with an utmost precedence when conferring with the Russian Federation about international humanitarian abuses. The human rights violations that have impacted Russian orphans can be attributed in large part to socio-economic influences from Russia's transformation into a market economy. These prolonged and evolving issues engaging children in the Russian Federation have resulted in fewer available resources for social services due to inadequate funding, and have created a negative impact on the social welfare system in Russia collectively. Placing an orphan's welfare in Russia as an obligation for the United States to undertake is reflected in the awareness that Russian orphans are entirely dependent on the Russian Federation's ineffective resources, placing them in a highly vulnerable position.¹

The Russian Federation's failed social welfare system has instituted a trickle-down effect of less money for funding, more health issues, and inadequate care that has deeply affected Russian orphans. Families in the Russian Federation are unable to provide substantial care for their children as a result of their own poor health or economic problems. This is coupled with a rise in adult behavior that leads to disabilities and disease in their children.² Russia's economic strife helps provide an excuse as to why human rights conditions for Russia's orphans have deteriorated, but according to the international human rights organization Human Rights Watch (HRW), "the abuse in orphanages cannot simply be attributed to Russia's economic crisis. The problem of scarce resources does not justify the appalling treatment children receive at the hands

of the state. It wouldn't take more money for Russia to change these policies immediately.”³ It is of utmost concern for the United States government to aid the Russian Federation in reforming an orphanage system that is infringing on the civil and political rights of over 600,000 abandoned Russian children.⁴

Conditions in Russian Orphanages

The Russian Federation's breach in assuring the right to life and the right to protection against inhuman and degrading treatment for Russian orphans needs to be addressed by the United States government through a series of policy recommendations that will assist in the reconstruction of the Russian social welfare system from the core of the Federation's institutions. These recommendations aspire to transform the Russian institution-based care system for abandoned children into a community-focused system.⁵ As a result of attending to the most serious aspect of the failed Russian social welfare system: the human rights abuses in children's institutions, the Russian Federation will be able to assemble a new system of public care. This renovation of public care will be built on the moral restoration of institutions and a transgression to community support.⁶

This transformation would attack the foundation of the Russian Federation's failure to establish utilitarian institutions. It will lead to an improvement in other areas pertaining to Russian humanitarian law. In the context of US-Russian relations, the Russian Federation obtains the obligation to halt these abuses. Though ratifying the UN Convention on the Rights of the Child (CRC) in 1990,⁷ the Russian government has not been abiding by the terms put forth. The Russian Federation is displaying a level of dishonesty and inability to be dedicated to their obligations under the CRC.

The incompetence of the Russian Federation in protecting human rights leads the United States government to be wary when negotiating on issues relating to humanitarian law. Through respecting the human rights of orphans in Russia, the United States will be better able to work with the Russian Federation as a legitimate democracy that protects the rights of all its citizens, regardless of their ability to represent themselves and their hardships.

The increase in the number of orphans can be viewed as a deterioration of child wellbeing in Russia. Vast amounts of Russian orphans are suffering from birth defects, malnutrition, as well as developmental problems.⁸ Along with these prominent disadvantages, Russian orphans are much more susceptible to violence, “one study suggested that 15 percent of homeless children interviewed in Moscow reported being assaulted by the police.”⁹ Once a Russian child is labeled as an orphan, not only are his/her assured human rights depreciated, but the moment they are placed into a state institution they are faced with becoming victims of long-held prejudices that deem all abandoned children in Russia as “defective”.¹⁰ Human Rights Watch reported on this issue in 1998, stating that this labeling of Russian orphans from their initial installation in an institution, “places them in an underclass [which imposes] systematic disadvantages...which [also] violate[s] their fundamental rights to survival and development.”¹¹ This is a very grave concern when taking into account that a majority of orphans in Russia’s institutions are regarded as “social orphans,” meaning that they have living parents who for some reason or another are unable to care for their children.¹²

The Russian system of institutionalizing orphans is one that has roots in the nation’s past Soviet predisposition toward institution-based care.¹³ This Russian system is failing intolerably at providing basic human rights to orphans, as well as assuring Russian orphans their rights as implemented in the CRC. The consequences of this failed system are alarming, and according to

Ascent Russian Orphan Aid Foundation (iOrphan), a non-profit charity organization that donates 100 percent of their profits to provide basic needs to Russian and Ukrainian orphans, there are currently 730,000 orphans living in Russia.¹⁴ An even more alarming piece of information that iOrphan has compiled is that only 1 in 10 Russian orphans become a “functional” member of society. The remaining abandoned children are either lost to drugs, crime, or suicide, and a large remainder of adult orphans are on the streets without adequate food or shelter. Of these 730,000 children, 200,000 are currently living in orphanages and “internats”, which is a Russian institution initially created for disabled children.¹⁵

Jonathan Weiler, in his book, *Human Rights in Russia: A Darker Side of Reform* states that experts estimate the mortality rates among children living in “internats”, or psycho-neurological homes, to be two to three and a half times higher than for children living in the general population.¹⁶ Russian institutions that exist to aid abandoned children through a successful transition into their society ultimately fail at providing sufficient support. In 2000, The Ministry of Education of The Russian Federation reported that 50 percent of children after leaving an orphanage fall into a “high-risk” category. In this “high-risk” category, 40 percent of orphans become drug users, 40 percent commit crimes, and 10 percent commit suicide.¹⁷ For the Russian Federation to reconstruct its social welfare system, the beginning step is to fix the failed institutionalization of homeless children and to stop the “shocking cruelty and neglect”¹⁸ that is enforced within these institutions. This alteration of Russia’s institutions will generate children, who if they do not have the means of support to grow and develop at home, can still become citizens who can become functional members of their society.

A customary way of treating children with disabilities in Russian institutions is through the discipline of defectology, a method that has been prominent in Russia since the 1930’s.¹⁹

This form of treatment is based on the philosophy that it is better to ‘correct’ a disabled child in order to make him or her “normal”, as opposed to assisting the disabled child into adapting to their environment with their handicap.²⁰ As opposed to integrating disabled Russian children into their society, these children are separated from children without disabilities, and more often than not, separated from their families.²¹ There is a perception that many Russian parents “abandon” their children, but often times they are never offered the supportive services necessary to keep their child at home.²² This action alone is revoking the child’s right to community integration, a right guaranteed to them under the CRC.²³ Along with separation from their peers and family, disabled children are excluded from proper schooling until they can be “corrected”, violating the children’s right to a “free, appropriate, integrated education” under the CRC.²⁴

Due to the fact that the Russian Federation ratified the CRC in 1990, the Russian government is violating international humanitarian law under the article 23 of the CRC, which requires that governmental services “facilitate a child’s active participation in the community.”²⁵ HRW facilitated a 213-page report titled “Abandoned to the State: Cruelty and Neglect in Russia’s Orphanages” which revealed Russia’s institutions inadequate care for disabled children:

“Those who are labeled retarded or ‘oligophrenic’ (small-brained), face another grave and consequential violation of their rights around the age of four. At that time, a state commission diagnoses them as ‘ineducable’, and warehouses them for life in ‘psycho-neurological internats’. After this diagnosis, it is virtually impossible for an orphan to appeal the decision. According to official statistics, some 30,000 children are confined to these locked and isolated institutions, which are little better than prisons.”²⁶

The Russian Federation has the obligation as a signatory party to the CRC to ensure that disabled children have effective access to services in a manner that is conducive to the child’s ability to achieve the “fullest possible social integration and individual development.”²⁷ HRW has demonstrated in their report that the practices towards disabled children in Russia’s institutions are a clear violation of these abandoned children’s rights.

The Russian Federation's inability to protect the rights of disabled children is an imperative issue for a number of reasons. The treatment of disabled children and the Russian ideology towards the treatment of these children is inconsistent with international norms. It also creates a difficulty of establishing coherent definitions of disabilities in Russia. This inability to define what disabilities entail hinders Russia's national planning, international cooperation and attempts to institute reform.²⁸

In order to restore the humanitarian rights of disabled orphaned children in Russia, the Russian Federation needs to follow US policy recommendations on this subject. The Russian Federation, being a signatory of the CRC, has the obligation to align their disability standards with those of international norms. This will help eliminate old stereotypes that are plaguing the Russian institutional reform system and hopefully allow more disabled children to live at home with their parents.²⁹ If the Russian government is able to establish a manner to protect the rights of disabled children through integrating them into the community and being attentive to their special needs, the institutionalized system can be transformed into a more community-focused arrangement, a solution that is less costly and more effective than the current one.

Along with placement of disabled Russian children in negligent state institutions, non-disabled children are at times placed into these institutions as well. Despite these children being evaluated by state psychiatrists and diagnosed as intellectually capable of functioning on a higher level, these orphans are, according to HRW still placed in institutions and are put at risk of being, "beaten, locked in freezing rooms for days at a time, or sexually abused."³⁰ Although the staff and directors of these Russian institutions demonstrate a great concern for the orphans, conditions in these institutions are still unacceptable. There is limited staff, a lack of proper medications, and inadequate technology to suit the children's needs.³¹ On average, most

“internats” house between 150-200 children between the ages of 5-18, and these children share a living space, with an average 8-20 beds per a room.³² Before Russian transformation into a market economy, the Russian orphanage system was already an ineffective institution, and the effects of “fiscal austerity, growing corruption, and decentralization of authority” have left Russian orphans at the mercy of the institution’s staff.³³

Other reports of human rights violations exposed by HRW have demonstrated that there is appalling treatment in Russian orphanages that is completely unnecessary and a clear violation of international humanitarian law. HRW has reported that in some state institutions, many orphans have been restrained in cloth sacks, tethered to furniture, and denied stimulation.³⁴ When Russian orphans are considered to have discipline problems or have tried to run away from the institutions, they are often times punished by being confined to dark or barren rooms with barely a place to sit.³⁵ Frequently when these children are disciplined, the staff in the institutions will bind them by their limbs or restrain them in makeshift straight jackets.

International human rights standards have placed stringent controls on the use of physical restraints, and the improper use of seclusion or restraints can’t be considered the only means available to prevent delinquent behavior.³⁶ Another form of inhumane punishment in Russian institutions is their use of punishment by proxy. Staff members will assign older children to discipline misbehaving orphans, something referred to in Russia as *dyedovschchina* (hazing), which is understood by Russians as malicious and even deadly punishment.³⁷

Accompanying the threat of being subjected to demeaning treatment in Russian institutions, Russian orphans are vulnerable to an extreme amount of neglect. There is pervasive discrimination against Russian children who are deemed “uneducable”, and they are subjected to receive fewer services, therapies, and opportunities to interact with other children.³⁸ Commonly

in Russian orphanages, young children are placed in “lying down” rooms. In these areas, young children remain permanently without any form of physical or mental activities to stimulate them in their developing years.³⁹ Federal officials reported that at least 20 percent of children placed in “lying down” rooms rarely leave their beds.⁴⁰ Regardless of the fact that this institutional function deprives children from any form of human contact or stimulation, hindering the children’s right to develop to their maximum potential, the conditions in these “lying down” rooms are horrendous. The standard number of orphans in one crib is 5-6, and many of these children develop illness such as muscle atrophy.⁴¹ Orphans in “lying down” rooms are often times not clothed, and unavoidably reside in their own waste.⁴²

The staff directors in these Russian institutions blame these human rights violations on the nation’s financial crisis, but corruption within institutions is prominent.⁴³ Despite resources being minimal, the directors of Russian institutions hold power that is near absolute, placing subordinates who report on corruption and abuse at the risk of being fired.⁴⁴ Another appalling violation is that in both “baby houses”, institutions for children less than 4 years of age, and “internats”, children are sometimes administered powerful sedatives from caretakers without any medical orders or advice.⁴⁵ The CRC requires that nations who have ratified the Convention “ensure to the maximum extent possible the survival and development of the child.”⁴⁶ The misuse and lack of proper medications along with inadequate care of orphans threatens the health and wellbeing of the children, and disappointingly this could be the very same reason why some children don’t remain at home.

Russian Efforts to Improve the Treatment of Orphans

In recent years, the Russian Federation has exemplified their concern for children's rights over the past decade. One major step that the Russian Federation took to improve the living conditions for orphans was ratifying the CRC. This gave Russia the international obligation to follow specific guidelines in respecting children's rights. CRC provisions include:

“(1) The child should be given the means requisite for normal development, both material and spiritual; (2) the hungry should be fed and the sick and backward cared for—‘the delinquent child must be reclaimed and the waif must be sheltered and secured’; (3) the child should be first to receive relief in times of distress; and (4) children should be made capable of earning a livelihood and protected against ‘every form of exploitation’. [In return for this the child] must be brought up in the consciousness that its talents must be devoted to the service of its fellow men.”⁴⁷

Through ratifying the CRC, the Russian Federation has taken some steps to improve the conditions for orphaned children. The CRC is a set of non-negotiable standards and regulations that are legally binding on the governments who accept them.⁴⁸ Nonetheless, despite after accepting this document in 1990, the Russian Federation has still violated the rights of children to a preposterous degree. The Russian Federation is still taking many steps to try and improve this dilemma, and on October 23, 2009 the Russian President appointed Alexei I. Golovan to the newly created post of Child Rights Ombudsperson at the national level.⁴⁹ UNICEF has reported that this is a huge advantage for Russian children in terms of having their rights protected. Golovan's responsibilities are to ensure that “institutions are in place, children's rights are better protected, their interests are taken into account in decision making, and child-related policies are supported by appropriate financing.”⁵⁰ The European Network of Ombudspersons for Children 1997 (ENOC) has been adopted by twenty-four countries in Europe and aims to:

“(1) Encourage the fullest possible implementation of the Convention on the Rights of the Child, (2) to support collective lobbying for children's rights, (3) to share information, approaches and strategies, and (4) to promote the development of effective independent offices for children.”⁵¹

The Russian Federation's newly appointed position of Ombudsperson is a huge step for children's rights, but human rights abuses is a deep-seated problem in the Russian Federation. The government will need to strongly enforce the protection of orphans living in and out of Russian institutions.

Charitable contributions over the past decade have steadily improved the physical conditions in Russian orphanages, particularly in "baby houses".⁵² Coinciding with charitable donations and the improvement of physical conditions, the publicizing and acknowledgment of children's rights abuses in Russian institutions has instigated some social change.⁵³ As a result of the Russian press reporting on human rights abuses, there has been a closure of mismanaged institutions. This termination of corrupt institutions has exposed conditions that in the past haven't been open to scrutiny.⁵⁴ Although these two factors of publicizing and donating goods have helped the overall awareness of child abuse in Russia, activists in the Federation view legislation as a crucial mechanism to deal with the lack of accountability that state authorities hold. Although there has been an establishment of a federal position to manage the broken system that is violating children's rights, the Russian government needs to intensely monitor the decentralization of authority and the power that the directors of institutions for orphans possess.⁵⁵

Conclusion

The Russian Federation has the responsibility to resolve these human rights abuses that Russian orphans suffer in order to secure a stable future in Russia that promotes the protection of international humanitarian law for all of its citizens. Through abiding by international human rights standards and stabilizing the institutions within Russia that violate the rights of children, the Russian Federation will be able to prevent abuse against human rights in all parts of their

nation. The Russian Federation must initiate the process of abiding to international human rights law by the means of transforming the corrupt orphan institutionalization system into a structure that can enhance the wellbeing of all Russia's orphans. The orphans in Russia are at the mercy of the state, and it is in the hands of the Russian Federation, international human rights groups, and the willingness of the Russian people to transform this Soviet-tainted system to protect the rights of all citizens, regardless of their age or mental health. Along with promoting the rights of all citizens, a Russian institutional system that can protect the human rights of orphans and raise them to be functional members of a society will help reduce the numbers of orphans who are deteriorating into serious antisocial behavior.

The Russian Federation should follow these simple legal and grass-root policy recommendations in order to resolve the human rights abuses in orphanages. The establishment of enforceable legal rights for children in institutions through a bill of rights will put forth standard obligations that the staff and directors in institutions will have to abide by or they will face legal punishment.⁵⁶ Coinciding with a bill of rights, the Russian Federation should generate a human rights oversight organization and enforcement mechanisms to assure proactive efforts to document treatment of orphans and their living conditions.⁵⁷

Another very important recommendation for the Russian Federation is to give the orphans a legal voice. This can be implemented by creating confidential complaint procedures for orphans in institutions when their rights imposed by the CRC are violated.⁵⁸ Lastly, the Russian Federation is to construct community involvement through the creation of human rights committees.⁵⁹ This grassroots policy recommendation will be extremely effective in involving all Russian citizens and raise their awareness and enforcement of international humanitarian law. These recommendations that aspire to transform the Russian institution-based care for

abandoned children into a community-focused system will help improve US-Russian relations. Through protecting the human rights of orphans in Russia under the legality of the CRC, the United States will be able to better regard the Russian Federation as a legitimate democracy that defends the rights of all its citizens, regardless of their ability to represent themselves and their hardships.

Endnotes

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Nancy Palekha, "The Sex Trade in Russia"

Introduction

The sex trade in Russia is a serious problem that survives the booms and busts of the Russian economy. The only way to stop the sex trade is to enforce laws and actions that protect human rights and to repeal laws that negate the role of non-governmental organizations (NGOs). Human rights in Russia has not had significant improvement since the collapse of the Soviet Union, NGOs are still restricted by the 2006 NGO law and the sex trade is too profitable to be stopped by the government, which has been known to profit from it as well.

The Human Rights Situation in Russia

Restrictions on the right to information and freedom of speech in Russia are evident. So-called "self-censorship" is economically imposed upon journalists and media outlets in order to stifle talk of many human rights violations. Law-enforcement officers often pressure and even blackmail journalists that are attempting to unearth controversies involving the authorities. If the news outlets do not conform to the official point of view they are often closed. One such example is the television company STS-Komi which broadcast controversial information, as well as Plus 12; both programs were stopped without any legal or economic reasons given. Individual journalists have also been known to be brought to militia precincts where it is demanded they stop writing certain articles.¹ Many human rights organizations are skeptical of the Russian government's legitimacy, especially after the murders of several Russian human rights activists in 2009.

One of the many murdered activists was the researcher and activist Natalya Estemirova, who was assassinated on July 15, 2009. Estemirova was investigating extremely sensitive material about human rights violations in Chechnya since the start of Russia's Chechen wars in 1994. There is little doubt that the assassination is due to her political work and many suspect that the murder was tied to her political enemies including the Chechen President Ramzan Kadyrov and his ally Prime Minister Vladimir Putin.

When Estemirova accepted the Human Rights Watch's Human Rights Defender Award in 2007 she stated that, "those who witness abuse keep silent, for if they speak, they can soon become a victim".² Her close colleague Anna Politkovskaya was murdered three years earlier under the same circumstances. The human rights lawyer Stanislav Markelov was also assassinated in January, and five other opponents of Kadyrov have been killed in the 10 months prior to the Markov assassination. Coincidentally, another human rights activist named Andrei Kulagin was also discovered murdered only days after the death of Estemirova.³

Not only has Reporters Without Borders placed Russia as 153rd in the 2009 World Press Freedom Index out of 175 countries,⁴ it is also ranked 107th in the 2008 Economist Intelligence Unit's Index of Democracy, right above Pakistan and below Burundi. A rating of 107 out of 167 countries gives Russia "hybrid regime" status which is worse than "full democracy" and "flawed democracy." This low ranking shows that Russia is seriously deficient in the areas of electoral process and pluralism, functioning of government, political participation, political culture and civil liberties.⁵ In the Freedom in the World index of 2009 Russia received "not free" status with political rights at a 6 and civil liberties at a 5, 7 is the least free while 1 is the most free.⁶

The Russian Federation greatly limits the NGOs in Russia through a 2006 NGO law that effectively prevents them from bringing public attention to human rights issues. This law also

makes it very hard for the NGO to receive any foreign financial support. The organization Human Rights in Russia is also stifled by a series of laws enacted in 2006 that included; the Federal Law on Introducing Amendments to Certain Legislative Acts of the Russian Federation No. 18-FZ, 2006, the Law on Non-Commercial Organizations No. 7-FZ, 1996, the Law on Public Associations No. 82-FZ, 1995 and the Russian Federation Civil Code article 61. The series of laws have had the detrimental effect of allowing the Kremlin to constrain or dissolve any NGOs that are critical of the government. The NGO law of 2006 forces unreasonable requirements for NGOs in Russia and can deny NGOs if the organizations activities threaten the “sovereignty and territorial integrity of the Russian Federation”.⁷ Such vague descriptions allow the Russian Federation to have jurisdiction over all of the workings of NGOs, compromising the citizens’ freedom to gather and speak out.

The Sex Trade in Russia

The presence of the sex trade is undeniable in the Russian Federation, so much so that no matter how much the government tries to keep the issue quiet through the NGO laws, pressure on media and threats to journalists, it is a country that has a very well-known sex ring. Part of the reason why the government tries to downplay this issue is because many officials have been known to be involved in the buying, using, and selling of sex slaves.

The collapse of the Soviet Union and the lack of employment for women in post-Soviet countries greatly contribute to the overwhelming amount of sex trade. Sex trade is an international issue that reaches all countries and that the US is also involved; therefore the US must take interest in this human rights issue that is devastating Russia and our own country.

