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## Containment 2.0

### Living with the new East-West Discord

The aims of this paper, like the broader study it introduces, are to assess the character and gravity of security challenges posed by Russia and propose effective policy responses. Before presenting these proposals, we will need to examine the premises underpinning Russian policy, the significance of the Ukraine conflict, the challenges confronting the EU and NATO, and the capabilities and tools that Russia has at its disposal.

#### Introduction

The events set in motion by Russia's intervention in Ukraine have obliged NATO and the EU to abandon a paradigm of East-West partnership that has long been under strain. Over the years, Russia has demonstrated that it is a proud, resentful, apprehensive and ambitious power. It is now endangering the security of NATO partners and could possibly threaten NATO Allies. Not for the first time, the West is discovering that Russia's understanding of events, its discourse, methods and calculus of risk differ from its own.

When Russia annexed Crimea, it also attacked the security order of Europe. Today President Putin calls this security order 'weakened, fragmented and deformed'.<sup>1</sup> Its foundations, the Helsinki Final Act,

the Paris Charter and the OSCE Budapest Document have virtually disappeared from official discourse. Russia has withdrawn from the CFE Treaty; it is in *de facto* violation of the INF Treaty, it has called the NATO-Russia Founding Act into question and has pronounced the Budapest Memorandum, the 1997 Russia-Ukraine Interstate Treaty and Black Sea Fleet accords null and void. Only the UN Charter, though *de facto*, the UN Security Council, is upheld as the basis of international law.

Russia's grievances are not new. Nevertheless, a basic change in policy has taken place. Formerly, Russia sought to enhance its position in Europe and its 'special responsibility' in the former USSR within the framework of post-Cold War rules emphasizing state sovereignty and freedom of choice. Today it calls for 'new rules' based

1 Putin, V. 2014, Speech to 9<sup>th</sup> Session of the Valdai Club, 24 October. <http://en.kremlin.ru/events/president/news/46860>.

on the Yalta principles of ‘balance of power’, ‘spheres of privileged interest’ and ‘respect’.<sup>2</sup>

A basic change in the *means* of policy has also taken place. Chief amongst these is a willingness to use force against European states when their policies, internal or external, threaten key regime interests. Russia’s mode of warfare, which the Russian General Staff terms ‘non-linear’ or ‘ambiguous’, has also confronted NATO with a challenge it has not faced before. The scale of Russia’s investment in ‘information struggle’ and ‘information warfare’ is without precedent in post-Soviet policy. Russia now provides moral and financial support to illiberal political movements in Europe and is using ‘war on terror’ as a siren song to woo the political centre ground. Its use of ‘soft power’ (culture, language and history) to undermine state sovereignty is undiminished. Its securitising of business, trade, and energy has created new and unsettling connections between commerce and geo-politics.

The West is less well equipped to manage these challenges than it was when it last had a European adversary. Expertise and institutional memory about Russia have eroded. A new political generation has matured in post-Clausewitzian political cultures that question the utility of force and regard interdependence and soft power as benign. Military misadventures have diminished the trust of electorates in their own governments. Manifest dangers – ISIL, migration, the eurozone crisis – discourage risk-taking elsewhere.

The aims of this paper, like the broader study it introduces, are to assess the character and gravity of security challenges posed by Russia and propose effective policy responses. Before presenting these proposals, we will need to examine the premises underpinning Russian policy, the significance of the Ukraine conflict, the

challenges confronting the EU and NATO, and the capabilities and tools that Russia has at its disposal.

## Part I: The Kremlin’s Cognitive Prism

To understand Russia’s actions, one must understand Russia’s interests as its leaders perceive them. Twenty-five years of Western dominance have instilled a growing and hardening resentment. Even Yeltsin’s team believed that Russia had to be ‘leader of stability and security’ in the former USSR and reacted bitterly when the West demurred.<sup>3</sup> When the Warsaw Pact collapsed, Russia expected to be incorporated into European security as a co-equal and not as an external ‘partner’ of NATO. NATO enlargement aroused ill-feeling and apprehension. Its intervention in Kosovo focused minds on the risk of similar interventions on Russia’s periphery.

