US-Russia relations
Geopolitical, security, economic and human dimensions

SUMMARY

After a period of détente, tensions are rising between the two former Cold War enemies again. Fundamental differences were already apparent during the Yeltsin years and have increasingly strained relations since 2000, under Vladimir Putin. There are few issues that Washington and Moscow agree on, but none is more divisive than Ukraine. Russia is determined to prevent further NATO expansion into post-Soviet eastern Europe, which it still sees as a buffer zone vital to its security and as a sphere of influence. Since late 2021, there are signs that Russia is planning renewed aggression against Kyiv; the US has promised a robust response if that happens.

Both sides are likely to avoid direct conflict at all costs. Russia is not the military superpower that the Soviet Union was, but it is still a formidable adversary. Most of the bilateral arms control agreements that helped to maintain the fragile military balance have now gone, but talks launched at the first Biden-Putin summit in June 2021 aim at maintaining strategic stability.

Economics play a much lesser role in US-Russia relations than geopolitics. Trade and investment between the two countries are limited, and since 2014, they have been constrained by sanctions. Washington's economic superiority gives it a certain amount of leverage over Moscow; however, the Russian economy has proved more resilient to US restrictions than might have been expected.

People-to-people contacts could help mitigate geopolitical tensions, but there is little interaction. Few Russians travel, study or work in the US, and the same applies vice-versa. Surveys show that diplomatic tensions are reflected in the generally negative views that Americans and Russians have of each other's countries.

This is an update of a Briefing published in October 2018.

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Geopolitical dimension

Cold War tensions are back again

The end of the Cold War, declared by Soviet leader Mikhail Gorbachev and US President George Bush at a 1989 summit, raised hopes of a new start for relations between the two superpowers. After the break-up of the Soviet Union, American aid helped Russia with market economy reforms; with US support, Russia joined the World Bank and the IMF, and in 1997, it was admitted to the G8; the two countries signed a series of arms-control agreements and worked together on the International Space Station. After Russia’s first President, Boris Yeltsin, stepped down in 1999, cooperation continued under his successor, Vladimir Putin, the first foreign leader to call President George W. Bush after the 9/11 attacks.

Frictions, however, were already apparent under Yeltsin. Russia chafed at US criticisms of Russia’s wars in Chechnya, and objected to the Alliance’s 1999 bombing of Yugoslavia. Moscow was supportive of the US-led military operation in Afghanistan, opening its airspace to US flights and sharing intelligence, but two years later, it firmly opposed invading Iraq.

No issue has been more toxic than NATO enlargement. This, and the presence of NATO’s military infrastructure close to Russia’s borders, top the list of risks set out in Russia’s military doctrine. The Kremlin claims that, during US-Soviet talks on German reunification in 1990, it had been promised that the Alliance would not expand eastwards. For its part, Washington denies ever having given any such assurances, and asserts the sovereign right of nation states to choose their alliances – a position identical to that of the EU.

Although Russia did not welcome the first two waves of NATO enlargement in 1999 and 2004, which included most of its former Warsaw Pact allies and the three Baltic states, it did not take further action. However, by 2008 Moscow was becoming increasingly assertive. Four months after the Alliance offered membership prospects to Ukraine and Georgia at its Bucharest Summit, Russia attacked Georgia, a move that may have been at least partly motivated by its determination to stop this happening. Indeed, the threat of further Russian aggression, among other considerations, has apparently forced NATO to shelve its plans for the two countries indefinitely, even if it has not publicly acknowledged this.

The war in Georgia did not permanently derail US-Russia relations, and in March 2009, US Secretary of State Hillary Clinton was already offering Moscow a reset. The ensuing cooperation brought some useful results, including the New START arms control Treaty, US support for Russia’s 2012 WTO accession, and Russian support for tougher sanctions against Iran. However, this rapprochement soon ran out of steam, due to irritants such as Russia granting asylum to US whistleblower Edward Snowden, and US criticisms of the deteriorating human rights situation in Russia.

Relations break down over Ukraine

Russia’s aggression against Ukraine in 2014 caused a definitive rupture. Unlike 2008, this time there was no quick return to business as usual. Together with its European allies, the US adopted hard-hitting sanctions that, according to one estimate, cost Russia as much as 6% of its GDP between 2014 and 2018. Since 2014, the US has applied targeted sanctions to certain Russian government officials and others responsible for violations of Ukrainian sovereignty: visa bans, asset freezes, and a block on financial transactions. There are also broader sanctions aimed at three strategic sectors of the Russian economy: defence, energy and banking. These ban or restrict loans to Russian companies, cooperation on Russian oil projects, and exports of dual-use (civilian-military) goods.