Human trafficking is defined as “the recruitment, transportation, transfer, harboring, or receipt of a person” that is exploited because of either an economic or sexual vulnerability.⁸ In a study done of 155 countries, 79% of the human trafficking is sexual exploitation predominantly of women and girls.⁹ It is estimated that somewhere between 800,000 and four million people are trafficked worldwide each year.¹⁰ Criminal groups are estimated to make around \$7 billion annually trafficking women from former Soviet Union countries, including Russia.¹¹ Russian and Ukrainian women are actually the most valuable commodity in the sex trade.¹² Sex trade is particularly dangerous because the victims are exposed to serious health risks, sexually transmitted diseases, and HIV/AIDS.¹³

Trafficking of persons in Russia is most common intra-regionally and domestically but is also happening internationally. The Soviet Union made international human trafficking easier because they offered little resistance to sex traffickers crossing borders within the republics. This easy transit has carried over to the conduct of authorities in the Russian Federation. Since the Soviet Union collapsed, the percentage of women supplied to the international sex market by post-Soviet countries has exceeded that of any other region.¹⁴ Additionally, the collapse of the Soviet Union and Yugoslavia contributed to many women being forced into prostitution as regulations on population movement were no longer enforced and women were sent overseas.¹⁵ The collapse of the Soviet Union caused a severe economic decline which had a devastating effect on women, who made up 70% of the official unemployed in the 90s.¹⁶ The collapse caused a breakdown of industry, farming and the rural infrastructure in general; unemployment soared as many peoples’ jobs disappeared. Salaries for teachers and doctors also dropped significantly, unemployment forced rural residents to move to cities in search of work. Many

unemployed women are lured by traffickers who promise high paying jobs such as waitressing, dancing, modeling, and nanny jobs.¹⁷

Government Involvement, For Better or Worse

Many governments are in denial about the amount of human trafficking and sex trade in their country. Antonio Maria Costa of the United Nations Office on Drugs and Crime (UNODC) said that when it comes to governments, many are in denial and show neglect in reporting and prosecuting cases of human trafficking. Mr. Costa also said that people are ignorant of the situation and that many “fear the problem is getting worse, but we cannot prove it for lack of data, and many governments are obstructing,” one of the governments that is obstructing the collection of data is most certainly Russia.¹⁸ The trafficking business in the former Soviet Union keeps a very low profile and no official statistics are available.

The Russian government keeps the extent of sex trade out of the public eye but in fact, many Russian officials have been tied to the growing sex ring. The Interior Ministry, Federal Security Service and Ministry of Foreign Affairs have all had cases of compliance with traffickers.¹⁹ In 1996 an entire police precinct in Moscow was disbanded because officers were running a prostitution ring in the city.²⁰ More recently, thirteen men were indicted in an international sex trafficking case where women were used as sex slaves in March 2009. One of those charged was a senior officer in Russia’s Defense Ministry. Out of the thirteen men, many are high-ranking government officials from the intelligence services and the military. The defendants are believed to have smuggled more than one hundred women throughout Europe and the Middle East.

One woman named Natasha told her story of being sold into prostitution by a woman she thought was her friend; it is actually a norm for women to traffic other women.²¹ Natasha stated that, “people who are involved in this business have so many connections, they fear nothing. They have policemen, judges, even sheikhs among their clients.”²² One suspect from the government testified that many of the people involved did so simply because they had no other choice due to the decline in state financing starting in the 1990s.²³

Law: International, National, and How NGOs Fit In

International laws are established by the UN. The first and primary international legal convention against human trafficking was the United Nations Convention against Transnational Organized Crime which was adopted by the General Assembly in 2000. The Convention also has three Protocols; the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children; the Protocol against the Smuggling of Migrants by Land, Sea, and Air; and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components, and Ammunition. Signatory states commit themselves to take several steps against transnational and domestic criminal offences, to the adoption of new frameworks for extradition, to mutual legal assistance and law enforcement cooperation and to the promotion of training and technical assistance for building or upgrading the necessary capacity of national authorities.

Particularly helpful with respect to combating the sex trade is was the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, which gave the first official definition of human trafficking which helped to clarify some of the previous ambiguity surrounding human trafficking.²⁴ Despite these laws, the commitment to

combating human trafficking in Russia has not been resolute regardless of the gravity of the situation. National laws or non-governmental organizations would usually step-up and provide assistance in these circumstances but given the restraints from the NGO laws, help is not reaching the victims or preventing this exploitation.

The Russian Federation does not directly nationalize laws against human trafficking, Alexander Krasnov of Russia's Interior Ministry Police stated that, "we have virtually open borders, and...we still don't have a basic law that defines victims' rights. At the moment, it's mostly aid agencies that deal with it".²⁵ The problem is that the aid agencies that are supposed to be helping are greatly stifled by the 2006 NGO law as stated earlier, leaving victims with little to no chance of help.

Many human traffickers lawlessly "prey on the dreams of impoverished women seeking employment and opportunities for the future".²⁶ With only a very slight chance of punishment, human traffickers are allowed to commit atrocious crimes against humanity. Human Rights Watch, Amnesty International and Anti-Slavery International are larger organizations that are protecting human rights in general in every country but there are few sex trade or human trafficking organizations that have made an impact in Russia. Beyond these bigger institutions, there are very few organizations that are able to help victims bring awareness and justice because of the Russian government's tight political control.

To make matters worse, HIV/AIDS is running rampant in Russia and outside help is being denied because the government believes that those trying to offer aid are encouraging prostitution to become legal. Another reason the epidemic is rapidly growing is that the Russian government simply does not want outside help. The US has already been hesitant to provide foreign aid to Russia and Russia is hesitant to accept it, unsure of what it will mean or what

changes they will have to make upon receiving it. However, there have been some steps forward. US aid has helped to create a new national HIV medical curriculum. But this is a small step forward and much more will need to be done.²⁷ Progress is stunted because the US government has had a history of distrust with the Kremlin and has not provided much aid directly to the Russian government. Even that token amount has been usually tied to Russia's performance on human rights issues and a whole host of others including the selling of nuclear technology to Iran, arms sales to Cuba, stopping war crimes in Chechnya, along with many other conditions.²⁸

The UNODC has called governments, the public and the private sector to action saying that, "more must be done to reduce the vulnerability of victims, increase the risks to traffickers, and lower demand for the goods and services of modern-day slaves."²⁹ While the government is partly ambivalent and partly involved, the sex trade industry grows. According to the US Department of State Foreign Operations Assistance Fact Sheet, the US has increased US-Russian law enforcement cooperation in regard to prosecuting trafficking in persons. US aid and US-Russian cooperation has also led to the formation of *Golos*, an independent Russian NGO network with 40 affiliate offices for monitoring elections to improve democracy in Russia and hopefully trust among the two nations.³⁰

US Interests in Combating the Sex Trade in Russia

The issue of the sex trade in Russia has huge effects on the United States domestically and in relation to Russia. In the US there are 25 different Russian organized crime groups known to have large operations of prostitution, fraud, money laundering, murder, extortion and drug trafficking. Even ten years ago the Federal Bureau of Investigation already had 250 open

cases of these Russian gangs in the US.³¹ Russia's sex trade problem reaches all ends of the earth. It cannot be ignored any longer. But Russia needs help fighting this problem. Human rights issues have also been an irritant in relations between Russia and US relations since the days of the Soviet Union. The US has been afraid that if they invest in Russia the government may misuse finances since this has happened in the past. However, if the US can help Russia overcome some of their human rights issues they can begin to rebuild trust and a stronger relationship.

Recommendations

The US has many possible options in how to approach Russia with assistance. Given the history of distrust between them, it is vital that the US provide aid without strings attached. If the US makes foreign assistance a bartering tool, Russia will most likely refuse it and relations will sour. Since there is a considerable amount of distrust, the best way for the US to improve bilateral relations without imposing itself on Russia would probably be to invest directly into the private sector and into improving public problems rather than investing into the government just yet. Some of the recommendations for assisting in fighting the sex trade are as follows:

- Support the Bratislava Initiative which intends to promote US-Russian cooperation in combating HIV/AIDS, which plays a big part in the dangers of the sex trade;
- Encourage the Kremlin to repeal the 2006 NGO law;
- Support NGOs in Russia by helping them receive foreign funding;
- Encourage the Russian government to crack down on human trafficking and bring the perpetrators to justice.

- Start aggressive investigations of sex trafficking in the US, charge perpetrators and protect victims. Also, involve the perpetrators' country of origin in the proceedings so that more cooperation can commence.
- Provide more access to international independent media so that the media outlets in Russia can begin pursuing more freedom of speech.
- Assist in protecting any journalists or activists that have been threatened by the government so that the persecution of them can end and the officials involved in human rights violations can be exposed.

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Introduction

Extreme intolerance creates fractures in society and government, erodes trust in government capabilities, and dissuades foreign investment. A xenophobic society shuns transactions with minorities or foreigners and limits interactions to known associates. Discriminating officials prevent minority groups from utilizing public services and inadvertently create a new market for illegal activity. Ultra-nationalists eventually resort to extremist violence which threatens national, regional and international security. Extreme intolerance does not just appear on one level of Russian society, but permeates throughout all levels, demonstrating the "existence of institutionalized discrimination."¹

The Russian Federation reflects the institutions of which it is comprised. And, because politicians must court the favor of voters, the institutions represent the views of the majority population. The United States cannot hope to understand why Russia is skeptical of foreign aid or why it has been unable to significantly reduce corruption without first examining nationalism, xenophobia and discrimination in Russian society. If the United States understands the threats posed by extreme intolerance in Russia, the country can develop prevention and containment strategies. We must first, however, examine the relationship between intolerance and each level of Russian society before we can develop any recommendations for action.

Individuals and Organizations

Russian society harbors an increasingly violent strain of extreme intolerance, manifested most obviously in neo-Nazis and ultra-nationalist parties, but which also lies dormant in everyday xenophobia. The United States can understand the character of extreme intolerance by examining its representation in the group and in the individual. More importantly, the United States can identify the underlying conditions that may have contributed to the growth of ultra-nationalism in Russia and seek to ameliorate these conditions if possible.

In 2008, the Levada Center, a Russian independent research and polling organization, conducted a poll in which 55-57 percent of the population admitted to being xenophobic.² Even without knowing the degree of xenophobia, the results show that intolerance is well ingrained in Russian society. Nationalism and xenophobia have a tendency also to rise in times of economic crisis. In the current recession, we see an increase in the number of unemployed accompanied by an increase in the flow of migrants from poorer areas, particularly from the Caucasus, Central Asia and Russian Eurasia into northern cities. Most migrants tend to work in lower-paying jobs, move as needed to find work, and thus often do not seek to be assimilated. The local population, ethnic Russians, cannot be certain, however, of the transient nature of migrants and frequently believe that these groups intend to make permanent enclaves and seek political representation or preferential status.

As the economy continues to stagnate, ethnic Russians may erroneously believe that if migrants appear more financially secure, it is only at the expense of the local population's wellbeing. Frequently migrants remain employed, because they are willing to work long hours in low-paying jobs, while ethnic Russians may experience severe unemployment. Both immigrants and ethnic Russians begin to "fear being attacked, subjected, dominated or

annihilated” by the other group, leading to a situation where threats are “blown out of seemingly rational proportion.”³ Organizations such as Russian National Unity (RNE) and the Movement against Illegal Immigrants (DPNI) and smaller groups like the Ryno-Skachevsky gang epitomize the resulting security dilemma caused by an “obsession with relative power.”⁴

According to the Moscow Bureau for Human Rights, Russia is home to at least 50,000 neo-Nazis, or skinheads.⁵ Russian youth are particularly drawn to these organizations for the same reasons juveniles are often attracted to any radical cause, most notably poverty and missing ideological values. Mendelson and Gerber suggest that youth who grew up unexposed to Soviet ideology tend to better tolerate authoritarianism, xenophobia and corruption.⁶ The Ryno-Skachevsky gang represents an extreme, albeit not rare, example of organized ultra-nationalist violence. Between August 2006 and October 2007, these teenagers committed twenty hate-motivated murders and twelve attempted murders.⁷ This gang epitomizes dozens of similar gangs populated by disaffected youth.

Skinhead groups have graduated from simply stabbing or beating their victims to using explosives and firearms, from attacking individuals to targeting public gatherings. Eight members of Nikolai Korolev’s group were charged and convicted of several explosions in Moscow, one of which killed 14 people and wounded 60 more.⁸ These groups are also beginning to target the people who aid minorities. In June 2004, fourteen neo-Nazi youths murdered Nikolai Girenko, an internationally known expert on skinheads.⁹ Lawyers and journalists are also frequently attacked, murdered or threatened. Immigrants and other diasporas will inevitably begin to provide their own protection, form retaliatory groups, and/or preemptively attack groups of Slavic males. This pattern will lead to an escalating exchange of violence and a security dilemma which may require extreme measures to contain. The Russian

government may begin stripping minorities and foreigners of more civil liberties in a false gesture of protection.

The Russian National Unity (RNE) and Movement against Illegal Immigrants (DPNI) evolved from anti-immigration protest groups into ultra-nationalist organizations strongly allied with several political parties and prominent individuals. In the 1990s, the RNE boasted a membership of over 15,000 which declined when the group splintered into two factions in 2000. The DPNI was not formed until 2002, spurred on by a series of pogroms in Moscow Oblast. Although much smaller, this group garnered greater support from the public, political officials, and media. Ultra-nationalist organizations mobilized large anti-immigration and pro-Russian marches, often simultaneously in several cities, and distributed propaganda calling for armed defense groups or preemptive violence.¹⁰

These organizations represented, to some degree, the views held by more than half of the Russian population but are now experiencing waning popularity. The Russian government tolerated and even contributed to the nationalist rhetoric, but in the last few years, politicians have distanced themselves from nationalist political parties. In 2008, the only registered nationalist political party forfeited its registration. The DPNI decreased activity after a schism in 2008, losing visible government support in the two years following.¹¹

Ultra-nationalists have been relatively successful in dissuading immigrants from staying in Russia, a country that relies heavily on immigrant workers. In 2008, immigrant labor fulfilled 6 percent of Russian output. The ethnic Russian workforce will lose 8 million workers over the next seven years as a result of declining birthrates and increasing death rates.¹² With an exodus of migrant labor and the inability to replace this labor with its own workforce, Russia can expect a slow decline in economic output, severe unemployment, and increased public unrest. As the

economic climate deteriorates, the remaining minorities and foreigners will be subjected to more violent discrimination.

If extreme intolerance continues to worsen, the United States may find that the inability to guarantee safety precludes it from stationing minority embassy employees in St. Petersburg and Moscow. The State Department may eventually need to issue travel warning for U.S. tourists and businesses visiting or operating in Russia. If investors find the climate in Russia less inviting and oil prices fall, Russia may find itself looking for alternative revenue sources and, to the U.S.' dismay, begin trading with unstable countries seeking military or nuclear technology. Fortunately, Russia is making progress towards limiting the detrimental influence of ultra-nationalism. In March 2009, the National Antiterrorist Committee announced in a memo that neo-Nazi organizations pose the second largest terrorist threat to national security.¹³

If it wishes to establish the legitimacy of state rule, a country requires strong institutions in which equal treatment can be guaranteed. The Russian legal system has been marred by extreme intolerance, but is slowly instituting changes as evidenced by increasing conviction rates for extremist crimes. Prosecutors no longer consider extreme intolerance as a separate criminal category and are now attaching it as a motive for other crimes. The Russian government has been pushing reform of the legal system. We can hopefully expect lessening discrimination as a byproduct of a general reduction in corruption. Although some media outlets adopt a discriminatory or xenophobic slant, this section will only address xenophobia and discrimination in law enforcement. In media, the problem is simply not as universally pervasive.

Citizens experience the legal system most commonly through their interaction with law enforcement. If law enforcement is viewed with contempt or fear, the public transfers these sentiments to the system as a whole. Routine discrimination represents one of the most insidious

transgressions, because it is harder to detect and prosecute. Three brothers, Ahmed, Ramzan, and Bislan Mukhadiev, migrated to Moscow from Chechnya between 2000 and 2003 and rented a room near Moscow with their wives after obtaining a temporary housing permit. In 2003, the internal affairs department refused to renew their housing registration. Although the women returned to Chechnya, the brothers believed that their lives would be in greater danger there than living in a northern city illegally. While they unsuccessfully continued to petition for registration, police officers routinely visited their home and levied a fine on each visit for the absence of registration.¹⁴

According to SOVA Center, when law-enforcement again visited the brothers in mid 2003, officers handcuffed the three men then placed boxes of explosive devices in the apartment. The police officers brought in the neighbors, ethnic Russians, as attesting witnesses to the discovery of explosives. Initially the brothers were charged with attempting to blow up a power station, but the charge was later changed to simple possession of explosives. The police investigator Artyom Mitrokhin admitted during the judicial proceedings that he had no probable cause to search and detain the Mukhadiev brothers, other than for reasons of racial discrimination and arbitrary selection. Despite his admission, two of the brothers were convicted for ‘acquisition and possession of weapons’ and were released after nine months of pre-trial imprisonment.¹⁵

In general, persons from the Caucasus or Central Asia are subjected to more frequent document checks, detention and excessive fines than others. Law enforcement employees frequently use document checks as a pretense to extort bribes. Police target migrant workers and Russian citizens with a non-Slavic appearance with the expectation that they will not file complaints.¹⁶ Police officials are also directly involved in creating and disseminating hate

propaganda, participating in the physical abuse of non-Slavic persons, or failing to interrupt acts of racist violence. By mid-2008, some employees of law-enforcement agencies were being charged with and sentenced for discrimination and incitement of hatred, but convictions are still rare. More importantly, these charges addressed routine xenophobia and not just ultra-right activity or violent racism.¹⁷ Law enforcement officials remain overall xenophobic, which contributes to continued arbitrariness when dealing with ethnic minorities.

The government may be able to enact legislation and denounce extreme intolerance on the national level, but it must also be implemented on the regional and local levels. The physical structure exists, but if the actors are partial and act with impunity, the entire system fails. Russian law enforcement generally not only tolerates discrimination, intolerant propaganda and racial violence, but also perpetrates the crimes themselves. If the police are generally distrusted, the public eventually loses faith in law enforcement and consequently, in the government's ability to provide basic human security.

The United States should worry that a demoralized population will more readily accept an increasingly authoritarian government if it promises personal security. U.S. businesses may by necessity turn to third party enforcers (mafia) to provide the security unavailable from legal sources. If the police force is not reformed, the Russian economy will continue to lose the potential tax revenue that is instead paid to third party enforcers, further weakening the entire economy. As Russia slowly attempts to reform its legal system, it will inevitably tackle corruption and intolerance in the police force. The Medvedev administration has already signaled its willingness to aggressively eradicate corruption. In February 2010, President Medvedev fired seventeen top Interior Ministry police officials and proposed harsher punishment for police officers found guilty of crimes.¹⁸

Government

An elected government is a reflection of the governed. And until recently, the Russian government reflected a population either supportive or tolerant of xenophobia and nationalism. The Putin administration often employed aggressive nationalist rhetoric in defense of its domestic and foreign policies. The Medvedev administration continues to reduce nationalist rhetoric as well as take concrete steps to reduce intolerance in its domestic institutions. Although not always remembered, Russia already possesses a democratic constitution which guarantees equality and nondiscriminatory treatment for all peoples. Yet despite this progress, the government still maintains and supports unconstitutional policies, laws, and politicians.

Russian legislators continue to maintain several lesser laws that are discriminatory in nature. Federal Law No. 74 –FZ ‘On National-Cultural Autonomy’ (17 June 1996), for example, established national-cultural autonomies (NCA), associations meant to develop language, culture and education of an ethnic group. Non-NCA public associations can engage in the same activities but without the restrictions placed upon NCAs. Ethnic groups are prohibited from establishing multi-ethnic organizations and have difficulty registering as a NCA. These conditions inhibit freedom of association for ethnic minorities.¹⁹

In December 2006, the Federal government issued a Decree which would ban foreigners (particularly ethnic Georgians) from certain roles in retail trade starting on 1 April 2007. This Decree constitutes an officially sponsored policy of ethnic discrimination echoing public anti-immigration sentiments. The United States can only hope that, as the government reforms its legal system, it will revoke these laws and evaluate all new legislation according to the constitutional provisions for equality.

Xenophobic and nationalist sentiments are also pervasive in the State Duma. Until recently, ultra-right organizations could easily find representatives who shared their xenophobia, such as Liberal Democratic Party (LDPR) representative Sergei Ivanov, who openly collaborated with the National-Socialist Society in 2006. According to SOVA Center, Minister of Parliament Nikolai Kuryanovich of the LDPR was one of the most outspoken proponents of neo-Nazi and anti-immigration groups, openly voicing ultra-right slogans and organizing nationalistic events. He was not reelected in 2008, evidence of the waning political power of ultra-nationalist politicians.²⁰

The ultra-right lost some of its influence in the State Duma after the 2007 elections, not as a result of increased prosecution of radical nationalism, but because their candidates were not elected and they lost their previously established ability to lobby the Duma. Unfortunately State Duma MPs can use their protected status to lobby for organizations whose ideologies violate constitutional law, propose discriminatory legislation and distribute hate-based propaganda.²¹ Although blatant ultra-nationalist sentiments are usually unacceptable, politicians still routinely issue speeches or support causes that are obviously discriminatory or xenophobic.

The Putin administration appointed Dmitri Rogozin, a known nationalist, as the ambassador to NATO. A former nationalist party leader, he was once banned from competing in Moscow elections for using xenophobic propaganda. Rogozin contacted the DPNI prior to leaving for Brussels to reaffirm his allegiance to the organization's ideology; and, upon his arrival, he promptly hung a portrait of Stalin in the ambassadorial office. Pundits speculated that Rogozin's role was to continue espousing the nationalist positions frequently used by the Putin administration.²² President Medvedev seems to be distancing himself from the rhetoric of his predecessor. The United States can only hope that, if Medvedev chooses to replace Rogozin, it

will be because he wishes to engage with NATO as well as continue his anti-intolerance policies on the international stage.