Thus, Putin inherited a political and military establishment already distrustful of Western intentions. The difference between the oblique and circumspect policy of his first term and more recent policy stems from a combination of rising threat perceptions (Iraq, Ukraine’s Orange Revolution) and the revival of national power. It also reflects domestic pressures and the reconstitution of the political system in a defensive and illiberal direction. Four premises underpin current policy.

Chief amongst these is the presumed determination of the United States to isolate Russia, destabilise it and deprive it of global influence. For Nikolay Patrushev (Secretary of the RF Security Council), the threat is ‘systemic’ rather than political: an ‘undeviating course pursued over many decades, changing only in its forms and

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2 On 4 February 2015, State Duma Speaker Sergey Naryshkin warned Europe should ‘relearn the lessons of Yalta’ or risk war. Putin’s Valdai Club speech also contrasted post-war ‘mechanisms’ of ‘balance of power’ and ‘respect’ with US *diktat* after the Cold War.

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3 DP For Min Fedor Shelov-Kovedyayev, 1992. ‘Strategy and Tactics of Russian Foreign Policy in the New Abroad’ [Strategiya i taktika vneshney politiki Rossii v novom zarubezh’ye], p. 2, September.

tactics'.<sup>4</sup> Global hegemony is the essence of US policy. NATO is viewed as an instrument of this hegemony: a Cold War, anti-Russian alliance perpetuating a 'civilisational schism' in Europe. Military doctrines (2010 and 2014) present it as the greatest 'basic external danger' the country faces.<sup>5</sup> Whereas the NATO–Russia Founding Act defines 'equality' as the *absence* of 'right of veto' over actions of the other, Russia defines it as 'real influence on the decision-making process'.<sup>6</sup> When Russians call for NATO 'transformation', they expect this and nothing less.

Second, the European Union, initially seen as counterbalance to US hegemony, is now viewed as its adjunct. Enlargement is seen as a project designed to deprive Russia of its rightful place in Europe. Like NATO's Partnership for Peace, EU Association Agreements are viewed as precursors to *de jure* enlargement rather than alternatives. Despite Ukraine's 'non-bloc policy' and Armenia's membership of the CSTO, both countries were left in no doubt that these agreements threatened core Russian interests. At the same time, Europe is judged to lack the cohesion and material interest to sustain a serious confrontation with Russia. Europe's unity on Tier-3 sanctions has shaken this conviction but not destroyed it.

Third, the Kremlin believes that the West is 'losing its monopoly on the globalisation process'.<sup>7</sup> Although Russia's increasing dependency on China arouses discomfort, the emergence of a world of 'multiple values centres' is seen as conducive to Russian interests. Western attempts to disrupt this process by military intervention and regime

change have only expanded 'zones of anarchy, lawlessness and chaos'.<sup>8</sup> The war in Syria (and terrorist attacks in Europe) enhance Russian confidence that the West will finally learn this lesson.

Finally, Ukraine is regarded as integral to Russian civilisation. It is the lynchpin of security in Russia's 'near abroad' and its position in Europe as a whole. The conflict in Donbas and the strains on Ukraine's economy vindicate the axiom that 'Ukraine cannot live without Russia'. It is the West that caused the conflict, and it is the West that must solve it.

These postulates are spun for domestic consumption, but they did not emerge for that purpose. They feature in military doctrines, national security concepts and expert assessments outside the public domain. They are consistent with military exercises, covert operations and interstate policy. At the same time, they offer a distorting insight into the motivations of others and provide the raw material for serious miscalculation.

As long as current elites hold power, these premises are likely to retain their force. This does not mean that current policies will prove sustainable. Nevertheless, a significant change of policy will have internal repercussions in Russia, possibly serious ones. Those repercussions will alter but not necessarily diminish risks and threats to Europe.

## Part II: Russia's Intentions in Ukraine

Russia's state leadership cannot afford to lose in Ukraine and cannot be allowed to win. The Kremlin's postulated 'Russian world' and 'distinctive civilisational course' lose their coherence if Ukraine joins the Euro-Atlantic system. Ukraine is pivotal to the success of the Eurasian Economic Union (which has been stagnating since

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4 Interview with Rossiyskaya Gazeta [Vtoraya Kholodnaya], 15 October 2014.

5 The danger arises from its 'force potential', 'global functions' and the 'approach of its infrastructure to Russia's borders, including the bloc's enlargement'.