Further US sanctions came with CAATSA (the Countering America’s Adversaries through Sanctions Act (2017) and the Protecting Europe’s Energy Security Act, 2019). The targets of the latter include
US-Russia relations

**Nord Stream 2.** Given that the pipeline would allow Russian gas exports to Europe that currently flow through Ukraine to be re-routed under the North Sea, the US sees it as a Russian project to deprive Kyiv of revenue from gas transit fees (in 2021, US$2.1 billion a year, equivalent to 1.3% of Ukrainian GDP) and remove a significant deterrent to further aggression. Nevertheless, Washington has not vigorously applied sanctions against the pipeline, partly due to concerns over damage to relations with Germany and other countries that support the pipeline. In July 2021, the US and Germany agreed in effect to hold off on sanctions, unless Russia attempts to ‘use energy as a weapon’. In January 2022, a last-ditch attempt by mainly Republican senators to block the pipeline failed; an alternative bill currently before the Senate envisages Nord Stream sanctions only if there is further Russian aggression against Ukraine.

**US response to the threat of Russia invading Ukraine**

After seven years of deadlock, the Ukraine crisis came to a head in 2021, with reports in the spring that as many as 80,000 Russian troops had gathered close to Ukraine’s borders. Fears of an invasion receded after most of the troops withdrew, but later in the year, they returned in even greater numbers. Against the backdrop of these threatening manoeuvres, in December 2021 Russia presented a set of demands for security guarantees from NATO, together with warnings of unspecified ‘military-technical measures’ if those demands are not met. Among other things, Russia wants NATO to rule out further expansion, including Ukraine, and abandon military activities in Ukraine, eastern Europe, the Caucasus and central Asia.

A week of negotiations on the demands began on 11 January 2022, in three separate formats: bilateral, as part of a strategic stability dialogue agreed by Presidents Biden and Putin at their June 2021 summit; in the NATO-Russia Council, convened for the first time since 2019; and in the OSCE, which includes Russia, the US, Ukraine and 54 other countries from Europe, Asia and North America. Although US Deputy Secretary of State Wendy Sherman expressed openness, after meeting her Russian counterpart, to further talks to consider curbs on activities such as missile deployments and military exercises, she emphasised that there could be no question of closing the door to NATO enlargement. Talks in all three formats ended without agreement on any of the points.

Since then, talks have continued in the bilateral format, although the US is continuing to consult with NATO allies and Ukraine. A second meeting took place between Russian Foreign Minister Sergey Lavrov and his US counterpart Antony Blinken in Geneva on 21 January, and on 26 January Washington and NATO sent their separate written answers (which have not been published) to Russia’s demands. According to Blinken, there are ‘proposals for areas where we may be able to find common ground’, but no concessions on the central issue of Ukraine’s NATO membership. It is now Russia’s turn to respond. On 1 February, Putin criticised the US offer for being ‘inadequate’ and ignoring his concerns; nevertheless, comments by him and Foreign Minister Sergey Lavrov appear to leave the door open for further dialogue.

Russia insists that it is not planning to invade Ukraine, but tensions continue to rise; on 14 January, a massive cyber-attack left Ukrainian government computers infected with potentially crippling malware, and the US revealed intelligence reports that Russian agents were planning false flag operations designed as attacks by Ukrainian government forces on Donbas separatists, as a probable pretext for Russian intervention. A few days after Russia began evacuating families of diplomatic staff from Kyiv, the US followed suit; US nationals are also being warned against travelling

**Other US sanctions against Russia**

Not all US sanctions against Russia are Ukraine-related. The 2012 Sergei Magnitsky Rule of Law and Accountability Act and 2016 Global Magnitsky Act impose sanctions on officials responsible for human rights abuses and corruption. Other sanctions concern election interference, malicious cyber-enabled activities, use of chemical weapons (attempted poisoning of Sergey Skripal in 2018 and Alexey Navalny in 2020), illicit trade with North Korea, and support for Syria and Venezuela.

Source: US Congressional Research Service.
to Ukraine. Meanwhile, Russian manoeuvres continue, and the number of troops stationed close to the border is estimated to have reached 130,000.