Conclusion

The United States cannot eliminate nationalism, xenophobia and discrimination in Russian society. Nor can it hope that the Russian government will be able to completely reform its legal system and strengthen rule of law without first employing more draconian measures. The United States can, however, mitigate the consequences of growing extreme intolerance in Russia by engaging the nation through international organizations, making its own practices more transparent, and asking Russia to meet the same standards levied upon other countries.

The U.S. can no longer berate the Russian Federation for human rights violations if it ignores such violations in partner countries, such as China and Saudi Arabia. As long as it is subjected to unequal standards, Russia will resist fully engaging with international counterparts on issues of human rights. Yet, the U.S. should not hesitate to confront Russia if ultra-nationalism escalates into active terrorism that crosses borders, if nuclear security is threatened, or if American citizens and businesses in Russia are ceaselessly fearful. If Russia fails to curtail extreme intolerance, it nurtures an environment that emboldens terrorists, undermines legitimacy of rule and unduly burdens the Russian economy.

Recommendations

- Monitor improvement through the statistics released by Russian human rights organizations, such as the SOVA Center, the Moscow Helsinki Group and the Moscow Center of Human Rights;
- Create training programs that educate U.S. businesses as to how to identify and reward Russian investment partners who employ minorities and use nondiscriminatory practices;
- Ultra-nationalist displays and violence are becoming commonplace at football (soccer) events in Europe and Russia, at times even escalating into pogroms. Encourage league officials to vigorously prosecute offenses and begin earnestly holding teams accountable for the behavior of their associated clubs, as per league regulations;
- Make transparent U.S. human rights discretions, emphasizing concrete steps the U.S. is taking to address these violations; and,
- Encourage Russia through international organizations and bilateral talks to address growing nationalism, xenophobia and discrimination.

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III. Commission Member Papers on Regional Issues

Emily Liebeskind, “The United States, Iraq, and Russia”

Introduction

Russia is the world’s largest country, endowed with immense resources, while the United States stands as the richest, most powerful, and most advanced country. As no imminent contradictions rival these two states, a cooperative relationship is possible and even logical. Yet, years of hostility and poor cooperation have ensued. While the international climate is slowly changing as US President Barack Obama exhibits new efforts to patch the strained relationship with Russia, it is important to examine historical tensions that have shaped world politics today. In this paper, I will analyze US policy in Iraq since the Gulf War, focusing on the UN Security Council sanctions and the 2003 US-led invasion of Iraq, and the effects of these actions on US-Russian relations. I will argue that that the UN Security Council’s near complete economic sanctions against Iraq were successful in containing the Saddam Hussein regime but unsuccessful in toppling Saddam’s regime or changing his behavior, and that the Iraq War was generally successful in securing US economic interests. However, US policy in regards to both the sanctions and the Iraq War worsened relations with Russia due to the US’ unilateral decision making.

I will first provide an overview of the UN Security Council’s near complete economic sanctions on Iraq. I will then address the humanitarian issues that resulted from these sanctions. Third, I will discuss American and Russian interests and policy regarding the sanctions, followed by a section addressing American and Russian policy and interests in the Iraq War. A final

section will analyze the effectiveness of US policy in attaining its goals and how it pertains to relations with Russia.

Overview of the UN Sanctions

On August 6th, 1990, the United Nations (UN) Security Council passed Resolution 661, placing comprehensive economic sanctions on Iraq to “restore the authority of the legitimate government of Kuwait”.¹ Resolution 661 was redefined as Resolution 687 on April 3, 1991 after a US led military coalition forced Iraq out of Kuwait, with a new agenda to coerce Iraq’s compliance with the Security Council and end Iraqi possession of weapons of mass destruction (WMD).² Although the UN supervised substantial Iraqi disarmament including dismantlement of WMD, the complete economic sanctions prevailed. Initially regarded as a legitimate short term strategy to attain Iraqi compliance, diplomats viewed the comprehensive economic sanctions as “innovative, benign, and non-violent.” However, a heinous humanitarian crisis ensued.³ Resolution 986 implemented the Oil-for-Food program as a temporary solution to deal with the crisis. However, the program only temporarily improved conditions and was weakened by unacceptable delays in delivery and politically motivated blocks and “holds” imposed almost entirely by the US.⁴ The program did little to repair Iraq’s deteriorated infrastructure including water treatment, electricity, and public health.⁵

Humanitarian Issues

Governments, UN agencies, the press, and international NGOs soon acknowledged the humanitarian crisis that resulted from the Iraq sanctions. It is clear that the sanctions hurt large numbers of innocent civilians by limiting the availability of food and medicines, disrupting the entire economy, impoverishing Iraqi citizens by depriving them of essential income, and

reducing the national capacity for water treatment, electrical systems, and other infrastructure critical for health and life.⁶ The UN Committee on Economic, Social, and Cultural Rights stated that sanctions often caused “significant disruption in the distribution of food, pharmaceuticals, and sanitation supplies, jeopardizing the quality of food and the availability of clean drinking water, severely interfering with the functioning of basic health and education systems, and undermining the right to work.”⁷ Resulting emigration due to the sanctions left Iraq without its brightest professionals, workers’ skills disappeared after years of unemployment, women lost jobs disproportionately in the shrunken workforces, stress and psychiatric illness ravaged families, and social cohesion unraveled.⁸

On January 27, 2000, the House of Commons Select Committee on International Development issued a report in the UK parliament:

There is a clear consensus that the humanitarian and developmental situation in Iraq has deteriorated seriously since the imposition of comprehensive economic sanctions whilst, at the same time, sanctions have clearly failed to hurt those responsible for past violations of international law as Saddam Hussein and his ruling elite continue to enjoy a privileged existence.⁹

While countries of the UN Security Council recognized the dire humanitarian situation and attempted to reverse the sanctions, the US and UK employed their veto power to ensure the continuation of the sanctions. They used their influence in the news media to downplay its seriousness and accuse humanitarian agencies of relying on poor science and complicity with the Iraqi government.¹⁰

The US and the UK portrayed themselves as “well-meaning, innocent victims of Saddam’s finely tuned propaganda machine”.¹¹ It is important to note that while the government of Iraq is a notorious human rights abuser, the sanctions greatly worsened the situation. Further, although the US and the UK used the oppressive government in Iraq as rationale for the

sanctions, sanctions cannot legally serve as punishment for past acts under the UN Charter or under any standard of international law.¹²

Other Effects of Sanctions

The protection of access to oil was a primary reason for US involvement in the 1991 Gulf War. This was reflected in a statement by Congressman Louis Stokes of Ohio who said on January 12, 1991: “I venture to say that if Kuwait produced bananas, instead of oil, we would not have 400,000 American troops there today.”¹³ While the economic sanctions initially passed to pressure Iraq to leave Kuwait, UN Security Council Resolutions crafted by the US froze financial assets abroad and banned imports and exports, allowing only medical supplies to be imported without restriction.¹⁴ These sanctions had three main goals: Firstly, and generally accepted by France, Russia, and China, was that the sanctions were designed to change the Iraqi government’s behavior, eliminate Iraq’s WMD, and lead it to accept Kuwait’s sovereignty. The second goal, supported almost solely by the US and UK, was to trigger the downfall of Saddam Hussein’s regime. The third goal built on the second, in that if the Iraqi regime did not comply with all of the requirements for lifting the economic embargo as outlined in the Resolutions, the sanctions would remain in force until the regime collapsed.¹⁵

The US and the UK stood alone in seeking the fall of Saddam Hussein. Many of its interests in doing so were economic based. Although at various times since the Gulf War US officials have used humanitarian justification for intervention in Iraq, scholars have documented that oil and oil resources were clear motivations for US involvement in the Gulf War, the backing of the UN economic embargo against Iraq, and finally in the most recent US-led Iraq War. A strong centralized Iraqi state threatens US interests, notably access and control of oil. In 1998, the US Senate passed the Iraqi Liberation Act to work in accordance with the Iraqi

sanctions. The act authorized the President to provide assistance to Iraqi opposition organizations as part of “the policy of the United States to seek to remove the Saddam Hussein regime from power in Iraq and to replace it with a democratic government.”¹⁶

Russia’s Relations with Iraq

Historically, Russia has had close relations with Iraq. Although sometimes troubled, close relations with Iraq were clearly evident during the Cold War. The Soviet Union sold weapons to Saddam Hussein during the Iran-Iraq War, at which time the majority of the \$8 billion Iraqi debt to Moscow was incurred.¹⁷ Despite historical tensions, Gorbachev cooperated with the US in securing numerous UN Security Council resolutions against Iraq when it invaded Kuwait in 1990.

After the fall of the Soviet Union, Russian ties with Iraq continued as Russian oil firms signed and discussed many contracts to develop Iraqi oil fields contingent on the lifting of UN Security Council sanctions. Saddam Hussein favored Russian firms in the expectation that Moscow would seek the lifting of the sanctions, as the contracts made it a mutual benefit.¹⁸ Putin was concerned with Iraq because of the impact it would have on the Russian economy. Some estimates say that a one dollar rise or fall in the price of a barrel of oil corresponds to a rise or fall of .35 percent Russian GDP.¹⁹ Once the Iraqi sanctions were lifted, Iraq would increase oil production causing the price of oil to drop for an extended time period. While this would have a negative impact on other oil exporting countries, it would theoretically have an even greater impact in Russia where producing costs are especially high. However, Russian oil firms could have offset these losses through the oil development contracts they signed with Saddam

Hussein. Although never successful, Russia did encourage the UN to remove the sanctions so as to permit more extensive Russian-Iraqi oil cooperation.

The Iraq War

It is clear that the US sought hegemonic power, as it manipulates the UN Security Council, betrays UN resolutions, manipulates UN-linked financial institutions to advance the interests of American capital, and often frustrates UN agencies by pushing policies designed to further a self-serving American agenda.²⁰ This “agenda” in Iraq is clearly oil control, the key to economic and political dominance. Halliburton and other US corporations have made enormous profits in the recent Iraq War:

Dick Cheney was Halliburton CEO and largest individual shareholder when he left to take charge of George Bush. His business is war and he will shape US policy to achieve it. Halliburton will get a large chunk of the \$200 billion cost of maintaining the troops that invade and occupy Iraq and the lion’s share of the rebuilding the infrastructure afterwards. Then they will move on to the next profit-centre of manufactured crisis. Most likely, they are already there...

Thus it is also logical that the Bush administration demands privatization of every possible specialty in the US armed forces-both civilian and military. Hundreds of thousands, in and out of uniform, will lose their positions so that Halliburton and other profiteers can claim more contracts. Put bluntly, Cheney and his crowd see war as contractual arrangement.²¹

This excerpt demonstrates the close relationship between US policy and corporate interests, often tied to securing oil, whether in Turkey, Georgia, Azerbaijan, Nigeria, central Asia, or Iraq.

Before and during the American led intervention in Iraq, the Putin administration had several goals. It sought partnership with other nations, preventing the US from acting unilaterally, and trying to create a multipolar world to prevent American intervention in Iraq. When this failed, he sought to prevent the US (and UK) from determining Iraq’s future without UN Security Council approval.²² Russia also sought, after the Hussein regime was ousted to

cash in on the contracts that its oil firms and other enterprises had signed with that regime. UN Security Council sanctions were lifted after the fall of the Hussein government and Russia sought to preserve the contracts it had gained under the UN Security Council's Oil-for-Food Program. They also sought to finally collect the \$8 billion debt that Hussein owed Moscow, and to prevent events in Iraq from damaging the Russian economy.²³

Overall, Russia failed to create a multipolar world. It continues to resent the US for taking unipolar actions, including NATO expansion, US led interventions in Bosnia, Kosovo, and Iraq, and US withdrawal from the anti-ballistic missile treaty.²⁴ Russia joined with France and Germany and lobbied for a two resolution formula in Iraq, calling for the return of inspectors to verify the dismantling of Iraqi WMD, and the use of force only to be authorized by a second resolution.²⁵ Inspectors were ambivalent and certainly did not declare Iraq to be in possession of WMD, and thus it appeared to be a good strategy for Russia to indefinitely forestall intervention against Iraq.²⁶ Regardless, the US acted unilaterally and invaded Iraq in 2003.

At first, Moscow indicated that it would support the US in the Security Council as long as it ensured that post Saddam Iraq would honor Russian oil contracts, repay past debts to Moscow. They also pressed the US to drop objections to Russian atomic energy reactor sales to Iran, and give Moscow a "free hand" to intervene in Georgia.²⁷ The US, however, refused to make any concrete commitments and instead issued statements to "take account of Russia's concerns".²⁸ American officials ruled out the possibility of a secret deal with Moscow on Iraqi oil, increased rather than drop objections to the Russian-Iranian nuclear relationship, and forestalled Russia from intervening in Georgia through the deployment of American troops.²⁹

Moscow's realization that the US would not compensate Russia for its support on Iraq sanctions, coincided with Russia allying with France and Germany in attempts to restrain the US.

Although the US and Russia pushed for different outcomes in Iraq, Russian politicians expressed desire to increase cooperation with the US on multiple occasions. On January 28, 2003, Putin stated that while military action against Iraq was “unwarranted, Russia could reach agreement with the United States on other, tougher solutions” if Iraq impeded UN weapon inspectors.³⁰ In the *Washington Post*, Russian foreign minister Igor Ivanov made it clear that Moscow wanted Russian-American cooperation “regardless of what happens with Iraq”.³¹

However, three specific events during the Iraq war led to a serious deterioration in Russian-American relations. In late March, the US government publicly accused two Russian firms of selling weapons to Iraq, a violation of the UN Security Council resolutions.³² Although Russian officials denied these charges, Iraqis did possess Russian electronic jamming equipment. Secondly, Moscow was fearful that American reconnaissance flights in Georgia were actually intended to spy on Russian territory rather than look for terrorists in Georgia.³³ The third event contributing to the frictions between the US and Russia resulted from an automobile convoy in Iraq with Russian diplomats being fired upon, reportedly by American forces. Other countries had pulled their diplomats out of Baghdad before the war and warnings by the US of the unsafe conditions in Iraq were interpreted by the Russian foreign ministry as a threat.³⁴ Despite these events, Russia, along with other countries, voted in favor of resolution 1483 that gave the US and the UK occupying powers and lifted the Hussein-era economic sanctions.³⁵

Analysis

When analyzing the effectiveness of US policy with regard to Iraq, the multiple facets of the situation must be separated and examined independently. Regardless of what US politicians expressed to the public as justification for involvement with Iraq over the years, evidence clearly

illustrates oil interests and a search for regional hegemony drove policy decisions. With oil and the economy being a common interest for both the US and Russia, Iraq has been the subject of hostility, especially since the end of the first Gulf War. The following will analyze the effectiveness, not to be confused with the impact, of US policy in both attaining the sought after goals in Iraq, and in regards to relations with Russia.

Although other countries in the UN Security Council intended for the sanctions to change Saddam Hussein's behavior, the US clearly stated that it intended for the sanctions to topple the regime, neither of which occurred until the US-led invasion in 2003. In this light, there are three main reasons that the sanctions on Iraq did not provide the expected leverage.

The first reason is the Hussein regime's indifference to the suffering of its people. The sanctions did not effectively target and affect political and military elites, but rather deprived the weakest and most vulnerable members of Iraqi society of the most basic needs.³⁶ The US was expecting to use the economic pressure put on civilians under the sanctions as a tool in negotiations and in theory the angry populace would eventually press their ruler to change the policy. If this failed, they would eventually stage a coup. This model was simplistic and has proved false as it appears that the sanctions actually strengthened the government.³⁷

Secondly, elaborate smuggling networks were established in Iraq that insulated the regime from the deprivations of the sanctions. After the sanctions were imposed, the control of smuggled goods and kickbacks from oil sales became the central economic focus of the regime as its formal tax handle on the oil sector weakened.³⁸ The control of the informal market and of the rationing program enabled Saddam Hussein to strengthen his dictatorship.

Thirdly, Saddam Hussein was very effective at manipulating the international community, giving him the appearance that he could "wait out" the sanctions.³⁹ His multibillion

dollar debts to France and Russia gave him leverage in dealing with the permanent members of the UN Security council. The contracts that both countries signed to carry out commercial activities upon removal of the sanctions gave them incentive to pressure for the removal of the sanctions and to keep the same regime in power.

In regards to US success in the Iraq War, there are many facets to examine. While the US was arguably unsuccessful in many aspects of the war, it was successful in securing its economic interests in Iraq. Halliburton and other US companies have gained enormous profits that will carry into the future. And while the US refused to ensure Iraqi compliance with Russia's Saddam-era signed oil contracts, a huge issue of tension in American-Russian relations, Lukoil of Russia ended up with a contract to develop the West Quarna-Two oil field in Iraq.

US policy in Iraq was not aimed to improve relations with Russia, and thus relatively little effort was made. Russia pushed for removal of the Iraqi sanctions, against which the US employed its veto power in the UN. The US refused to even lessen the conditions. Russia sought cooperation with the US over post-Saddam Iraq and offered support in exchange for upholding its Saddam era oil contracts. The US promised nothing. Under US pressure, 90% of the estimated \$8 billion Iraqi debt owed to Russia was written off in exchange for vague Iraqi promises to support Russian economic interests.⁴⁰ The situation in Iraq is now at a turning point, one in which the US can choose to use as a political tool to ameliorate relations with Russia or continue shaping its policy around self serving economic interests in its quest for hegemony. With the removal of combat troops from Iraq, and a new face in the Oval Office, there is hope for new policies shaped with the intention of ameliorating relations with Russia.

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Introduction

Iran and the United States (US) have a long history of interactions that began in the 1970's. Throughout history the US-Iran relationship has been very complex. During the Cold War, Iran was volleyed back and forth between the Soviet Union (SU) and US because of its location along Russia's border. After the Cold War, it was again, ideally placed to become a trade partner with Russia, buying weapons in exchange for oil. Even during the Iran-Iraq War, after Iran had attacked the US and Israel, a US ally, through terrorism, the US supplied weapons to Iran.

Throughout this paper the complexities of the relationship between the US and Iran will be revealed and the changes in that relationship through unilateral sanctions will be dissected. Sanctions have been imposed on Iran by the US and UN for many reasons, including terrorist ties, government strife and oil and gas security. This paper will analyze the successfulness of the unilateral sanctions imposed by viewing their true effect on Iran.

The United States is a prominent member of the UN. As a permanent member of the Security Council, equipped with veto power, the US is able to set a personal agenda. This agenda has been pivotal in setting sanctions on Iran. However, as the United States influence continues to swell, a peak was hit. As unilateral sanctions began to be seen as a tool of US political dominance, they began to lose their persuasive effect. IN this paper, Unilateral sanction history in Iran will be outlined, the effectiveness of unilateral sanctions today will be discussed and the opposing options to unilateral sanctions, multilateral sanctions, will be explained.

Unilateral Sanction History

UN and US Treasury sanctions are not completing the job that they were meant to accomplish; promoting democracy in Iran and becoming a permanent damper on terrorist activities. Initially, these sanctions had much more power than they do today. The reasons for this shift in power will be explained thoroughly through the review of sanction history.

Sanctions against Iran started under the Carter Administrations when the US Embassy in Tehran was attacked and American hostages taken in November of 1979. Treasury Proclamation Order 4702 was put into effect banning the importation of Iranian oil in hopes economic pressure would get the US hostages released more quickly. Soon after were Proclamation Orders 12170, 12205, and 12211 blocking everything from property rights, oil sales and travel. By hitting the Iranian economy through oil, tourism, and eventually by freezing over 12 billion dollars in Iranian money, the US was able to get their hostages back safely.¹ Once the hostages were freed, these sanctions were lifted. This is the starting off point of the use of economic sanctions to persuade by US to persuade Iran.

The United States has been enforcing sanctions on Iran since the 1970's through the Reagan, Bush Sr., Clinton, and G.W. Bush administrations. Each of these administrations imposed sanctions on Iran because of terrorist threats, or political needs. In each instance, the US desires were met momentarily, but never for extended periods of time; and as time went on, the use of sanctions weakened. The United States has not and will not accomplish its goal of promoting democracy through the continued use of unilateral sanctions.

After the Tehran hostage situation, the next big terrorist event that brought sanctions to Iran was the bombing on the marine barracks in Lebanon. With Iran's continued history of terrorism, the US' effort to stop these actions through economic sanctions has had limited

success. Former President Clinton restructured sanctions and their uses in hopes to create a more successful situation.

Under the Clinton Administration is when unilateral sanctions grew into what they are today. With the collapse of the Soviet Union at the end of the Cold War, the US became the only global super power and the world entered the era of the unipolar world. With the:

dissolution of the Soviet Empire...other factors such as human rights violations, WMD and regional issues took on greater importance. In the absence of significant opposition, the US could take greater political risks.²

Since there was no other power to keep the United States in check, the US was able to fight battles and issues with political and economic sanctions instead of soldiers. By imposing unilateral sanctions on countries that were harming their people, working towards nuclear power or fighting internally, the US was able to take away the economic prosperity that funds the wars and weapons. If a country wished to gain prosperity again, they followed the guidelines laid out by the US. Soon sanctions were used by the UN as well, but unilateral sanctions never worked in Iran to the same potential that they did in 1979.

During the US Embassy hostage situation, the US had a lot more power than sanctions alone could give them. Aside from sanctioning Iran, the US also successfully froze Iranian assets.

The Iranian assets freeze was a success not only because of the speed with which it was carried out but because of the substantial economic ties that had previously existed between Iran and the United States. The assets freeze, in combination with US sanctions and the general turmoil resulting from the revolution, contributed to a sharp economic downturn in Iran.³

This asset freeze was successful because the US, at the time, had a large economic pull due to the Cold War. Unilateral sanctions alone would have been successful in the long run, but not nearly as quick or effective as sanctions and asset freezing on the eve of a revolution was.