6 Kosachev, K., 2010. 'Three Birds with One Stone?' in Russia in Global Affairs, November <http://eng.globalaffairs.ru>.

7 Lavrov, S., 2007. 'The Present and the Future of Global Politics', Russia in Global Affairs, No. 2, April–June, [http://eng.globalaffairs.ru/number/n\\_8554](http://eng.globalaffairs.ru/number/n_8554).

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8 Putin, V., *op cit.* (Valdai Club speech).

2013) and, despite all efforts, remains a vital artery for energy supply to Europe.<sup>9</sup> For the military and security establishments, NATO's determination to transform Ukraine into a *platsdarm* (bridgehead) is an article of faith. Failure in Ukraine will have systemic repercussions, which Moscow is determined to avoid at almost any cost.

Moscow's minimal definition of victory remains what it was in February 2014: the neutralisation of Ukraine and the abandonment of its European and Euro-Atlantic course. It will not rest until these results are guaranteed *de jure* by constitutional changes that grant veto authority to its proxies (the Donetsk and Luhansk 'People's Republics'). Foreign Minister Lavrov insists on Russia's right to stipulate 'the steps required by Kyiv to meet these obligations' and demands a new Minsk accord that binds the West as well as Ukraine.<sup>10</sup>

Realisation of these objectives is by no means assured. Russia is courting disaster in Ukraine. The Kremlin not only underestimated the West's reaction but Ukraine's resilience and the tenacity of its fighting forces. Ukrainian national sentiment and civil society have been strengthened by the war, especially in the east. Separatist forces control less than five percent of Ukraine's territory despite months of insurgency and two Russian backed military offensives. The Novorossiia project (the 'gathering of lands' by Catherine) is dead.

But whilst military force has not defeated Ukraine, it has become the arbiter of the diplomatic process. Whereas the initial aim of Russia's hybrid war was to dismember and fracture Ukraine, today the threat of escalation is being used to unnerve the

West and induce it to put pressure on Kyiv.<sup>11</sup> Even if the threat is bluff, the pressure on Kyiv from Washington and Berlin is real.<sup>12</sup> At the same time, Moscow has received firm warning that a major new offensive will trigger a step change in Western sanctions. The Kremlin is calibrating force to avoid this eventuality, whilst maintaining a credible threat of escalation. Moscow's caution also reflects the steady enhancement of Ukraine's military capability and mounting strains on Russia's military system. Nevertheless, the risk of escalation remains.

A political settlement on Russia's terms would threaten the Euro-Atlantic system and Russia itself. It would not be accepted by Ukrainian society or by many who bear arms. The results are less likely to stabilise Ukraine than tear it apart. The radical cause would prosper, and a compromised national government would lose legitimacy. Some volunteer battalions would become partisan brigades, drawing Russia into deeper and more internecine conflict. State failure in Ukraine would send shock waves across Europe.

Second, the EU and NATO would be discredited throughout east-central Europe. The Eastern Partnership and NATO-Georgia Distinctive Partnership would be abandoned or reduced to ornamental importance. Third, many in the Baltic states and Poland would view Ukraine's 'betrayal' as a moment of truth for themselves. If the West was too risk averse to support Ukraine by all means short of war, would it rise to the challenge of war itself? Fourth, Russia's success in Ukraine would be illusory. Russia would be incapable of managing either a radicalised or a disintegrating Ukrainian state. It cannot be excluded that Ukrainians would take the conflict to Russia. The 'anarchy, lawlessness and chaos' of Putin's nightmares would become the legacy of his success.

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9 On Eurasian integration see Moshes, A., 2013. 'Will Ukraine Join (and Save) the Eurasian Customs Union?', Policy Memo 247, PONARS Eurasia, April.

10 Lavrov, S., 2015. Statement to TASS, 17 August, [http://news.liga.net/news/politics/6450701-rf\\_khochet\\_uchastvovat\\_v\\_obsuzhdenii\\_popravok\\_v\\_konstitutsiyu\\_ukrainy.htm](http://news.liga.net/news/politics/6450701-rf_khochet_uchastvovat_v_obsuzhdenii_popravok_v_konstitutsiyu_ukrainy.htm).