In January 2022, the Biden administration announced US$200 million for Ukraine’s armed forces, on top of US$450 million already provided in 2021. US military aid for Ukraine includes training and weapons, including lethal Javelin anti-tank missiles. The three Baltic states are also sending US weapons from their arsenals. On 2 February, the US announced that it would send 2,000 US troops to Poland and Germany; a further 8,500 are on stand-by for deployment. However, both the Pentagon and NATO Secretary-General Jens Stoltenberg have ruled out sending combat troops into Ukraine.

With a military response off the table, the US response to a potential Russian attack is likely to focus on economic restrictions. In December 2021, Biden threatened Putin with sanctions ‘like none he’s ever seen’, without specifying their nature. Possible measures include a freeze on the Nord Stream 2 pipeline; restrictions on transactions with Russian banks and energy companies; personal sanctions on pro-Kremlin oligarchs and even Putin himself; export restrictions on high-tech goods in the fields of defence, aerospace, quantum computing and artificial intelligence; and further restrictions on US purchases of Russian government bonds. Also frequently mentioned at one point was exclusion from the SWIFT international financial messaging scheme, described as the ‘nuclear option’ of sanctions, as it would make it difficult for Russia to collect dollar payments on its exports; however, this option is reportedly not being considered. According to Putin, further sanctions would mean a complete breakdown in relations with the US.

There is some uncertainty about what Russia would have to do to trigger US sanctions. Comments by Joe Biden created some confusion by appearing to hint that a ‘minor incursion’ might fall below the threshold for a full-blown response. Subsequent comments by White House officials clarified that any movement of Russian military forces across the Ukrainian border, even on a smaller scale, would be considered as an invasion.

By making it harder for Russia to export oil and gas, US sanctions could weigh on the EU’s already tight energy markets. The US is reportedly in talks with Qatar on delivering LNG to Europe, to help European allies prepare for possible disruption to Russian gas supplies.

Conflicting US and Russian goals in the former Soviet Union and beyond

Although the current crisis has focused attention on Ukraine, US and Russian perspectives also differ starkly elsewhere. Russia still sees the countries of the former Soviet Union as part of what then President Dmitry Medvedev described in 2008 as a sphere of ‘privileged interests’, with the implication that they should defer to Moscow. The US has repeatedly expressed concerns about situations where Russian influence threatens to compromise national sovereignty – in Kazakhstan, for example, where US Secretary of State Antony Blinken warned against the risks of inviting Russia-led peacekeepers, or in Moldova, where Russia sponsors the secessionist state of Transnistria.

US politicians have often downplayed Russia’s global influence, dismissing it as a mere ‘regional power’ or even as ‘a gas station masquerading as a country’. However, since 2014 Moscow has demonstrated the capacity to project influence beyond its post-Soviet neighbourhood. In Syria, Russia’s military intervention kept the Bashar al-Assad regime in place and prevailed over US demands for change. In the wider Middle East, even stalwart US allies such as Israel and Saudi Arabia now consider Moscow as an important power broker. Washington also has concerns about Russia’s growing presence in several African countries. In most parts of the world, Russia is more of a spoiler than an equal competitor for the US. Nevertheless, the Interim National Security Strategic Guidance issued by the Biden administration in March 2021 (pending the full National Security Strategy, expected in early 2022) echoes previous versions of the strategy in identifying Russia’s destabilising influence as one of the main threats to American interests.
Ideological dimension

Sovereignty versus protecting human rights

Russia's transition to a market economy ended the Cold War confrontation between Soviet communism and Western capitalism. However, the two sides do not share the same values. The US is deeply critical of human rights abuses in Russia, frequently described in White House documents as an authoritarian state. After Putin's United Russia party won the parliamentary elections in 2011, massive protests broke out in Russia over claims of vote-rigging. US Secretary of State at the time, Hillary Clinton, expressed concerns about the alleged irregularities.

Outraged by Clinton’s comments, Putin accused Washington of inciting revolt and unacceptable interference in Russian sovereignty. The protests were followed by an unprecedented crackdown on US activities to promote Russian democracy. These had included USAID grants for Russian NGOs, such as human rights organisation Memorial and election monitors Golos. In 2012, Russia expelled USAID and adopted the ‘Foreign Agent’ Law. The latter imposes harsh restrictions on ‘political’ NGOs supported by foreign funding, and has since been expanded to media and individuals. Further legislation came in 2015, banning several US and international NGOs, such as the National Endowment for Democracy and the International Republican Institute, as ‘undesirable organisations’.

