

WEST-RUSSIA RELATIONS IN LIGHT OF THE UKRAINE CRISIS

IAI RESEARCH PAPERS

Edited by Riccardo Alcaro



Edizioni Nuova Cultura



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Istituto Affari Internazionali

IAI Research Papers



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Acknowledgements

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List of Abbreviations

BRICS	Brazil, Russia, India, China, South Africa
CFSP	Common Foreign and Security Policy (EU)
CSCE	Conference for Security and Cooperation in Europe
CSDP	Common Security and Defence Policy (EU)
CSTO	Cooperative Security Treaty Organisation
EaP	Eastern Partnership (EU)
EEU	Eurasian Economic Union
EBRD	European Bank for Reconstruction and Development
EU	European Union
G8	Group of Eight
G20	Group of Twenty
GATT	General Agreement on Tariffs and Trade
GDR	German Democratic Republic
IMF	International Monetary Fund
ISIS	Islamic State in Iraq and al Sham
KGB	Committee for State Security
NATO	North Atlantic Treaty Organisation
OSCE	Organisation for Security and Cooperation in Europe
PPP	Purchasing Power Parity
SCO	Shanghai Cooperation Organisation
START	Strategic Arms Reduction Treaty
TTIP	Transatlantic Trade and Investment Partnership
UK	United Kingdom
UNDESA	United Nations Department of Economic and Social Affairs
UNGA	United Nations General Assembly
UNSC	United Nations Security Council

US	United States
WTO	World Trade Organisation
WWI	First World War
WWII	Second World War

Introduction

When he took office in early 2009, President Barack Obama made improvement of the United States' relations with Russia – the so-called “reset” policy – one of his signature foreign policy initiatives. That hope lies now in tatters, shattered by Russia's annexation of Crimea and destabilisation of south-eastern Ukraine. The goal of turning US-Russia cooperation – and, by extension, West-Russia cooperation – into a building block of international governance looks now as distant as it was during the Cold War. The best one can hope instead is that relations between Moscow and Western capitals do not further deteriorate to the point of a complete breakdown.

The rationale for the “reset” policy was the pragmatic recognition that the recurring tensions with Russia – prompted by issues ranging from Kosovo's independence to the US plan to install a ballistic missile defence system in Eastern Europe and Georgia's and Ukraine's prospective membership in the North Atlantic Treaty Organisation (NATO) – were thwarting US and Western interests in Afghanistan and the management of Iran's nuclear issue as well as creating new fault lines on the European continent. Tellingly, after reaching a low point in relations in the wake of Russia's short and victorious war against Georgia in August 2008, both Russia and Western powers took steps to avoid a scenario of full confrontation. Several member states of the European Union (EU), particularly Western European countries with little memory of recent Soviet domination, viewed the new US course as being more in keeping with their interest in establishing a constructive relationship with Russia, a key player on the European stage and the Union's main energy provider. While some EU member states, particularly in Eastern Europe, felt the United States was too prone to seek cooperation with an unreliable Russian government, the whole European Union eventually signed

off on Obama's policy. The election of Dmitry Medvedev as Russia's president, who depicted himself as more liberal-minded than his patron and predecessor, Vladimir Putin, had in fact helped create an atmosphere more forthcoming for dialogue and cooperation.

The "reset" policy did produce some important results, most notably the US-Russian agreement on the reduction of strategic nuclear weapons known as the New START (the only relevant nuclear disarmament agreement struck in twenty years); Russia's greater cooperation on curbing Iran's nuclear ambitions, particularly thanks to its agreeing to tough sanctions against Tehran in the United Nations Security Council (UNSC) in June 2010; and Russia's agreement to let key military supplies for the NATO-led mission in Afghanistan transit its airspace, an important development given the growing difficulty NATO was experiencing in keeping open its supply lines through Pakistan.

While significant, these achievements did not pave the way for what many had hoped the "reset" policy would eventually produce: a renewed West-Russia relationship based on mutual respect and cooperation on issues of common concern. In fact, relations between the West and Russia continued to be fraught with problems of mistrust, rhetorical competition, and fundamentally different views of how security issues should be managed internationally. In hindsight, the "reset" policy seems to have been just a lull in a process started in the early 2000s which has seen West-Russia relations steadily deteriorate. While none of the "reset" policy achievements has thus far been reversed, a succession of events, including the re-election of Putin as Russia's president in 2012 and culminating in Russia's forced takeover of Crimea and destabilisation of Ukraine, have plunged the West-Russia relationship to its lowest point in twenty-five years.

For many in the West, the crisis over Ukraine has laid bare the most unsettling features of President Putin's government: lack of any appreciation for political pluralism; readiness to dispense with opposition forces by de-legitimisation through state-controlled propaganda and possibly forceful repression; and resolve to defend what Putin perceives as Russia's vital interests with any means, including the use of force, land grabs, and destabilising practices such as fomenting and directing pro-Russian nationalist protests in other countries.

Ukraine is a special case because influence over Kiev is of paramount importance to Russia's security strategy and national pride. However, it should not be seen in isolation. It is part of a broader design by President Putin to re-establish as much influence as possible over the former Soviet space. Central to this objective is Putin's plan for a Eurasian Economic Union (EEU) including most of the former republics of the Soviet Union, be them in East Europe, the Caucasus or Central Asia. The problem with the Eurasian Economic Union is that the Russian president sees it as incompatible with any significant form of integration of its members into Euro-Atlantic frameworks, notably NATO but also the European Union.

The crisis in Ukraine has also made it clear that the West is now confronted with the problem of handling the revanchist instincts of a former superpower. The West faces an intractable regime centred on the personal power of President Putin, who has increasingly tied his legitimacy to a pledge to embody and defend an exceptionalist Russian identity, mostly defined in opposition to Western values and norms. In other words, the conflict between the West and Russia is framed by Putin himself not only as a conflict of interests, but of identity too. This narrative has been used by Putin to rebut any sort of criticism coming from the West, be it directed at Russia's takeover of Crimea or at Putin's increasingly strict control over Russia's media and marginalisation and repression of political dissent.

Signs of growing competition between the West and Russia were visible long before unrest in Ukraine escalated into a full-blown crisis. The Arab uprisings are a case in point. From the start, Russia and the West have held different views of the cycle of revolutions and counter-revolutions which has engulfed the most part of the Arab world. While the United States and the European Union initially insisted on the anti-authoritarian and pro-democracy nature of popular protests, Russia has consistently seen the so-called Arab Spring as a bearer of instability and, more worryingly, as an opportunity for Islamic fundamentalism to find new ways to gain influence. Moscow opted for a cautious approach in the beginning, even letting the Security Council authorise the use of force to protect endangered civilians in the prolonged conflict between Libya's longstanding ruler, Muammar Qaddafi, and a West-backed rebel

coalition. Russia came to regret its choice in a matter of months if not weeks, as it became clear that NATO's intervention in defence of civilians rapidly "crept" into what the Russians perceived as an open policy of regime change by force. Bruised by the Libya case, Russia has ever since been adamant in refusing any form of UNSC support for rebels fighting against established rulers in the Arab world, irrespective of how brutal such rulers could be. This has been most evident in Syria, where Russia has steadfastly protected its ally Bashar al-Assad from any form of UN action.

West-Russia relations have so dramatically deteriorated that talk of a new Cold War has become routine. NATO's role in Europe is again in the spotlight, with experts and policymakers alike pondering whether the Alliance needs to go back to its historical roots, re-calibrating itself as an instrument of defence from and containment of Russia. However, it is important to notice that cooperation has not collapsed altogether. Russia has continued to be a committed member of the P5+1, the group of nations (including also the United States, France, Germany, the United Kingdom and China plus the European Union) dealing with Iran's nuclear dispute. It has also continued to assist NATO's efforts in Afghanistan. And it has agreed with the United States upon a plan for the removal of all chemical weapons from Syria, forcing the Assad regime to deliver.

Thus, while competition has increased in strategic areas – most notably in the former Soviet space and the Middle East – the need for cooperation has not vanished. Clearly, this is far from an ideal scenario. Tensions over Ukraine are so strong that the risk of a breakdown in relations is certainly present. Yet neither party would benefit from it.

It was with the goal of exploring ways by which Russia and the West can contain tensions, manage competition, and keep cooperating on issues of mutual concern, that the Istituto Affari Internazionali (IAI) of Rome and the Center on the United States and Europe (CUSE) at the Brookings Institution of Washington co-organised an international conference on West-Russia relations. The conference was the seventh edition of the Transatlantic Security Symposium, the IAI-run annual forum in which experts from America, Europe and other countries convene to discuss the main topics in the transatlantic security agenda.

The event, sponsored by Italy's Ministry of Foreign Affairs and Interna-

tional Development, NATO's Public Diplomacy Division, the Compagnia di San Paolo, the Friedrich Ebert Stiftung (Rome Office) and Unicredit Bank, saw the participation of over forty senior experts from think tanks and other institutions from a number of EU member states (France, Germany, the United Kingdom, Italy, Poland and Bulgaria), the United States, Ukraine, Armenia, Georgia, Turkey and Russia took part. This volume collects a revised version of the papers that were presented at the event as well as a summary of the main points that were discussed.

(R.A.)

1.

Dancing with the Bear. How the West Should Handle Its Relations with Russia

Ivan Krastev

1.1 RUSSIA'S PLACE IN THE EUROPEAN ORDER

For the past three hundred years Europe has played a central role in global affairs. Of course Europe was not everything. It was nonetheless at the centre of everything. In 1914 the European order was the world order. The interests, ambitions and rivalries of the European empires shaped world politics. The First World War (WWI) was also known as the European war. In 1919 it was the American President Woodrow Wilson who played the major role in the Paris talks over the post-war settlement, but his vision for re-ordering the world so as to achieve global peace was primarily an attempt to re-order Europe (Tooze 2014). In the wake of the Second World War (WWII) two non-European powers, the United States (US) and the Soviet Union, emerged as the global superpowers, but again the Cold War order was still a Europe-centred order because the future of Europe was the ultimate prize in the East-West contest and both democratic capitalism and communism were European-born ideologies.

In 1989-1991 we witnessed the emergence of a distinctly European model for international conduct that was based on a set of assumptions and practices radically different from the global order. In 1989 Chinese communist authorities crushed pro-democracy demonstrations in Beijing's Tienanmen Square. By contrast, in Europe the ruling communists agreed to a peaceful transfer of power, thus rejecting the use of force as a legitimate political instrument. This choice to solve differences with-

out military intervention made Europe different from the rest of the world. "What came to an end in 1989," wrote British diplomat Robert Cooper, summarising the new situation, "was not just the Cold War or even [...] the Second World War. [...] What came to an end in Europe (but perhaps only in Europe) were the political systems of three centuries: the balance of power and the imperial urge" (Cooper 2004:16).

The key elements of this new European order were a highly developed system of mutual interference in each other's domestic affairs as well as security based on openness and transparency in the context of the European Union (EU). The new post-modern security system did not rely on a balance of power; nor did it emphasise sovereignty or the separation of domestic and foreign affairs. It rejected the use of force as an instrument for settling conflicts and promoted increased mutual dependence between European states. The post-modern European order was not interested in changing the borders of Europe or in creating new states (like after the WWI). It did not attempt to move people in order to secure these borders (like after WWII). After 1989 Europe's ambition was to change the very nature of the borders, to open them for capital, people, goods and ideas. The political leadership of the old continent "banned" themselves from thinking in terms of maps. Cartography was displaced by various economic graphs that documented the financial and commercial interdependence of Europe. Territorial divisions were replaced by economic integration.

The annexation of Crimea has made clear Russia's rejection of this order. After 1989 it was the Soviet Union and not Russia that sought a place within the European model. For the late Soviet leaders the expansion of the European order of soft sovereignty and economic interdependence was the only way to protect their empire from the secessionist drive of the various Soviet republics. Faced with the choice between post-modernity and disintegration former Soviet leader Mikhail Gorbachev opted for post-modernism and co-signed the Paris Charter, thus subscribing to its vision for a common European home.

It was the Soviet Union and not Russia that tacitly agreed to Germany's re-unification, which was a de facto annexation of the German Democratic Republic (GDR), which ceased to exist, by its larger and immensely wealthier western neighbour. But Gorbachev's attempt to save

the Soviet Union by joining the Western world failed. And unlike the Soviet Union, post-Soviet Russia was a separatist project, which explains Moscow's strong defence of sovereignty. Russia's understanding of sovereignty is a rather narrow one, according to which sovereignty is not so much a right as a consequence of power. Only great powers can be really sovereign. Sovereignty does not mean a seat in the United Nations General Assembly (UNGA). It implies economic independence, military strength and cultural identity.

Russia's foreign policy in the first two decades after the end of the Cold War was a strange mix of conservatism and resentment. Russia was a pro-status quo power because it valued its position as a successor of one of the Cold War superpowers, as attested to by its keeping a permanent seat in the United Nations Security Council (UNSC). But at the same time it was resentful about the fact that the post-Cold War European order was anchored in Western institutions like the North Atlantic Treaty Organisation (NATO) and the European Union. In the 21st century Russia was in a constant search of a new European order. In this sense the Kremlin's violation of the territorial integrity of Ukraine did not mark the beginning of the crisis of post-Cold War European order but the final stage of a long process during which Russia grudgingly tolerated an order which it felt was not advantageous for its interests.

1.2 RUSSIA'S CHALLENGE AND EUROPE'S OPTIONS

The question now is: what should Europe do in the face of Russia's rejection of the post-Cold War order? How should Europe react to the attack on its principles and model?

In reality, most of the world has never accepted this new European order, even if Europeans saw this approach as universally applicable. Robert Kagan famously described Europeans as Venusians faced by a world of Martians (Kagan 2003).