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11 Thus, Volodymyr Chalyy, Ukraine's Ambassador to the USA, 'Russia can no longer put pressure on Ukraine and is escalating the situation in Donbass to "blackmail" Kiev's partners in the West', *Zerkalo Nedeli*, 10 July 2015.

12 'Putting Ukraine in an Untenable Position', *The Washington Post*, 8 August 2015.

## The near abroad

We forget too easily that Russia has limited experience of living with neighbours who are both friendly and independent. Events in Ukraine risk diverting Western attention from Russia's increasingly aggressive stance elsewhere on its periphery. In Armenia, Georgia and Moldova, the 'frozen conflict' has been used to secure leverage, poison the body politic and orchestrate conflict.

In October 2013, Putin successfully leveraged Armenia's impending EU Association Agreement against the armament of Azerbaijan. In Georgia, Russia has pursued a policy of 'creeping annexation' since the 2008 war. In July 2015 it raised the *ante*, moving the border further into Georgia proper and transferring 1 km of the Baku-Supsa oil pipeline to South Osetian territory.<sup>13</sup> This step, timed to coincide with a NATO-Georgia military exercise, serves to advertise the irrelevance of NATO and the futility of the West's pipeline diversification policy. It enhances Russia's ability to dominate a pre-conflict situation. It is also a test of the West's resolve to respond to small steps that threaten interests of strategic importance.

Moldova's Dnestr conflict is no longer Russia's primary means of damaging the Moldovan state. In the absence of Georgia's civic cohesion, Moldova's parliamentary democracy has given local oligarchs, Russian capital and the Kremlin everything to play for. The state is now under threat territorially and politically. For twenty years, Russia sought to fragment Moldova and undermine it. Today it appears to be promoting its disintegration.

## Part III: Tools and Capabilities

The impact of plummeting oil prices and Western sanctions on an unreformed economy is weakening Russia's capacity. So is the strain of war. The Dean of Moscow State University now speaks of the 'clinical

death of the Russian economy'.<sup>14</sup> Energy sector modernisation is off the table. Russia's defence complex (OPK) has been hard hit by the curtailment of Western components and deliveries from Ukraine's OPK, which functioned as an adjunct to Russia's own. Maintaining 40–50,000 troops in theatre has placed mounting demands on the Ground Forces, and morale has declined.<sup>15</sup> Putin's high public support is intrinsically volatile and problematic. The Russian system is not weak, but it is brittle.

Yet it retains a worrying capacity to do harm. Wars are not decided by GDP ratios but by the conversion of national endowments into usable power. Russia has securitised capacities that liberal democracies do not seek to 'mobilise' or control. Its tools, methods and asymmetrical approach are a danger to opponents who are unprepared for them. Today, the Russian toolkit includes:

### 'Hybrid Warfare' and Hard Power

The essence of 'hybrid', 'ambiguous' or 'non-linear' war is invasion by stealth. In 2014 the House of Commons Defence Committee presented the challenge in terms of:

*Russia's ability to effectively paralyse an opponent...with a range of tools including psychological operations, information warfare and intimidation with massing of conventional forces.*

To this, one must add reliance on informal networks and foreign clients. In today's context, 'such operations may be designed to slip below NATO's threshold for reaction'.<sup>16</sup>

Good governance is a precondition of defence against 'hybrid' threats. Had Yanukovich not hollowed out Ukraine's

13 Mchedlishvili, G., 2015. 'West Will Rue Ignoring Russia's Moves into Georgia', Chatham House, 20 July. <http://www.chathamhouse.org/expert/comment/west-will-rue-ignoring-russia-s-moves-georgia>.

14 <Сейчас наступает клиническая смерть российской экономики>, UDF.BY 11 June 2015.

15 Sutyagin, I., 2015, *Russian Forces in Ukraine*, RUSI Briefing Paper, March. These figures do not include an estimated 26–29,000 in Crimea, including 13,000 in the Black Sea Fleet.

16 House of Commons Defence Committee, 2014. 'Towards the Next Security and Defence Review: Part Two—NATO' (Third Report of Session 2014–15), 22 July, p. 17.

institutions or enabled Russian loyalists, agents and money to penetrate them, Ukraine would not have been caught off guard in Crimea. Russia's initial actions crippled the state before it knew that a war had begun. The Baltic states are not entirely immune to such threats. Security and counter-intelligence services are not always fit for purpose; defences against corruption in politics, business and law enforcement are inadequate. Russian-speaking minorities are neither mistreated nor alienated, but neither are they fully integrated into the social mainstream nor entirely trusting of state authorities. Defensiveness and denial hinder remedial action.