There were more tensions when the US adopted the 2012 Sergei Magnitsky Rule of Law and Accountability Act, imposing sanctions on Russian officials responsible for human rights abuses and corruption. The legislation was a response to the 2009 death of Sergey Magnitsky, a whistleblower who had exposed a high-level tax evasion scheme, in prison. Russia retaliated with the Dima Yakovlev Law, which among other things bans US citizens from adopting Russian children, and empowers the Russian authorities to close down US-funded organisations engaged in activities that threaten Russian interests.

The US remains highly critical of Russia's human rights situation. Some 16 high-level Russian officials including Chechen leader Ramzan Kadyrov and former State Prosecutor Yury Chaika are now on Magnitsky sanctions lists for human rights abuses and corruption. The US State Department strongly denounces the arrest, detention and designation of opposition activist Alexey Navalny as an extremist. It remains concerned about restrictions on political pluralism, which prevented Russian voters from exercising their civil and political rights in the September 2021 parliamentary elections.

Differences over human rights play a role in US and Russian relations with third countries

At the December 2021 Summit for Democracy, President Biden identified the defence of democracy as ‘the defining challenge of our time’, and he has also referred to it as ‘the grounding wire of our global policy [and] America’s abiding advantage’. This perception of the US as a global champion of the liberal world order is not new; for example, Obama's 2015 National Security Strategy describes ‘the advancement of democracy and human rights’ as the foundation of US foreign policy.

By contrast, Russia's 2016 Foreign Policy Concept qualifies its commitment to 'human rights and freedoms across the world' by insisting on 'due regard for each State's national context, culture, history and values'. The document also warns against 'attempts to use human rights theories to ... interfere in internal affairs ... with a view to ... overthrowing legitimate governments'. Originally referring to Ukraine and Georgia's Orange and Rose Revolutions, the term 'colour revolutions' is frequently used by the Kremlin to describe what it sees as Western-instigated popular uprisings.

Russia has repeatedly shielded authoritarian regimes from what it sees as misguided Western interference. In his 2015 speech to the UN General Assembly, Putin poured scorn on US efforts to promote democracy in the Middle East, arguing that they had brought violence and destruction instead of reforms. In the UN Security Council, Russia has blocked or watered down US-backed
resolutions and statements on human rights abuses in countries such as Syria, Nicaragua and Myanmar, all three of which are targeted by US (and EU) sanctions. Shunned by the US and most of the rest of the world, Myanmar's junta has multiple high-level contacts with Russia, including a March 2021 visit by Russian Deputy Defence Minister Alexander Fomin on Myanmar Armed Forces Day.

Russian – and US – foreign policy is driven by interests as well as values. In the post-Soviet space, Russia arguably prefers authoritarian regimes because successful democracies might be an attractive model for Russians themselves. However, despite its fear of 'colour revolutions', Moscow also supports democratic (or at least semi-democratic) governments that came to power through popular uprisings, such as Armenia’s 2018 Velvet Revolution or the 2010 revolution in Kyrgyzstan. International partners include fellow BRICS members India, Brazil and South Africa, all of which have pluralistic political systems. Similarly, the US often prioritises strategic competition with Russia and China over its ideological preferences, e.g. in its support for Vietnam and Saudi Arabia. Washington also uses its Security Council veto to shield allies such as Israel from human rights criticisms.

**Security dimension**

**A fraught military balance**

Russia has military vulnerabilities, but also niche strengths

For most of the Cold War, the US/NATO and the USSR/Warsaw Pact were roughly balanced in terms of conventional and nuclear military strength. The situation is very different now. While many US allies in NATO are military heavyweights in their own right, Russia could hardly count on meaningful support from its own Collective Security Treaty Organisation (see boxed text). Although they have become considerably more capable since the 1990s, Russia's armed forces are generally smaller and less well equipped than their US counterparts. Given its much smaller population and economy, Russia has no chance of catching up.

Russia has many strengths that partially neutralise this imbalance. Top among these is the nuclear arsenal; according to the terms of the 2011 New START Treaty, Russia and the US have similar numbers of deployed strategic warheads and delivery systems such as intercontinental ballistic missiles. In some areas, Russia may even have superiority; it has a much larger number of tactical nuclear weapons (less potent than strategic weapons and intended primarily for use against military targets, but still potentially devastating, these are not covered by New START Treaty limits); the US also lags behind in terms of hypersonic missiles, which were among the innovative nuclear weapons showcased by Vladimir Putin in 2018.