The crisis in Ukraine has revealed that many non-Western powers are uninterested in investing in the preservation of Europe's post-modern order. Brazil, China, India, and South Africa have not joined the efforts of the West to punish Russia, with which they have formed the

most important non-Western grouping of countries, the BRICS. They abstained in a UNGA vote to sanction Moscow's conduct. China actually used the standoff between Russia and the West as an opportunity to close some big commercial deals with the Russians. For China and the other non-Western powers the crisis in Ukraine is a local European crisis, not a global one. They see the European order as a distinctive regional settlement based on principles and norms different than the ones that regulate the global order.

In short, Russia's annexation of Crimea made Europeans suddenly realise that the EU political model may be good (even exceptionally good) at containing and overcoming interstate conflict, but not universally applicable. Europe came up with an international order that is highly successful when not challenged by powerful external players, but unlikely to become a global norm. Suddenly Europeans realised they could not take peace for granted any more. They could not rely on international treaties or international institutions to protect the borders of their states. And they were shocked to discover that economic interdependence turns out to be rather a source of insecurity than of security. What till yesterday was Europe's universalism today looks like Europe's exceptionalism.

1.3 RUSSIA'S REVOLT AGAINST GLOBALISATION

In a September 2014 speech at the UNGA Russia's foreign minister Sergey Lavrov called on the United Nations to agree upon a declaration "on the inadmissibility of the interference into domestic affairs of sovereign states and non-recognition of coup d'état as a method of the change of power" (Lavrov 2014).

Lavrov's speech is a powerful demonstration that instability within states, rather than rivalry between states, is the leading cause of international crises today. The behaviour of the most influential global actors is shaped less by their strategic geopolitical ambitions than by their efforts to manage a swelling domestic backlash against globalisation. Condemning "foreign interference" in other countries' domestic politics, Lavrov addressed the fears of Western-backed "colour" revolutions in authoritarian states like China or Iran, but also to the West's growing

concern about support for militant Islam by countries like Qatar and Saudi Arabia. In his classical book *Revolution and War* American scholar Stephen Walt argues that revolutions intensify security competition and increase the probability of war by altering each side's perceptions of the balance of threats (Walt 1996).

The end of power, rather than the shift of power, explains the emergence of the new global disorder. "In the twenty-first century," Moisés Naím writes, "power is easier to get, harder to use, and easier to lose" (Naím 2013:2). What we witness is the increased ability of the weaker party to inflict casualties on its opponent. Political instability within states has become the common feature of both democratic and non-democratic regimes. In the five years elapsed since the Great Recession of 2008 mass political protests have shaken more than seventy countries in the world. Sometimes the protests have succeeded in toppling authoritarian governments; most of the times they have succeeded in making such governments' life much harder. Global public opinion as a rule has taken the side of anti-establishment protesters. The Kremlin's take of these protest movements is that they are the direct result of the unwillingness of the architects of the post-Cold War order to put sovereignty at the centre of international politics. What Russia wants from the international community is an international order that discourages people from marching on the streets against their own government. Certainly, what Moscow expects when people take to the streets is that the international community takes the side of the government in power regardless of its democratic record. The Kremlin's problem is that such a proposition is simply impossible to hold in a deeply interconnected world. The West's problem is that it has underestimated the risks coming out of such an interconnected world.

In the post-Cold War period Europe has proved to be incapable of reading Moscow's signals correctly. Its inability to appreciate the intensity of Russia's resentment about the European order is rooted in the European Union's proclivity to think of Russian-European relations after the Cold War as a win-win game and to see the Union itself as a benevolent power that no reasonable actor could view as a threat. Until the annexation of Crimea, the West assumed that Russia could only lose by challenging the international order and especially by questioning the in-

violability of internationally recognised borders on which control of its own vulnerable south-eastern flank seemingly depends. European leaders persuaded themselves that, behind closed doors, what Russia really feared were China and the spread of radical Islam, and that Russia's endless complaints about NATO's enlargement or America's anti-missile defence system in Europe were simply a form of popular entertainment aimed at a domestic audience for television news. The problem is, these Western assumptions were wrong.

European leaders and European publics fell victim of their cartoon vision of the nature and capacity of President Vladimir Putin's clique. The stories of pervasive corruption and cynicism coming from Russia made them believe that the Russian elite was interested only in money and it would do nothing that could threaten its business interests. Russian leaders were crooks, but profit-minded crooks. This vision of Putin's Russia as "Russia Inc." has turned out to be wrong. Russian elites are greedy and corrupt but they also dream about Greater Russia and they want Russia's triumphant return on the global stage. "Putin is a Soviet person," wrote Putin's former advisor Gleb Pavlovsky, "who set himself the task of *revanche*, not in a stupid, military sense, but in a historical sense" (Pavlovsky 2014:57).

After 1989 Russia suffered the double humiliation of being a loser in a world that was advertised as a world without losers. In 1989 only 13 percent of Russians believed that their country had external enemies; this view is now shared by 78 percent of Russian respondents. What European leaders failed to realise was that, while very few Russians longed for a return to Soviet communism, a majority was nostalgic for the Soviet Union's status as a superpower, a state that could be respected. And while Russians for all this period have tended to view the European Union as a reasonable and agreeable power, Russian elites have at the same time viewed European foreign policy simply as an instrument of America's strategy to preserve its hegemony in the region. The crisis in Ukraine and the Kremlin's state propaganda related to it have succeeded to make the view of the elite the view of the public. According to the independent Levada Center (2014), in November 2014 only 26 percent of Russians had positive view of the European Union.

Thus, building a civilisational state, a castle identity – a hard-shell

state that can be integrated into the global economy only if its domestic politics is sealed off from external influences – has been the principal goal of Putin’s state-building project ever since he acceded to power in 2000.

In 1993 the Russian classicist and amateur grand strategist, Vadim Tsymburskiy, published an influential article titled *The Island of Russia*. Russia’s geopolitical destiny, he argued, was as an island that could best survive by cutting itself off from Europe. In his view, Russia had to break with the legacy of its “three European centuries” and realise that its attempt either to copy Europe (which is how he sees Tsarist imperialism) or to join Europe will inevitably culminate in tragedy. At a time when globalisation was destabilising the world, he wrote, Russia’s only viable option was to focus on the country’s Far East and on its internal development. Russia was too weak and fragmented internally to succeed in a globalised world (Tsymburskiy 1993).

Putin’s actions resemble 19th century Russian imperial politics. But in reality they are part of a worldwide 21st century revolt against globalisation. Putin defines the threat coming from the West as a threat to Russia’s political identity rather than a threat to Russia’s territorial integrity.

Putin’s improvised Ukrainian gambit is better explained by his fear of regime change through what he sees as remote-controlled street protest than by his fear of NATO’s expansion. “Occupy Crimea” was a logical response to Moscow’s protesters’ “Occupy Abai” movement.¹ It is the Kremlin’s domestic politics and not Russia’s security calculations that explain best Moscow’s foreign policy revisionism. Putin’s contract with the Russian society based on constantly improving the material wellbeing of the average Russian in exchange for citizens’ withdrawal from politics collapsed during the Moscow’s 2012 “winter of discontent.” Russia’s economy was in stagnation while Russian society mobilised.

From the Kremlin’s perspective, the heart of the regime’s vulnerability lies in the Russian elite’s cultural and financial dependence on the

¹ Named after the Kazakh poet Abai Kunanbayev’s statue in front of which protesters held public lectures during the 2012 anti-Putin demonstrations.

West. This is why nationalisation of the country's elites' business interests became Putin's major objective. The open confrontation with the West was a strategy adopted well before the fall of Ukraine's pro-Russian President Viktor Yanukovich – whose flight from Kiev precipitated the invasion of Crimea. It was meant to increase Russia's economic, political and cultural isolation from the West. Putin's war on gays and the annexation of Crimea are two pages taken from the same playbook. Putin has conceptualised the very existence of the post-Cold War European order as a threat to Russia's strategic interests.²

1.4 SANCTIONS AND THE PARADOX OF RUSSIA'S ISOLATIONISM

In an 8 January 1962 speech that remained secret for over forty years, then Soviet leader Nikita S. Khrushchev announced to his colleagues in the Politburo that the Soviets were so thoroughly outmatched in the superpower struggle with America that Moscow's only option was to seize the initiative in international affairs. Some decades hence future historians may unearth a similar secret speech delivered to his inner circle by President Putin in February 2014, that is, at the moment when he decided to invade Crimea in order to disguise the fact that Russia had lost Ukraine and failed to compete economically with the West.

The paradox of Russia's isolationism is that although the Kremlin wants to increase Russia's insulation, it lacks the capacity to do. In the early 1960s, having decided to cut the GDR off from the West, the Sovi-

² We can reflect upon historical parallels when it comes to the anti-cosmopolitan uprising of the Russian rulers. Whenever Russia opens itself to the world, there may be a point where panic sets in and the country's authoritarian leaders hysterically reverse course, returning to isolationism with a vengeance. Something of this sort happened after Russia's victory over French Emperor Napoleon in the early 19th century. In 1946 Soviet leader Joseph Stalin launched his infamous campaign against cosmopolitanism, and hundreds of thousands of Soviet soldiers were sent to the camps because the regime feared that they had seen too much of Europe. Could we not be witnessing something similar, though much less murderous, today?

ets erected a wall through the centre of Berlin. Putin does not have the capacity to do anything of the sort. He cannot stop trading with the world and he lacks an ideology capable of convincing the Russians that, in their glorious isolation, they will own the future. So what has he done? Putin's judo logic is in display here. In analysing the Russian president's way of thinking, Pavlovsky (2014:55) insists that Putin is unwilling to fight global trends and use up his resources. He believes that. "You have to take the resources of the trend and achieve what you want with them." The Kremlin has manufactured a crisis so that it is now Kiev that hopes to build a wall along the Russian border, a crisis that allowed him to effectively discipline his "offshore elites." Russian officials who initially disobeyed their president's assets repatriation directives and kept their money in Western banks are now sending the money back home, fearing Western sanctions. And, not accidentally, the business that has suffered most from the quasi-war in eastern Ukraine has been Russia's tourist industry. This summer, 30 percent fewer Russian tourists went to Europe than in 2013.

The paradox of this is that the West has become an accomplice in Putin's effort to disconnect Russia from the world. The key question regarding the West's response to Russia's actions in Ukraine is whether economic sanctions make sense in light of Putin's strategy to unravel the connections that, for the past quarter century, Russia's economic elites have woven with the West, or whether instead sanctions are allowing Putin to do what he cannot achieve on his own, that is, re-orienting Russia's elites – and the whole country – away from Europe.

Faced with Russia's annexation of Crimea and de-stabilisation of south-eastern Ukraine, the West had no other alternative but to react forcefully and make Russia pay a price. The Western leaders were well aware that the Kremlin's game of escalation and de-escalation in the Donbas created the risk of turning the European Union into the proverbial frog that, placed in a pot of cold water that is gradually heated, never realises the danger it is in and ends up boiled alive. At the same time it was clear from the very beginning that the West is not ready and willing to use military force to change Russia's aggressive behaviour in Ukraine and that it could not place its hopes in an anti-government mobilisation in Russia. On the contrary, in the short term Russian public

opinion is an obstacle to find an accommodation as the contest in Ukraine has been described by the media as a struggle so vital to Russia that it cannot cede an inch of ground. The West has thus good reasons to be concerned about not only Putin's Russia, but also post-Putin's Russia.

Sanctions were the West's only possible weapon. They are intended as a nonviolent foreign policy alternative to military intervention. They signal the resolve of the Western not to accept a situation they strongly disapprove of and to make Russia pay the price for having engendered it. They also try to impress on the sanctioned country how dependent it is on those who impose sanctions. But sanctions are also clumsy tools that are hard to design, difficult to implement and sometimes impossible to enforce. Jeremy Shapiro, an expert at the Brookings Institution and a former member of the State Department's policy planning staff, was right to stress that "Russia is bigger than all of our previous sanction targets put together. It has a lot more links with the world economy than any other country [sanctioned] in the past" (quoted in Lake 2014). It is also well positioned to survive a relative short period of sanctions because of its considerable foreign currency reserves.

EU sanctions have become a recurrent practice since a decision in early 1982 that partially restricted trade with the Soviet Union to protest against its role in the crackdown of the Solidarity movement in Poland. But sanctions were not a classical Cold War weapon. The European Community (forebear of the Union) used sanctions very rarely in the 1980s. The Soviet system was too self-sufficient in order to be seriously damaged by sanctions. The Balkan triggered more frequent and more systematic use of the instrument in the 1990s. Ever since the frequency of the use of sanctions has fluctuated, but beginning in 2010 EU sanctioning activity has really taken off. From 2010 to 2011 the number of relevant decisions more than trebled, jumping from 22 to 69, most of them concerning measures against Libya, Iran, and Syria (Lehne 2012). Sanctions are demonstration of power in the absence of military force. They are like those weapons from science fiction movies that do not kill the enemy but simply sends him to sleep. However, the paradox of sanctions is that they work due to economic interdependence but they also undermine it. They reveal the West's dominant position in the international order but they also threaten this dominance by making other

players fear Western hegemony and give them incentive to de-globalise. Thus, in judging the impact of the sanctions we should be interested not only in how successful they are to hurt Russia but how they influence the policies of the non-Western powers.