From 1979 until today, the US and UN have been trying to implement the success of the Sanctions 4702, 12170, 12205, and 12211. This has not happened in the case of Iran and has in fact lead many states to believe that sanctions through the US Treasury and even on occasion through the UN are just a tool for the US to grasp for power.

Unilateral Sanctions Today

As sanctions are continually imposed by the US and UN on countries, their effect tends to wear off. Many see the implementation of sanctions as a bullying effect by the US.

Escalation of US unilateral sanctions in the 1990's has made other countries more reluctant to agree to multilateral sanctions because of their fear that they will have to pay a heavy price for what frequently is perceived as a US domestic political agenda.⁴

Unilateral sanctions have gone from being the answer to political changes without war to a bullying technique used by the US to get their way in a political situation. With Unilateral Sanctions tied to US global dominance, they will not be effective much longer. US bullying is seen in the early 1980's when the US withheld funds from international organizations until sanctions were imposed on Iran for their sponsorship of the marine barracks bombing in Lebanon. Since the US is a major player in most prominent international organizations, losing funding is a major crisis. Unilateral sanctions are not only being imposed on countries, but now international organizations as well.

Unilateral sanctions are beginning to have negative, unforeseen drawbacks as well. As years pass in the era of unilateral sanctioning it has been postulated that, "unilateral sanctions often involve the severing of ties between countries with close cultural, historical, or strategic relationships, which potentially generates substantial political efforts."⁵ Through forcing changes on countries that do not act in accordance to the US or UN beliefs, problems are arising. Before unilateral sanctions become effective, if they ever do, they negatively impact the country they are

implemented on. Economic sanctions reduce trade, tourism, funding and many other aspects of the government. These changes lead to the loss of jobs among the citizens and reduction of food, which leads to starvation, and fighting. If the US or UN are trying to create a democratic government, or overthrow the regime, then fighting is the desired outcome, but the cost is extremely high.

Unilateral Sanctions vs. Multilateral Sanctions

As the fashion and productivity of unilateral sanctions dwindles, the possibility of multilateral sanctions becomes more inviting. Although multilateral sanctions are more complex machines, they are believed to be the future. In most instances, ‘unilateral trade sanctions generally are less effective than multilateral measures.’⁶ Unilateral and multilateral sanctions both have positive and negative effects; I believe in the end multilateral sanctions come out ahead.

Unilateral sanctions are generally imposed by a single country or possibly an organization, but they affect one aspect of a country and usually are not supported by many other states. Sanctions Order 12957 prohibits the US government or companies from contributing technology, resources of money to the development of petroleum resources in Iran in the late 1980’s, early 1990’s. This unilateral sanction is only imposed on the US government and US companies, leaving the rest of the world open to development possibilities in Iran. This sanction effectively takes American companies out of the running for making money in Iran, but does not actually keep Iran from developing petroleum resources.⁷

“When it comes to bringing about desired political change, there is considerable evidence that multilateral sanctions are no more effective, and possibly less effective, than unilateral sanctions.” However, “A multilateral and comprehensive sanctions program yields the most

pressure on the target.”⁸ There is no situation where all outcomes are optimistic, and neither unilateral nor multilateral sanctions are without their flaws. In Iran’s case, the people want to be democratic, so if multilateral sanctions are used to have a greater economic thrust, the lack of political pressure is not a downfall. With larger economic pressure and less political pressure the people will still fight out against the government.

In either case, unilateral or multilateral, the sanctions need to be focused. “The more partial a sanctions program, the more difficult it is to administer, and the more uncertain its effectiveness in terms of economic pressure.”⁹ Iran sanctions need to be effective in their jobs. With detailed breakdown of what is and is not in the specific economic sanction; this effectiveness will be accomplished.

Conclusion

With the growing belief that the United States is becoming a bully and using international sanctions as a tool to get their way instead of a safer, “and low cost alternative to military intervention,”¹⁰ their productivity is wearing off. In the case of multilateral sanctions, it becomes much more costly for a target nation to find alternative markets or alternative sources of imports.¹¹

The sanctions also can change the political effectiveness of the opposing group...because the sanctions are typically aimed against the ruling regimes policy.¹² One implication of analysis...is that international sanctions, even if multilateral, can only have a favorable impact on a policymaking in a target country if there exists within that country a reasonably well organized opposition group whose political effectiveness potentially could be enhanced as a consequence of sanctions. In the absence of such group, the sanctions might only strengthen the regime’s pursuit of its objectionable policy by helping to rally public opinion around the government.¹³

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Introduction

During the last two decades of the Cold War the United States’ two most notable foreign policy strategies toward the Soviet Union were détente and a reinvigorated arms race. Détente was initiated under the Nixon Administration because by the 1970s the Soviet Union had reached relative nuclear parity with the US. American leadership deemed that it would be prudent, given that situation, to push for a more cordial relationship with its adversary.¹ While this policy did reduce tensions it enabled Soviet leadership to continue to pursue its political influence abroad while maintaining its own socialist economic and political principles.² Therefore, it was a failure.

The ascendancy of Ronald Reagan to the US presidency spelled the end of détente as he denounced the policy calling for the expansion of US defense spending, claiming that détente represented the West’s weakness toward an enemy.³ Reagan believed his policies would bankrupt the Soviets but it did not, nor did they contribute to the failure of the Soviet Union. Instead it was the fundamentally flawed policies of a centrally planned economy that led to the adoption of glasnost and perestroika which unintentionally caused its demise.

Thus, the United States’ two strategies toward the Soviet Union were both ineffective in causing the end of the Cold War. Following the collapse of the Soviet Union, US unilateralism soured relations as well. US unilateralism has heightened tensions because the Kremlin feels it no longer has influence considering that the US triumphed in the Cold War and Russia has been incapable at preventing specific US actions, such as the invasion of Iraq. Russian perceptions of the immediate post-Soviet period are that it was a period that permitted the United States to

pursue its own agenda without opposition. Accordingly Russia adopted a more aggressive foreign policy in its Near Abroad to demonstrate its strength and influence and to prove that it is still a formidable force.

Failed US Foreign Policies toward the Soviet Union

From the early 1970s under the Nixon Administration, the United States and Soviet Union enjoyed a less hostile relationship where both superpowers interacted with ease showing a mutual willingness to sign agreements limiting their nuclear capabilities. For instance, Washington and the Kremlin signed the Anti-Ballistic Missile Treaty of 1972 (ABM Treaty), which rejected the notions of defensive nuclear weapons to deter a nuclear onslaught, ensuring each adversary's deterrence through Mutually Assured Destruction (MAD).⁴ In 1972 the Soviet Union and the United States also signed The Basic Principles of Relations Agreement (BPA). This was an agreement between both countries' leaders to regulate and control their political and military rivalry through self restraint and to settle differences through peaceful means.⁵

However, this relationship ultimately failed because it allowed Soviet leaders to exert influence abroad in order to promote the socialist political and economic system, meaning that with a less hostile relationship with the United States the Soviets could pursue its own agenda without fear of repercussion. This is illustrated by the Soviet Union's deployment of 80,000 armed forces into Afghanistan in December 1979. The reason the Soviet Union committed such an action was to uphold a pro-Soviet government that fought a major insurgency during the late 1970s. Therefore, détente was ineffective because it did not bring about a relationship that brought the Cold War to a close.

By the 1970s the Soviet centrally planned economy could no longer compete due to the lack of technology and innovation, which accounted for the Soviet Union's crumbling infrastructure. To better illustrate this concept one must study the underpinnings of such an economy. In such a system the government decides what to manufacture, the quantity of things to be produced, and there is no competition to ensure innovation among firms. For example, the government may demand a factory to make 10,000 cars and the factory will do so but the problem is that in such a system innovation would never occur. It would never occur because "a manager who stuck with tried-and-true methods and fulfilled his quota was safe; one who experimented with a new process or product and failed was in trouble."⁶

Therefore, the system rewarded reliability and stability versus any sort of risk taking while in a capitalist system such innovation would be greatly rewarded and would lead to new breakthroughs. In command economies there are no incentives for innovation and planners only focus on quantitative goals because the risks of new methods are great due to the lack of reward. In addition to these facts, there were also no other firms to induce innovation in order for a company to stay in business and compete with one another because everything was state owned. All of these factors contributed to the Soviet Union's obsolete economy that existed during the latter stages of the Cold War, which is why it exhibited slower rates of economic growth when compared with the West.

It should be clear that the Soviet Union was doomed from its inception because of its fundamentally flawed ideology. Yet the phenomenal growth the Soviet Union experienced following the end of World War II was due to the fact that the government moved many factories East beyond the main theatre of the eastern front to continue production outside of the war zone. Soviet industrial and manufacturing capabilities were not ravaged by the war allowing further

industrialization and a strong manufacturing sector to flourish which is what accounted for its postwar growth. As other countries rebuilt after World War II they began to catch up and surpass Soviet growth because they lived in a capitalist system where there was competition and the innovation was rewarded allowing them to grow at fast rates while generating new technology. There is no US policy that can account for the Soviet Union's fall and economic inadequacy because time naturally ruined the regime bringing about its inherent weaknesses that were inevitable since the birth of the Soviet Union.

In March of 1981 during an interview with Walter Cronkite, President Reagan laid down the foreign policy that he had envisioned for the public. He implied that détente was a device that the Soviet Union would use to further their imperial ambitions through stating that it “may actually have improved the climate for Soviet promotion of proxy wars and skirmishes...For them, it provided a measure of security. It signified to them the growing strength of the Soviet Union in world affairs and a corresponding weakening of the West.” It did exactly that and the Soviet incursion into Afghanistan in 1979 is evidence to that fact. Therefore, Reagan advocated a policy of an arms build up to counter the weak stance and character he believed that the US had taken during the period of détente. He believed that the Soviets were determined to win a nuclear war. He believed it was necessary to counter that goal and that the US must make nuclear superiority its goal.

It is evident that Reagan was pressing for military dominance against the US' Cold War adversary and believed by intensifying an arms race the Soviet Union would crumble under great economic demands. Reagan stated that “I think there's every indication to believe that the Soviet Union cannot increase its production of arms...They've diverted so much to the military that they can't provide for consumer needs. So as far as an arms race is concerned, there's one going

on right now but there's only one side racing." Reagan soon corrected that. In order to demonstrate the degree to which the U.S. pursued a new spent defense strategy by the mid 1980s it had doubled its budget and even went so far as to propose a missile defense system in orbit that would shoot down missiles heading toward the United States; the Strategic Defensive Initiative informally known as "Star Wars."

However, the reinvigorated arms race between the US and the Soviet Union did not cause the economic problems that led to the collapse of the Soviet Union. The Soviet economy had been growing at a slower pace than the West but not declining. It was not until 1990 that its GDP plummeted.⁷ This proves that Reagan's assumption that a forced arms buildup would put the Soviet economy in ruins during the early 1980s was incorrect because the economy did not crash until 1990. Moreover in his second term he abandoned the arms race he had earlier pursued, instead developing a better relationship with the Soviet Union that emphasized arms reduction. Reagan's change in policy can be demonstrated by his signing of the Intermediate-range Nuclear Forces Treaty (INF Treaty) with Gorbachev in 1987 wherein both states disposed of their medium-range nuclear weapons.⁸ Therefore, the Reagan administration's policy of military spending and arms buildup was not effective in bringing about the end of the Soviet Union. However, his change of action during the latter part of his president did ease tensions due to the INF Treaty, but his policies did not cause the Soviet Union's collapse.

Ultimately, what caused the Soviet demise were Gorbachev's reforms known as perestroika and glasnost. These reforms were enacted to combat the inherent weaknesses of a centrally planned economy, but instead brought the regime to ruin. Perestroika was the restructuring of the Soviet economy to encourage innovation and efficiency while glasnost was adopted as a policy to allow for greater openness in the political system. The Soviet Union was

finally adopting features that resembled those that exist in capitalist regimes as attempts to spur economic innovation through perestroika. Gorbachev also sought to increase political transparency through glasnost which led to greater freedom of expression at home as well. Gorbachev's primary goal was "the removal of everything that hampered development." Therefore, he wanted to modernize the obsolete inefficient Soviet economy that had been growing at a much slower pace than the rest of the Western world in order to close the economic gap with the West.

Gorbachev did not know that these actions would produce the regime's collapse because he believed such actions would solve the country's problems. What perestroika and glasnost caused was the restructuring of the Soviet Union into a state that more closely resembled those of the West than the earlier years of Soviet existence. Yet these reforms spurred a surge of self-determination across the Eastern Bloc in the wake of the dramatic changes proposed by Gorbachev. The call for independence by the satellite states in Eastern Europe was increased as soon as the word of reform had spread. By this point, in time there were myriad modes of information exchange and the speed at which it traveled was incredible all of which created a call of reform through independence within satellite states. Gorbachev realized that if reform was to be actualized at home he would have to allow Eastern Europe to go its own way. Otherwise he could face much criticism from allowing change to occur everywhere except for the countries that now makes up the Near Abroad.⁹ In 1989 Hungary's government opened its boundaries with Austria allowing countless East Europeans to leave the "Iron Curtain," and soon thereafter the Berlin Wall was torn down.

It should be clear that no US policy caused the end of the Cold War because détente failed as did Reagan's reinvigorated arms race during his first term. The Soviet economy did not

seriously deteriorate until 1990 which was well beyond Reagan's first four years in office. It instead was the inefficient economic underpinnings of central planning that necessitated reform in order to achieve growth rates and technological advance comparable to that of the West. Therefore, Gorbachev enacted the policies of glasnost and perestroika that led to other notions of reform which ultimately caused the dissolution of the Soviet Union.

What accounts for the economic failure in the Soviet Union, now Russia, following the reforms can be attributed to the fact that the country went from complete government control of the economy to one where the decisions were determined largely by market forces. Such a transition requires a slow alteration to achieve desired results, illustrated by the success of China's slow process at becoming a market economy beginning in the 1970s.¹⁰

The reason why the transition must be slow is so the institutions necessary for a free market can be established to ensure its efficient function. For instance, in the Soviet Union there were banks that consisted of individuals' savings but they did not distribute loans nor did they decide who would be eligible for them. Firms did not compete with one another nor did they set prices, and there was not any sort of regulatory framework that existed to ensure contracts were carried out and legal transactions occurred.¹¹ The reason that the Russian economy plummeted during the 1990s was because it did not have the proper institutions and regulatory framework to allow capitalism to flourish. To illustrate the severity of the decline the World Bank noted that in 2000 Russia's GDP was less than two thirds of what it formerly had been in 1989. Thus, Ronald Reagan's intensified arms race did not cause the economic decline that he had earlier predicted. Rather it was the collapse of the Soviet centrally-planned economy and the failure of Gorbachev's reform efforts.

Heightened Tensions and Russia's Assertiveness in the Near Abroad

The fall of the Soviet Union and Russia's subsequent economic problems explained above marked the decline of a former superpower. The United States emerged victorious from the Cold War and has taken advantage of its new role as the sole superpower, pushing its own agenda with little opposition. For example, Russia has proved to be ineffective at blocking the North Atlantic Treaty Organization's (NATO's) expansion east considering that the alliance has incorporated countries like Estonia and Latvia. In addition to this fact, Russia could not stop the United States from taking unilateral action against Iraq in 2003. These foreign policy failures frustrate the Kremlin because during the Cold War the Soviet Union exerted great influence as one of two superpowers, but today it no longer has such influence. Russia has lost such ability due to its failure in the Cold War and its economic inadequacies. Therefore, all these factors have contributed to its decreased role in current world affairs and its discontent with the foreign policy of the United States.

In order to counterbalance these weaknesses and reassert itself as world power the Soviet Union has been more aggressive with its policy regarding the Near Abroad states, which consist of countries that were formerly part of the Soviet Union. Russia's assertiveness can be demonstrated by multiple factors, but one of the most notable is the issue of its Black Sea Fleet located in Ukraine's Crimean Peninsula. The Black Sea Fleet served as a counterbalance to the US navy in the Mediterranean. Following the collapse of the Soviet Union much of the fleet was located within the sovereign territory of Ukraine which brought about negotiations that divided the fleet between Russia and Ukraine. However, Kiev allowed the Kremlin to have its base on the Crimean peninsula which is Ukrainian territory.¹¹ This was a huge mistake because now Russia has a military base within Ukraine that can be used against them. Russian officials have

also just announced that they intend to sanction the use of force abroad to protect Russian interests. This has been coupled by their stated intention to never shutdown the military base in the Crimea, which illustrates aggressive action.¹²

Frustrated by former satellite states' NATO membership Russia does not want more countries to join, The Kremlin will stop at nothing to prevent those countries from aligning with the West and adopting their institutions. Russia still sees them as part of the Russian sphere of influence that shields Russia from the West. Russia does not want Ukraine to adopt a Westward orientation, and as mentioned above may use military force to reach its policy ends, which would also be relatively simple considering that the Kremlin already has a military base within the borders of Ukraine. By now it should be evident that the Kremlin is irritated at the degree to which the United States can act unilaterally without check and at its own weakness in preventing actions it deems undesirable. Therefore, it has been demonstrated that due to Russia's lack of international influence it has been reasserting its power in the Near Abroad through stern threats of military action to show that it is still powerful and persuasive.

Conclusion

No US foreign policy strategy brought about the end of the Cold War, neither détente and nor Reagan's arms buildup. Détente failed because it permitted the Soviets to continue to pursue its political influence abroad while maintaining its own socialist economic and political system, as demonstrated by its occupation of Afghanistan in the 1980s. Reagan's arms race did not bring about the destruction of the Soviet Union because it did not produce the economic stress on the Soviet economy that he had predicted.

The natural flaws of a centrally planned economy that produced slow growth, lack of innovation, and obsolete technology caused Gorbachev to enact a series of reforms known as glasnost and perestroika. These reforms were intended to restructure the Soviet Union through transparency and economic restructuring, but instead brought about its demise as more and more reform were pursued in the Soviet Union, causing a wave of self-determination to sweep the former “evil empire.” Following the end of the Cold War, Russia viewed US’ unilateralism in promoting its interests with utter distaste. This complicated the US-Russian relationship. Russia felt its power and influence wane as it could no longer prevent US unilateral action, such as America’s invasion of Iraq. Therefore, the Kremlin has adopted an aggressive foreign policy in the Near Abroad to demonstrate its strength to prove that it is not weak and possesses the same influence it formerly wielded.

Endnotes

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Introduction

During the George W. Bush administration, the United States' relationship with Georgia was primarily defined by a discourse of "unwavering support"¹ for Georgia in its aspirations for North Atlantic Treaty Organization (NATO) membership. The US' reinvigorated support for Georgia in this period stemmed from the 2003 Rose Revolution. This revolution was a bloodless revolution that overthrew Georgia's previously corrupt government with the promise of putting an end to this rampant corruption and of reforming Georgia's dysfunctional democracy. However, Georgia has yet to complete the promised democratic overhauls in its country or even indicate that they are a top priority. Additionally, the close relations the US pursued during the Bush administration ended up having a destabilizing affect on the region, as evident in the August 2008 Russia-Georgia War.

The subject of this paper will be to address the origins of US support in Georgia over the last two decades, especially since the reenergized support following the 2003 Rose Revolution. The argument will be made that the official reasoning for these close relations were based on the belief of the importance of supporting democracies, but even with these stated aims, the goal of US foreign aid for Georgia has not appeared to be primarily about democracy promotion.

In fact, I argue that democracy development has played a more secondary role to US assistance in the region and that the primary goal of US support has remained less clear. My intention is not to dispute the value of developing democratic governments in the world or to even disregard the progress Georgia has made in developing its democracy since the end of

Soviet domination. Rather, I argue that the kind of support that the US has offered Georgia has lacked the ability to successfully foster a long-term, functioning democracy.

Because of this faltering progress Georgia has been making in its democracy, the continued uncritical US support of Georgia during the Bush administration also raises questions about “how strong the commitment is to strengthening democracy as opposed to simply nurturing and supporting friendly governments.”² Although the chances of success for Georgia to transition fully into a democracy is not completely contingent upon the support of the US, it is not difficult to argue that the way in which US democracy assistance conducts itself still does have a strong influence on the relative trajectory of the country, especially since the US has been by far the largest donor of foreign aid going into Georgia.³

Moreover, my paper will argue that, in addition to the ineffectiveness of US democracy assistance, the kind of support the US offered Georgia had further negative consequences because it ended up escalating tensions between Georgia and Russia. The US’ uncritical and persistent support of Georgian NATO membership led Russia to react aggressively towards a perceived threat in its influence in the Near Abroad, a term for the former Soviet Republics, including Georgia. Therefore, based on US foreign policy’s inability to foster a sustainable democracy in Georgia and the increased regional tensions it has created, US foreign policy during the Bush administration towards Georgia has been an overall failure.