Air defence is another asset: Russia’s S-400 system is state of the art and is currently being upgraded to the S-500 version. Thanks to strategically placed weapons around the country's western perimeter, Russia has significant anti-access and area denial capabilities, allowing it to control and defend airspace over large areas of central Europe, as well as the Baltic and Black Seas. It has been argued that Russia’s capacity to repel anything short of an all-out onslaught leaves NATO without a credible response to limited Russian aggression, for example a land grab in the Baltic states.

**Arms control and the strategic balance**

In view of the devastating consequences of a nuclear conflict for both sides, efforts have focused on maintaining a strategic balance between the US and Russia that removes the incentive for either side to launch an attack. However, most of the bilateral arms control agreements signed during and
since the Cold War have now disappeared – for example, the Intermediate-Range Nuclear Forces Treaty, which the US withdrew from in 2019 after raising concerns about a Russian missile that violated the treaty. Until recently, the New START Treaty looked set to go the same way; the US and Russia were unable to agree on renewing the treaty after its February 2021 expiry, with the Trump administration first dismissing it as 'a bad deal' and then demanding changes that the Russian side deemed unacceptable. However, shortly after taking office, Biden gave it a last-minute reprieve by signing a five-year extension.

One of the tasks of the bilateral strategic stability dialogue launched at the June 2021 Biden-Putin summit is to prepare the ground for future arms control agreements. These could replace New START when it finally lapses in 2026, and address some of the many areas not currently covered by the treaty. Negotiating new agreements will be extremely difficult, as it will require the two sides to reconcile their strengths and vulnerabilities across the disparate categories of weapons that weigh in the strategic balance – all the harder given the mistrust between them.

**Missile defence – A perceived vulnerability for Russia**

For Russia, one of the main perceived vulnerabilities is missile defence. According to Vladimir Putin, superior US missile defences risk 'the complete devaluation of Russia's nuclear potential' by developing the capacity to intercept all of its missiles, thereby making it impossible for Moscow to launch an effective counter-attack in the doomsday scenario of an all-out nuclear war. To prevent either side upsetting the strategic balance, the 1972 Anti-Ballistic Missile (ABM) Treaty put strict limits on US and Russian missile defence systems. However, in 2002 the US pulled out of the ABM Treaty, arguing that it hindered efforts to protect Americans from terrorism and rogue state missile attacks – a bigger threat than nuclear conflict in view of improved relations with Russia.

Since then, US ballistic missile interceptors in Europe have become a bone of contention. NATO has repeatedly insisted that these systems are intended to counter limited threats from countries such as Iran, not Russia. The Alliance points out that Russia has more than enough nuclear warheads to overwhelm NATO defences and therefore denies that the latter would allow Washington to launch a nuclear attack against Moscow with impunity. On the other hand, it is not inconceivable that launchers could be adapted to allow missiles to be fired not only for defensive purposes, but also to hit targets on Russian territory. In 2009, work on a missile shield was abandoned as part of the Obama-era reset, but since then it has resumed; interceptors have already been deployed to Romania and a second site in Poland is due to become operational in late-2022. Leaked documents reveal that the US is now prepared to consider allowing Russian inspectors access to missile defence sites in Poland and Romania, subject to reciprocal transparency on two missile sites in Russia.

**Hybrid threats**

**Destabilising hybrid activities**

Hybrid warfare can be defined as a combination of military and non-military, as well as covert and overt means, including disinformation and cyber-attacks that fall short of outright military conflict. Such activities are typically hard to trace and take place below the threshold that would trigger a military response; given the asymmetry of Russian and US military capabilities, they are a useful means for Russia to destabilise the US while escaping retaliation.

**Cyber-threats go both ways**

In 2015, US intelligence agencies listed cyber-aggression as the top threat to national security, and Russia as the number one source of such threats. Techniques include distributed denial of service (DDoS) attacks, renting out botnets, hacking and malware attacks. In the Solar Winds attack of 2020, hackers with suspected links to Russian military intelligence were able to access computers from as many as 100 US-based companies and around a dozen US federal government agencies. Unlike the
devastating NotPetya attack of 2017, which the CIA has also attributed to Russian military intelligence, the aim was apparently to gather data rather than blocking or destroying it.

In April 2015, the US adopted a sanctions programme for malicious cyber-enabled activities (the EU followed suit in May 2019). The programme is global in scope, however over half of the designations are from Russia and include the country’s Federal Security Service and the GRU military intelligence agency. Since 2017, US government departments have been banned from using anti-virus software from the Moscow-based Kaspersky Lab.