The paradox of Russian isolationism is that sanctions can be effective in damaging Russia's economy while at the same time they may facilitate Putin's plans for limiting Russia's exposure to the West. Certainly they have been effective, probably far more effective than anyone anticipated. They have been estimated to have cost Russia 1-1.5 percent of GDP in 2014, with some experts regarding them as an even bigger threat than falling oil prices. Russian currency reserves – raided to prop up the falling rouble – are at a four-year low after dropping 57 billion dollars in 2014. In early October last year they oscillated around 455 billion dollars. Capital outflow jumped to 74 billion dollars in the first six months of 2014. Both the European Bank for Reconstruction and Development (EBRD) and the International Monetary Fund (IMF) have recently revised their 2015 growth forecasts for Russia downwards. Whether or not sanctions are allowed to expire in 2015, the resulting erosion in investor confidence, a general perception of higher risk of financing Russian banks, increased capital flights and weaker economic growth are likely to be painful for Moscow. But what about the unintended consequences?

In a speech to the Russian National Security Council, Putin declared his government's readiness to build a backup system to keep websites in the Russian domains – those ending in .ru and .rf – online in a national emergency. In other words, the Kremlin is ready to nationalise the Internet. The Duma, Russia's parliament, also voted a law that forbids foreign companies to be majority stakeholders in Russian media. In addition, sanctions have also marginalised pro-Western members of Russia's elites. "You [in the West] reason that the sanctions will split the elite and force Putin to change course, but that's not what is happening," a billionaire investor told the *Financial Times*. "On the contrary, you are destroying those in Russia who are friends of the West. The *siloviki* ["the heavies", meant are Putin's supporters particularly in the security services and the bureaucracy] have been strengthened more than ever before" (quoted in Hille 2014). Sanctions also assist Putin in his strategy to

re-orient Russia's trade away from the West. Silvia Merler has shown that while foreign direct investment (FDI) flows from Europe to Russia shrank significantly between late 2013 and early 2014, FDI flows from Asia – mostly from China – picked up to high levels during the same period and literally exploded in the first quarter of 2014. During the first three months of 2014, European net FDI inflows to Russia amounted to 2.9 billion dollars (2 billion of which coming from the euro area), i.e. down 63 percent year on year. Asian net FDI flows to Russia were instead 1.2 billion dollars (1 billion of which coming from China), i.e. up 560 percent year on year (Merler 2014). And this is not the only sign suggesting that Russia might have been succeeding in re-orienting the geography of its capital flows over the latest months.

1.5 DANCING WITH THE BEAR

In many respects, the current situation resembles the East-West crisis in the late 1960s and early 1970s. Then like now mass protest movements and economic crisis shook both East and West. In the 1960s domestic political unrest initially provoked more aggressive foreign policy urging the United States to escalate its involvement in Vietnam and the Soviet Union to invade Czechoslovakia. But with the passing of time this strategy failed both in the East and the West and political leaders veered towards a policy of *détente*. To many contemporaries *détente* looked as appeasement to Soviet policies of interference in Eastern Europe, but over time this same policy has been recognised as an effective instrument in eroding the foundations of Soviet control over Eastern Europe.

What makes Russia different than the other emerging powers is that it is more inclined than any other power not to think in economic terms. The fact that Russia is economically uncompetitive while at the same time militarily powerful³ in combination with the natural resources-

³ It is planned that till 2020 Russian armed forces will modernize 70 percent of their armament.

dependent nature of its economy makes Russia more prone to political hazards than emerging powers.

In the last months Western policymakers have been preoccupied about how to press Russia to change its policies in Ukraine and how to protect the territorial integrity and political stability of EU member states bordering Russia. Responding to Russia's propaganda war against "the decadent Europe" has been another concern. But not much thought have been put on how re-engagement with Russia could take place if Russia decided to play a more constructive role in Ukraine.

Return to business as usual is not an option neither for the West nor for Russia. Putin's strategy does not envision return to the post-Cold War status quo. The West cannot close its eyes to Putin's blunt violation of international law. So, what is the way out of the current policy paralysis?

Lifting sanctions is not a strategy. It could only be an element of a strategy. Keeping sanctions forever is not a strategy either. Europe's re-engagement with Russia makes sense only if Europe forces Russia to think in economic terms. Another paradox of the current situation – perhaps the most ironic – is that the best hope for the Europeanisation of Russia is support for Eurasian Economic Union (EEU), the very project Putin desperately wanted Ukraine to be part of. In an insightful paper, Paris-based analyst Nicu Popescu provides insightful analysis of the internal contradictions of Moscow's project for re-integrating the post-Soviet space (Popescu 2014). And powerfully contends that the EEU is a flawed integration project. Russia's ambition to form the Eurasian Economic Union resembles an ill-concealed attempt to restore the Soviet Union. While the European Union was an enterprise of several European states quite similar in size, it is obvious that Moscow will dominate the Eurasian Economic Union (Russia will represent 90 percent of the GDP of the EEU) and that it will function as Russia's sphere of influence. Economists have figured out that the positive effect of this regional integration will be minimal, because "in the two decades following the dissolution of the USSR, Russia's weight and importance as a trading partner for most post-Soviet states [have] drastically declined. [...] As a result, the EU and China are bigger trading partners than Russia for every post-Soviet country except Belarus and Uzbekistan" (Popescu 2014:11). The prospect of free movement of labour is probably the single most at-

tractive feature of the Eurasian Economic Union from the point of view of most post-Soviet states. The EEU would be a bloc of authoritarian regimes whose goal is to strengthen their own hold on power. What is common between Russia, Belarus and Kazakhstan (currently the three EEU member states) is strong leaders, weak institutions and no legitimate mechanism for succession. All these arguments are fair and correct. Eurasian integration is a flawed project and this flawed project is the West's best chance to keep Russia's interdependence with the European Union while allowing the latter to preserve its post-modern nature. Engagement with the EEU (Russia, Kazakhstan, Belarus and in future probably Armenia and Kyrgyzstan) means that the European Union recognises Russia's right to have an integration process of its own. It also means that at this moment the Union recognises the borders of the EEU as the borders of its own integration project. But while EU acceptance of the EEU as a trading partner creates some administrative difficulties for Brussels and it looks like a Moscow's success, it offers real opportunities. It drives the competition between Russia and the West into the economic field, where Russia cannot win.

Negotiating with the Eurasian Economic Union will reduce some of the advantages that Russia enjoys in its current negotiation forums with the European Union. Brussels will increase its leverage playing on the different views between EEU member states. Kazakhstan's and Belarus's manoeuvres after Russia's annexation of Crimea are best illustrations that Astana and Minsk are reluctant vassals of the Kremlin. The recognition of the Eurasian Economic Union will weaken Putin's resolve to think in terms of Russia's world and thus will reduce the pressure on Russian minorities abroad. The Russian minority-cantered foreign policy is a threat for the Baltic states but also for Kazkhstan. And last but not least, EU leaders will not need to negotiate with Putin. What makes the Eurasian Economic Union the best policy to resist Russia's suicidal isolationism is the fact that unlike the notion of Russia's world, the EEU is organised around the idea of economic interdependence and it promotes certain type of constraint on Russia's policy. It helps liberal economists to re-capture some initiative (and influence) and it presents the only available system of constrains when it comes to Kremlin's power.

"When you dance with the bear," observed late Robert Strauss, an

American politician who had a firsthand experience with East-West policies in the 1960s and 1970s, “you don’t quit when you’re tired; you quit when the bear is tired” (quoted in Bobbitt 2014). What he actually meant is that you quit “when you have succeeded to exhaust the bear.” And this is exactly what the EU should do.

2.

Deterrence in the New European Security Context

Christopher Chivvis

2.1 THE NEW CONFLICT WITH RUSSIA

Russia's annexation of Crimea and subsequent invasion of south-eastern Ukraine is unquestionably the most serious crisis in European security since the end of the Cold War, and possibly since the pre-détente era. It upends multiple assumptions that have underpinned American and allied foreign and security policy in Europe since the 1990s. Most importantly, it overturns the assumption that while Russia had the capability to alter borders in Europe by force, it did not intend to, and hence was a benign and even a pro-status quo power. This is no longer the case and the United States (US), the North Atlantic Treaty Organisation (NATO) and Russia are now clearly headed toward a new phase in their relationship, one characterised by more conflict and less cooperation than was the case in the first quarter century after the end of the Cold War.

Some would thus argue that we are either facing or at risk of a new Cold War (Legvold 2014, Kashin 2014, Arbatov 2014). Conceptually, the Cold War lens is misleading, however.¹ The dynamics of the emerging new relationship between the United States, Europe and Russia will be similar to the Cold War in some ways, but the coming conflict is not the same thing. The nature of today's conflict, the context in which it is playing out, and its relative importance in the broader international system

¹ Some analysts have thus preferred the term "cool war." For this argument in the Asian context, see Davis and Wilson 2011.

differentiate it markedly from the stark East-West standoff that framed international politics in the forty years after the Second World War (WWII).

Like the Cold War, today's clash has ideological as well as geopolitical dimensions. Ideologically, Russian President Vladimir Putin claims to stand for a conservative authoritarianism grounded in family values and the teachings of today's Russian Orthodox Church. Putin casts his conservatism as an alternative to Western European liberal democracy, which he portrays as decadent, immoral, and ill-suited for Russian and many other societies. He clearly presents his ideology as an alternative to the liberal and social-democratic political values for which the United States and Europe have stood since the end of WWII.

Despite these differences, this ideological contrast is not so sharp as during the Cold War, when Russian official rhetoric often portrayed the very existence of Western capitalism as a *de facto* threat to the Soviet Union. Russia today makes no such claims. Soviet leaders may eventually have come to a similar view regarding the compatibility of communism and capitalism, but their rhetoric, coupled with the dogma that the capitalist system was destined to collapse of its own internal weaknesses, heightened overall East-West tensions during the Cold War. Nor does Putinism shape Russian foreign policy to the same extent communism shaped Soviet foreign policy. For example, there is no equivalent to the Third International, and little support for Putinist revolt in the developing world – the violent radicalism of the Islamic State in Iraq and al Sham (ISIS) appears much more popular. Importantly, despite its criticisms of Western mores, the Kremlin has not gone so far as to claim that its political system is fundamentally incompatible with the Western political systems. Putin disparages those systems but does not advocate their overthrow. Even as Russia prefers to keep liberal democracy away from its doorstep in Ukraine, it seeks to trade and coexist with western Europe.

On a geopolitical level, today's conflict is reminiscent of the Cold War, but also not identical. The Cold War broke out over the question of whether or not the countries of Central and Eastern Europe would be democratic after WWII, as the West believed had been agreed at the US-British-Soviet summit in Yalta, or whether they would be governed by

puppets of the Kremlin, as Soviet leader Joseph Stalin felt was necessary for the security of the Soviet Union. In contrast, the root of the current conflict is whether or not Russia has a privileged sphere of interests in the regions along its current borders and a corresponding right to dominate weaker countries if their domestic or foreign policies run counter to what Russia sees as its interests. Although both the Cold War and the today's conflict are about Russia's sphere of influence, the countries immediately affected are clearly not the same.

There are also important distinctions in the broader political and military context in which renewed tension with Russia will unfold. The military geography is starkly different from the Cold War: Russian armies are no longer in Central Europe and, indeed, are unlikely ever to be again. The Russian military is meanwhile in the process of deep reform designed to transform it from a capability for large-scale ground-war in Europe to a smaller, faster force that can intervene rapidly on the Russian periphery (Gorenburg et al 2012). Russia's military transformation has been slow, the Russian military remains weak and antiquated when compared with NATO's combined strength for large-scale conventional war. The Russian military no longer poses a threat to Europe anywhere close to the scale of the threat posed in Soviet times, when it, rather than the West, was thought to have the conventional edge. Even if they remain relevant, nuclear arms have also been greatly reduced in number from Cold War levels, the size of NATO forces in Europe has declined, and the capabilities of those forces have shifted away from a central focus on large-scale ground operations at the division level.

Today's international system is also far more integrated and pluralistic than it was during the Cold War. China is a contender for global superpower status. North Korea, Iran, and possibly other countries have nuclear weapons programs. ISIS, Al Qaeda, and other Salafi Jihadist groups are likely to remain the leading security threat to the United States and its allies in the next decade. The global economic context is also radically changed. Russia is integrated into global energy, and especially financial markets to an unprecedented degree – even as sanctions distance it from these markets. The physical and virtual integration of societies, and the profusion of weapons technology have spawned terrorist threats of a kind unknown during the Cold War.

For many reasons, therefore, today's conflict with Russia will never have the central importance that the East-West conflict did during the Cold War. In Washington, especially, concern about Russian revanchism will compete for resources and attention along with a minimum of two other major concerns, the rise of China and the chaotic and dangerous evolution of the Middle East. The United States will thus look to its European allies and partners increasingly for support in addressing the deterioration of security in Europe.

Moreover, the global context means that the United States and Europe may sometimes be pulled between the need to deter and contain Russia on the one hand and the desire to cooperate with it on the other – although the desire to cooperate with Russia, in Washington at least, has been much diminished by the events in Ukraine. The new global context also creates mutual vulnerabilities that should serve both as checks and as levers against rapid escalation, dampening conflict, and, hopefully, encouraging sustained engagement, communication and measured policies on all sides. Together, these realities will sometimes make it hard for the United States to pursue a consistent, calibrated strategy toward Russia. It will be similarly difficult for Europe to do so.

2.2 GEOPOLITICAL AND IDEOLOGICAL DRIVERS OF CONFLICT

If the new conflict with Russia is not a return to the Cold War, it is serious in other ways. Putin's actions in Ukraine, especially against the backdrop of the 2008 Russia-Georgia War, have opened a Pandora's box of problems across Central and Eastern Europe, where the political and economic accomplishments of the post-Cold War era are most endangered. When coupled with the possibility that Russia could be seeking to redeploy intermediate range missiles that would threaten Europe, this situation should be unnerving for defenders of NATO and the European Union (EU) alike. It should be especially unnerving given that Europe is currently fragmented on multiple levels, distracted by economic issues, and generally lacking self-confidence (Adebahr 2014). The situation should disturb anyone who believes that Europe's post-WWII evolution

is a cornerstone of the contemporary global order, which has allowed liberal democracy to flourish under the rule of law.