Today's hybrid threats are amplified by the massing of troops, provocative deployments of air and naval forces and 'snap exercises' staged without notification and sometimes to the surprise of NATO commands. The theatre wide context has been transformed by heavy Russian investment in escalation dominance. As borne out by *Zapad 2009*, theatre nuclear weapons are viewed not only as means of *sderzhivanie* – deterring and constraining the enemy – but as tools of de-escalation in war itself. The most worrying scenario against NATO 'would be a "normal" Russian snap exercise that without notice turned into a quick assault on one or several of the Baltic states' capitals'.<sup>17</sup>

Nevertheless, it would be unwise to assume a direct correspondence between doctrine (which is forward looking), plans (which invariably presuppose faultless execution) and capability. Despite vast improvements since 2008, Russia's vaunted military might remains a mixture of magnificence, muddle and make-believe. The state can rely on potent nuclear forces and proficient elite units, but remains 'ashamed of what is in the middle'.<sup>18</sup>

Putin's record in using force has been based on a cold and unsentimental pragmatism. That record serves as a warning to opponents who fail to address their own weaknesses or who bluff in spite of them. But it provides no examples of reckless behaviour against a stronger opponent. So far, Putin's risks have been calculated risks. Nevertheless, he has misjudged Ukraine's capacity, and he might be tempted to misjudge NATO as well.

### Soft Power and Soft Coercion

Russia's soft power is a more insidious and persistent reality for many of Russia's neighbours than its hard power. Russian soft power is also state power. 'Power of attraction', which is how Joseph Nye describes it, has no place in President Putin's definition:

*a matrix of tools and methods to reach foreign policy goals without the use of arms but by exerting information and other levers of influence. [author's emphasis]*<sup>19</sup>

In the Western sense, Russia has limited soft power. But it should not be dismissed. Its 'civilisational' indictment of post-modernism and Western 'messianism' has resonance amongst discontented constituencies in Europe. So does its de-Maistrean conviction that identity has greater potency than 'values'.<sup>20</sup> To those with connections and without 'moral complexes', Russia's clannish and opaque business culture can be more attractive (and remunerative) than the EU's rules-based model. Its media dominance has shaped the consciousness of millions of Russian speakers abroad.

Nevertheless, the Russian term, *myagkaya sila* (soft force) better encapsulates Russian practice.<sup>21</sup> 'Soft' instruments invariably are accompanied by covert and more coercive tools. Business abroad benefits from privileged ties to the Russian state, banking system and 'special services', which have

17 Michael Hurt in Sharkov, D. 2015, 'Russian snap military drill could turn into assault on Baltic capital', *Newsweek*, 23 February. <http://europe.newsweek.com/russian-snap-military-drill-could-turn-quick-assault-baltic-capital-308752>.

18 Durkalec, J., 2015. 'Nuclear-Backed Little Green Men: Nuclear Messaging in the Ukraine Crisis', PISM, Warsaw, July.

19 Putin, V., 2012. 'Russia in the Changing World'.

20 Joseph de Maistre, C18 anti-Enlightenment philosopher: 'we do not invent ourselves'.

21 Sherr, J., 2013. *Hard Diplomacy and Soft Coercion: Russia's Influence Abroad*, Chatham House.

become commercialised entities in their own right. Bullying, intimidation and blackmail are as staple to Russian business in the near abroad as they are at home. Disguised ownership structures, partnerships and cash flows make it difficult for states like Latvia or Moldova to estimate, let alone regulate, the scope of Russian influence in their countries. Even points of attraction, such as culture, are used to divide rather than unite. Alongside culture, 'compatriots' and history are used to challenge the 'authenticity' of other national cultures and diminish the sovereignty of other states. The complement to all of these practices is 'information struggle' and 'information warfare'.

## Information War

The widespread equation between Russian info war and 'propaganda' understates the scale of the challenge faced by the West. Under Vladimir Putin, the methodology of Russian secret services has become integral to the methodology of the state. Information and disinformation have become key components of national policy. Current Russian practice builds upon more than a century of experience in 'ideological struggle' and 'active measures'. Russia's undeclared war in Ukraine is a war of narratives as well as arms. It is based on brutality, bluff, fabrication and the cynical manipulation of ignorance and fear.