Russia has its own vulnerabilities, not least due to the dominance of US-based technology companies. The 2021 National Security Strategy mentions the threat of ‘external interventions’ delivered by way of IT and telecoms systems controlled from abroad. One such intervention occurred in 2018, when US Cyber Command forced Russia’s Internet Research Agency offline in order to block the spread of disinformation ahead of mid-term elections. To counter such risks, Russia is taking steps to make its network more autonomous from the global internet – in 2021, it carried out tests briefly disconnecting the country’s internet from the rest of the world. A data localisation law adopted in 2015 requires information on Russian citizens to be stored on servers located on Russian territory. Professional networking platform LinkedIn was blocked in 2016 after it failed to comply.

For Russia, information security is as much about protection from subversive foreign influences and internal dissent as it is about resilience to cyber-attacks. There is no Russian equivalent of China’s firewall, and the internet remains a space of relative, although increasingly circumscribed, freedom. In a pre-election clampdown, Facebook and Twitter were hit with large fines in 2021 for publishing banned content, including material linked to jailed opposition activist Alexey Navalny.

Cooperation on cybersecurity and counter-terrorism

In 2017, Donald Trump's idea of a joint cyber-security unit with Russia was ridiculed, unsurprisingly given that many of the cyber-threats faced by the US come from Russia itself. Nevertheless, there are some signs that the two countries are making efforts to manage their differences. At the June 2021 summit, President Biden identified cyber-attacks on critical infrastructure as one of his red lines, and the two sides agreed on further talks to identify the kinds of infrastructure that are to be defined as critical. US National Security Advisor Jake Sullivan claims to have seen a reduction in malign cyber-activity from Russia since then.

While the US and Russia have frequently clashed in UN-level discussions on digital standards, in October 2021 they succeeded in finding at least some common ground: a joint draft text on cyber-norms was submitted for discussion by the UN General Assembly. In another sign of cooperation, in January 2022 Russia announced that it had arrested hackers responsible for a May 2021 ransomware attack on a Texan oil platform. Coming at the end of a week of negotiations on Ukraine, the announcement may have been timed to deter threatened US sanctions, given the detrimental effect that any such measures would have on cooperation.

Both Russia and the US are vulnerable to attacks by Islamic terrorists. After the 9/11 attacks on the US, Russia initially offered rhetorical and even practical support, such as intelligence-sharing on Afghanistan, for the US-led War on Terror. During Donald Trump's presidency, counter-terrorism was repeatedly discussed as a potential area of cooperation. In December 2017, Vladimir Putin thanked the CIA for helping to foil a terrorist attack in St Petersburg, but there is no evidence of broader collaboration since then.

Kremlin trolls and electoral interference

The influence of RT and Sputnik, Russia’s two main official media outlets in the US, is disputed. Although RT America claims that 85 million people have access to its programmes, numerous observers suggest that the actual number of viewers is far smaller. Rather than broadcast media, most of the Kremlin’s efforts to influence US public opinion focus on social media platforms such as
Facebook. Russian trolls posing as US-based individuals and organisations post English-language content, which in turn is disseminated by automatic accounts (‘bots’), again disguised as American social media users. Such content typically focuses on polarising issues, for example migration, gun control and police violence against racial minorities. Much of this activity has been traced to a shadowy, Kremlin-linked organisation sometimes referred to as the Internet Research Agency.

The agency’s work came under the spotlight after Donald Trump’s surprise victory in the 2016 US presidential election. Russian operatives appear to have followed a dual-track strategy: on the one hand, discrediting Hilary Clinton by hacking and leaking e-mails from the Democratic National Committee; on the other, promoting social divisions by disseminating inflammatory content based on the apparent calculation that this would mobilise Trump supporters to vote. Whether or not Russia’s influence operation actually swayed the vote is far from clear, but at the very least, there are serious concerns about the vulnerability of US democracy to external manipulation. The Internet Research Agency was among several Russian organisations and individuals designated by US electoral interference sanctions in 2018.

Moscow denies meddling in US elections. The State Duma (lower house of the Russian parliament) has presented counter-accusations; according to one of these, US government-funded NGOs provided training for candidates in Russia’s 2021 municipal elections and encouraged them to organise illegal protest actions.