Developing strategies to deal with this problem requires first an effort to understand its basic nature. Russia's claim to a privileged sphere that includes Ukraine and other nations obviously predates President Putin. Indeed, it is a theme in Russian official documents from the immediate time of the 1993 Foreign Policy Concept (Donaldson and Noguee 2009:114-115). Historically, Russia's vastness has contributed to endemic insecurity. Because it is too large to integrate easily into the West European system it has often been at risk of invasion from a more developed Europe. At the same time, vastness makes internal governance difficult and also means that Russia has many potential enemies on its border. This fact has encouraged Russia to dominate its borderlands both to create a buffer against European incursion and in an effort to protect itself against incursions from these borderlands themselves (Trenin 2011:23). Hence, whereas the British and French empires at their height were far-flung, the 19th century Russian empire was right on Russia's own doorstep. In a certain sense, Russia did not so much have an empire as it was an empire. Russia's post-Cold War loss of territory eliminated great swathes of the buffer that it enjoyed under the Soviet Union and in the century before the First World War (WWI). Only in the years immediately following the 1918 Treaty of Brest-Litovsk, which the newly formed Bolshevik government accepted in order to end Russian involvement in WWI and complete the takeover of power over Tsarist Russia, was Moscow's influence over the countries on its borders shrunk to the degree it was after the end of the Cold War.

Unsurprisingly, therefore, Russian objections to NATO enlargement toward its borders, as well as statements regarding Russian privileges in its near-abroad, have been a recurring feature of Moscow's post-Cold War foreign policy position. The tussle with Ukraine over Crimea dates to the early 1990s, when Russian-backed Crimean politicians such as Yuriy Meshkov agitated for Crimean separatism. Nevertheless, if Russia's desire to control its periphery is longstanding, it reached a new height under President Putin, whose project for a Eurasian Union (now re-christened Eurasian Economic Union) is an institutional embodiment of a long-standing Russian desire to dominate.

What has changed in the last decade is both the intensity of what Russia views as encroachment on its territory as well as Russia's evaluation of its own capability to assert its rights against these countries. In the 1990s Russia was in a state of chaos, reeling from the loss of its empire and the collapse of the ideological system that had guided it for seventy years. In the first decade of the 21st century, however, the Russian economy began to recover. The relative strength of Europe and the United States meanwhile appeared in decline as economic troubles plagued Europe and the United States expended vast resources for little apparent gain in the Iraq and Afghanistan wars. The Russia-Georgia War of 2008 was the first indication of this willingness to pursue a regional agenda with military power. Russia's willingness not only to annex Crimea, but also to invade Ukraine in August 2014, affirms that Russian resolve.

The conflict is thus in significant part geopolitical in nature. Nevertheless, geopolitical perspectives can easily be taken to extremes. For example, academics who view the conflict largely through the geopolitical lens are prone to misread the role NATO and EU enlargement have played in creating the current crisis.² Historians may look back someday on the enlargement of the Euro-Atlantic security institutions as important to the conflict, but it is unlikely they will view it as the sole or even the most important factor. At least as important for the current conflict are the failures of the reform and transition process in the 1990s, and the fact that Russia is a petro-state, which makes it prone to authoritarianism, and now under a leader whose formative experiences were in the Committee for State Security (KGB).³

Ultimately, ideology, as much as geopolitics, is driving the current conflict. The current Russian leadership is threatened by the possibility that countries like Ukraine could take steps toward the European Union because they believe that the import of EU institutions and norms – specifically, pluralistic society and the rule of law – will diminish their abil-

² They also fail to assess the benefits of enlargement for the countries that experienced it. See Mearsheimer 2014.

³ On Putin's personality and its impact on Russia's foreign policy see Hill and Gaddy 2013, Gessen 2012.

ity to influence and control the politics of these states. In keeping with his KGB background, President Putin seeks influence over these countries through opaque methods of control, methods that will grow much more difficult if reforms are carried out that are in line with EU standards (Hill and Gaddy 2013). Equally grave is the risk of a demonstration effect – particularly acute in Ukraine – whereby the success of the liberal democratic model in a society widely viewed as similar in character to Russian society disproves Putin’s claim that Russia can only be managed and governed with a conservative authoritarian system (McFaul 2005:5-19). Finally, the movement of Ukraine toward the European Union threatens the viability of Putin’s Eurasian Economic Union (EEU), which is important not only for the aforementioned geopolitical reasons, but in the minds of Russian leaders may also be viewed as a means of escaping the negative impact of growing Russian economic isolation.

2.3 THE DANGER TO THE BALTIC STATES AND NATO

The conflict with Russia is thus real, and has both ideological and geopolitical dimensions. But if the Cold War is not back, how seriously should we take the new challenge? What should be done about it?

The Kremlin’s willingness to use force to change borders in Europe is destabilising for all of Europe and therefore not in Russia’s own best long-term interests. But the risks that Russia’s revanchist foreign policy poses to the United States, NATO, and stability in the broader Euro-Atlantic security sphere, while interconnected, are also complex and varied. The simple fact that Russian aggression in Ukraine has undermined the norms of security in Europe has created generalised insecurity. But there are also specific threats and these are varied. The threat to non-NATO countries of western Eurasia – whether Ukraine, Georgia or Moldova – is clearly not the same as the threat to NATO members. The danger within NATO is also more varied than during the Cold War (and this of course creates a central strategic challenge for the Alliance). These variations in risk are a function of the vulnerability of the countries themselves on the one hand and Russian intentions and capabilities related to those countries on the other. On the one hand, these vulnerabili-

ties are all interconnected; on the other, they are individual problems that call for individualised responses.

On one level, the threat is generalised and stems from the very fact of what has happened in Ukraine. Russian intentions in Ukraine have been a subject of some debate, especially about whether Russia acted strategically or spontaneously when it annexed Crimea. Some analysts argue that Russian actions in Ukraine are purely tactical and that Putin has not been acting according to a larger scheme to redraw borders of Europe. Other analysts contend that Putin's objectives are to set back the post-"colour revolutions" order in Eastern Europe and Western Eurasia, not to redo the entire post-Cold War settlement (Gorenburg 2014). Specifically, he seeks to turn back the clock on NATO's 2008 Bucharest promise to bring Ukraine and Georgia into the Alliance.

It may or may not be true that Putin has no specific grand scheme, or that his scheme is limited to Ukraine. More important, however, is the fact that Russia's objectives are likely to evolve and shift in response to internal and external stimuli. Putin may or may not today have a grand strategy that includes using military force in the Baltics to sow discord within the Alliance and cast the shadow of doubt over the mutual defence commitment enshrined in Article V of the Washington Treaty. Even if he does not have such a plan today, however, he may well in the future. By its invasion of Ukraine, Russia has put all options on the table and Europe and the United States can no longer afford to assume that Russia will pursue its objective peaceably.

The threat to the Baltics is nevertheless clearly not the same as the threat to non-NATO countries. The contest between Russia and Ukraine over Crimea has been longstanding and the subject of multiple disputes between the two countries since the early 1990s. Russia's actions in Ukraine have been aimed at sustaining what it sees as the status quo, not at overturning it. Any effort to destabilise the Baltics, in contrast, would amount to a clear effort to redraw the whole post-Cold War European security system. Democracy in the Baltic states is also less of an implicit threat to authoritarianism in Russia to begin with because the Baltic states are culturally further from Russia than Ukraine, and have been categorised as part of Europe within the Russian bureaucracy for over a decade.

Any Russian military incursion into the Baltics would also be inherently more difficult since the Baltic states are less vulnerable to the kind of hybrid strategies Russia has used effectively in Crimea and, to a lesser extent in south-eastern Ukraine.⁴ The citizens of the Baltic states, Russian ethnic or otherwise, are members of the European Union. While the ethnic issues in these countries may be real, the divisions do not rival those that have existed in Ukraine over the course of the last decade. Ukraine was divided over NATO membership, with a significant portion of the populace (mostly in eastern Ukraine) preferring to stay out of NATO. Living standards in the Baltics are much better than in Ukraine, including for the Russian ethnic population (a reflection, no doubt, of their membership in the EU). This means any Russian operation to foment ethnic separatism in the Baltics would not only be inherently more difficult than it was in Ukraine, it would also be subject to far more scrutiny and much more difficult to legitimise and sell. This is not to mention the fact that, unlike Ukraine, the Baltic states are part of NATO.

2.4 DETERRENCE AND ENGAGEMENT

What is needed in these circumstances is a strategy that both deters and engages Russia. Deterrence is necessary because the assumptions, norms and institutions of European security have been eroded, leaving few other options for re-establishing stability. Engagement is necessary, both to dampen escalation between the two sides – both of which are nuclear armed – and because the long-term goal of Europe and the United States should be to restore a European political and security system that includes Russia, as has been the objective of Western policy for the last quarter century.

As a concept, deterrence is not universally well understood.⁵ It differs from defence in that defensive strategies aim to prevent an adversary from achieving its objectives by force of arms or other measures. Deter-

⁴ On Russia's hybrid strategies and their limits see especially Freedman 2014.

⁵ The classic study of deterrence is Schelling 1966.

rent strategies are intended to convince an adversary to change its objectives by making them appear either completely unachievable or unachievable at an acceptable cost. Deterrence is necessary in the Baltics, because a strategy of pure defence – in other words preventing any meddling or incursions – is almost prohibitively difficult given the geographical advantages Russia enjoys with a long-land border with the Baltics, anti-aircraft systems in Kaliningrad, and NATO's current force posture.

NATO's implicit strategy for defending the Baltics since they joined the Alliance has been extended deterrence, the claim that the United States would be willing to use nuclear weapons to defend the Baltic states. The great advantage of this strategy is that it is very cost-effective, since it requires no additional forces in the region and permits the redeployment of those forces elsewhere. It is also, for the same reason, more politically feasible than forward deployed ground and air forces in Eastern Europe would be. The big problem, of course, is that extended deterrence lacks credibility against the kind of hybrid, limited warfare that Russia has used in Ukraine. That the United States would be willing to risk thermonuclear war and self-destruction to protect the Baltic states from minor incursions of ununiformed Russian forces and mercenaries is dubious, and Russian military and political leaders know this. The weakness of extended deterrence under the current conditions was not a problem in the period when the threat was remote, but given the renewed threat, the deterrence problem is now real and increasingly widely recognised both in Washington and European capitals.

During the Cold War, as in the Baltics today, NATO was not postured to defend, in the strict sense of the term, front line allies. Instead, the Alliance's strategy was based on defence in depth, which assumed that NATO would fight Warsaw Pact countries largely within Western Europe, at least in the initial stages of a conflict. However, a defence in depth strategy is not appropriate for the Baltics today because Russia's political objectives in any incursion would be fundamentally different from the political objectives of the Soviet Union in Western Europe. Whereas the Soviet Union could achieve its political objectives only by subduing Western Europe militarily, Russia would most likely achieve its political objectives of sowing discord within the Alliance simply by

occupying a small portion of territory in one of the Baltic states. A larger scale invasion of Western Europe is highly unlikely given Russia's overall much weaker military capabilities.

Because defence in depth is not an option, and strict defence is not likely to work, NATO will need a deterrent strategy. This strategy should function with at least three layers – one tactical, one operational, and one strategic.

At the tactical level, the strategy should deter the kind of limited, hybrid warfare that was used to such effect in Crimea and, initially, in south-eastern Ukraine. Developing an effective deterrent against this strategy is difficult, but by no means impossible. It requires a combination of efforts to track and thwart Russian covert activities, increase risks for Russian operatives in the region, improve the livelihoods of ethnic minorities, and ensure effective police practices. It may also involve steps to strengthen cyber defences and potentially some form of NATO declaratory policy on external efforts to manipulate more vulnerable NATO populations.

At the operational level, the deterrent strategy would have to involve either denying Russian forces the ability to hold territory in the Baltics, or make it so costly as to be unthinkable. Russian forces would have an enormous advantage geographically against NATO in the Baltics, simply by virtue of proximity to operating bases and the relatively short distance between the Russian border and the Baltic capitals. Preventing Russia from holding part of the Baltics would require a large NATO force deployed in north-eastern Europe, the Baltics themselves, and the North and Baltic Seas. Such a force would not only be very expensive, it would also be exposed to pre-emptive attacks, and politically a target of constant Russian recrimination that could undermine the need to engage with Russia.

If denial is not a serious option, the best strategy for NATO in the Baltics is a cost-imposition strategy that makes any such intervention so costly militarily that no current or future Russian leader would seriously contemplate it. A deterrent strategy that relies on cost imposition can be had with a much more modest force posture. Indeed, even NATO's current posture, given especially its airpower assets, could inflict significant damage on any force moving into the Baltics. This does not mean that

the current posture should not be enhanced, especially as regards the speed of deployment, a critical factor, but it does mean that effective deterrence is possible.

The core of deterrence at the strategic level should be an effort to demonstrate that salami tactics in which Russia has engaged in Ukraine will not, in fact, weaken NATO. To the contrary, it should be clear that they will strengthen the Alliance and incur costs for Russia. The need to do both – strengthen the Alliance and impose costs – is of course the crux of NATO's own strategic dilemma, since threatening to impose costs tends to divide the allies. In this latter regard, NATO member states have fared well. Political unity has been good in the face of the Ukraine crisis. There have of course been differences, and the current Russian regime has bought influence in some European capitals, but in the end the United States and the European Union have managed multiple rounds of sanctions, undertaken military steps to reassure Eastern Europe, and proved willing to incur costs to strengthen the current deterrent regime.