Without a 'whole of government' approach, liberal democracies will continue to compartmentalise directions of activity that Russians regard as complementary and reinforcing. Not only has Russia's 'network state' eroded the frontiers between state and private and between peace and war, but between truth and falsehood. According to the 2011 'Conceptual Views' of the MOD on the information space, information war encompasses:

*undermining the political, economic and social system, and massive indoctrination of the population for destabilizing the society and the state, and also forcing the state*

*to make decisions in the interests of the opposing party.*<sup>22</sup>

'Undermining' is not the same as persuading. A prime purpose of Russian information campaigns is to sow doubt in post-modern societies already distrustful of 'certainty'. People brought up in a culture of white lies do not easily understand a culture of black lies. One purpose of black lies is to persuade the interlocutor that they are white lies in disguise.

The danger is most acute when disinformation pollutes government decision-making itself. This definitely is Russia's intention. Thus, the absence of armed resistance to Russia's 'little green men' in Crimea was streamed into a well developed narrative about the 'artificiality' of Ukrainian statehood and the absence of popular support for it. Even the US State Department's first instinct was to 'off-ramp' a 'crisis' rather than respond to an attack upon a sovereign state. It took weeks to understand just how thoroughly Ukraine's communications, data bases and command-and-control systems had been corrupted before these green men appeared. Over the ensuing weeks, Russia's deployment of battle groups on Ukraine's borders served to focus Western minds on the hypothetical of all-out invasion and distract attention from the real war taking place inside the country. Threats and nuclear messaging appear to have played a role on the margins of the Minsk accords and possibly explain the haste with which they were concluded.

The tasks of Russian info war are disinformation, deception, diversion, intimidation and reflexive control. Russia's current military doctrine (December 2014) is the latest indication of its determination to integrate these disciplines into threat assessment, defence planning, conflict management and war-fighting. The newly

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22 RF Ministry of Defence, 2011. 'Conceptual Views Regarding the Activities of the Armed Forces of the Russian Federation in the Information Space' [*Kontseptual'nye vzglyady na deyatel'nost' Vooruzhennykh Sil Rossiyskoy Federatsii v informatsionnom prostranstve*].

established National Defence Control Centre institutionalises the state's intention to centralise management of all variables related to conflict and war.<sup>23</sup> The general's ambition, like that of the political technologist, is to control reality and, ultimately, create it.

## Energy

Since the global financial crisis, Russia's 'mighty energy sector' has been waging a battle to forestall decline. The pertinent questions are whether this decline has become irreversible and what it might mean for Russia's power and prospects.

Geo-economics has been a central theme of the Putin era, and energy has been its primary instrument. Russia's *Energy Strategy to 2020* defined the sector as 'an instrument of internal and external policy' and stated that 'the role of the country in world energy markets to a large extent determines its geopolitical influence'.<sup>24</sup> But the 'instrument' always had its limitations. Not every part of the 'complex' is easy to instrumentalise. Oil, gas, coal, electricity and nuclear power have their own dynamics and requirements. Energy is a source of wealth as much as power, not only for the country but for clan and sectoral interests which, despite Putin's 'vertical', are often in competition. The technologies of production and supply are not static. Even in Russia, energy is not inexhaustible.

Until recently, the gas sector linked wealth, power and geo-economics more effectively than any other. Gas pipelines are ties that bind. Unlike oil or coal, the supplier cannot be easily replaced. For those EU members that once were members of the Soviet/CMEA energy system, these ties have been a source of acute vulnerability. As more established

EU states increased their gas demand, *Gazprom's* supply model – 'the regulation from a single centre of regimes of extraction, transport, underground storage and sales' – became a challenge to European security as a whole.<sup>25</sup> The 2006 and 2009 energy crises prompted the European Commission to adopt a countervailing consumer's model – 'diversity with regard to source, supplier, transport route and transport method' – which culminated in the Third Energy Package.<sup>26</sup>