**Economic dimension**

**Figure 1 – US-Russia trade and investment**

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<tr>
<td>Machinery</td>
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<tr>
<td>Cars, trucks</td>
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<td>Optical, photographic</td>
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<td>Other</td>
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**US-Russia direct investment positions** (as of June 2021)

- US investment in Russia: US$5.7 billion (1% of total FDI in Russia)
- Russia investment in US: US$7.5 billion (0.15% of total FDI in US)

Data source: ITC Trade Map, Central Bank of Russia, OECD.

US-Russia relations are mainly defined by their geopolitical and security dimensions – much less so by economics, given that mutual trade and investment are relatively limited (see Figure 1). In 2020, the US accounted for no more than 4% of Russia’s total foreign trade, far behind the EU-27 (34%). An insignificant 0.6% of US foreign trade is with Russia. The two countries’ shares in each other’s foreign direct investment are similarly low. Both trade and investment have declined, especially since 2014 – the result of various factors, such as sanctions (which restrict investments in Russia’s energy and financial sectors), devaluation of the rouble (which has made US products more expensive for Russian purchasers) and lower oil prices (oil is Russia’s main export to the US).
In 2020, the US economy was 14 times larger than Russia's. The disparity is smaller (five times) if Russia's GDP is measured at purchasing power parity, which takes account of the fact that goods and services in Russia are cheaper than in the US, but the relationship is still a highly asymmetric one. There is also imbalance in the nature of the goods traded. Many of the high-tech goods that the US exports to Russia are not easy to source elsewhere; if Washington decides to restrict such exports in response to an attack on Ukraine, key sectors of the Russian economy will suffer. The dollar's status as the dominant currency of international trade is another source of weakness for Moscow.

As the world's leading economy, Washington has the power to inflict considerable pain on Moscow. However, that power faces numerous constraints, not least the need to avoid damaging relations with European partners, whose economies are far more integrated with Russia’s. As already mentioned, the latter consideration played a key role in the failure of US sanctions to stop Nord Stream 2, and if Russia does invade Ukraine, it may deter the US from much tougher measures. Furthermore, in some respects Moscow has proved more adaptable and resilient than might have been expected. Hence, although US sanctions have hurt Moscow, they have not been devastating.

US sanctions restrict certain exports. For example, Russian satellite launches were delayed due to a lack of microchips, after Ukraine-related restrictions on dual-use items (which previously applied only to defence companies) were extended to parts of the space sector. Sanctions also bar US companies from providing technology and services to Russian deep water, Arctic and shale oil projects; although the Russian energy sector continues to thrive, the impact of these restrictions is likely to be felt in the longer term.

US sanctions have the power to block financial transactions in dollars with Russian companies and individuals, preventing them from sending or receiving funds from abroad. To mitigate the risk of being cut off from the global economy, some Russian exporters have switched to other currencies such as the euro and the yuan. However, most oil exports still depend on the dollar.

Chemical weapons sanctions adopted in August 2019 and further strengthened in April 2021 prohibit US investors from buying Russian government bonds on the primary market – i.e. they may not purchase bonds directly from the Russian government, although they can still purchase them from other investors on the secondary market. However, these restrictions have had little effect on the ability of the Russian state to borrow money – given Moscow's low levels of sovereign debt (in 2020, 18% of GDP; for the US, the equivalent ratio is over 100%), and huge international reserves (US$631 billion as of December 2021), it can easily find alternative sources of financing.

Russia has very little economic leverage over the US. Its main exports are oil and metals, commodities of which the US has abundant reserves and numerous alternative suppliers. In 2014, Russia retaliated against Western sanctions by restricting agrifood imports, including from the US. In 2013, US exports of subsequently banned agrifood products to Russia were worth US$700 million – a small figure compared to the €5.1 billion (nearly US$6 billion) lost by European farmers, less than 0.5% of total US agrifood exports and a negligible 0.06% of total US exports for that year.

**Human dimension**

People-to-people contacts

People-to-people contacts play a key role in Russia's relations with the EU, less so with the US. In 2019, 220,000 Russians visited the US, a modest number compared to Finland and Germany (3.7 million and 1.3 million Russian tourists respectively), while 290,000 American tourists travelled in the opposite direction. There is no US equivalent of the EU’s Erasmus+ educational exchanges, and the number of Russian students and academic staff at US universities, and vice-versa, is declining, due to political tensions, the difficulty of obtaining study visas, and other problems. Until recently, a joint programme by St Petersburg State University and US-based Bard College offered
one of the few remaining opportunities for academic cooperation and exchanges, but in June 2021, it **ended** after Russia’s Justice Ministry designated Bard an undesirable organisation. Moscow’s suspicions of foreign influences (Foreign Agent legislation, etc.) have also curtailed most US cooperation with Russian civil society.