A robust deterrent strategy should moreover not be grounded solely on denial and threats. Ideally, NATO would also be postured to offer benefits to Russia for compliance and in the event of a crisis. The Cuban missile crisis was resolved fortuitously by the fact that the United States had deployed medium range Jupiter missiles in Turkey and was thus in a position to offer to withdraw them in exchange for the withdrawal of Soviet missiles from Cuba. Economic and financial sanctions offers Europe and the United States some leverage to reward compliance with our objectives, and should be sustained until the Kremlin takes concrete steps toward such compliance. Because NATO and US force posture in Europe is limited today, however, the horizons for offering benefits there are limited, a consideration that should be weighed when thinking about force posture changes.

Engagement is no easier than deterrence, yet it is equally important. Engagement is particularly difficult when Russian diplomats, by some accounts, refuse to engage and repeat talking points that both sides know are contrary to facts on the ground – for example regarding the presence of Russian forces in south-eastern Ukraine. This approach to diplomacy is at best counterproductive because it irritates. At worst it is

downright inflammatory because of the message that it sends about Russia's perceived unwillingness to avoid further conflict.

A larger challenge with improving engagement, however, is lack of clarity in Europe and the United States about who does and does not have influence in the Kremlin. Diplomatic engagement, even high-level diplomatic engagement, is of little use if the interlocutor is not part of the inner-circle shaping Russian policy.

Nevertheless, however frustrating, continued engagement is important for two reasons. First Russia remains a player on the international stage. It is not in a position to offer much positive good, but can play a spoiler role, especially if the United States and its allies remain committed to the United Nations (UN), as they should. Second, in the event of escalation or crisis, the ability to send messages about red-lines will be critical to escalation management.

It is thus very important that the maximum number of official and unofficial channels remain open. It is also essential that NATO invest in understanding which of those channels are liable to be most effective under which circumstances.

2.5 STRATEGIC PRINCIPLES

There are good reasons to be concerned about NATO's resolve and its capabilities for the challenges ahead. To believe Russia can be deterred and security in Europe restored without costs – military, financial, or otherwise – would be naïve. Europe and the United States, however, have demonstrated a willingness to incur costs through sanctions at a level that many experts would surely have doubted before the crisis began. This should have some deterrent value against future Russian adventurism. At the same time, European militaries remain depressingly underfunded (Larrabee et al 2012). Broader change in the willingness of European publics to spend on defence for the new security challenges of the 21st century, which include Russia but are not limited to it, is still sorely needed.

Investment in European defence capabilities is needed not just for NATO, but also for the stated aspirations of the European Union. If

NATO is unable to stabilise security in Europe, the European Union will also suffer the consequences. A credible defence of NATO's territory is a necessary precondition not only for sustaining the European Union's partnership with Eastern Europe, which it appears to continue to pursue, but also for sustaining the European Union itself. Putin's actions in Ukraine have made it clear that he sees NATO and the European Union as interlocked instruments of Western power (or American power, as Putin considers the Europeans for the most part American pawns). The European Union may not want a conflict with Russia, but as several commentators have pointed out, it has one (Speck 2014, Lukin 2014). Given this, it would be foolish to assume that if the Kremlin successfully undermined NATO, the European Union would not also suffer a serious blow. If European citizens still believe in the European project, they can no longer afford to neglect Europe's defence.

It is crucial to make a serious effort to constantly and consistently articulate the principles and rationales that underpin NATO policy, and especially any military moves such as changes in NATO force posture. What principles should the United States and its allies stand for in this conflict?

First and foremost, the commitment to defending and strengthening the European liberal-democratic order, which is intimately linked with the security of the US own systems of government and way of life.

Second, a rules-based international order, in which changes to borders are accomplished through diplomacy, consensus and the rule of law rather than the use of force. The callousness with which Russia has approached the conflict – as well as the apparently accidental downing of flight MH-17 by Russian-backed Ukrainian rebels – is particularly noxious in contemporary Europe. It undermines several decades of mutual efforts that have been made – through military, legal, arms control, and other diplomatic arrangements – to build lasting security in this once extravagantly violent continent.

Third, the good not only of the people who are fortunate enough to live within NATO's borders, but also the good of the Russian people themselves. This principle will be difficult to uphold, yet it is critical for long-term success and the minimisation of violence. The problem that NATO has with Russia is not with the Russian people, but with the poli-

cies of today's Russian leaders, and specifically their willingness to use force to redraw borders in Europe.

NATO leaders must also continue to emphasise that Russia has a right to security and that the United States and NATO are respectful of this right under international law, and that today's disagreement is over the particulars of the issue, and the way in which Russia has sought to pursue its objectives, not the right itself. The importance of certain issues such as access to the Black Sea fleet should be recognised as legitimate security concerns, even if Russia's methods of securing those interests is not acceptable.

The Russian leadership will continue to claim in its defence that its actions are akin to humanitarian interventions. The parallel would be apt were it not for the fact that Russia itself was the cause of the breakdown of order in south-eastern Ukraine. To cause a civil war and then intervene to end it is not, by any reasonable standard, the moral equivalent of the several humanitarian interventions that the United States and its allies have engaged in since the end of the Cold War. There may have been tension within Ukraine over its relationship with Russia, the European Union and NATO, but there was no war until the Kremlin created one.

Some escalation, and concomitant increases in tension, will inevitably arise as US and NATO force posture in Central and Eastern Europe evolves. This will have to be accepted as the cost of deterrence. Growing tensions with Russia may feed Putinism and missteps could risk inviting attack, but there seems to be limited hope in the near term that weakening Putinism will return Russia and Europe to the path of comity.

We are not facing a new Cold War, though if we were it might simplify things. Indeed, the challenge now for the United States and Europe is to sustain a strategic view and policies that consistently work toward the strategic objective of re-building momentum toward a Europe that is whole, free and at peace. The risk of a fragmented policy in which Europe and the United States work against each other, and in which they work against themselves in an effort to achieve short-term gains, is great indeed. The United States will be consistently pulled in multiple directions on Russia and this will pose a challenge for deterrence. The European Union will need to decide whether or not it is serious about its Eastern Partnership (EaP) with former Soviet republics in East Europe

and the Caucasus and, if it is, pay the necessary price in its relationship with Russia.

Eventually, one can hope that change in Moscow will bring about a regime that is more willing to abide by the post-Cold War treaties and norms of security in Europe. In these circumstances, the United States and its allies can consider a return to the conflict-free zone that Europe enjoyed for two decades after the end of the Cold War. Of course, change in the Kremlin could also bring even greater turmoil if it results in greater nationalism or, equally frightening, fragmentation and state collapse. In both the latter cases, however, the United States and Europe will be better served if current policies strengthen rather than weaken security and deterrence in Europe.

3.

West-Russia Relations and the Emerging Global Order. Polycentric World as the New Reality

Alexey Gromyko

3.1 THE ROLE AND PLACE OF RUSSIA IN EUROPE AND EURASIA

The idea of the emerging global order, in other words the emerging polycentric world, is intractably bound with the issues of global governance and regulation as well as the role and place of each big state and its ring of friends and allies in these processes. In fact, there are not many countries which in principle aspire for a significant stake in the global regulation mechanisms. An even smaller number of them are inclined to claim a role in their invention. For the majority of functioning states the ultimate goal is to establish themselves as influential regional players; for some of them leading positions on the regional level is a strategic price. Very few nations have a desire and resources to strive for a place in the category of those subjects of international relations which have transregional interests and adequate resources to underpin them.

In the past, the top of the pyramid of global influence was occupied by great powers. In their ranks the most powerful were big empires. In the course of time, they were replaced by two superpowers, the United States (US) and the Soviet Union. Their main difference from previous heavyweights consisted in the fact that they wielded unmatched capacity to project their influence almost in any corner of the world, and propensity for such a projection was limited mainly by mutual deterrence.

Russia in the beginning of the 21st century has been evolving as an autonomous transregional centre of influence with elements of a global

power. By its culture and history Russia is mainly a European country but by mentality and psychology a transcontinental one. With its borders stretching tens of thousands of kilometres in the west, south and east, Russia geopolitically, economically and security-wise cannot and should not concentrate its foreign policy in one direction.

This observation does not mean that Moscow lacks priorities in constructing its relations with other parts of the world. Their hierarchy is well known: the post-Soviet space, the European Union (EU) and other European countries, the United States, China and other members of the BRICS group, etc (Putin 2013). As foreign policy and national interests of any country are multifaceted, in each concrete situation such hierarchies of interests are different and shifting. For example, from Moscow's point of view, nothing can be more important in the sphere of strategic stability than the United States and China. But there are regions that entail such a density of different interests for their neighbours that they become the main point of reference. Today and in the foreseeable future the region of paramount importance for Russia in political, economic, financial, cultural and security terms is and will be "Wider Europe", i.e. the European civilisation stranding the landmass from the Atlantic Ocean to the Pacific. Only on the basis of Wider Europe the Old World may achieve the status of Greater Europe (Ivanov 2014, Gromyko 2013b).

Perhaps, the dynamics of global history will lead in the future to a different set of priorities in the foreign policy of Russia. It is difficult at this point to judge if the scenario of its transformation into a Eurasian power, focused primarily on the Asia-Pacific region, is realistic and achievable. Even after the fall of the Soviet Union Russia keeps staying in its essence a European rather than an Asian or Eurasian state. Migration of Russians from Siberia and the Far East has not stopped; the bulk of the economy beyond the Urals mountains is oriented towards Western markets; infrastructure in that part of the country that extends east of the Urals, which constitutes two thirds of its territory, is developing too slowly; foreign investments, not counting the oil and gas sector, are concentrated in the European part of Russia. New pipelines, heading to China, Japan and other non-European consumers, will not alter the situation fundamentally.

With all its grandeur, the "Power of Siberia" pipeline, the long-term

gas contract between Russia and China, signed in May 2014 during the official visit of Vladimir Putin to Beijing, envisages a maximum capacity of a fourth of the European market share of Gazprom, Russia's energy giant. In order to implement the "turn to the East" within a short range of time the Russian state would be expected to demonstrate an iron will comparable, for example, with the colossal task of evacuating the Soviet industry to the Urals and beyond during the German invasion in the Second World War (WWII). It will be impossible to carry it out by relying on self-regulating market forces. Even in the long run such an assignment would demand consistent and systematic neo-industrial state policy.

3.2 THE ROLE AND PLACE OF RUSSIA IN THE POLYCENTRIC WORLD

Keeping in mind all the challenges Russia is facing, there is no doubt that it should diversify its foreign trade and foreign economic policy, and adapt its foreign investment policy to the inexorable rise of China, India and other fast growth markets on a huge territory from Turkey to Indonesia and Latin America. It would be a mistake to see the European orientation of Russia in certain key spheres as a monopoly, exclusive and excluding other options. In the spheres of security, politics, and economy, it will be increasingly important to develop a multi-vector foreign policy, a policy of strategic depth. Besides other projects, it certainly applies to the BRICS group, which boasts huge potential and which already has proved its viability against all odds. The BRICS summit in Brasilia in July 2014 was a vivid demonstration that Russia is embedded in the new emerging international system and that it is almost impossible to isolate Russia on global scale.

A noticeable contribution of the BRICS to the construction of global polycentricity is that it is not the restoration of the balance of power in its traditional sense but rather a way to increase adaptability of aspiring countries to the world, a way to increase clout in international affairs without imposing views on others. This is a logic of rebalancing instead of counterpoising, the application of soft and smart power instead of pressing and coercing others.

It is highly probable that in the following decades the dynamics of international relations will be defined by two groups of states – those that comprise BRICS and the combination of the European Union and the United States (Gromyko 2011). In fact, this process is already ongoing. Under these circumstances, Russia finds itself in quite a unique situation when it is objectively one of the leading actors vis-à-vis the European Union and at the same time a member of the BRICS. Of course each of the BRICS has its own track of relations with America and Europe; what is important is that they pursue these tracks on the basis of polycentricity.

The strategic horizons of Russia are clearly seen in the Group of Twenty (G20) format. Moscow has used it and will continue to use it as an additional leverage to coordinate regional and global policies with China and with other fast growing economies and aspiring nations. The Group of Eight (G8) format, dismantled by its Western members because of the Ukrainian crisis, has however not exhausted its potential. The suspension of Russia's membership is not an insurmountable obstacle for Russia's pursuit of its foreign policy objectives, but to resume it sooner or later would be in everybody's interests.

One may argue that soon after the breakup of the bipolar world humanity found itself in a situation similar to the 19th and the first half of the 20th century, a situation of shifting alliances and competition among various centres of power. The notion of multipolarity (or polycentricity) became widespread. It took the place of the "concert of powers," born on the tailcoats of the Vienna Congress in 1815 that settled post-Napoleon Europe. However, the polycentric world is no repetition of past configurations of power. Instead it is a unique product of the latest stage of globalisation (Dynkin and Ivanova 2011).

The principle distinction of multipolarity in comparison to "concerts" of the past is threefold. First, the world is drifting away from Eurocentrism and in broader terms from Euro-Atlantism. For the first time in modern history on all continents there are aspiring nations which harbour transregional ambitions. Second, the ability to influence the course of regional or global affairs now depends not so much on dominance let alone on coercion but on persuasion, attractiveness and smart combinations of soft and hard power. Third, the second half of the 20th century

gave us the legacy of international law, which is based on the Charter of the United Nations (UN). Therefore, there is good reason to argue that to declare the post-WWII Yalta-Potsdam system of international relations dead is a mistake. International law as it has evolved since 1945, as a component of the Yalta-Potsdam system, is still the benchmark to judge the legitimacy of states' actions, a sort of a straitjacket hampering the intentions of those prone to violate established norms of conduct.