In Russia's energy policy as in other domains, strategic ambition has been coupled with strategic myopia. *Gazprom*, *Rosneft* and the Russian state failed to anticipate the unconventional energy revolution despite its vigorous prosecution by Western interests. EU enforcement of the Third Energy Package has been a slow moving tsunami for Russia's pipeline gas industry. Russia's response has been muscle and counter-measures of a stale and templated kind (e.g. financing anti-fracking movements) rather than systemic transformation, not to say innovation, which is in deficit throughout the Russian economy. The inflationary pressures of a rent-addicted system have compounded these difficulties.<sup>27</sup> Russia's one systemic response, the 'pivot to Asia', contains more bravado than realism. Asian markets are competitive and market-driven. Yet Russia continues to behave like a monopolist. China has taken Russia's measure and has responded with cold self-interest.<sup>28</sup>

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23 Lt Gen Mikhail Mizintsev in: 'Russia launches 'wartime government' HQ in major military upgrade', *RT*, 1 December 2014. <http://www.rt.com/news/210307-russia-national-defence-center/>.

24 Government of the Russian Federation, 2003. 'Energy Strategy of Russia to 2020' [*Energeticheskaya strategiya rossii na period do 2020*] (Government of the Russian Federation, 28 August, No 1234-g.

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25 Miller A, 2006. Address to EU ambassadors, 18 April, Moscow (pg 1). [*Rasshirovka vystupleniya Predsedatelya Pravleniya OAO <Gazprom> Alekseya Millera na vstreche s poslami stran Evropeyskogo soiuza v rezidentsii posla Avstrii*].

26 'Communication from the Commission to the European Council and the European Parliament: An Energy Policy for Europe' (SEC(2007) 12), 10 January 2007, p. 3. [Hereafter: 'Communication'].

27 Gaddy, C.G. and Ickes, B.W., 2010 'Russia after the Global Financial Crisis', *Eurasian Geography and Economics*, 51(3), p. 282.

28 'Russia-China Deal on 2<sup>nd</sup> Gas Route Postponed', *RT*, 22 July 2015 [www.rt.com/business/310451-gazprom-cnpc-gas-deal/](http://www.rt.com/business/310451-gazprom-cnpc-gas-deal/).

On the eve of the Ukraine crisis, the IEA stated that ‘Russia’s oil and gas sectors are no longer sufficient to ensure steady and robust economic growth’<sup>29</sup> Even if Russia’s debt ridden energy sector wishes to follow the IEA’s advice, the plunge in oil prices and Tier-3 sanctions impair its ability to do so. The trebling of capital flight (to \$152 bn in 2014) has further darkened the picture. The cancellation of South Stream, the centrepiece of Russia’s European gas strategy, is emblematic of the drastic pace of change.

However swiftly the sanctions regime is relieved or removed, the outlook for the gas sector (and oil) is discouraging. Yet Russia is most unlikely to be displaced from ‘its position as one of the most important energy players globally.’<sup>30</sup> Even under constraint, Russia’s resourcefulness (exemplified by Nord Stream-2) is a warning to the complacent.

## Part IV: Principles and Recommendations

Russia today is waging what Lenin termed a ‘persistent struggle—bloody and bloodless, violent and peaceful, military and economic, educational and administrative.’<sup>31</sup> The Ukraine conflict is the pivot of what has become a struggle over the future of the security order in Europe and beyond it. Several principles should guide Western policy:

1. Policy must be based on Russia as it is, not on *ex cathedra* beliefs, however reasonable they are. Russia is not an ‘existential enemy’, but it is an antagonist, and its self-declared interests in Europe diverge from those of the vast majority of European states. It might be the case that ‘by working together’, Russia and the West could alleviate many problems

in the world.<sup>32</sup> But that does not mean we can work ‘with Russia’ as it now is, have confidence that agreements will be upheld or that goodwill and trust will not be misused or traduced.