By narrowly focusing on US foreign policy during the Bush years, I hope to draw more generalized conclusions about the large impact, either positive or negative, that US foreign policy can have on the stability of the Near Abroad region. The stability of the region can have much to do with how successfully these countries have transitioned into modern democracies in the post-Soviet era. Many of the former Soviet Republics remain in a place of *partial transition*,⁴

where political and economic reforms to a democratic and market-based system remain partial and incomplete. Even though this paper is focusing mainly on the Bush years, I do not contend that poor policy decisions for the US in the Near Abroad countries are limited to the Bush administration. Rather, US policy towards the region has frequently throughout the post-Soviet era tended to lack the ability to promote sustainable and functioning democracies. The interesting issue that comes out of this period is that it was only during the Bush years that the increased US democracy assistance rhetoric for Georgia clashed so strongly with Russia's diverging ambitions in the region. Furthermore, the fact that it has been so difficult for Georgia to democratize is important because it raises questions over the feasibility for other non-democratic countries to successfully import democracy. Even Georgia's staunch pro-Western orientation and Western educated leaders are not enough to ensure success in building a modern democracy in today's world.⁵

The plan for the rest of the paper is to: first, before going into specifics of US democracy assistance in Georgia, give a short history of US democracy assistance projects throughout the world and how this history connects to its more recent support of Georgia; second, provide background information on Georgia's transitional period in the aftermath of the Soviet Union and US policy towards Georgia prior to the Rose Revolution during the 1990s and early 2000s; third, explain the emergence of the 2003 Rose Revolution in Georgia and how it influenced a shift in the way Western Europe and the US regarded the country; fourth, analyze Russia's role in Georgia's democratic development, and how increased US support of Georgia following the Rose Revolution eventually resulted in a boiling over of tensions between Georgia and Russia in the 2008 war; and fifth, summarize and conclude my argument in addition to a short discussion on the wider implications.

The History of the United States' Democracy Assistance

Since the post-World War I era, the United States has structured its foreign policy around the pursuit of democracy promotion in the world. World War II framed the conflict around protecting the freedom and democracy of the West. The Cold War was similarly framed as a battle between the democratic West and authoritarian Communism. However, during the Cold War, anti-Communist policies began to trump democracy assistance policies. US support became more inclined to support dictatorial, anti-Communist regimes rather than support leftist, democratic governments.⁶

In the late-1970s, it was President Jimmy Carter who “introduced a moral dimension to democracy promotion by stressing the importance of human rights in foreign policy.”⁷ When the Reagan Administration came to power, the fight against communism was revitalized together with the incorporation of Carter’s democracy promotion. Reagan’s foreign policy emphasized a more ideological element to the promotion of democratic ideals by instilling democracy advocacy programs around the world. Much of the modern era’s democracy promotion infrastructure was developed during this time.⁸

Once the Soviet Union collapsed in 1991, the idea of democracy as a human right was a fully integrated part of US foreign policy. From 1989 to 2001, US democracy assistance focused on rebuilding and helping the former Soviet Republics and communist regimes in Eastern Europe make the transition into modern democratic states. Although some substantial progress had been made, by the end of the decade many countries began falling back towards authoritarian rule. Following the September 2001 terrorist attacks in the US, it was President George W. Bush who made the strongest appeal yet for the moral dimension of democracy.⁹ The goal of democracy promotion comes from his stated belief that the spread of democracy secures

the long-term interests and security of the US.¹⁰ The problem with this that emerges, as will be seen more clearly later in the case of Georgia, is that even with this strong rhetorical support of democracy in the Bush administration, the US seemed to be willing to turn a blind eye to the democratic failings of a country for the sake of securing a relationship that is strategically beneficial to the US.

Post-Soviet Georgia and Western Support

Eduard Shevardnadze, the second Georgian president in the post-Soviet period, served from 1995 until his resignation during the Rose Revolution on 23 November 2003. The support he received from the West for his claimed commitment to democratic reforms was not entirely unfamiliar to the kind of support given in January, 2004 to the democratically elected president following the Rose Revolution, Mikhail Saakashvili. Shevardnadze became president during a time when Georgia's transition to a modern democracy was uncertain.

In the immediate aftermath of the dissolution of the Soviet Union, Georgia was one of the many post-Soviet states experiencing ethnic and political divisions resulting in internal conflict, economic collapse, and corruption. Georgia initially slipped back into authoritarian rule with Zviad Gamsakhurdia, Georgia's first democratically elected president. Gamsakhurdia sought to create a new one-party system, but was ousted as the Georgian president in 1992 after Georgia fell into warfare in its polarized political landscape. Shevardnadze was chosen as the best candidate to lead a more integrated and democratic Georgia. He became president of the State Council in March 1992 and he was approved as speaker of the parliament with 96 percent of the vote, thus granting "him wide-ranging executive powers."¹¹

In 1995, Shevardnadze ran for president of Georgia, which he won with 74 percent of the vote, on a platform of better national integration, a closer relationship with the West, political and economic independence from Russia, vast political and economic reforms, and most importantly, ending corruption. In 2001, however, the popularity of Shevardnadze's presidency was rapidly declining as mounting student protests criticized him for the lack of reforms. Throughout his presidency, he had emphasized his commitment to anti-corruption reforms yet he continually failed to adhere to them, as is evident in his increased support of conservative and corrupt government officials¹² and his failure to reprimand these corrupt individuals.¹³

Additionally, the Shevardnadze government failed in other major ways to instigate democracy reforms, “[e]lections were not free; the rule of law was not strong; [and] democratic institution such as functioning bureaucracies did not exist.”¹⁴ By the eve of the 2003 Georgian parliamentary elections, Shevardnadze's government was falling apart under the strain of a growing opposition and a decade of government corruption.

US support during the Shevardnadze period was consistent with the US' foreign policy principles of democracy assistance at the time, including an estimated \$1 billion in US foreign assistance to Georgia.¹⁵ Shevardnadze's government during the late-1990s was viewed by US democracy assistance organizations as one of the leading reformers of the post-Soviet Republics. Democracy support programs included efforts to “strengthen the parliament, support local government, encourage civil society, teach citizens how to advocate for women's equality in politics, work with political parties, increase the rule of law, and create free, competent, and responsible media.”¹⁶ Shevardnadze also enjoyed many close ties with political elites in the West from his time as Mikhail Gorbachev's Minister of Foreign Affairs in the last six years of the Soviet Union. Overall, Western support in the late 1990s seemed reluctant to acknowledge the

democratic failures of Shevardnadze's government. In fact, Western support for Shevardnadze continued up through until the final days of his presidency.¹⁷

The 2003 Rose Revolution

The Georgian Rose Revolution was a response to the growing corruption present in the Shevardnadze government, even after almost a decade of Western support for Georgia's democracy. The Shevardnadze government by this point was rampant with corruption but it was particularly the parliamentary elections on 2 November 2003 that set off the revolution. Opinion polls on the eve of these elections and exit polls conducted by independent election observers put the oppositional parties, the United Democrats (UD) and the National Movement (NM), far ahead of Shevardnadze's party (the Citizens Union of Georgia (CUG)). Yet the official election results were the opposite of this with the CUG placing first and the opposition parties trailing far behind. This immediately set off a series of protests organized by oppositional leaders.

Mikhail Saakashvili, head of the NM, stormed the Georgian parliament on 22 November 2003 during Shevardnadze's opening speech and within hours he resigned. Saakashvili then was elected as president with 96 percent of the votes on 4 January 2004. This new Georgian President promised "that he would root out corruption and peacefully restore the country's unity."¹⁸

Saakashvili rose to such popularity with his strong rhetorical commitment to a democratic reform agenda which Shevardnadze had not been fulfilling. However, even after the democratic promises that Saakashvili committed Georgia to in the wake of the 2003 revolution, the country has since failed to produce a functioning democracy in several key ways, "such as building democratic institutions, ensuring government accountability, and cultivating a strong civil society."¹⁹

More specifically, Georgia's failure to advance democratic reforms since the revolution can be seen in how Saakashvili's presidency has resulted in a greater concentration of power for the Georgian president:

“The president appoints the prime minister and the cabinet, as well as several mayors and numerous lower ranking officials, including positions like university provosts. He can disband parliament if it rejects his budget twice, and he exercises control over an executive branch of government that dominates the weaker legislative branch. Saakashvili enjoys more formal power than Shevardnadze ever did.”²⁰

Also, in his promised reforms to end corruption, Saakashvili has frequently violated human rights, which includes the use of torture. And lastly, the large roles of free media and civil organizations that Georgia experienced under Shevardnadze's rule have been ironically reduced. Under Saakashvili, Georgia lacks the leading role that non-governmental organizations (NGO) used to play as a government watchdog. There is also a reduced independent media, and fewer oppositional groups. Indeed, the party leaders of Saakashvili's ruling party, the NM, now question even the need for opposition.²¹

However, despite these setbacks in Georgia's democracy I do not suggest that they mean Georgia has not made any advances in developing its democracy since its emerging in the post-Soviet world. Rather, these problems in Georgia's democracy demonstrate the persistent difficulty in establishing a fully functional democracy for many of the former Soviet Republics. In fact, there have been a number of successes since the transition of the Shevardnadze government to the Saakashvili government. For example, police corruption has been reduced. There has been a dramatic increase in state revenue, and an improvement of government services.²² Yet still, in spite of these successes, a number of them came at the expense of further developing Georgia's democratic institutions.

Following the 2003 revolution, the United States positioned itself as a closer ally to Georgia by committing itself to the assistance of Georgia's new government at every level. The Bush administration and other US political elites declared Georgia's Rose Revolution a success for the spread of democracy and as an example of the success of US democracy assistance. The Bush administration maintained this position despite the complications with the progress of Georgia's democracy, as explained above.

In addition to the incorrect claim of the successful progress of Georgia's democracy since the Rose Revolution, Bush's claim of the centrality that the US had played in Georgia's Rose Revolution was also misleading. The US' role in the 2003 revolution was more indirect and accidental. In fact, the US had little interest in removing Shevardnadze as president.²³ The central cause of the Rose Revolution was more likely due to the growing discontent of corruption in the Shevardnadze government and the strong and vibrant civil society in Georgia.²⁴

As will be seen in the next section, Bush never relented from his "unwavering support" of Georgia in its NATO membership aspirations even with the frustration it caused Russia. The US' lack of recognition for Georgia's inconsistent democratization process following the Rose Revolution came from the assumption that the revolution "marked the end, not the beginning, of the process of democratization."²⁵ This kind of unilateral and uncritical support calls into question US motives for support of this pro-American but semi-democratic country.

The timing of the Rose Revolution conveniently coincided with a critical period of the Bush administration when democratization was a preoccupation to US foreign policy. Democracy assistance had become "the major rationale by the Bush administration to explain the ongoing American military presence in Iraq as well as when building democracy began to become more of an issue in post-war Afghanistan."²⁶ Therefore, if Georgia successfully imported

a functioning democracy with the assistance of the US, the country could be held up as an example of the Bush administration's genuine commitment and feasibility for the spread of democracies in the world.

Additional interests for the US in its support of Georgia during the Bush administration came from the strategic opportunities available with a greater influence in the region. An alliance with Georgia and successfully democracy promotion holds many potential benefits for the US, including: the fact that the country resides in a key strategic point for transporting energy resources in Eurasia; its proximity to the Middle East offers a valuable access point for the West; and the potential support Georgia could lend the US in fighting its two wars in Iraq and Afghanistan.²⁷ These potential areas of benefit for the US in a closer relationship to the country create further concerns about the real intentions of US assistance in Georgia.

Russia's Perspective on Democratization in Georgia and Regional Instability

When discussing Georgia's democratic development and the United States' assistance in this ongoing project, it is impossible to leave out its implications for Russia. The issues surrounding Russia's presence in the Near Abroad complicate democratization projects and the ability of the former Soviet Republics to pursue alliances with the West. Particularly after the escalation of US support for Georgia's NATO membership in the aftermath of the Rose Revolution, there have been increasing regional tensions between Georgia and Russia that eventually resulted in violence, as seen in the August 2008 Russia-Georgia War.

Since the rise of Vladimir Putin to the Russian Presidency in 1999, Russian foreign policy towards countries in the Near Abroad has changed drastically. Increased anxiety over the loss of the former Soviet-era buffer zone has lead Russia to actively attempt consolidations over

its influence in the Near Abroad, especially in countries residing at its border like Georgia. The negotiations for a Georgian NATO membership, which Russia views as creating a potential unfriendly military presence at its borders, and Georgia's efforts of forced integration with its two breakaway regions, South Ossetia and Abkhazia, have irritated Russia. Russia controversially supports the independence ambitions of South Ossetia and Abkhazia as a way of ensuring control over a buffer zone at its borders.²⁸

The origins of the Russia-Georgia conflict were from a culmination of tensions that had been slowly escalating since the Rose Revolution. Russia was unsatisfied with the results of the Rose Revolution, as it led to an increased Western presence of NATO and US support. Bush's "unwavering support" of NATO membership seemed a direct confrontation to Russia with its claimed "sphere of influence" in the Near Abroad.

With these growing regional tensions, the conflict materialized around the sovereignty status of South Ossetia and Abkhazia. In Georgia's effort to consolidate its territory over the divided country, its domestic policy sought to reassert authority over South Ossetia and Abkhazia, which it had lost during Shevardnadze's presidency. Because of Russia's vested interest in the two regions with the buffer zone they could provide, Russia aggressively responded to these attempts of Georgia to reintegrate these two breakaway regions.²⁹ Therefore, the war began on 7 August 2008 when Georgia launched an aerial and ground attack in South Ossetia. Russia responded to this action by pouring thousands of troops into South Ossetia.

The US' response to this conflict in the media and amongst policymakers reveals almost a certain kind of willful ignorance about the issues surrounding the conflict. The US narrative of the conflict posited that Russia's aggressive behavior was unprovoked and that it was Russia who initiated the conflict. Yet this is only part of the story. Russia's behavior was aggressive in

that it reacted in its claimed “sphere of influence” in the Near Abroad, but Georgia’s claim to absolute authority over South Ossetia and Abkhazia is not entirely as self-evident as the US at the time portrayed it to be.

The US support of Georgia in this conflict also constantly stressed a democratic description of Georgia, which “reflected a consensus in Washington but virtually nowhere else.”³⁰ The US demonstrated an unwillingness to direct any of its criticism towards Georgia in the war.³¹ This uncritical stance of the US towards Georgia during the war was a continuation of previous positions the US had taken towards Georgia throughout the course of the Bush Administration. Ultimately, the consequences of the position the US took on the war had a damaging impact on the Georgian democracy, Georgian relations with Russia, and also on US relations with Russia.

Conclusion and Discussion

Georgia’s history of democratic development in the post-Soviet era has been inconsistent and uneven: starting with an authoritarian rule under Gamsakhurdia, then having a presidency dominated by corruption and election fraud with Shevardnadze, and now with Saakashvili, a presidency that continues to violate and undermine Georgia’s democratic institutions. At the beginning of each presidency, hopes run high in the West for the future of Georgia’s democracy. A transition to fully democratic Georgia could mean a huge success story for United States’ democracy assistance. Yet as each new government progresses, it seems more committed to state-building efforts in the economy and political consolidations of the divided country rather than making further efforts in developing its democracy.

US democracy assistance during the Bush administration was plagued by a nagging contradiction for many people domestically and abroad, especially in its policies in Iraq: an aggressive military action coupled with the promotion of democracy. This contradiction naturally leads to concerns regarding the primary interests of US democratization efforts in the world. Although the type of US support for Georgia's democracy is in no ways similar to the type of militarized course taken in Iraq, the uncertain progress of Georgia's democracy during the Bush period similarly raises questions over the reasons for the US' unwavering support of Georgia. In some ways, the Saakashvili government has even less functioning democratic institutions than the previous Georgian government under Shevardnadze.

As I have attempted to explain, US assistance of Georgia during the Bush administration seemed oriented more towards supporting a Western friendly government, rather than having overriding concerns over substantial progress in Georgia's democratic development. This foreign policy strategy shares some similarities with the US' foreign policy during the Cold War, when the US would regularly support regimes around the world who were anti-Communist rather than supporting governments who were democratically elected.

Although Saakashvili's government is in no way as near as bad as some of the anti-Communist regimes supported by the US in the Cold War—for example, Chile's dictator Augusto Pinochet—US foreign policy during the Bush administration lacked a nuanced recognition of some of the failures of Georgia's democratization. Furthermore, the type of policies pursued by the Bush administration in Georgia had destructive consequences with its lack of respect for Russia's presence in the region.

Therefore, in the interest of both proving the US' genuine commitment to the assistance of developing democracies across the world and of improving the stability of the Near Abroad

region, US foreign policy towards Georgia in Barack Obama's administration should take into account some of Georgia's failures in its democracy instead of providing a seemingly limitless amount of unconditional moral and material support. Obama's policy should also take into account the various ways in which these policies will potentially impact regional stability. The issue of Russia's presence in the region should be approached with respect for the Russian point of view, but at the same time, not supporting the more violent manifestations of Russia imposing its influence in the Near Abroad.

Relations with Georgia should be approached with greater caution than what was experienced during the Bush years. If US support of Georgia's NATO membership is to continue, the support should hinge on conditions of more comprehensive democratic reforms and on avoiding tensions with Russia. However, Russia will not likely in the near future ever willingly concede to the expansion of NATO memberships in the Near Abroad. Yet negotiations may provide opportunities for reducing Russia's anxiety towards NATO expansion. For example, engaging Russia and Georgia in parallel-track negotiations for Russia's membership to the World Trade Organization and Georgia's membership to NATO might present Russia with a beneficial opportunity that will increase its willingness to allow Georgia to proceed in its NATO membership ambitions.

As recently as July 2009, just before the one year anniversary of the 2008 Georgia-Russia War, in a speech US Vice-President Joe Biden gave in Georgia, Biden indicated a shift in the way US foreign policy conducts itself in the region. Biden criticized Georgia for its failure to fulfill its democratic reforms promised by the Rose Revolution. He also warned Georgia against taking any further steps at another forceful integration of South Ossetia and Abkhazia.³² This

was uncharacteristic of the attitude that US foreign policy had during the Bush administration, where support would rarely if ever turn to such critical remarks.

Therefore, the Obama administration has hinted at a greater sensitivity for how Georgia's democracy is proceeding, which may have beneficial effects on the direction of Georgia's democratization. They have hinted that Georgia will no longer receive unquestioning support without making larger gains in building its democracy. Additionally, these statements by Vice-President Biden also indicated an adoption of a more nuanced view in US foreign policy about the frequently ambiguous issues surrounding sovereignty in post-Soviet states. But for now, this is just talk. We have yet to see a substantial shift in how US foreign policy conducts itself in the region, especially in regards to democracy assistance.

Endnotes

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IV. Commission Member Papers on Economic Trade and Foreign Assistance

Jessica Anderson, “US Foreign Assistance towards Tuberculosis in Russia”

Introduction

Since the collapse of the Soviet Union, tuberculosis (TB) has become a major problem for Russia. Regions in Russia are known for being ‘hot spots’ of multi drug-resistant (MDR) TB with case data rivaling that of Kazakhstan, several Chinese provinces, and some countries in southern Africa.¹ The World Health Organization (WHO) estimates that Russia houses 7% of all MDR TB and has a greater proportion of MDR TB cases than China and India combined which house 50% of all MDR TB cases.² Reasons for Russia’s spread of MDR TB are a part of the breakdown of health infrastructure, making the necessary tools to combat TB unavailable. It is in the interest of the US to contain and eradicate the spread of MDR TB in Russia so the United States can maintain healthy relations with an economically stable Russia while Russian citizens and American citizens alike are protected from MDR TB.

The *M. tuberculosis* is a well protected and strong organism that when in an unstable environment can flourish. It can fend off immune and chemical attacks, making it necessary for first- and second-line drugs and contributing to the rise of MDR and extensively drug-resistant (XDR) TB.³ There is a concern that weak or discontinuous therapy or treatment of TB could ‘spawn’ MDR TB, making it necessary to treat patients and for them to use medication responsibly.⁴ Since it is a respiratory disease that primarily affects the lungs, TB is an airborne transnational, trans-regional, and globalized epidemic.⁵ Because of the ease through which infectious diseases can spread in today’s interconnected world, it is necessary to aid in

containing infectious diseases such as MDR TB in order to prevent widespread contamination and death.

The next efforts of the US in containing and eradicating the spread of MDR TB in Russia needs to be based upon heavy evaluation of all contingent factors in addition to the effectiveness of past aid and programs. So first, it is necessary to look at the spread of TB and the subsequent spread of MDR TB since the collapse of the Soviet Union. Secondly, this paper examines the different organizations and funds through which Russia received aid from the US in combating TB. Then it is imperative to look at past resistance to US aid in Russia in order to change methods through which to allocate aid.

The Spread of Tuberculosis in Russia

The levels of TB cases in Russia rose in the 1990s after the fall of the Soviet Union. In the early 1990s TB occurred in approximately 30 per 100,000 of the population but rose to 80 per 100,000 of the population by the end of the decade.⁶ Subsequently, death rates from the infection rose from 8.1 per 100,000 of the population in 1991 to 20.4 per 100,000 in 2000.⁷ Since the turning of the decade, Russia has seen a continuation in spread of TB but not at the same rate. According to WHO's Global Tuberculosis Control Report of 2009 Russia is now ranked 11th of the 22 high-burden TB countries with one in five people having latent TB and 110 new cases per 100,000 people as of 2007.⁸ The spread of tuberculosis has created a rise in MDR TB cases and is a contributing factor in the breakdown of health infrastructure, health conditions and the lack of treatment in prisons, and the onset of HIV/AIDS.

With the impending spread of TB throughout the regions in Russia have come MDR strains. Russia reportedly had the third largest number of MDR TB cases in 2007 with 43,000

reported cases.⁹ Additionally, XDR TB possibly accounts for 6% of MDR TB cases in Russia.¹⁰ Without containing and treating MDR and XDR cases appropriately, incurable tuberculosis could be a world wide epidemic. In order to combat the spread of MDR and XDR TB, patients need to be given the appropriate drugs and monitored so that they will be less likely to develop more resistant strains or pass on the infection to more people.