International law, being a thoroughly codified system, still accommodates the ingredient of competition allowing for different interpretations of events. One of the best known manifestation of this is the deep-rooted dialectic of two principles: territorial integrity and self-determination. The former dominated in Europe for a long time after the Second World War. In other parts of the world the latter got the upper hand as a result of the anti-colonial struggle and the demise of European empires. But since the beginning of the 1990s, with the breakup of the Soviet Union, Czechoslovakia, Yugoslavia, then Serbia, Georgia and Ukraine, the principle of self-determination again has come to the fore in Europe. It still keeps its attractiveness in the eyes of a number of Western European peoples, striving for their own statehood, such as Scots, Catalans and Flemish.

To be apprehensive of polycentricity because it ostensibly reconstructs the concert of powers of the 19th century is misleading for the three reasons mentioned. In any case, one may argue that to run counter to objective forces of history, to turn the clock back, is impossible. What is within our reach is to correct these processes, to maximise their advantageous consequences and to minimise negative ones. The worst thing to do is to pretend that nothing happens and to ignore the reality. It is not less senseless to warn against polycentricity on the ground that it is much more complicated and unpredictable than a bipolar or a unipolar world. The whole history of humankind is a testimony to the fact that mechanisms of regional and global regulation get more intricate, not more simple, and from this point of view the 21st century will be the continuation of its predecessors.

The law of rise and fall of great powers functioned all previous centuries; it appears that this law is carrying on. Not a single country, which dominated international affairs during recent periods of history, has

succeeded in preserving its status or in enhancing it. In most cases, hegemonomies of the past yielded their positions and slid back to lower categories. Sooner or later they were challenged by new aspiring nations and the next reconfiguration of regional, transregional and global influence took shape.

Such reconfigurations never happened overnight and the current one will take a significant time to solidify. The present system of international relations strands both the 20th and 21st centuries. It is still attached by numerous bonds to the post-WWII period. It is highlighted for example by drastic efforts of Euro-Atlantic states to prevent their marginalisation in the emerging polycentricity. Some observers still define the United States as a superpower; others reserve this status for rising China. However, it is a unique nature of polycentricity, which distinguishes it from the epochs of empires, concert of powers and superpowers, that new transregional or global hegemonomies have a low chance to emerge and endure. Force fields of political, economic and other sorts of influence are distributed as even as never before and this trend is reinforcing. It will be a daunting task for any pretender to overcome the force of these fields.

3.3 THE ROLE AND PLACE OF RUSSIA IN THE CHANGING CONFIGURATION OF POWER

Russia had an opportunity in its history to enjoy the status of the largest land empire, later a superpower. In both capacities it played an essential role in shaping mechanisms of regional and global governance and regulation. After the breakup of the Soviet Union for the first time since the 18th century Russia found itself in the range of regional, even subregional actors. However, history has shown that the depth of its downgrading was not entirely conditioned by the iron logic of “rise and fall.” Time showed that Russia’s stance in the world could be significantly improved.

Presently Russia is a transregional power with elements of global reach. Today the thesis of Russia’s international obligations sounds quite natural although in the recent past it was treated by many with scepticism and even dismissed as unrealistic. Even today quite a few

specialists in Russia, not to mention foreign ones, urge Russia to avoid the “unbearable burden” of strategic depth.

I believe that this scepticism is misguided. For a long time successful internal development (and the 21st century makes it even more vivid) has relied heavily on a successful foreign policy. In the world, which is deeply intertwined, it has become an axiom. Of course, as Roman poet Horace said, *est modus in rebus*, there is a proper measure in things. Foreign policy, severed from reality, can be a burden for a country. But to find a right balance between foreign policy activity and demands of internal development is an indication matter of the quality of the public administration, certainly not the sign that such an activity is unnecessary. To waste domestic resources for the sake of illusionary foreign policy dividends is not less unacceptable than inaction in foreign policy detrimental to national interests.

A desire to restore the role of a superpower would be counterproductive for modern Russia not less than the inability to protect and further its interests as one of the centres of influence in the 21st century. Notably, aspirations of the Russian political class and society to see the country in the league of leading players in international affairs are not accompanied by messianic fervour or by declarations of some exceptionalism. At the same time the latter has returned to the political lexicon of US leaders, as was demonstrated by President Barack Obama’s June 2014 speech in West Point. There are varieties of this approach to self-assessment in other countries. For example, since the time of former British Prime Minister Tony Blair the idea of the United Kingdom (UK) as a “pivotal power” has come into vogue. One may get the impression that the more some international actors are made to adjust their policies by global development trends, the more they are willing to prove that this is not happening.

To realise its potential in foreign policy Russia is going to use mechanisms of regulation inherited from the second part of the 20th century as well as mechanisms invented in the wake of the bipolar world. Among the first – the United Nations with all its ramifications, the World Trade Organisation (WTO, itself a continuation of the General Agreement on Tariffs and Trade or GATT), the Organisation for Security and Cooperation in Europe (OSCE, the evolution of the Conference on Securi-

ty and Cooperation in Europe), etc. Among the second – G20, BRICS, the Shanghai Cooperation Organisation (SCO), the Cooperative Security Treaty Organisation (CSTO), the Eurasian Economic Union, etc. Without an active foreign policy it would be impossible for Russia to create or to contribute to the creation of these organisations and therefore to have a say in regional and global mechanisms of governance.

Moreover, in order to improve its chances to preserve an appropriate place in the 21st century world order, Russia, needs to act even more energetically on the international stage. Besides other things, it will be increasingly important to take the following paradox of modernity into account: in many cases it is impossible to enhance one country's influence without the buttress of regional integration even if this requires a degree of delegation of sovereignty upwards. In other words, it is a country's ability to establish itself as the core of a certain group of states. An obvious example is Germany, which has acquired its present status of a European heavyweight due to its membership in the European Union, or the United States as the core member state of NATO, or Brazil as a centre-piece of several Latin America organisations. In light of this instructive experience, it is very rational and advisable for Russia to press on with its role as a leader of integration projects in the post-Soviet space. Their further development and the rate of success in the following years will be a significant component of Russia's ambitions to embed itself in the international order as a transregional centre of power.

The emergence of new mechanisms of regional and global regulation and the reconfiguration of old ones will continue for years to come (Gromyko 2013a, Shmelev et al 2013). This will be a period when different international actors can join the process, correct it and shape it. If not for the assertive foreign policy of the Soviet Union, the United Nations would have looked different, less conducive for Moscow's interests. Why has the United Kingdom for all the decades past failed to become the driving force in the European Union and now is its only member pondering about leaving its ranks? Because long time ago it missed the opportunity to become one of its founding members and to invent its rules. Why is Brazil successfully establishing itself as a leader of Latin America? Because at the right time it made efforts to shape South American integration processes in a way, which was favourable to it. This pat-

tern will continue to reproduce itself: some countries will enhance their positions in world affairs due to the application of strategic thinking (“horizon scanning”); others will lose out because of inaction, passiveness or wrong strategic calculations. Assumingly, Ukraine has lost the opportunity to become on par with Russia a driving force in the integration projects in the post-Soviet space.

3.4 SMALLER EUROPE (THE EU), RUSSIA AND THE US: STRATEGIES OF GEOPOLITICAL SURVIVAL

What variants of strategic development exist for Smaller Europe in the coming decades? According to a linear logic of evolution, the European Union is positioned to develop further as an autonomous actor of the 21st century. There are two ways to augment this status (Gromyko and Timofeev 2012). First, the inertia scenario – to augment its status with the help of well-known methods such as “power by example,” i.e. through the attractiveness of its model of development, soft power, pooling of sovereignty, solidarity, etc.; second, the modernisation scenario – with the help of further federalisation including the field of foreign and defence policy. The first way is less problematic as it does not require further institutional changes, but at the same time less promising against the backdrop of the comprehensive crisis, which the European Union has been engulfed in for seven years now. Modernisation or slow death is quite a real perspective for the Union. In a situation when the eurozone experienced a genuine risk of breakup, when some of its members were on the verge of bankruptcy, when several countries are still in recession, when rates of unemployment in many places are record high and one of the major member states of the European Union is planning an in-out referendum, it is difficult to keep arguing that the EU model of development is still sound and does not need an overhaul.

The second scenario – quality changes in the European Union – is much more difficult as it runs counter to numerous entrenched interests. Its consequences are less predictable and risks are higher including the risk of a multi-speed Europe getting out of control and centrifugal forces taking upper hand over centripetal ones. Nevertheless, it is the

second scenario which gives some hope that the project's gravity will restore its previous force. And the potential is still there. Even in its present weakened state the European Union is the biggest market in the world; it boasts half of the world expenditures for international development and half of the world social expenditures. Many of its member states enjoy high living standards and generous welfare. The development according to the second scenario cannot be limited to soft power instruments. Geopolitical weight, as Joseph Nye convincingly put it, will be defined in the 21st century by smart power, which combines in different situations hard and soft power (Nye 2011). It seems that under the veil of business as usual a significant part of the EU political class inclines to go down this rout.

At the same time, critics of further territorial and political enlargement of Smaller Europe abound. The view is that in its present state the European Union is already overstretched. Indeed one of the towering obstacles for internal and external development of the Union is its heterogeneity, which reached new heights since the biggest ever wave of new members in 2004 and the later additions of Bulgaria, Romania and Croatia. The constant increase in social and economic inequality inside the European Union is its obvious weak point, which should be tackled. However, it is telling that in recent years economically and socially most problematic countries have been not so much "young" EU member states but countries in the periphery, which are represented not only by Ireland (accession year 1973), Greece (1981) or Spain and Portugal (1986) but also by Italy – one of the founding members. Therefore, the roots of the current problems of the integration project, laid bare by the economic crisis, go much deeper than the hasty enlargement of the 2000s.

Currently the structure of the European Union is based on a sort of minipolarity rather than multilateralism. Various centres of influence cooperate as well as compete. These inner tensions are accompanied by the desire of Smaller Europe, although diminished in recent years, to extend its sphere of influence to the post-Soviet space, to the whole of the Mediterranean region and the Middle East. So one may argue that there is both an internal strategic overstretch, producing "enlargement fatigue," and an external one, leading, for example, to the Eastern Partnership and the Union for the Mediterranean debacles (Yazkova 2014).

There is another variant of strategic development, which is worth analysing no matter which one of the two above scenarios will occur (the inertia scenario or the modernisation scenario). The logic goes that if it is impossible to stem the strategic sidelining of the European Union in global terms by relying only on its own resources, than perhaps it can be done in cooperation with external (f)actors. In other words – can partnership with other key international players prevent the further relative marginalisation of the Union?

Indeed, it does not seem implausible, judging by long-standing trends, that the European Union can avoid three fundamental corrosive factors. First, demography. In 1900 the population of Europe as a whole stood at one quarter of the global one. In 2014 it is at 10.3 percent. According to UN data, it has already reached its maximum and is projected to decline between 2013 and 2100 by a further 14 percent (UNDESA 2013). By 2050, according to the medium fertility estimates, the share of Europeans in the world population is expected to fall to 7.4 percent (UNDESA 2013). By 2065 one third of Europeans will be people older than 65. Second is the problem of the relative decline of EU economic competitiveness (World Economic Forum 2014). Moreover, the data show that this decline started not with the world economic crisis in 2008 but much earlier, in the 1990s. Third is the slow long-term decline in the European Union's share in world GDP. In 2002-2012 the European Union's share of world GDP (measured in purchasing power parity) shrank from 25 percent to 19.9 percent (the EU28 share in world nominal GDP in 2012 was 22.9 percent) (Eurostat 2014:75-76).

Individual states, acquiring the status of EU member states, in their majority have enjoyed the integration project's surplus value and additional instruments to guard their national interests inside the Union and outside it. Now it may be the turn of the European Union itself to use the same upgrading method – to enter an integration project of a higher level, i.e. transregional integration with other significant centres of influence. For the latter such a proposal may be the attractive option as well. With all its shortcomings, Smaller Europe is a global player in world trade, innovation, science, education, social and technical standards, in international development and partly in conflict prevention and resolution.

At the same time, it is doubtful that the EU in its present form can

reasonably expect that there will be a “scramble for Europe” on the part of other international actors. The European Union in many aspects is in a mess and its appeal is far from what it was until recently. Almost the same can be said about Russia. Both Moscow and Brussels should admit that a possibility of their marginalisation in the 21st century is not scaremongering. It is quite real if geopolitical combinations, which do not include them, will become dominant, for example, “Chimerica” – that is, a global *directoire* by China and America – or a variant of a “tripolar world” between the United States, China and India.

Apparently there are two potential “integrators” for the European Union which may halt the weakening of strategic positions of Smaller Europe: Russia (the Greater Europe project) and the United States (a new transatlantic deal). There are no other more influential partners in the space of the European civilisation. Theoretically Turkey’s accession can give the European Union a new existential boost (seventy million new EU citizens, a new dimension of multicultural nature of Smaller Europe, the geopolitical wedging of Europe in Asia, etc). But the probability of such an occurrence at this point in history is rather low. The enlargement fatigue may be seen not as a drawback but as a manifestation of common sense of the European Union. It is quite clear that in the foreseeable future the main task of the organisation is to solve its present difficulties and not to import new ones.