2. The first responsibility of NATO is to maintain security and stability in the Euro-Atlantic area irrespective of what might occur inside Russia. The aim must be to afford Allies equal security whether they are in the vicinity of Russia or far away from it. These commitments are the bedrock of the Alliance and cannot be made conditional upon Russia’s consent.
3. The principle on which we must base our policy in Partnership countries is the independence and sovereignty of states. We are not there to conduct a crusade. It is not our place to ‘promote democracy’ in Russia or elsewhere, let alone regime change. Russian democracy is Russia’s business. But Ukrainian democracy is not Russia’s business, and neither is Ukraine’s choice of partners. If that distinction is lost, confidence in the West will unravel, and so will European security.
4. The EU must shoulder as much responsibility for European security as NATO. The defences needed against potential ‘hybrid’ threats are civic, economic and administrative as well as military. For at least ten years, EU institutions have been the lead agencies supporting economic, judicial and law enforcement reform in central and eastern Europe. Their role in energy security is crucial. EU competencies in capacity building require a higher security profile and closer coordination with NATO than exists at present.
5. An effective Western response to Russia’s multi-dimensional challenge requires a whole of government approach. But it does not require the substitution of one acute security priority for another. What it demands is the resolve to tell electorates

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29 IEA, 2014. *Russia 2014 Energy Policy Review*, p. 9.

30 IEA, 2014, *op. cit.*, p. 9.

31 Lenin, V.I., 1981, ‘*Left-Wing*’ Communism: an Infantile Disorder’ (1920), Moscow: Progress Publishers, p. 30.

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32 Kerry, J., 2013. ‘Remarks with Russian Foreign Secretary Lavrov’, US State Department, 7 May.

that the age of peace dividends is over. Unless governments are able to articulate the strategic rationale for their priorities, they will not be supported or properly resourced. Unless non-defence arms of government (judicial, financial, regulatory) understand the defence and security implications of their responsibilities, they will not be fit for purpose. A free media should not be defenceless in the face of trolling, state-sponsored manipulation and cyber attack. The corporate and financial sectors need reminding that commercial interests are not always the same as national interests. Recovery of expertise (and better deployment of experts) is required to provide perspective and to warn. Very little in Russia's 'new' toolkit is new. Much of what has occurred in Ukraine (and Georgia) was forecast but not heard.

6. The issues at stake in Ukraine are credibility, Euro-Atlantic cohesion and security in Europe. They will be imperilled if the cause the West articulated in 2014 is discredited or compromised: to ensure, *pace* Angela Merkel, that 'old thinking in spheres of influence [and] the trampling of international law not...succeed.<sup>33</sup> Moscow would dearly love to offer 'peace' in exchange for the surrender of these principles, and it is using the Minsk process to this end. The West has nothing to gain from such a process.
7. Risks are inherent in a contest with high-risk players. Success in such a contest demands nerve, firmness, patience and the willingness to accept costs and inconvenience. In this contest, the West is the stronger party, but it has not been the more resolute. Much depends on whether we recover faith in ourselves and project it. Russia's spurious narratives should not be the baseline for public discussion, let alone government deliberations. Governments

must remind the Russians and our own publics of the actual (as opposed to 'perceived') record of the past twenty-five years and counter charges built on half-truths, distortions and falsehoods. We dare not forget that department is as important as policy. Russia's leaders have learnt to test foreign representatives by snubs and minor humiliations, and they draw political conclusions from the responses they receive. So long as our interests are antagonistic, our exchanges should be business-like, courteous and cool. Cosiness should be avoided. We should not be afraid to stand our ground over small matters. Russians will never extend us more respect than we accord ourselves.

Russia's policies will change when a critical mass of its elites conclude that its current course is damaging the country's interests and their own. We can have no certainty about when this will occur, but we can be confident that at some point it will as long as the West is not diverted from its proper interests. Today as so often in the past, Russia has inverted the traditional 'security dilemma'. Its manner of responding to threats, real or perceived, enhances the dangers it faces as well as those that it poses. Putin's Russia has perfected the art of securing lose-lose outcomes. This syndrome cannot go unaddressed forever. For this reason we should be alert to signs of 'new thinking' in the country. We should be taxing our minds with the contours of a diplomatic settlement that Russia might one day wish to honour. But until its premises change, the foundation of our policy should be rigorous containment.

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33 She added that such a policy would be opposed, 'no matter how long it will take, however difficult this might be and however many setbacks it might bring.' Comments following the November 2014 G20 summit.

## About Clingendael

Clingendael is the Netherlands Institute of International Relations. We operate as a think-tank, as well as a diplomatic academy, and always maintain a strong international perspective. Our objective is to explore the continuously changing global environment in order to identify and analyse emerging political and social developments for the benefit of government and the general public.

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## About the author

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