The original proliferation of TB in Russia was primarily a result of the destruction of health infrastructure after the Soviet Union collapsed but it has continued to remain a problem. The incidence of TB doubled during the 1990s but has had a smaller annual growth since 2000.¹¹ This resurgence of TB in the 1990s is linked to both crises affecting the Soviet Union's health services in the 1980s and a dramatic reduction in living conditions stemming from economic reforms in the early 1990s.¹² Additional contributing factors include the breakdown of social safety nets, the AIDS epidemic, alcoholism, and a high incarceration rate, allowing TB to spread extensively in prisons.¹³

The role of prisons in spreading TB and subsequently MDR TB is extensive in Russia. Paul Farmer labels it as a "prison-seeded epidemic" just as it had been known in New York in the 1980s.¹⁴ Russian prisons in regions such as Tomsk are great breeding grounds for TB. The prisoners who contract TB are kept in crowded settings in hospitals for long periods of time "allowing cross-infection with drug-resistant strains among patients, and putting staff at considerable risk."¹⁵

In addition to the crowded cells and crowded hospital conditions, prisons do not have proper access to second-line anti-tuberculosis drugs or what is called a bottleneck of these drugs.¹⁶ As a result, MDR TB has been allowed to spread through Russia's prison systems in particular regions such as Tomsk. Because of the compartmentalized nature of post-Soviet

bureaucracy, different ministries address public and prison health with the public as a priority.¹⁷ But in order to stop the spread of MDR TB, it is necessary to also make prison health and infrastructure a priority before MDR TB becomes more prevalent amongst the public.

The spread of TB has also been facilitated by the increased prevalence of HIV/AIDS in Russia. People infected with HIV are more susceptible to developing active TB, and in result, TB is a leading cause of death among people living with HIV/AIDS.¹⁸ Russia accounted for 66% of AIDS cases in Eastern Europe and Eurasia with 39,000 new HIV diagnoses recorded in 2006.¹⁹ With the rise of HIV/AIDS in the Russian population, TB is able to spread easier and become MDR TB resistant as it infiltrates weaker immune systems that rely upon a steady supply of anti-TB drugs. In order to combat TB in Russia, aims must be made at limiting and reducing the rates of co-infection of HIV/AIDS and TB.

US Funding and Aid to Fight Tuberculosis

In recent years, the US has steadily increased foreign assistance and aid in order to combat and contain the spread of TB and MDR-TB. Funding and support have been given through existing departments and organizations such as the Department of Health and Human Services' (HHS) Center for Disease Control (CDC), the World Health Organization (WHO), the Global Fund to Fight AIDS, Tuberculosis and Malaria, and United States Agency for International Development (USAID). Additionally, through the US President's Emergency Plan for AIDS Relief (PEPFAR) enacted in 2003, funding will go towards fighting tuberculosis and AIDS co-infection. As a result of the contributions of these different organizations and departments, Russia has seen and should see even more support from the US in order to combat the spread of TB and MDR TB.

Tuberculosis has become a global focus as a result of being an opportunistic infection with the onset of AIDS, and the US has established PEPFAR in response. TB is reportedly the leading cause of death among people living with HIV/AIDS.²⁰ PEPFAR is a unified US government global response to integrative HIV prevention with TB services for treatment and care and has increased bilateral funding for TB treatment and HIV prevention from \$26 million in FY2005 to \$140 million to FY2008.²¹ Just as PEPFAR collaborates funding behind treating TB and preventing HIV at the same time, the US needs to give Russia funding accordingly to fight the co-infection of TB and HIV/AIDS.

More generally towards the fight against TB worldwide, the US has used or funded three primary organizations or departments: the HHS, the Global Fund, and USAID. The HHS' CDC has played a larger role in assistance towards treating and containing MDR and now XDR strains of TB. Both PEPFAR and recent outbreaks have caused HHS to take on a more integrative role. From FY2001 to FY2005, HHS' contribution even rose from \$96 million to \$1.77 billion, a 1,744% increase.²² Since FY2005, HHS aid has gone down but still contributed \$616 million in FY2007, a 540% increase over the FY2001 level.²³ Through these funds the HHS provides international assistance towards disease control and global health.²⁴

Additionally, the Global Fund to Fight AIDS, Tuberculosis, and Malaria has provided \$2.25 billion in FY2008 with the US being the largest contributor of almost \$3.3 billion donated since 2001 or 27% of the total funding.²⁵ The Global Fund's support allows hospitals to treat more patients through the increased availability to second-line drugs.²⁶ The total USAID disbursement in FY2007 was \$10.7 billion.²⁷ Through these organizations, the US has shown a sustained effort in combating tuberculosis and infectious diseases. With Russia being 11th on the

list of the most TB burdened countries, it should become a focus of US foreign assistance to contain and eradicate the spread of TB and MDR-TB in TB burdened regions of Russia.

In the fight against TB in Russia specifically, most of the funds are allocated from USAID and through support of WHO in order to implement and support WHO's Directly Observed Therapy Short Course (DOTS) program. In 1998, Russia began to receive USAID assistance to help the government implement the DOTS program and reduce TB mortality and transmission.²⁸ As of FY2008, USAID funding for TB programs in Russia reached \$7.1 million.²⁹

The DOTS strategy is meant for areas of moderate to high levels of MDR TB providing guidance and strategies for the use of second-line anti-TB drugs.³⁰ The DOTS program has been implemented in other countries including Bolivia, Costa Rica, Estonia, Haiti, Latvia, Malawi, Mexico, Peru, Philippines, and Uzbekistan.³¹ Because of the health infrastructure collapse in the 1990s, Russia is in need of new structures and programs to guide and monitor the use of anti-TB drugs in order to decrease incidences of transmission and MDR strains.

Obstacles

The US has faced difficulty implementing and supporting reforms to combat TB in Russia. The resistance to medical and to prison reforms in Russia is an example of Russian tension with Western-based policies. Contributing factors include disenchantment that Russia and its citizens feel towards the West after the new economic strategies in the 1990s didn't fulfill promises and resentment of the North Atlantic Treaty Organization expansion since the end of the Cold War.³² In order to restrict the amount of influence the West has in Russia and in keeping with Russian practices, the DOTS program was not widely accepted or welcomed by

Russia's government or health care workers. Additionally, Russia generally resists any reforms suggested for prisons or healthcare facilities and practices that were meant to combat the spread of TB. This antagonism between the Western and Eastern view points on TB containment strategies and treatment has hindered the establishment of the DOTS program in Russia and related loans or reforms to health and prison establishments.

Russian officials initially resisted the DOTS program because many of its treatment methods are contrary to traditional Russian treatments of TB. Russian methods include active pursuit of case finding through mass screening of the population, hospitalization, and isolation while the DOTS methods favor out-patient care and long-term individualized multi-drug regimens.³³ Additionally, Russian treatment often results in surgery to remove part of the lung on patients with MDR-TB while the West does not perform this surgery any longer.³⁴

With the introduction of DOTS, Russia needs to completely change and restructure its healthcare system. But despite the initial resistance, the DOTS program was implemented in 26 of Russia's 89 subjects and within a year's time from 2001 to 2002 went from covering just 15% of the population to 27%.³⁵ The slow acceptance of DOTS in Russia also meant that suggestions and allocation of aid from the US and Western institutions continue to be met with resistance.

One of the first examples of resistance to Western aid was Russia's refusal of the TB/AIDS loan from the World Bank. In the late 1990s, the Russian government even asked the World Bank for help in fighting the TB and AIDS epidemics.³⁶ The World Bank agreed upon a loan with Russia in 1999 but Russian officials, the Ministry of Health among them, refused to accept the loan due to the stipulation that Russia follow the DOTS program.³⁷ After three years of refusing, the Russian government finally accepted the \$150 million loan.³⁸ Because of the

increasing prevalence of AIDS and TB in Russia, the funds are necessary in order to contain the epidemics.

Another obstacle the US faces in helping Russia contain TB is Russia's practice of isolating and hospitalizing patients with TB. The traditional approach to TB treatment includes isolation of patients in sanatoriums.³⁹ Additionally, Russia can confine people with TB who refuse their medication to ensure the completion of drug courses, a practice that observers see as a violation of human rights.⁴⁰ Cuba has a similar practice and is known for having an 'impressive' TB treatment program.⁴¹ But keeping patients in hospitals for extended periods of time allows for cross-infection among patients with drug resistant strains.⁴² The DOTS program is contrary to this practice by advocating instead out-patient care and local clinics. The difference between the DOTS program and traditional Russian practices is one reason why DOTS was initially resisted. Through the eventual implementation of the DOTS program in Russia, detaining patients in hospitals may no longer continue.

Prisoners in Russia face similar problems as TB patients in that they are confined in tight spaces allowing for the spread of TB and MDR strains. They also are not given the needed attention because of the stigma surrounding prisoners. In Russia, emphasis is placed upon treating the public rather than the prisoners, and different ministries address public and prison health.⁴³ So when foreign assistance from the US prioritizes prisons versus women and children, the Russian government and public do not understand.⁴⁴ But contraction of TB in prison and penitentiary systems is about 17 times higher than civilian contraction, creating a need for treatment and TB prevention in prisons.⁴⁵ As a result, DOTS is now functioning in all prison health facilities resulting in a decrease of TB incidence, prevalence, and mortality in prisons.⁴⁶

The prisons are an example of a widespread acceptance of the DOTS program in Russia as the need for TB treatment and containment grows.

Recommendations

The continuation of US aid towards the containment and eradication of TB in Russia needs to be based upon the concerns and interests of the global community, as well as collaborating with the needs of Russia and its citizens. The health infrastructure collapse of Russia in the 1990s and the failure of Western-provided economic reform policies have created distrust between Russia and Western nations such as the US. In order to improve relations and proceed with aid recommendations for tuberculosis, it is necessary for the US to collaborate with and to include Russia in the decisions made for aid. The recommendations generally made address the following concerns: expanding the DOTS program, providing technical assistance to help with containment and treatment of TB, reforming the Russian prison system, and addressing the co-infection of AIDS and TB.

In order to properly combat the spread of TB and MDR TB in Russia, Russia will need the necessary tools, including adequate supply of and access to health care facilities, laboratories, health care training, proper tests, and medicine. Health advocates claim that support for TB prevention needs to be partnered with funding of health systems such as laboratories.⁴⁷ And with health care shortages, there is a decreased likelihood of proper supervision of medication.⁴⁸ The improper use and inability to manage the first and second-line treatments properly can lead to increase cases of XDR TB.

As such, it is necessary to invest in training of health care workers indigenous to Russia.⁴⁹ By supplying Russia with efficient tests that allow for shorter diagnoses, it will be

possible to use medicine efficiently, reduce MDR TB transmission, and attack infections earlier.⁵⁰ And lastly, it is necessary for Russian medical facilities to have access to first-line and second-line anti-TB drugs to distribute to populations in order to reduce transmission and TB related deaths.

In addition to training health care workers to properly treat and medicate patients, the US can support programs that facilitate and monitor patients outside of hospitals and prisons to aid in compliance. The “Sputnik” program in Russia is an example of such a program. Sputnik is a seek-and-treat program created by Partners In Health (PIH) that trains workers who act like family for up to 28 people by following them and giving them treatment.⁵¹ With programs such as Sputnik, it eliminates the need to keep patients hospitalized or in institutions where patients are subject to increased transmission of bacteria.⁵²

Upholding and promoting prison reforms will create a more stable and manageable environment where the spread of TB can be contained. Such types of reforms include proper ventilation systems in both prisons and treatment centers and a proper system of segregation based upon the status and susceptibility of MDR TB patients.⁵³ Tomsk has employed such strategies with 14 wards specified by medical status and a database released to the city operation so that Sputnik can oversee the patient in public.⁵⁴ Because of these reforms, the Tomsk prison health facility experienced no TB deaths in 2008 at the time of the report after having 60 TB deaths in a previous recent year.⁵⁵ As shown, improving and creating a more monitored prison system can help manage the spread of tuberculosis.

In order to manage TB on all levels and diminish susceptibility to TB and MDR strains of TB, it is important to tackle HIV/AIDS and TB at the same time. By reducing the spread of AIDS in Russia, the spread of TB will subsequently go down. Because Russia has the highest

prevalence of HIV/AIDS cases in Eastern Europe and Eurasia, it is important to provide more funds for Russia to fight these growing epidemics.

In the continuing fight against TB in Russia, the US should do the following:

- Collaborate and discuss aid allocation and priorities for tuberculosis with the Russian government and health officials.
- Continue to allocate funds to organizations based upon Russia's agreement to expand and broaden the reach of the DOTS program within Russian regions and prisons.
- Provide technical support, either directly or through organizations, of first-line and second-line anti-TB drugs, more efficient tests to recognize the status of TB infections, funding for the development of laboratory facilities, and funding for the education and training of health care workers.
- Support the expansion of programs such as 'Sputnik' in order to increase compliance in taking medication without having to hold patients in hospitals where they are subject to cross-contamination.
- Clarify and elaborate upon the need for Russia to focus on containing the spread of TB in prisons in order to ensure the safety of the public. In time, through the education of the public by the Russian government, the stigma associated with money going towards prisoners' health will wane.
- Allocate funding towards programs addressing the co-infection of HIV/AIDS and tuberculosis because of the increased susceptibility of HIV/AIDS patients to developing tuberculosis.

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Tomoko Burse, “US Efforts to Secure Diversification of Energy Supply to Europe through Asia to North Africa”

Introduction

The increasing dependence of European nations on Russian energy is an alarming issue for the US. European countries continue to strive for a sufficient and secure energy supply, and the US efforts to support Europe’s energy security face many challenges. Since Vladimir Putin’s presidency, Russia’s economy has demonstrated tremendous growth due largely to the enormous revenues from Russia’s oil and natural gas exports. Russia’s large energy supply and its controlling of European energy infrastructures have helped to build the fortunes of Russia in the international world. Russia has used its energy sector as a useful and powerful tool in international politics, and Russia has gained the upper hand over energy industries in Europe. For this reason, the sovereignty of neighboring states is under threat, and the NATO accession process could put their relations with both the US and Russia in jeopardy.

In this paper, I will examine the issues arising out of the Russian energy sector and Russia’s economic strategy in Europe. I will also examine US countermeasures in dealing with that strategy. The first part of this paper begins with a description of trends in the Russian energy sector. The second part discusses issues raised from the Russian energy sector strategy, and the approaches of the US and the European nations toward improving Europe’s energy supply security. The last part of the report contains recommendations to the Obama administration for addressing the issues of energy supply in Europe.

The Russian Energy Sector

Russia holds an estimated 5-6% of the world's proven oil reserves, around one-third of the natural gas reserves of the world, and is one of the world's largest coal producers.¹ During the gas transit disputes between Ukraine and Russia in the winters of 2006 and 2009, eighteen European countries including Greece and Turkey experienced a hardship due to insufficient gas supplies.² The European Union (EU) member nations have depended on Russian energy for 25% each of its gas and oil needs.³ The former Soviet republics and former Soviet bloc members in Eastern Europe, the Baltic, and the Caucasus region, many of which share a border with Russia, are even more dependent on Russian energy. These include Armenia, Georgia, Belarus, Estonia, Latvia, Lithuania, Moldova, and Ukraine.⁴ All of these nations experienced conflicts with Russia when Russia failed to negotiate with each state in energy related or political issues, and when Russia temporarily cut off energy supply to punish and coerce them to comply with Russian demands.⁵

One of Russia's influential political tools in the energy field is the state-owned energy corporation, the giant natural gas monopoly Gazprom. The Russian government owns more than 50% of Gazprom's shares.⁶ Russia's extreme protectionist policies with regard to energy production are an indication that the Russian government does not intend to liberalize Gazprom business practices.⁷ In fact, 100% of Russian gas flow to the EU countries is under Gazprom's control.⁸

The EU has demanded Russia open the entire Russian energy sector, its oil and gas fields and its pipelines, for investment by European energy companies.⁹ Although an increase of \$10 billion annual investment will be necessary in the Russian gas sector to fulfill future global

demands, Russia has rejected the EU suggestion.¹⁰ Instead, Russia has cautioned the EU not to challenge Gazprom's business development plans in the European energy sector.¹¹

Gazprom has aggressively pursued a consistent pattern of industry absorption, merging and pursuing joint ventures with other companies. It has established a number of subsidiaries domestically and internationally. Gazprom has made deals for energy extraction and transportation with companies such as OMV (the Austrian oil and gas company) Gas International GmbH and CEGH (the Central European gas conglomerate).¹² There have also been deals with Nigeria's state operated energy companies, in which a new firm called Nigaz has been formed.¹³ One of Gazprom's subsidiary companies, Gazprom Marketing & Trading (GM&T), is based in the United Kingdom; GM&T also has branches located in Berlin, Houston, Manchester, Paris, and Singapore.¹⁴ These international agreements have resulted in Russia and Iran controlling almost half of the world's proven natural gas reserves.¹⁵

Russia's economic behavior, including Gazprom's business expansion, seems to suggest that it is seeking economic hegemony in the energy field, very much the way that the Soviet Union did in order to develop political hegemony. Indeed, it is evident that Gazprom and another major Russian energy firm, Rosneft, are linked closely to the Kremlin, particularly to the Prime Minister, the former President, Vladimir Putin.¹⁶ Putin's close associate, a former KGB colleague, leads Rosneft; Putin's close ally, Alexey Miller and now Russian President Dmitry Medvedev, have managed Gazprom.¹⁷ Putin and Gazprom executives have no hesitation to declare Gazprom's provocative business attitudes in a threatening way. For example, "Putin believes that energy security is about [Russia's] retaking control of the 'commanding heights' of the energy industry and extending that control downstream..."; the Gazprom CEO Miller said to the EU, "attempts to limit Gazprom's activities in the European market...will not produce good

results ... it is no coincidence that competition for energy resources is growing...and it should not be forgotten that we [Gazprom] are actively seeking new markets such as China....”¹⁸

The conflicts in energy issues with Russia, together with Russian concerns about the slow pace of its WTO accession and its security concerns about NATO expansion in the Near Abroad, have increased tension between Russia and the US;¹⁹ Putin objected to NATO’s Membership Action Plans for Georgia and Ukraine at the NATO summit in Bucharest, 2008.²⁰ In fact, Bush administration officials and some Congressional members were concerned about the role NATO could play in energy security issues for member states given Russia’s aggressive energy sector strategy. Such concerns have involved such issues as emergency energy assistance in case of abrupt Russian-invoked energy disruption, pipelines and other energy infrastructure security.²¹ During the Bush Administration, the US officials repeatedly criticized Russia’s energy sector policies including Gazprom’s strategy of using gas as “a political weapon,” “which the US saw as a belligerent, uncompromising manipulation as well as ‘blackmail’ and intimidation’ towards vulnerable nations.”²²

US and European Responses to Russia’s Energy Policies

However, the position of US policy over energy issues regarding Russia has been in transition since the Obama Administration’s effort to “reset” relations with Russia. On the one hand, the Obama Administration promotes of energy diversification of supplies and infrastructures in Europe.²³ For this reason, the Obama administration advocates building several new pipelines in order to decrease European dependence on Russian energy: such as pipeline projects of the Baku-Tbilisi-Ceyhan, the South Caucasus Gas, the Nabucco, the Turkey-Greece-Italy gas, and American Macedonian Bulgarian Oil.²⁴

Currently, the US's view is that Russia and the US should not play a "great power game" in energy matters. The U.S. does not wish to aggravate the continuation of geopolitical conflicts over the energy supplies of Central Asia, and seeking to work out such issues with Russia.²⁵ The Obama administration does not disagree with Russia about the need for the Nord Stream and South Stream pipeline projects. But Russia considers the Nabucco pipeline project, which the US support to be a competing energy source, even though the US has suggested Russia participate in the Nabucco project as a gas supplier.²⁶

On the other hand, Russia has not sought to reconcile its own energy interests with US interests to promote greater energy security in Europe. While Russia seeks a strategic energy partnership with the EU, especially regarding an economic and political energy-alliance based on equal rights, Russia has not asked the US to be a key player in this regard. Furthermore, Russia seeks the strengthening of its status in the global energy market, and hopes that the US' negative response toward such a development to turn into a positive one. By contrast, the US wants to secure a guarantee for "the greatest possible energy independence," in which Russia would have a role, but not the preeminent one.²⁷

Many EU member states also want to be free of their heavy dependence on Russian energy.²⁸ One step in this direction is the Nabucco pipeline, "a milestone for energy-hungry Europe", an €8 billion project.²⁹ Currently, the authorities are concerned that there are not enough suppliers to fill the Nabucco Pipeline to full capacity.³⁰ However, the agreement on Nabucco transit on July 13, 2009, between Turkey and the four EU states (Austria, Bulgaria, Romania, and Hungary) eased some concerns of the EU and the US, and increased confidence about gas supplies coming through the pipeline.³¹ Still, problems and challenges continue. Azerbaijan is a strong candidate for one of the main suppliers, but Russia just negotiated a large

deal with Azerbaijan 2 weeks before the EU-Turkey deal. Russia will purchase 500 million cubic meters of natural gas annually.³² Another supplier candidate, Turkmenistan disagrees with Azerbaijan over Caspian Sea rights, which is where the main route of the pipeline project.³³

In November 2008, the US participated in the Energy Summit in Baku, Azerbaijan. Discussions at the summit centered on enhancing energy security by establishing several energy transit corridor routes and enhancing energy cooperation between the Caspian basin states. Other participating nations in this summit were Bulgaria, Estonia, Greece, Hungary, Italy, Latvia, Lithuania, Poland, and Romania (EU countries); Kazakhstan and Turkmenistan (from Central Asia); Turkey, Georgia, and Ukraine.³⁴ At this summit, the participants, who were interested in the Nabucco pipeline project, indicated they are open to the project.³⁵

On the other hand, Russia plans to send its gas to Europe through the Nord Stream and South Stream pipelines. Russia intends to undermine the EU's strategy of reducing Russian gas dependency, and notably, the South Stream is the rival pipeline project to the Nabucco pipeline. The South Stream Pipeline €25 billion project would provide 31 billion cubic meters of gas and pump it from Central Asia and Russia to Europe through the Black Sea³⁶.