The project of Wider Europe is problematic for the European Union for a number of reasons: significant anti-Russian sentiments, especially in some East European and in Baltic countries, substantial differences in economic and political structures between Russia and the most economically advanced EU member states, mismatch in a number of strategic goals, etc. But arguably the attractiveness of such a strategic lock is also obvious, taking account of the size of Russia, its human capital and natural resources, advanced positions in several spheres: nuclear industry, space industry, energy, military complex, cross-regional infrastructural potential. Several macroeconomic parameters of Russia are appealing: the size of its GDP (the world’s eighth), small budget deficit, low public debt, one of the largest gold and foreign currency reserves, relatively small share of the state in the economy, flat income tax, etc. With all its home-bred problems, the potential of the Russian economy is big. Last

but not least, the strategic bond between Russia and the European Union would be a union between equals and not an asymmetrical relationship between a leader and a subordinate.

The idea of a new transatlantic deal is more comprehensible and straight-forward. The negotiations over the Transatlantic Trade and Investment Partnership (TTIP) point out in this direction. However, this type of strategic alignment would rule out the development of the Common Security and Defence Policy (CSDP), solidify Europe's subordinate status, lead towards the abandonment of European foreign and geopolitical ambitions and over-reliance on the United States, whose foreign policy and economic interests in many ways do not coincide with the interests of Europe. The European Union will have to share with the United States the burden of hard power and the responsibility for future instances of military adventurism abroad. Even more important is to answer the question: won't such a union be directed at the salvation of the Washington consensus, which betrayed its weariness if not to say exhaustion since the start of the world economic crisis in 2008?

There is a view that a retreat of the European Union to the role of the "little brother" to America's "big brother" is justified for the reason that it will provide Smaller Europe with inside influence on the policy of Washington. However this idea has already proved its inanity not once, but several times. The recent conspicuous example was the irreparable damage inflicted by Washington foreign policy on the political career of Tony Blair, who lost much of his prestige and credibility when he resolved to stick with US President George Bush's unpopular (in Europe) decision to invade Iraq. At the same time Europe has never been free from anti-Americanism. US reputation was severely dented because of the causes of the world economic crisis. The "American dream" has lost much of its appeal. The country politically is deeply divided, its infrastructure, services and welfare long time ago ceased to be the envy of the world. The essential question is: if the US is in the phase of long-term decline, isn't it a wishful thinking to count on the strategic lock with it to uplift Smaller Europe globally?

Table 1. Share in the world's GDP (PPP), %

	1995	2007	2020	2030
US	21,7	19,4	18,3	16,6
China	5,5	10,1	17,7	22,7
Japan	8,3	6,0	4,6	3,6
India	3,1	4,3	6,9	8,7
Russia	2,8	2,9	3,1	2,7
EU27	24,5	20,8	18,6	15,6
France	3,6	3,0	2,5	2,1
Germany	5,3	3,9	3,2	2,5
UK	3,4	3,1	2,9	2,5

Source: Economist Intelligence Unit (EIU.com).

The table above demonstrates that the positions of the United States and the European Union are weakening and apparently will continue to do so. It should be noted that Russia, according to these figures, is in a shaky situation as well. With the present structure of its economy and even in case of moderate growth, which presently is not on the cards, its share in world GDP will probably stagnate or will decrease in comparison to other more dynamic centres of growth. The country desperately needs neo-industrial modernisation policy. The Ukrainian crisis and anti-Russian sanctions have shown that over-dependence on export of natural resources is hardly sufficient to preserve a top position in the premier league of the 21st century.

Theoretically there is a third variant – a new “concert of powers” in the triangle Russia-Smaller Europe-United States. This combination would solve the dilemma, which partner the European Union should build a strategic partnership with, Russia or America; it would unite the space of the European civilisation in its entirety; it would ensure that the three “concert” players play the role of global leaders in economic, political and military affairs for several decades. It would be Wider Europe Plus.

Unfortunately, the probability of such a scenario at the moment is low. First, the United States seems to be still stuck in the unipolarity mindset and therefore will not agree to a status of *primus inter pares* in the men-

tioned triangle. Second, taking the low visibility of the European Union as a global player into account, it is clear that in the foreseeable future Russia and the United States would prefer to deal directly with national capitals rather than with Brussels. Such state of affairs would only prolong the present stagnation of the EU Common Foreign and Security Policy (CFSP), would further marginalise those EU member states that do not yield much influence. Third, in Europe and America anti-Russian sentiments are stronger than anti-American feelings in Smaller Europe. Fourth, if relations between China and the United States become more tense, it would be difficult to expect Moscow to preserve equidistance with Beijing and Washington as it would likely tend to support the former.

Each of the strategic locks, outlined above, have their own logic and attractiveness (Greater Europe and the new “concert of powers”). Even though, against the backdrop of the Ukrainian crisis, it seems impossible to implement any of them, it would nonetheless be a mistake to write them off entirely. The world in ten-fifteen years’ time will be a very different place. History is prone to surprises and sometimes these surprises are positive.

However, if the dream of the European civilisation coming together – Greater Europe from Lisbon to Vladivostok – ultimately is not going to come to pass, then the success of integration projects in the post-Soviet space would acquire additional and even existential nature for Russia.

Whatever course the history decides to take, whatever combinations of power and influence Russia gravitates to, it is imperative for Moscow to establish itself as a core of integration processes. The more successful such a policy proves to be, the broader transregional and global manoeuvre Russia is going to have in the 21st century.

Appendix A

West-Russia Relations in Light of the Ukraine Crisis. Report of the Transatlantic Security Symposium 2014

Riccardo Alcaro

THE CONFERENCE

In light of Russia's annexation of Crimea and destabilisation of south-eastern Ukraine, West-Russia relations have so dramatically deteriorated that talk of a new Cold War has become routine. NATO's role in Europe is again in the spotlight, with experts and policymakers pondering whether the Alliance needs to go back to its historical roots and recalibrate itself as an instrument of defence from and containment of Russia. At the same time, cooperation between Russia and the West has not collapsed altogether, with the two still able to coordinate on issues such as Iran's nuclear programme. Against this disturbing backdrop, the Center on the US and Europe (CUSE) at the Brookings Institution in Washington and the Istituto Affari Internazionali (IAI) of Rome organised an international conference to discuss ways by which Russia and the West can contain tensions, manage competition, and keep cooperating on issues of mutual concern. The conference was the seventh edition of the Transatlantic Security Symposium, IAI's forum on transatlantic security. Over forty experts from Europe, the United States, Russia, Turkey, Ukraine, Georgia and Armenia participated.

RUSSIA'S INTERESTS AND PUTIN'S POWER

The debate initially focused on the extent to which Russia's policies in Ukraine reflect geopolitical interests or are rooted in considerations of

domestic expedience instead. Purely geopolitical interests were generally (though by no means unanimously) dismissed as the sole motivation behind Russia's Ukraine policies, but neither did the notion that President Vladimir Putin intervened in Ukraine out of purely domestic concerns enjoy total consensus. A more nuanced assessment emerged, according to which Putin and his inner circle engage in methods of doing political and economic business that are fundamentally different from Western practices. As a consequence, Russian national interests become rooted in personal and vested interests and are shaped by a culture of pragmatism that often verges on sheer cynicism. Putin's personal background in the Soviet intelligence services, as well as the political legacies of the Soviet and Tsarist eras, have contributed to solidifying the idea in the Kremlin that Russian and Western interests may overlap occasionally but are structurally in competition, especially in the former Soviet space.

With power and influence concentrated in and emanating from the very top of the Russian political system, the worldviews and leadership style of President Putin matter enormously in the definition of the Russian national interest and the ensuing policies. Putin is, of course, personally concerned about staying in power, but he also seems convinced that his rule – which became even more personal rather than institutionally-based after his return to the presidency in 2012 – is a brake against Russia sliding into domestic instability and international irrelevance. Almost all participants agreed that Putin's overall objective is to restore Russia's status as a global player, and exerting control or influence over Russia's neighbourhood is of the essence in this regard. Some participants contended that Russia's goals for control and influence are driven not only by foreign policy proximity, but also – and crucially – by the determination to make sure that political regimes in Russia's neighbouring states are not (or will not be) perceived by the Russian public as a viable alternative (and hence a legitimate challenge) to Putin's model of “managed democracy” or “patriotic” plebiscitary autocracy.

PUTIN'S RUSSIA VS. THE WEST

For this reason, it was argued, the narrative used by Putin to describe events in Ukraine and justify Russia's intervention there has been framed not only in terms of geopolitical interests but also and especially in identity-related terms. Putin has declared that he has protected the rights of ethnic Russians and Russian-speakers (irrespective of whether Ukraine has discriminated against them or not). In doing so he has presented himself as the defender of Russia's identity as a conservative-minded proud nation that is ready to withstand political and economic pressure from the West. While several participants downgraded the importance of the ideational divide that Putin has declared between Russia and the West and claimed that it is more of a smokescreen concealing the vested interests of Putin's clique, others emphasised that Putin has now turned this ideational background into an instrument to invigorate support for his personal power and legitimacy. As such, they argued, the Russia-West civilisational clash that Putin has deliberately emphasised has acquired the potential to spur action of its own. Key domestic constituencies – the intelligence services, the military, the bureaucracy, the religious right as well as blue collar workers and large sections of the Russian youth – share these basic patriotic tenets and now expect the president to act upon them.

While Putin's narrative follows a binary, polarising pattern of "us" (Russians and Russian-speakers) against "them" (the West, the fascists in Ukraine, and domestic opposition forces that present different views) as a rhetorical device to win public opinion and rein in internal dissent, his policies also attest to a highly flexible strategic mind. The Kremlin might not have planned to invade and annex Crimea years in advance – in fact, there was consensus among participants that the decision to invade was taken only after the situation in Kiev was deemed to imperil Russia's interests. Several experts also argued that the choice to annex the peninsula followed and did not precede Russia's invasion. But participants also concluded that Putin and his team certainly prepared for the contingency of a grave political crisis in Ukraine and for taking action in Crimea. Attesting to this is the sophisticated intelligence and military approach adopted by Moscow in Ukraine, which proved significant-

ly more efficient than the conventional military intervention against Georgia in August 2008. That war, which Russia won because of the sheer magnitude of its armed forces, laid bare significant military shortcomings and came at proportionally high human costs.

Continuous contingency planning; recourse to practices aimed at confusing adversaries; keeping the option of plausible deniability always at hand; willingness and capacity to adapt to changed circumstances; these are all basic components of Putin's efforts to make Russia more influential or at least more independent on the international stage.

RUSSIA'S PLACE IN THE WORLD

The issue of Russia's foreign policy independence was highlighted as bearing a special meaning for Putin and his team and also resonating broadly in Russian public opinion. Putin has presided over a gradual but eventually comprehensive rejection of Russia's initial co-authorship of Europe's post-Cold War order under Boris Yeltsin in the 1990s. This is now seen not only as a strategic mistake but also as a stain on the country's history. Putin has set aside even the concept of partial integration into Euro-Atlantic frameworks in favour of a kind of interaction with the West that is based on power and defined by a mix of pragmatic bargaining and competition. In these terms, some participants argued that the economic sanctions imposed by the United States and the European Union in retaliation for Russia's Ukraine policies are actually serving Putin's purpose to have Russian economic elites reduce or cut off their independent business and other ties with Europe and become more dependent on the Russian state and government. While pursuing insulation from Western influence internally, Putin was also said to see the confrontation with the West over Ukraine as a further spur to diversify Russia's international relations, notably with the other BRICS countries and particularly China.

Several participants remarked that diversification of foreign relations is a sensible choice for any country and there is no reason to see Russia's attempt to improve its relations with non-Western countries as being overly determined by the current Western-Russian tensions. Be-

sides, for a country such as Russia – defined by one participant as a transregional (i.e. Eurasian) power with elements of a global power – investing in a wider international portfolio is a matter of necessity rather than choice. Yet the suspicious, competitive and zero-sum mindset prevailing in Moscow today could also encourage Putin and Russia to play hardball on the global stage in ways that might not always promote Russian interests. Ideally, Putin wants Russia to play a multiple balancing act between the West and China (and the other BRICS countries too). But long-term confrontation with the West, it was argued, will curtail his room for manoeuvre. Several participants pointed out that Russia is still engaged in a hedging strategy vis-à-vis China – for instance by providing Vietnam, an historic competitor to China in Southeast Asia, with military assistance. Yet they also acknowledged that China now has the upper hand because of the West-Russia confrontation over Ukraine. The prospect of Moscow becoming a junior partner in a relationship increasingly dominated by Beijing was highlighted as a plausible scenario.

A BIPOLAR EUROPE

Putin's vision of a multipolar world is clearly reflected in his vision of a bipolar Europe. His actions in Ukraine have in fact imparted a bipolar turn to regional dynamics.

Before the annexation of Crimea, imposing and maintaining sanctions on Russia would have been a contentious topic in Europe. This was so notably because of the strong reluctance, motivated by trade interests but also by the desire to keep Europe stable, of countries such as Germany, France and Italy to contemplate any kind of deep or comprehensive economic sanctions as a viable option. Indeed, no sanctions were imposed by either the United States or the European Union in response to the 2008 Georgia war. But after Russia forcibly changed international borders in Crimea and fuelled a civil war in south-eastern Ukraine, and demonstrated utter contempt for the security assurances Moscow had given Kiev as part of a 1994 political arrangement to remove nuclear weapons from Ukrainian soil, the picture changed significantly.

For a start, participants argued that Russia badly miscalculated Ger-

many's reaction. Moscow, so the argument went, counted on the fact that Germany would not be willing to spoil its twenty-five years long investment in building up a multi-layered trade, cultural and political relationship with Russia. Chancellor Angela Merkel's decision to side with the United States and push for sanctions proved the Russians wrong. It was also contended that the Ukraine crisis was having the contrary effect on US-European relations to the one Russia had worked towards for years. While in the past Putin was able to play "divide and rule" politics in the European Union and between Europe and the United States, the credibility of his repeated claim that the West has neglected Russia's legitimate security concerns now rings more hollow than before. The Ukraine crisis has not only brought EU member states and the United States closer; it has also increased US influence in EU decision-making on dealing with Russia. With Germany more in agreement with the US approach on responding to Russia's takeover of Crimea, Washington found it relatively easy to organise consensus in the European Union over a highly controversial move such as the imposition of sanctions. All it took was for the Americans to find an agreement with the Germans (and a few others) in order to have EU-wide measures imposed.