**Figure 2 – US-Russia public opinion (% of Russian/US respondents who feel positive about the US/Russia)**

![Graph showing public opinion trends](image)

Public opinion in both countries follows the ups and downs of bilateral diplomatic relations.

Source: [Levada Center](https://www.levada.ru), [Gallup](https://www.gallup.com).

Perhaps reflecting the lack of interaction, Americans are increasingly negative about Russia. According to [Gallup](https://www.gallup.com) pollsters, in February 2021 just 22% held favourable views of Russia, a record low figure, and although more consider China as the main enemy of the US (45%), Russia is a strong runner-up (26%).

Surveys by [Levada Centre](https://www.levada.ru), Russia’s main independent pollster, show that Russians are somewhat more positive about the US than vice-versa. Until 2014, a majority were inclined to view the US favourably, except temporarily during the aftermath of three incidents: the NATO bombing of Yugoslavia, the US-led invasion of Iraq, and the Russia-Georgia war. The Ukraine crisis had a more lasting impact on public opinion in both countries. However, the share of Russians with positive views has slowly recovered since then, and was particularly high during Donald Trump’s presidency. The most recent figure from November 2021 was still surprisingly high at 45%, despite the tense ongoing confrontation between the two countries.

**Leader-to-leader relations: An important factor in US-Russia relations**

The US and Russia both have presidential political systems, and their respective presidents take the lead in shaping foreign policy. It follows that personal rapport between the two leaders is an important factor in intergovernmental relations. In May 2008, Dmitry Medvedev became president of Russia, and in November of the same year, Barack Obama was elected US president; friendly relations between the two new presidents, both relatively young and liberal in outlook, seemed to augur well for US-Russia relations. However, the reset soon ran out of steam. Arguably, the change of approach in Russia was illusory, with Vladimir Putin still effectively in the driving seat and Medvedev a mere figurehead; in any case, personal chemistry was not enough to compensate for fundamental differences on issues such as NATO expansion, Russia’s relations with its ex-Soviet neighbours, and human rights.

Again, there were signs of a good rapport between Donald Trump and Vladimir Putin, who had resumed the Russian presidency in 2012. As a presidential candidate in 2016, Trump was complimentary about Putin, describing him as far more of a leader than then President Barack Obama. Putin returned the compliment, praising Trump as 'bright and talented'. Trump’s ambiguity on Ukraine during his election campaign raised the possibility that he might lift US sanctions against
Russia and recognise its annexation of Crimea. News of his electoral victory met with enthusiastic applause in Russia's State Duma (lower house of parliament), while Putin welcomed the prospect of better cooperation.

However, Trump's capacity to put relations on a better footing was irreparably compromised by revelations of a Russian influence operation, including the social media activity mentioned previously, to favour his campaign. The Mueller Report commissioned by the US Department of Justice found evidence of extensive contacts between Trump campaign staff and Kremlin operatives. Trump's credibility on Russia reached a low point at his July 2018 bilateral summit with Putin in Helsinki, where he appeared more inclined to believe Putin's denials of electoral interference than the conclusions of his own intelligence services. In the run-up to the summit, he blamed 'many years of US foolishness and stupidity' for poor relations with Moscow, described the EU as a foe and threatened to pull the US out of NATO. Trump's performance at the Helsinki summit drew sharp criticism, including from fellow Republican, Senator John McCain, who described it as 'a tragic mistake'.

Despite the confusion created by such incidents, in some respects Trump's presidency saw a significant hardening towards Russia. During this time, the US adopted hard-hitting sanctions (some of them, such as CAATSA, as Congressional initiatives only reluctantly signed into law by Trump), pushed back against the Nord Stream 2 pipeline, as well as pulling out of the Open Skies Treaty with OSCE countries and the INF Treaty with Russia.

Contrary to his two predecessors, Biden's relations with Putin at the start of his presidency were anything but cordial, all the more so after he described his counterpart in March 2021 as a 'killer'. Instead of rapprochement, the talk was of a 'stable, predictable relationship' after the ambiguity of the Trump years. In line with this goal, Biden defined some of Washington's red lines at his June 2021 Geneva summit with Putin, in the hope that this would facilitate at least limited cooperation in areas of common interest, particularly on arms control and cybersecurity, and free up energy to focus on China. Despite such hopes, Moscow has become more of a challenge than ever, with the ongoing confrontation over Ukraine testing the relationship to its limits.