Russia's stability important to U.S. security

Nancy E. Soderberg

After addressing the Global Executive Forum on Northern Ireland, Ambassador Nancy E. Soderberg returned to share her knowledge of the U.S.-Russia diplomatic agenda.

Russia's long term strategic stability is of vital importance to the well-being of the United States and the security of the American people, Ambassador Nancy Soderberg told the Global Executive Forum.

Acknowledging that Russia is going through tumultuous times, Soderberg asked the Forum to consider the country's progress from communism to capitalism. During the Cold War, she recalled, "Thousands of nuclear warheads were targeted on our cities and citizens. We competed worldwide for spheres of influence and foreign investors pretty much bypassed the Soviet Union in favor of the United States."

Times have changed. Russia is no longer the Iron Curtain country of the past, but an open society where information flows freely. "It is remarkable that Russia is as open to the world as it is today," she said, adding, "Russia is making strides towards a functioning democracy."

But it takes time to nurture democratic institutions and Russian reformers have not always made the best decisions. Today, Russian usage of the term "kapitalism" is often preceded by the modifier "savage," said Soderberg, quoting from an article by Deputy Secretary of State Strobe Talbott.

In the hope of helping the country get past its current problems, the U.S. continues to fan the flames of reform with visible demonstrations of support. Secretary of State Albright's recent trip to Russia "was intended to reassure Russians and the rest of the world that, despite its troubled times, the U.S. is not deserting or isolating this important country."

The U.S.-Russia diplomatic agenda is guided by several fundamental principles.

Security

U.S. foreign policy is focused on reinforcing national security. With Russia, this means reducing the threat of nuclear proliferation, and stopping the flow of sensitive technology from Russia to Iran's missile program. "Today, 75 percent of our assistance dollars to Russia are devoted to programs that diminish the threat of nuclear war and the danger that weapons of mass destruction will fall into the wrong hands," said Soderberg, adding that these efforts are paying off:

- There are now no nuclear weapons in Belarus, Kazakstan and Ukraine.
- The U.S. and Russia have agreed on cuts that would reduce nuclear arsenals by 80 percent from their Cold War peak.
- Russia has joined in banning nuclear testing and in ratifying the Chemical Weapons Convention.

U.S.-Russia policy has been one of inclusion, with the objective of engaging Russia in cooperative solutions to some of the world's tender issues. This hasn't always been successful, noted Soderberg, citing the difficulties in addressing Iraq's standoff with the UN Security Council.

In the Balkans, the U.S. and Russia work together as members of the Contact Group and Russian troops serve under an American command in SFOR (NATO-led Stabilization Force).
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Prosperity

Although the Russian government has pledged to continue market reforms, it has yet to come up with a credible plan, said Soderberg. And without a realistic proposal based on sound fiscal principles, the United States cannot step into the void.

Nor will investor confidence be restored without policies that support economic stability.

The gap between Russia’s needs and its resources must be bridged, not by bailouts from the IMF and the World Bank as in the past, but by foreign investment.

"Instead of betting on Russian T-bills, investors should bet on its factories, oil fields, and people."

Soderberg is encouraged by the production-sharing agreement law recently passed by the Duma. It ensures that companies can take their profits out of the country, thus paving the way for joint ventures. Four years ago, the law would have produced immediate results, but the environment for investments is not as healthy now.

Nevertheless, the law is "an excellent step in the right direction."

Russia still has a long way to go before it becomes a mecca for foreign capital. The country lacks a stable, predictable tax system, which is a major obstacle for potential investors. And while the laws and infrastructure need mending, so does the attitude of the citizenry. Said Soderberg, "Many Russians remain unconvinced of the benefits of attracting or just accepting foreign investment."

Democracy

The United States is committed to helping Russia achieve freedom, stability and prosperity. That commitment will rise to $63 million in 1999, said Soderberg. Funding goes to programs that support independent media, nongovernmental organizations, legal reforms, education and pluralism.

"Building a democracy is always a work in progress," Soderberg said. She noted that Secretary Albright used the occasion of her trip to Russia to speak out against the forces of extremism and intolerance - including anti-semitism - that are threatening democratic and economic progress. "The Secretary was heartened by the response from local leaders," said Soderberg.

"The goal of the U.S. is to address all our concerns in the context of a long-term stable relationship with a democratic Russia," said Soderberg. The new government in Moscow also understands the importance of a good working relationship with the U.S.

This is evidenced by a statement made by Russian Foreign Minister Ivanov, in a joint press conference with Secretary Albright. According to Soderberg, Ivanov said, "We believe that the non-coincidence of views in some matters should not serve as an obstacle to the development of our partnership relations."

He added, "We agree on many things, and where we don't, we have a framework in which to discuss them."