The European Union's authority to impose wide-ranging sanctions allows for greater transatlantic sharing of responsibility for the management of Europe's neighbourhood. Critically, sanctions are also a way to raise the costs of Russia's action while keeping the confrontation below the threshold of an open conflict underpinned by adversarial military postures. It was from this perspective that the role of the North Atlantic Treaty Organisation (NATO) was mostly debated in the conference.

NATO AND RUSSIA

It was argued that talk of a new Cold War is off the mark because of several reasons. Ideologically, Western-Russian competition is considerably less acute than it was during Soviet times. Strategically, the problem is the outline of Europe's order rather than a global contest for power. Geographically, the focus has shifted from central Europe to Russia's borders (meaning that there is no competition whatsoever for the control

of Europe as a whole). And militarily Russia, for all the improvements made after the 2008 Georgia war, is not yet a real conventional match for NATO. However, several participants contended that Russia was evolving into a different kind of threat to NATO than the Soviet Union posed in the past. The risk is not so much a conventional military invasion. It is rather the forms of “hybrid” warfare (akin to what Russia has been resorting to in south-eastern Ukraine) and other provocations aimed at testing and potentially eroding solidarity among NATO member states. Such measures may range from the use of *agents provocateurs*, to limited border breaches to organising, financing and arming groups of rebels among Russian minorities in countries such as Estonia and Latvia.

Overall, there were few calls for NATO to adopt an aggressive military posture. It was recalled that the Alliance’s summit in Newport, Wales, opted for a reactive-adaptive approach. NATO has taken steps to reassure its most exposed allies by raising its non-permanent military posture in Poland and the Baltic states and increasing its ability to deploy troops to face emergencies along its borders. There was a general feeling, however, that the Alliance should think more and faster about developing counter-measures to hybrid warfare. Besides, some participants said that the military redeployment of NATO forces closer to Russia’s borders could become an irritant within the Alliance, as some member states might prove unwilling or unable (or both) to support larger deployments.

In general, there was no objection to the notion that NATO should balance a renewed deterrence and defence effort with a policy of engagement toward Russia. Selective cooperation was possible during the Cold War and should therefore be possible now (and Russia’s continuous cooperative behaviour on Iran’s nuclear issue provides evidence of this). It was underlined that selective cooperation by no means implies acceptance of Russia’s vision of a bipolar Europe enshrined in some new version of the Yalta agreement or the Helsinki process. It was also argued that engagement should in theory go beyond selective cooperation and encompass issues on which Russia and the West are at loggerheads. The most critical one, but also the most intractable, was of course the future of Ukraine.

UKRAINE'S GRIM OUTLOOK

Several participants contended that Ukraine has never been farther from Russia. Some argued that this was almost entirely the consequence of Russia's annexation of Crimea and support for the rebels, as cutting ties with Moscow was not in the mind of most Euro-Maidan protesters (barring a few ultra-nationalists). Ukraine was said to be in dire need of effective institutions, political accountability and strong rule of law, all things that Ukrainians tend to associate with the European Union rather than Russia. Euro-Maidan – concluded one participant – was pro-EU rather than anti-Russia, at least initially. Participants agreed that Putin saw things quite differently, as he considered the prospect of Kiev's closer ties with the European Union to be incompatible with his plan for a Eurasian Economic Union (EEU) including Ukraine.

An overwhelming majority of Ukrainians have now become estranged from Russia, pro-EU forces are dominating the political process, and for the first time in Ukraine's history a majority is in favour of NATO membership. Ukrainians were also said to be in no mood for making concessions to the Russian-backed rebels in the Donbas region. They are opposed to the federalisation of the state, fatalistic about the prospect of further Russian incursions into their territory, but also ready to fight. Participants agreed though that Ukraine's President and Prime Minister, Petro Poroshenko and Arsenij Yatseniuk, had no expectations concerning NATO membership (at least in the near future) and were more focused on carrying out political and economic reforms, securing Western assistance and managing the crisis in the Donbas.

Some participants cautioned that Ukraine could not afford to keep on fighting a war with Russia and recalled that the economy faces certain collapse without prompt financial support from the West and the International Monetary Fund (IMF). The ability of the government to carry out political and economic reforms was also questioned by some (not least because Ukraine's oligarchs, generally considered to be a source of corruption and no friends of reform, still wield considerable influence). Some participants argued that without the prospect, however distant, of EU membership the political and economic reform process will hardly be sustainable. This proposition did not meet with much support, as

other participants hinted that the European Union would hardly be doing itself any favours by incorporating such a large and problematic country as Ukraine. And in any case, EU leaders would have to figure out how to react to Russia's expected opposition to the move.

Conflict management in the Donbas emerged as the one issue on which there was less agreement among participants. Some argued that, in spite of the largely pro-EU stance of Ukraine's political establishment and public opinion, Russia still has the upper hand in south-eastern Ukraine. Russia might not be able to control Ukraine, but it is capable of destabilising it and thus severely hampering Kiev's integration into Euro-Atlantic frameworks. The notion that Putin might be set on maintaining the status quo in Donbas as yet another frozen conflict in the former Soviet space was considered an entirely plausible scenario. One participant insisted that striking an agreement with the Kremlin (starting with a deal securing Russian gas supply to Ukraine) was a matter of necessity, not choice. Another argued that Putin is convinced that the West will blink first on Ukraine and seek an accommodation without Russia having to give up any of its gains.

CONCLUSIONS

The conference ended in a bleak mood. The Ukraine crisis, it was remarked, has resulted in the first land grab in Europe since 1945 and an unprovoked civil war in the Donbas; it has seriously damaged West-Russia relations; and has perhaps put an end (to Putin's delight) to a European post-Cold War order based on pooled sovereignty, multilevel governance, rule of law-based multilateral interactions and a continuous focus on dialogue and process. Europe's nascent political-security outline is likelier to be more in line with the wider world order, which is strongly shaped by power politics and interstate competition and conflict, and in which multilateralism is entirely state-determined and interest-driven.

Appendix B

Transatlantic Security Symposium 2014

Agenda

Rome, 20 October 2014

WELCOME ADDRESS

Ettore Greco, Director, Istituto Affari Internazionali (IAI), Rome

CONFERENCE INTRODUCTION

Riccardo Alcaro, Senior Fellow, Istituto Affari Internazionali (IAI), Rome, and Visiting Fellow, Center on the United States and Europe (CUSE), Brookings Institution, Washington

INTRODUCTORY SESSION

Understanding Russia's Leadership: President Putin's Power Base and World Views

Chair **Nathalie Tocci**, Deputy Director,
Istituto Affari Internazionali (IAI), Rome

Keynote speaker **Fiona Hill**, Director, Center on the United States and
Europe (CUSE), Brookings Institution, Washington

Respondents **Andrei Kortunov**, Director General,
Russian International Affairs Council, Moscow
James Sherr, Associate Fellow, Chatham House,
London

FIRST SESSION

West-Russia Relations and the Emerging Global Order

- Chair **Thomas De Waal**, Senior Associate, Carnegie Endowment for International Peace, Washington
- Paper-giver **Alexey Gromyko**, Director, Institute of Europe, Moscow
- Discussants **Isabel Facon**, Senior Research Fellow, Fondation pour la recherche stratégique (FRS), Paris
- Margarete Klein**, Senior Associate, Stiftung Wissenschaft und Politik (SWP), Berlin

SECOND SESSION

NATO and Russia: Enemies Again?

- Chair **Piotr Kościński**, Director, Eastern and South-Eastern Europe Programme, Polish Institute of International Affairs (PISM), Warsaw
- Paper-giver **Christopher Chivvis**, Senior Political Scientist, RAND, Arlington
- Discussants **Mikhail Troitskiy**, Deputy Director, MacArthur Foundation, Russia Office
- Orysia Lutsevych**, Research Fellow, Chatham House, London
- Robert Pszczel**, Director, NATO Information Office in Moscow

THIRD SESSION

West-Russia Strategic Competition in Europe and the South Caucasus

- Chair **Brian Whitmore**, Senior Editor,
Radio Free Europe/Radio Liberty, Prague
- Paper-giver **Ivan Krastev**, Board Member,
European Council on Foreign Relations (ECFR),
London
- Discussants **Nona Mikhelidze**, Research Fellow,
Istituto Affari Internazionali (IAI), Rome
- Oksana Antonenko**, Senior Political Counsellor,
European Bank for Reconstruction and
Development (EBRD), London
- Samuel Charap**, Senior Fellow,
International Institute for Strategic Studies (IISS),
Washington

FINAL REMARKS

Riccardo Alcaro, Senior Fellow, Istituto Affari Internazionali (IAI),
Rome, and Visiting Fellow, Center on the United States and Europe
(CUSE), Brookings Institution, Washington

Appendix C

List of Participants in the Transatlantic Security Symposium 2014

Riccardo Alcaro	Senior Fellow, Istituto Affari Internazionali (IAI), Rome, and Visiting Fellow, Center on the United States and Europe (CUSE), Brookings Institution, Washington
Oksana Antonenko	Senior Political Counsellor, European Bank for Reconstruction and Development (EBRD), London
Antonio Armellini	Ambassador
Gulnur Aybet	Head Department of International Relations, Özyeğin University, Istanbul
Vincenzo Camporini	Vice President, Istituto Affari Internazionali (IAI), Rome
Claudio Catalano	Research Department, Finmeccanica SpA, Rome
Samuel Charap	Senior Fellow, International Institute for Strategic Studies (IISS), Washington
Christopher Chivvis	Senior Political Scientist, RAND, Arlington
Giovanna De Maio	PhD candidate, L'Orientale University, Naples
Thomas De Waal	Senior Associate, Carnegie Endowment for International Peace, Washington
Thomas Eymond-Laritz	Senior Director, APCO Worldwide, London
Isabel Facon	Senior Research Fellow, Fondation pour la recherche stratégique (FRS), Paris

Ettore Greco	Director, Istituto Affari Internazionali (IAI), Rome
Alexey Gromyko	Director, Institute of Europe, Moscow
Ruth Hanau Santini	Assistant Professor of Political Science, L'Orientale University, Naples
Fiona Hill	Director, Center on the United States and Europe (CUSE), Brookings Institution, Washington
Margarete Klein	Senior Associate, Stiftung Wissenschaft und Politik (SWP), Berlin
Andrei Kortunov	Director General, Russian International Affairs Council, Moscow
Piotr Kościński	Director of Eastern and South-Eastern Europe Programme, Polish Institute of International Affairs (PISM), Warsaw
Ivan Krastev	Board Member, European Council on Foreign Relations (ECFR), London
Orysia Lutsevych	Research Fellow, Chatham House, London
Jeffrey Mankoff	Deputy Director and Fellow, Center of Strategic and International Studies (CSIS), Washington
Alessandro Marrone	Senior Fellow, Security and Defence Programme, Istituto Affari Internazionali (IAI), Rome
Cesare Merlini	President, Board of Trustees, Istituto Affari Internazionali (IAI), Rome
Nona Mikhelidze	Research Fellow, Istituto Affari Internazionali (IAI), Rome
Gayane Novikova	Director, Spectrum, Center for Strategic Analysis, Yerevan
Riccardo Perissich	Executive Vice President, Council for the United States and Italy, Rome
Robert Pszczel	Director, NATO Information Office in Moscow

Jana Puglierin	Program Officer, Future Forum, Deutsche Gesellschaft für Auswärtige Politik (DGAP), Berlin
Ferdinando Salleo	Ambassador
Nicolò Sartori	Senior Fellow, Security and Defence Programme, Istituto Affari Internazionali (IAI), Rome
James Sherr	Associate Fellow, Chatham House, London
Stefano Silvestri	Scientific Advisor, Former President, Istituto Affari Internazionali (IAI), Rome
Constanze Stelzenmüller	Director, Transatlantic Trends, German Marshall Fund of the United States (GMFUS), Berlin
Oleksandr Sushko	Research Director, Institute for Euro-Atlantic Cooperation, Kiev
Paola Tessari	Research Fellow, Security and Defence Programme, Istituto Affari Internazionali (IAI), Rome
Nathalie Tocci	Deputy Director, Istituto Affari Internazionali (IAI), Rome
Mikhail Troitskiy	Deputy Director, MacArthur Foundation, Russia Office
Cory Welt	Associate Director, Institute for European, Russian and Eurasian Studies, The George Washington University, Washington
Brian Whitmore	Senior Editor, Radio Free Europe/Radio Liberty, Prague

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In light of Russia's annexation of Crimea and destabilization of Ukraine, West-Russia relations have so dramatically deteriorated that talk of a new Cold War has become routine. NATO's role in Europe is again in the spotlight, with experts and policymakers pondering whether the Alliance needs to go back to its historical roots and re-calibrate itself as an instrument of defence from and containment of Russia. At the same time, cooperation between Russia and the West has not collapsed altogether, with the two still able to coordinate on issues such as Iran's nuclear programme. Clearly, tensions over Ukraine are so strong that the risk of a breakdown in relations cannot be ruled out. The contributions to this volume, the result of an international conference jointly organised by the Istituto Affari Internazionali and the Center on the United States and Europe at Brookings, analyze the dramatic shift in Europe's strategic context and explore the question of whether Russia and the West can contain tensions, manage competition, and keep cooperating on issues of mutual concern.

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