Unlike Russia's success in promoting its oil and gas industries, the state of its nuclear fuel industry is problematic. Russia, a number of former Soviet republics and a number of former Soviet bloc states have numerous nuclear plants of the Soviet-era still in operation, including the same type of plants that led to the 1986 Chernobyl accident in Ukraine. A total of 61 such plants still exist in Armenia, the Czech Republic, Hungary, Lithuania, Slovakia, Ukraine, and Russia.³⁸ These plants include: 5 first-generation VVER-440/230 reactors, which had considerable design deficiencies; 16 second-generation VVER-440/213 reactors, which have some main design deficiencies, but they were remedied in part; 22 third-generation VVER-1000 reactors with a total containment structure, but some reactors instrumentation and control system deficiencies were reworked to come the closest to meet Western criteria; 12 RBMK reactors, the same type as *the Chernobyl*, amongst which the four oldest are the most concerning; and four BWR reactors.³⁹ These plants constantly remind the international public of the Chernobyl accident. Furthermore, the official Russian decision to extend the lifetime operation of the 4 oldest VVER-230 reactors, the 4 oldest RBMKs, and the GBWRs, could raise the question of safety of nuclear power plants, creating hysteria, especially in Europe.⁴⁰

There have been significant efforts by international organizations to upgrade most of these reactors to Western safety criteria including plant modifications, identification and remedy for safety deficiencies, personnel education and audits of plant component status.⁴¹ Such safety initiatives focus on the first generation VVER-440/230 and the RBMK reactors because these reactors had the most serious deficiencies.⁴² All RBMK reactors, notorious for the Chernobyl disaster, were modified: safety mechanism improvements and automated inspection equipment installations were made.⁴³ A German nuclear safety agency reported the recurrence of a Chernobyl accident is now almost impossible.⁴⁴ However, the closing of the VVER-440/230 and

RBMK plants in Slovakia and Lithuania highlight the outstanding safety concerns of the remaining Armenian and four Russian VVER-440/230 plants and the Russian RBMK plants.⁴⁵

The EU is excessively sensitive about the continued operation of Soviet style reactors despite the major improvements comparable to Western standards for safety already made. For instance, in 2006, the EU insisted on the closing of the two V-230 reactors in Bulgaria as a condition of accession, despite more than a decade of safety improvements and the positive reports of the International Atomic Energy Agency and the World Association of Nuclear Operators that “the units met all necessary international standards for safe operation.”⁴⁶

Recommendations

The US seeks to balance increasing Russian influence on the world oil and gas market, as well as wanting to compete with Russia by seeking alternative energy sources in Europe. However, the US also seeks to stabilize and facilitate US-Russian relations. Two recommendations which would advance these somewhat contradictory goals are: (1) The US should actively participate in both the Nabucco and South Stream pipeline projects, as well as (2) offer financial advice and technology support for the restructuring of the Soviet-era nuclear power plants, which are still under operation in former Soviet bloc countries and Russia, including restarting two closed plants in Bulgaria.

The Obama administration should strongly support the Nabucco pipeline project and it should work with the EU, the Central Asian countries, and some Middle Eastern nations, which are candidates for the energy supply, transit participants, and the use of energy from the pipeline. The US’ support for the Nabucco pipeline will help to ensure the independence as well as sovereignty of former Soviet bloc nations, and strengthen US relations with the Middle Eastern

states. The US' support will also help ensure European energy independence from Russia. Moreover, the Obama administration's support for the Nabucco pipeline would facilitate energy sector development in Central Asia by increasing investment in Central Asia's energy sector, helping secure the energy sources for the Nabucco pipeline in Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan.

Azerbaijan's possible natural gas reserves are approximately 15 trillion cubic feet, and its Shah Deniz, Phase 2 gas field's development completion has been delayed for two years due to disagreement with Turkey concerning transit rights.⁴⁷ Kazakhstan's estimated proven natural gas reserves are 100 trillion cubic feet, and there are several pipeline developments being considered for the Caspian Sea region.⁴⁸ Therefore, there is huge potential for both Kazakhstan and the US for opening up new natural gas markets.

In 2006 and 2007, Turkmenistan exported 1,593 and 1,745 billion cubic feet of natural gas respectively, which accounts for the world's 10th natural gas net export.⁴⁹ However, Turkmenistan and Azerbaijan have a conflict over Caspian Sea rights involving the Nabucco pipeline's main route.⁵⁰ In fact, resulting from a disagreement with Russia over responsibility for a pipeline explosion of April 2009 in Turkmenistan, Turkmen officials, in the interest of supply route diversification, have approached a German firm, RWE, a major financier of the Nabucco project, to propose "a gas exploration contract."⁵¹ The US could use this situation to negotiate acquiring gas supply to the Nabucco pipeline project. As well, Uzbekistan's natural gas net export was 447 and 495 billion cubic feet in 2006 and 2007 respectively, not as much as the other three Central Asian states, but still abundant enough to profit.⁵²

For promotion of the energy sources of the pipeline through the Central Asian energy sector development, the Obama administration's strategic role for arbitration is essential both

between Turkey and Azerbaijan as well as between Turkmenistan and Azerbaijan. The US should also respond promptly to Middle Eastern countries' positive responses to the Nabucco pipeline project regarding supplying gas by Egypt, Iraq, Syria, Turkey, and possibly Qatar. The Obama administration should also play a key role in settling regional issues, such as the Kurdistan ethnic conflicts in Iraq and Turkey.⁵³ By removing political obstacles to participation in the Nabucco pipeline, the Obama administration would advance the pipeline's economic feasibility, and the result would attract an increase of commercial investments in the Nabucco pipeline project. As well, the Obama administration should not encourage Russia to take a part in the Nabucco project because the primary purpose of creating the Nabucco pipeline is to reduce European heavy dependency on Russian energy supplies, especially in the case of repeated gas supply cutoffs due to political conflicts between Ukraine and Russia.

Furthermore, the relations between Europe and the countries of North Africa and the Persian Gulf have improved steadily, demonstrated by the establishment of the Euro-Mediterranean Energy Partnership in 1995 with North Africa, the EU-Gulf Cooperation Council Dialogue, and active commercial involvement.⁵⁴ Hence, the viability for cooperation with Egypt, Iraq, Syria, Turkey, and Qatar in the Nabucco pipeline projects would be substantial.

On the other hand, in order to show Russia that the US is not directly challenging Russia's economic interests, the US should actively participate in the South Stream pipeline project. With cooperation of the EU and Romania, the US should initiate a rerouting of the South Stream pipeline. The currently planned route of the South Stream pipeline's offshore section passes through the Black Sea to the Bulgarian coasts (see the map 56 below).⁵⁵



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A rerouting to almost horizontally penetrate the center of Romania’s land via the Black Sea and Serpent Island, including Ukraine, would shorten the distance of the pipeline and dramatically reduce the total cost of building the pipeline as well as transporting energy. In March 2009, Romania achieved a victory over in a territorial dispute with Ukraine for the “sovereignty over 12,000 sq km of Black Sea continental shelf” including Serpent Island.⁵⁷ Thus, Romania is in the best location for the rerouting of the South Stream pipeline described here. In fact, Bulgaria recently expressed intention to thwart Russia’s increasing influence over gas supply to the Balkan nations.⁵⁸ Nor has Bulgaria agreed with Russia to many details of the South Stream pipeline project.⁵⁹ Therefore, considering there are many aspects of the project not yet finalized, there is great potential for rerouting the pipeline, and the US should move quickly to gain all the opportunities available for participation in the project.



Serpent Island⁶⁰

This rerouted pipeline possibly would go through Bulgaria, Hungary, and Turkey to reach Austria, Greece, and Italy as initially planned, creating a connection almost vertically to the

current onshore route, which runs a north-south direction near Sofia in Bulgaria (see the map 37 above).

Ukraine has repeatedly had disputes with Gazprom over Russian gas transportation through its territory. Approximately 80% of natural gas imports to Europe from Russia go through pipelines in Ukraine, and Gazprom controls those pipelines.⁶¹ In addition, the newly elected Ukrainian President Viktor Yanukovich has indicated he may challenge Gazprom to reduce gas prices and demand an increase of the amount of gas transit, thus leveraging Ukraine's participation in the South Stream pipeline.⁶² Therefore, the Obama administration's constructive intervention between Ukraine and Russia would be crucial for peaceful success of the South Stream project.

Another recommendation to secure alternative energy sources in Europe is through the restructuring of the Soviet-era nuclear power plants in Russia, including the former Soviet bloc, to ensure the safe and adequate supply of different sources of energy. Nuclear power is one of the cleanest and the most efficient energy sources when it is handled correctly.⁶³ Therefore, restructuring those Soviet-era nuclear power plants is essential for Russian and European energy needs, and the restructuring requires a radical process to complete successfully.

There is a great possibility here for the US to take the initiative and collaborate with Russia in the nuclear power field. This effort would promote US economic growth and create stronger ties between the two nations. In fact, the two Presidents of the US and Russia pledged to continue the bilateral Agreement for Cooperation in the Field of Peaceful Uses of Nuclear Energy, which the former President Bush withdrew from due to the Georgia-Russia conflict in August, 2008.⁶⁴ The agreement might be a framework for initiating the regulatory framework for the nuclear reactor restructuring project. This could be a great opportunity for the Obama

administration to improve U.S.-Russian relations and promote greater energy independence in Europe at the same time.

The US should provide financial and technological support for restructuring these reactors. The Obama administration should propose Russia finance the project, and enable Gazprom and other prosperous Russian firms to participate in the restructuring financially.

The US should support efforts to educate public opinion in Europe, and to implement stringent and rigorous regulations for plant construction and operational management including nuclear waste management for ensuring nuclear power safety. The Obama administration should promote the US commercial nuclear industry by sending experts to aid Russia and the former Soviet bloc in the renewal of the 61 Soviet-era plants including the two closed plants in Bulgaria.

This project has great potential for revitalizing the US labor market and promoting business growth in the field of civilian nuclear research, development and production. In addition, the experiences of both the US and Russia (former Soviet Union), the lessons from the 1979 Three Mile Island accident and the Chernobyl accident, can offer a great benefit for this project, including a complete analyses of the flaws for plant construction, operational management, and the scrutiny of long term health as well as environmental effects.

The US nuclear power industry has an excellent safety record with respect to public health consequences compared to other major commercial energy technologies.⁶⁵ In the US, during roughly the 3,000 reactor-years of operation, the Three Mile Island accident in 1979 has been the only incident of a commercial nuclear power plant failure with the potential to cause death or injuries to the public.⁶⁶ The US Nuclear Regulatory Commission (NRC) has safety regulations for each reactor design, requiring the probability of accidental core damage to be lower than one in 10,000 per year.⁶⁷ The regulations also aim to assure successful reactor

containments “at least 90% of the time in preventing major radioactive release” in case of a core-damage accident.⁶⁸

Therefore, the probability of major radioactive release at any reactor would be less than one in 100,000 per year.⁶⁹ With the monitoring system of the NRC, compliance becomes a very important safety component in the restructuring program. Modeling the NRC regulations, the US should advise Russian authorities on the maintenance of routine inspection schedules to examine and observe plant systems and personnel performance as well as regular inspection reports including strict penalties for violations of the regulations.⁷⁰ Creating these kinds of strong regulations for the Soviet-era nuclear plant restructure program would be a benchmark in the effort to gain Russia’s cooperation in its nuclear industry.

Moreover, the US’s Price-Anderson Act mandates liability against licensed reactors for any public damages resulting from nuclear incidents. Thus, it might serve as an important example of regulation for the nuclear plant restructuring program.⁷¹ In addition, the US currently supports establishing an international liability system, the Convention on Supplementary Compensation for Nuclear Damages (CSC), which could cover conduct of foreign business by US nuclear equipment suppliers.⁷² Until five or more nations with a certain level of nuclear production have enacted legislation, the CSC will not be enforced. Hence, the US should support Russia’s CSC ratification in order to ensure successful continuation of the restructuring program of Soviet-designed nuclear plants.

The advocates of nuclear power for electricity generation seem to be gaining favor in Europe due to the fact that nuclear power generation has almost no greenhouse emission.⁷³ In Europe, states such as France, Finland, Sweden and the United Kingdom (UK) heavily depend on nuclear power. New reactors have recently been built by Finland, Lithuania, and the UK. But

other European countries oppose nuclear power due to safety concerns and the problem of hazardous waste disposal.⁷⁴ For example, Germany and Spain committed to closing all their nuclear reactors in several years.⁷⁵ In order to mitigate the public resistance against nuclear industry, complete nuclear waste management including the repository infrastructure development, waste transportation management, and system engineering as well as analysis are absolute necessary elements for the Soviet-era nuclear plant restructuring program.

The Obama administration must address Russia regarding nuclear weapons proliferation issues if the program is to be feasible. This will certainly require great diplomacy to avoid taking a confrontational stance. This is an extremely sensitive issue because the restructuring process of the Soviet-designed nuclear plants might influence the Obama administration's overall "reset" efforts, including arms control issues with Russia. The US' extreme caution will be required for the strategic success of the program.

As European nations struggle to secure their energy supply sources, their dependency on Russian energy is estimated to increase even more in the short-term.⁷⁶ The diversification of European energy supply will be relentless mission for the US and countries in Europe. The Obama administration's "reset" policy is rational approach in its careful consideration of Russian foreign policy interests. The US should start taking action in support of an agenda for security and diversification of the energy supply in Europe. The US should vigorously take initiatives for finding alternative energy supply sources for European energy market even as the US constructs a healthy overall relationship with Russia. The US leadership of the Soviet-style nuclear power plant reform program will promote and improve the bilateral relations. Successful US-Russia relations will depend on how the Obama administration approaches strategically mutually beneficial and not contradictory interests with Russia.

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Introduction

The waiting game for Russian World Trade Organization (WTO) accession has lasted over fifteen years and is a continual display of Russian bureaucratic sluggishness, persisting concerns over key trade and regional interests, and an enduring cautiousness that is slowing down momentum for Russia's chances to join the international organization.

Russia originally applied for membership for the WTO in 1993 and saw a slow pace of formal negotiations in the 1990's. However, in 2000 Russia saw a reinvigoration in the accession effort with the election of President Vladimir Putin, who vowed that Russian WTO accession would be completed by 2003.¹ Unfortunately, Russia remains a non-member of the WTO and has failed to complete the necessary bilateral agreements with Georgia, Saudi Arabia, and the United Arab Emirates in order to join.²

Russian bureaucratic motivation for WTO membership is fading and now in 2010 faces new challenges to WTO accession. These include the need to appease Georgia and improve bilateral relations, improving and enforcing better trade practices, and improving its image as a reliable trade partner and world economic power. The success of Russian WTO accession will thus be one based on a motivation for change and progression, which is in direct contrast to the current cautionary practices of the Russian bureaucracy. This change and progression will, at least in part, come from international support from the US, as both countries have serious interests in Russian accession.

The WTO and Its Structure

The WTO, originally the GATT (The General Agreement on Tariffs and Trade), was created in the Uruguay Rounds of multilateral negotiations in 1994 to promote trade liberalization and the reduction of tariffs and non-tariff barriers and to resolve trade disputes between member states.³ The key aspects of the WTO are the Most-Favored Nation (MFN) and National Treatment (NT) principles, which promote equal treatment of domestic and non-domestic products and trade practices among WTO member states. The WTO also aims to promote transparency in trade practices, the lowering of trade barriers, and reducing reliance on tariffs, all of which are important to maintaining consistent and reliable trade relationships between nations.⁴ The WTO confers power to its member states, to authorize retaliatory, countervailing measures against nations that fail to adhere to the WTO and its Covered Agreements.⁵

Dispute settlement is carried out by the Dispute Settlement Body (DSU) that has power to establish panels and adopt panel and appellate body reports regarding trade disagreements between member states that seek legal mitigation.⁶ Member states enter a contract that holds them accountable by virtue of the DSU. Members face expulsion from the WTO and the benefits of MFN and NT if they do not adhere to its principles.

Therefore, joining the WTO is no simple task for a post-Soviet era Russia, and while its desire to be a part of the organization is sincere and supported by the US and other nations, Russia must be prepared to pursue more aggressive policy changes in order to gain admittance into the strict and enforcing WTO. In addition, the US will also need to be prepared to support Russia, encourage flexibility among WTO member states, and pursue an agenda that opens up opportunities for Russia to improve the prospects for its application to the organization.

Russian Interests and Challenges to Membership

Analyst Anders Aslund has argued that Russia's main interests in joining the WTO are in securing access to export markets to help reduce protectionist measures in key industries such as textiles and chemicals, to have a strong say in international trade rules and regulations, and to help stimulate foreign direct investment (FDI) and promote domestic competition.⁷ In short, Russia wishes to exert its role as a world economic power and reap the inherent benefits of the WTO, which would have direct effects on Russian industries that may be adversely affected by tariffs and non-tariff barriers that would be reduced by virtue of WTO accession. In addition, Russia wants to gain influence in the world economy through making contribution to WTO trade law and regulations. By having a say in the WTO, Russia would benefit from future changes in trade law and tariff schedules, theoretically placing the country on a more even playing field with other developed nations.

While Russia has already negotiated MFN with most of its trading partners as a non-WTO member, the World Bank points out in a 2004 study regarding tariff reform and Russian accession that by joining the WTO Russia would improve access to non-CIS (Commonwealth of Independent States) countries in select products and improved rights in antidumping and countervailing duty investigations.⁸ It is notable that non-CIS countries in 2002 accounted for an astounding 83% of Russia's exports.⁹ Thus, improved market access is a priority for Russia. It is estimated that by joining the WTO, Russia would improve its total GDP by 0.3% through better access to markets through lower tariff rates on its exports.¹⁰

With better prices on its exports, Russia would also be able to import more products from abroad and increase overall output. With lower tariffs, Russia would see an increased demand in imports but would be able to utilize the inputs at a lower cost.¹¹ This would open doors for more

trade opportunities from countries like the US and members of the EU, creating an overall benefit in trade relations. By joining the WTO, Russia would benefit greatly from reduced barriers to trade through lowered tariffs and the mediation of countervailing and antidumping measures.

Russia also wants to expand its influence on the world economic stage. Aslund points out that “Russia’s lack of membership in the WTO constitutes a severe handicap,” laying claim to only 1.6 percent of world trade in 2006 dollars as a non-member of the organization.¹² For being as politically influential as it is, Russia falls short in being an economic superpower. Accession to the WTO would signify a crucial step in building a stronger nation and international reputation by offering Russia a chance to grow economically. In addition to expanding its trade influence, Russia also wants to have the opportunity to set the rules for trade policy and be more aware of the trade policy of other nations.

As a non-member, Russia has been forced to negotiate bilateral trade agreements without the enforcement and protection of the WTO. Russia has not been able, in some cases, to set the terms and conditions of trade as strongly and securely as it would have been able to do with the support of the WTO and the DSU. Through GATT 1994 Article 23 Nullification or Impairment, WTO accession would give Russia the legal ability to make concessions, written representations, and proposals to parties that have impaired Russia’s rights under the GATT.¹³

Additionally, Russia wants to join the WTO to ensure that its trade with other countries is consistent through WTO tariff schedules. Article 2 of the GATT 1994 essentially locks member states into their tariff schedules when trading with other member states.¹⁴ Countries are not allowed to change their tariff rates arbitrarily throughout a given a time period. In this way, Russia’s trade influence would be amplified through its ability to change trade policies through

WTO membership and securing tariff schedules from other member states to keep trade consistent and reliable.

The World Bank concluded in a ten-region study of Russia in 2006 that trade liberalization and improved market access is a “gain to Russia,” and in addition the Bank also points out that Russia has much more to gain from increased liberalization of foreign direct investment in terms of increasing Russian welfare.¹⁵ Thus, WTO accession is key to promoting FDI and transforming Russia’s protectionist domestic industries into a higher level of competition and forming a “knowledge-based economy” that is stronger and able to compete with foreign industries.¹⁶ More exposure to FDI and international influence would also help to infuse Russia with new innovations, products, and services that would help to both invigorate its economy and improve economic ties with other member states. WTO accession ensures that Russia would be protected from unfair treatment and offers Russia the opportunity to gradually open up its economy to FDI. However, WTO membership also protects industries that would operate out of Russia from unfair, protectionist treatment of their products by virtue of Article III of the GATT 1994 (NT).¹⁷ FDI would ultimately prove to be beneficial to Russia today. Quickening the pace of Russian accession therefore would prove to be beneficial in starting the process of opening doors to a more prosperous Russian economy through FDI.

Nevertheless, Paul G. Hare of the Russian-European Centre for Economic Policy counters and asserts that while Russia has “desired the benefits of membership” it has been “reluctant to contemplate the possible costs in terms of necessary changes to domestic policies, costly industrial restructuring, and a possible flood of foreign goods and services entering the Russian market.”¹⁸ The sluggish pace of Russian WTO accession and policy implementation necessary to complete its bilateral agreements has come to show Russia’s trepidation in joining

the ranks of the WTO. Russia faces several distinct bureaucratic and foreign policy hurdles that would lead to a more promising WTO application which include the need to complete multilateral agreements over current trade practices, issues relating to Russian energy practices, Russian-Georgian relations, and its current application status as a customs union with Belarus and Kazakhstan.

Firstly, Russia is still in the process of negotiating multilateral agreements over sanitary and phytosanitary measures, agriculture, intellectual property rights protection, and the extent of state involvement in its industries.¹⁹

With regard to Russian import and export policies, the United States Trade Representative (USTR) points out that “Russia continues to maintain a number of restrictions with respect to imports, charges and fees that exceed the cost of the service, and also has licensing, registration and certification regimes that are burdensome.”²⁰ In short, Russian trade policy is viewed as overly protectionist and not suitable as a WTO member-state economy. By joining the WTO, Russia would be forced to standardize its trade practices and tariffs in a way that are easily identifiable by other member states, and not viewed as barriers to trade.

Currently, for example, Russia charges heavy, excessive taxes on foreign imports such as vodka, automobiles, and aircraft. The current import duty on a passenger vehicle is about 25%, but combined with excise taxes and a VAT, Russian taxes amount to the vehicle costing 70% more than what it would normally be in its domestic market. Additionally, Russia has failed to publish its trade policies and regulations in a way that notifies industries of policy changes.²¹ While the scheduling of concessions through the WTO would notify Russia of international tariff rates, Russia would have to prepare to do the same for its trading partners and notify them of changes to its trade policies, regulations, and tariff rates.

In addition, Russia has failed to come into WTO compliance with regards to issues on labeling, standardization, and intellectual property rights issues. On the forefront of US-Russian trade conflicts, for example, is intellectual property rights (IP). The Congressional Research Service (CRS) reports that the “apparent lack of adequate intellectual property rights protection in Russia has tainted the business climate in Russia for U.S. investors for some time”, with a total loss of \$2.8 billion in losses in 2008 alone through copyright infringement.²² And while some improvements in IP have been made policy-wise, implementation and enforcement have been weak. With regard to standardization, many companies find Russian technical regulations as major obstacles to trade.²³ While Russia requires certain safety and testing standards on many of its products, standardization of its protocols by international bodies is limited and serves as a barrier to trade.

With regard to pharmaceuticals, for example, the USTR points out how Russia has “required imported pharmaceutical products to be accompanied by a complex declaration of conformity rather than a certification”, causing many well-renown and internationally-recognized drug companies to go through additional red tape to sell their products.²⁴ Overall, in the realm of standardization and IP, Russia’s cautious and, at times, inconsistent and burdensome bureaucratic tendencies will only prolong its struggle to join the ranks of the WTO.

Russia must also come to terms with its relationship with WTO member states, like Georgia, in order to have an opportunity to join the organization. The Center for American Progress (CAP) writes how Russia’s “August 2008 invasion of Georgia was only the most egregious example of Moscow’s retrograde policies toward its neighbors.”²⁵ In addition, these “retrograde policies” also apply to Russia’s energy practices, such as in 2004 when Russia shut off gas supplies twice during the Ukrainian elections as well as significant decreases in gas

supplied to the EU in 2009, creating an energy scare that is taking center stage in EU-Russian relations.²⁶ Russia's employment in the "dark side" of politics is one of the greatest threats it imposes on itself with regards to its application to the WTO. Even the threat of Russia's control of energy resources is enough to cause severe tension between Russia and its neighbors, not to mention its military and political pressure against Georgia.

To further complicate Russia's application to the WTO, Prime Minister Putin declared on June 9, 2009 that Russia would be discontinuing its application to join the WTO as a single state, but rather as a customs union with Belarus and Kazakhstan.²⁷ While the three countries have decided to seek accession to the WTO separately each country plans on having same tariff schedule as the others. The CRS reports Russia's change in application status as "stunning" and such a move may only prove to extend the now sixteen-year struggle for its accession to the WTO.²⁸ The CAP reports that the new negotiations over the bloc has now made Russian WTO accession "uncertain" and that it would take several years for Russian to gain admittance if it continues to pursue the customs union with Kazakhstan and Belarus.²⁹ Overall, Russia has a great challenge ahead in its accession to the WTO. It must shed its aura of protectionism and barriers to trade in favor of better, more standardized trade practices as well as change its international reputation as an unreliable trade partner in light of policy change and commitment to opening up its markets.

The U.S. Role in Russia's WTO Accession

With regard to US interests, to the WTO is important not only for improving trade opportunities but to also improve the current foreign policy climate concerning bilateral relations. The US has a direct interest in assisting Russia to integrate into international institutions that promote stability and prosperity, such as the WTO. The CAP asserts that “an integrated Russia will likely be a more consistent partner and a better neighbor in the former Soviet region” and “could help facilitate our own economic growth through increased trade ties.”³⁰ Many key US industries, including aircraft and automobiles, have been subjected to heavy import taxes and fees in the Russian market. The United States Trade Representative (USTR) points out that “import tariffs on automobiles, aircraft, and aircraft parts have presented particular obstacles to U.S. exports to Russia and the “effect of the tariff, VAT, and customs handling fees on aircraft was equivalent to a 40 percent tax.”³¹

Many of these extra taxes would be reduced should Russia join the WTO, creating new opportunities for US and Russian industries. Without changes to current trade policy, however, many Russian and US industries will have to wait in order to afford to do business. The longer it takes for Russian WTO accession, the more potential gains from trade will be lost for the US and key industries in Russia, such as the airline industry, that rely on each other to succeed in their respective markets.³²

However, the US has deep concerns over Russian trade practice and lack of Russian political action and current trade policies. Key conflicts include intellectual property (IP), which has proven to be a very difficult issue. Enforcement of current IP legislation that would help to reduce the \$2.8 billion in damages to the US has been deemed “weak” by the CRS, citing a sluggish Russian bureaucracy.³³ In addition, the US, EU, and other nations have voiced concern

over Russian energy practices such as in 2004 when Russia shut off gas supplies twice during the Ukrainian elections as well as significant decreases in gas supplied to the EU in 2009.³⁴ Such practices only help to dissuade the US and other member states to comply with Russian trade demands and accept its application to the WTO.

In agricultural product trade, the US has been displeased with Russian trade policy. With regard to meat, beginning in 2003, Russian trade practice has been inconsistent and unfair in its imposition of Tariff-Rate Quotas on imports.³⁵ In this way, Russia's trade practices have been viewed as essentially protectionist and "anti-market", and viewed as barriers to trade by the US and other nations. Even after lifting some of these quotas in 2005 in the United States-Russian Meat Agreement, USTR points out later that "under its 'Government Program for Agriculture and Market Regulation 2008-2012', the government announced that after 2009, country allocations would be abolished and out-of-quota tariff rates raised."³⁶ Thus, in light of a lack of bureaucratic motivation to enforce better trade policy, the US is concerned about the future of Russian WTO accession and trade prospects, yet nevertheless continues to remain supportive and helpful in steering Russia in the right direction.

In 2009 the Obama Administration has started a new initiative to "reset" relations with Russia.³⁷ The CAP report outlines areas of improvement and urges the Administration to focus in on a "comprehensive strategy" for US-Russian relations. A key strategy for the US was to integrate Russia into the international community and global economy. While the CAP remains skeptical of Russia's application to the WTO, it supports Russian entrance into the Organization of Economic Cooperation and Development (OECD) without the usual prerequisite of WTO membership.³⁸ The US has therefore demonstrated a willingness to be more flexible and is possibly willing to lobby on Russia's behalf for its entrance into the global economy and into

better trade opportunities. Whether or not the Obama administration will take the advice of the CAP and continue pressuring Russia into the international community may become a factor in whether or not the Russian bureaucracy takes further steps to improve its trade policy.

Future Directions

Overall, the future of Russia's WTO accession lies solely in its willingness to make changes to its trade policies and towards the way it behaves on the international stage. While Russia's trade practices remain protectionist and wary of foreign competition, the WTO offers Russia a chance to change its policy and to energize and reinvigorate its domestic economy through better access to foreign markets and cheaper imports. Domestically, Russia already sees support for trade policy reform. Since 2000, members of Russia's powerful, oligarch-driven RSPP (Russia Union of Industrial Entrepreneurs) have vied for lowering taxes and promoting a better long-term economy strategy for Russia. The RSPP has supported liberalization of markets such as steel and prove to be active and in trying to promote policy change for their benefit.³⁹ Russia also has an ally, the United States, which seeks to improve Russia's involvement in the world economy to build better trade opportunities and bilateral relations. Ultimately, Russia's cautiousness and wariness to changing its trade policy and liberalizing its economy will determine when and if it ever joins the ranks of the WTO. With a typical sluggish, unresponsive Russian bureaucracy, it seems plausible that accession could be another 15 years away.

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Violetta Zdanovskaya, "U.S.-Russia Business Development and Economic Relationships: The Role of NGO/Public Interest Groups in the Relationship between the Two States"

Introduction

Since the fall of the Soviet Union in 1991, Russia has experienced tremendous economic turmoil. However, in the last decade or so, under the leadership of Vladimir Putin and Dmitry Medvedev, Russia has also experienced economic growth and relative stability. From the start of Putin's term as President of Russia in 1999 until the current global economic crisis, Russia rapidly expanded economically by about 7% per year.¹ As a result, Russia experienced a significant growth of a middle class, a consumer base of about 140 million people² and the capital to start modernizing its infrastructure, technology and market. According to the 2008 US State Department profile of Russia, Russian GDP for 2008 was \$1.67 trillion with "principal US exports at \$9.3 billion...[and] US imports at \$26.7 billion."³

Furthermore within its borders, Russia has a tremendous wealth of natural resources (oil, natural gas, wood, and precious metals) and a population that is nearly 100% literate.⁴ Russia's growing economy over the past ten years shows a potential of lucrative business opportunities for foreign investors⁵ and has propelled Russia into becoming one of the BRIC nations, (Brazil, Russia, India, and China), nations which are going to play a major role in the future of global economy.⁶

Russia's economic growth has not escaped the attention of the private sector in the United States. While under the Bush II administration the U.S. Russian relationship experienced frequent disagreements and confrontations, such downturns did not burst out into direct military conflict.⁷ US and Russian businesses turned to NGOs such as the Foundation for Russian American Economic Cooperation, the U.S. Russian Business Council and the Russian Union of

Industrialist and Entrepreneurs for guidance on engaging their respective counterparts in business.

This paper will focus on the development and transition of U.S.-Russian economic interaction in light of the new Obama administration and the global economic crisis, the current trade opportunities between Russia and the U.S., the issues that threaten and deter trade between U.S. and Russia, and the importance NGOs play in further business development between the U.S. and Russia.

The Obama Administration and U.S.-Russian Relations

The Obama Administration has taken significant steps in rebuilding and refocusing the partnership between U.S. and Russia that had become strained during the previous administration. The current administration recognizes that the United States stands to benefit from increased trade and generally more friendly relations with Russia. The Obama Administration has worked along side the Medvedev administration in 2009 to develop the US Russia Bilateral Presidential Commission. The creation of the Presidential Commission conveys a growing belief on both sides that the era when the two countries viewed each other as enemies is long over. In recognition of many common national interests, the Commission is intended for and is resolved to move beyond Cold War mentalities and chart a fresh start in relations between Russia and the US in order to contribute to our future progress and shared prosperity.⁸

In order to achieve this mission in the economic arena, the Bilateral Presidential Commission will need to address some of the key issues that hinder Russia from being a reliable trading partner for the United States. These key issues include Russia's use of energy wealth as a political tool, Russia's inability to meet the requirements for accession to the World Trade

Organization, US refusal to graduate Russia from the Jackson-Vanik Amendment, intellectual-property piracy, Russia's protectionist policies, and continued reports of corruption within the Russian government including a lack of transparency in legal, banking and business systems. Particularly given the current global economic crisis, Russia is looking to create a more business friendly environment for foreign investment and international cooperation thereby creating an opportunity to 'reset' relations between Russia and the US.

The mission statement of the U.S.-Russian Bilateral Presidential Commission makes a point of reaffirming that the era in which the U.S. and Russia viewed each other as enemies is over,⁹ indicating that although the Cold War may be over, a lack of trust and feelings of enmity at some level still exist between the two countries. Particularly in the last years of the Bush II Administration, Russian-U.S. relations soured, and Cold War feelings resurfaced with the Russian-Georgian war in 2008. Although, the Obama and Medvedev administrations are working to 'reset' the relationship between the two states, the issues that caused the tensions between the two in the first place remain. Furthermore, regional conflicts that caused rifts in the U.S.-Russia partnership have occurred before. Both the Clinton and the Bush II administrations experienced a cooling in the U.S. Russian relationship because of wars and events in former Soviet republics and in Eastern Europe; Kosovo for Clinton and Georgia for Bush.

The decade of tremendous economic growth Russia has experienced under President Vladimir Putin is largely accredited to Russia's natural resources and the nationalization of the oil and gas industries, in which foreign investors such as ExxonMobil and ChevronTexaco lost over \$80 million in investment money.¹⁰ However the current global economic crisis hit Russia particularly hard and The Medvedev/Putin administration is looking to foreign investment and

private enterprise to pull Russia out of the recession.¹¹ In a politically friendly environment for foreign investors and private enterprises, especially those from the west, Russia has a lot to offer.

The Potential for Increased U.S.-Russian Trade

The Russian land possesses a great wealth of natural resources and the Russian economy remains highly dependent on oil and gas export receipts.¹² Its industry is split between globally competitive commodity producers such as oil and natural gas and less competitive heavy industries such as steel and primary aluminum.¹³ With domestic investments and interest tied up in extracting these resources, the opportunities for foreign investments lie in Russia's need to modernize its infrastructure, its technology and lifestyle of its people.¹⁴

The growth of the Russian energy industry and the expansion of the middle class have created the capital to back new construction products in Russia that range from extensive residential to commercial construction across Russia, infrastructure projects and, to some extent, planning for the Sochi Olympics.¹⁵ Construction needs in Russia include construction equipment, light trucks, service equipment, building products, machine tools, metalworking equipment, industrial chemicals and chemical production equipment.¹⁶ The Russian construction market maintained growth of about 10-15% a year on average through 2008 and even with some postponements of projects in 2009 the construction market offers opportunities for U.S. construction, equipment and distributors.¹⁷

The growth of construction industries, the middle class and a new friendly environment toward foreign investors even in the oil industry, offers ample and lucrative opportunities for U.S. technology, software, and telemarketing industries to enter the Russian market. According to the Institute of Modern Development, mobile operators' revenues amounted to \$21 billion in

2008. The average revenue per user (ARPU) by the end of 2008 had increased almost 40% to \$11.¹⁸

However, it is not only Russian consumers that are in need of a technological upgrade. Russian oil companies are embracing new technology and as Russian oil companies adopt technologies, such as horizontal wells and computerized reservoir management systems, the estimated recovery rates (of oil) are being revised. Thanks to new techniques, it is possible to obtain oil even from apparently depleted fields.¹⁹ In general, it is not just oil and telecommunications that are looking to technology to improve efficiency and production. Most major industries are in the market for new technology from agriculture, steel to even the military.

The growth and the expansion of the Russian middle class have created a whole new type of consumer market in Russia, one with which U.S. investors and firms are quite familiar. Opportunities for retail and food franchises, automobile sales, medical equipment and pharmaceuticals are a perfect fit for U.S. business.

Over the past several years, the Russian pharmaceutical market has experienced the fastest growth in the world mainly due to the improved living standards of its population.²⁰ According to a table from the U.S. Federal Statistic Committee seen below, Russia's imports of pharmaceutical products greatly outweigh its exports. Furthermore the U.S. as of 2008 has only a small portion of that market, thus showing opportunity for growth:

\$ millions	2006	2007	2008 Estimate
Total Market Size	7,750	8,900	9,900
Total Local Production	2,500	2,600	2,800
Total Exports	250	300	600
Total Imports	5,500	6,600	7,700
Imports from the U.S.	400	500	600

Sources: Federal Customs Service, Federal State Statistics Committee, DSM Group, Remedium

The high education level of consumers and the expansion of the middle class have grown tremendously. The recognition of certain brands and franchises, the popularity of Western culture and the increase in consumer salaries all contribute to a growth of consumers that are similar to those in the U.S. and most Western countries. Since 2000, the number of franchising systems in Russia has grown from 54 to approximately 300, with some sources estimating as many as 600. There are over 160 domestic franchising businesses in Russia, with a total of 2,900 franchisees.²¹

The Russian market showed great potential for foreign investments prior to the economic slowdown, as U.S. firms consistently reported that their Russian operations outperformed those in most other countries where they conduct business.²² However, there are still difficulties and challenges in working in the Russian market. These challenges include transparency and flow of information from Russian businesses, corporations and firms, high tariffs, taxes on imports and foreign businesses, and crime and corruption.

Russia at a federal level has a complex bureaucratic system but it is even more so on a regional level because of overlapping jurisdictions. Within this complex, slow system, there are a multitude of tariffs and tax laws that are not always translated into English and require a company to have a reliable advocate and agent in Russia. Legislation is not only complex it also contains high taxes and tariffs which cut into profits. For example, the profits tax in Russia is levied on gross profits and it currently tax stands at 20%. But regional authorities may, at their discretion, reduce their regional profits tax rate to as low as 13.5%. Thus, the overall tax rate can vary from 13.5% to 20%.²³ Russia not only heavily taxes imports; it also heavily restricts imports, especially those that compete with Russian products.

Although Russian legislation is very detailed and thorough with regards to foreign imports and foreign trade, Russian legislation on domestic business can be vague. With the collapse of the Soviet Union and the turmoil and confusion that collapse brought, many businesses were obtained by illegal means and currently many business are could be potentially closed by the Russian government. Such businesses are reluctant to freely provide corporate information. Also the Russian banking system is Russia is unstable and “many of the slightly more than 1,100 banks registered are “pocket banks,” whose main function appeared to be money laundering for specific enterprises or corporations.”²⁴ Thus many foreign investors fear entering the Russian market because of corporate corruption and unstable economic infrastructure.

Much of the potential in the Russian market lies in technology and software. However the Russian market is notorious for intellectual property piracy. In 2008 copyright industries sustained losses of nearly \$3 billion to copyright infringement and software piracy in Russia. Although, just this past year, Russia has enacted improved legislation to protect intellectual property and has seen some success in reducing piracy, Russia remains on the United States Trade Representative Watch list for intellectual property piracy.²⁵

The United States stands to benefit from increased trade with Russia in that increased trade will financially benefit the citizens of both nations, and create stronger economic ties between Russia and the US, thereby promoting mutual stability politically and economically. Productive foreign-economic relations tend to moderate the behavior of U.S. trading partners.²⁶ However, as the United States and Russia have a difficult and tumultuous history and issues of arms control, human rights and regional issues create further tensions a direct/government to government economic reform and negation is difficult and slow.

The Role of NGOs in Promoting Russian-American Trade

To promote trade between the United States and Russia the Obama administration should focus on non-profit and private organizations that focus on facilitating business relationships between Russian and American businesses and regional government. Focusing on such groups would create grassroots movements and motivate local businesses to appeal to their governments, avoiding the bigger political tensions between the two nations and promoting democracy and civil participation in government.²⁷

Several non-profit organizations that focus on building business relationship between U.S. and Russia are well established in the US. These organizations include the Foundation of Russian American Economic Cooperation (FRAEC), the U.S. Russian Business Counsel and the Coalition for U.S. and Russian Trade. The membership rosters of these organizations include Google, Microsoft, Boeing, The Port of Seattle, and The Port of Everett among others. They have maintained relationships with Russian officials and businesses for over 20 years.

It is in fact organizations such as these that have organized numerous meetings that bring both officials and business leaders from Russia and the U.S. face to face, allowing them to work together on regional issues and develop stronger relationships. FRAEC for example states that its goals are to engage key international and Russian leaders and hosting bilateral forums, and encourage a more favorable environment for trade and business²⁸. One such NGO, the Russian Union of Industrialist and Entrepreneurs hosted the Obama Medvedev summit in which resulted in the formation of the U.S. Russia Bilateral Presidential Commission.²⁹ Russian and American NGOs that focus on U.S. Russian trade boast longstanding relationships with their counterparts, with government officials in both U.S. and Russia and with the private business sector in both countries. Thus their expertise, knowledge and access to key players would allow these NGOs to

function efficiently. The U.S. should focus on utilizing these NGOs to access the Russian market and pursue American goals.

Conclusion

Specifically the Obama administration should provide NGOs with financial assistance in the form of government grants for the purpose of conducting research on how to further improve trade between the two nations. Based on that research, efforts to improve, create, and restructure systems of trade could better develop. The Administration should also create opportunities for Russian and American NGOs involved in developing economic relationships between Russia and the US and private businesses to have easier access to government officials and committees that focus on the relationship between U.S. and Russia. These include the Bilateral Presidential Commission. NGOs should be able to voice suggestions based on their experience and participate in courses of action taken by the Commission. Finally the U.S. should consider reopening and creating American business centers in Russia and Russian business centers in the US. Such centers could guide and support businesses on both sides in legal and business matters. The centers could also promote Russian/American business monitoring and mediation agency that will focus on creating accountability and transparency between Russian and American businesses in the practice of trade between the two countries.

With the current global economic crisis that both nations continue to experience, the need for greater economic integration between the U.S. and Russia is greater than ever. There is yet again an opportunity to improve the economic relationship between the two states. Both Medvedev and Obama recognize the importance of economic cooperation between Russia and the US. Within the Bilateral Presidential Commission, the two sides created a subcommittee for

Business Development and Economic Relations. However, the ability of this subcommittee to build trust and business relationships between Russian and American businesses is still limited. The United States and Russia should focus on support for NGOs who have been working with American/Russian businesses and have long standing, well established relationships within the Russian business world and the Russian government. NGOs are stake holders in the foreign policy process and private groups or voluntary associations have always played a key role in the U.S. democratic system.³⁰ NGOs deal with specific issues, such as economic development without having to address be limited by some of the non-economic issues that historically have caused tensions between U.S. and Russia.

Endnotes

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