



MANAGING DIFFERENCES ON EUROPEAN SECURITY IN 2015

US, Russian, and European Perspectives

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PREFACE

This report is the result of a series of brainstorming sessions between American, Russian, and European experts funded by a grant from Carnegie Corporation of New York.

The Atlantic Council is grateful for the leadership of the Honorable Ellen Tauscher and Minister Igor Ivanov, who led the team in an effort to keep the dialogue open and frank at a challenging time for European security, as 2014 events in Ukraine unravelled the post-Cold War security order. The Council wishes to acknowledge the contributions of American experts: Walter Slocombe, Hans Binnendijk, Paul Fritch, and those who have wished to remain unnamed, as well as the European experts: Lukasz Kulesa, Markus Kaim, and Paal Hilde, who worked under the leadership of Ian Kearns and the European Leadership Network (ELN). The Council also thanks the group of Russian experts: Andrey Kortunov, Andrei Zagorski, and Irina Busygina, who worked under the leadership of the Russian International Affairs Council to contribute the Russian perspective; and, finally, the Director and coordinator of the project, Isabelle François, for the difficult task of bringing diverging views together into one final publication.

The Atlantic Council offered a platform to keep channels of communication open and for different

views to be expressed. Not surprisingly, in the months that followed events in Ukraine, it proved impossible to narrow the differences and develop a common, action-oriented approach to the challenge of rebuilding the European security order. We aimed instead for a necessary first step of listening to each other and reflecting on the significant differences in the Western and Russian approaches. Our debates focused on a possible way forward by gaining clarity on the interests at stake, from the US, European, and Russian perspectives, in order to better define whether and where common interests may still lie and how best to advance them. The need for managing our differences in the aftermath of the Ukrainian crisis will continue to require significant efforts on the part of decision-makers, experts, officials, international organizations, and nongovernmental organizations, and will likely take time and strategic patience.

We hope that this report will contribute to a better understanding and appreciation for the differences in terms of the respective US, European, and Russian positions, in order to better prepare, when the time comes, for bridging the gap and bring back stability, security, and prosperity to the whole of Europe.

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FOREWORD

Building on a cooperation initiative developed in 2013 between the Atlantic Council and the Russian International Affairs Council, we—Ellen Tauscher and Igor Ivanov—had the pleasure to lead a group of experts interested in developing “mutual assured stability” as a new framework for the bilateral relationship between the United States and the Russian Federation. Events in Ukraine in early 2014 brought our efforts to a halt. While we began considering how the Ukraine crisis was going to affect mutual assured stability, our efforts seemed simply overtaken by events: too little, too late.

The dangers of the situation in Ukraine underscored the urgent need to focus on European security, reframing the Western-Russian relationship in light of the new strategic environment in the heart of Europe. Convinced of the need to pursue our dialogue and to keep all channels of communication open in challenging times, we adjusted and brought European experts to the team through the European Leadership Network, and committed to make best use of our track 2 dialogue. Our goal was to assist our respective governments by providing new channels of communication, in the hope of contributing to managing our differences and redefining our interests in this new environment.

As the Ukraine crisis unfolded throughout 2014, we met at expert levels in an effort to better understand each other’s perspectives. Today, we are offering a report, which—unlike many—is not aimed at presenting recommendations. **Our approach is not action-oriented. It is an invitation to step back and reflect.**

This effort is also not about resolving the Ukraine crisis. Any such efforts must, of course, involve Ukrainians directly. Ukrainians must play a central role in any formal or informal initiatives to address the situation in their nation. From the start, our effort has been about exploring a new approach to US-Russian relations to buttress Euro-Atlantic stability and security.

We have been struck by the disconnect between, on the one hand, our common desire in principle to resolve our differences in the context of the Ukrainian crisis and, more generally, our commitment to stability, prosperity, and greater European security, and, on the other hand, our fundamental differences on how to approach the task in practice. **By introducing American, Russian, and European perspectives in this report, we invite readers to open up to views different than their own and assess the magnitude of the gap between us as a necessary step before considering a possible way forward.** Our contribution may seem modest, but we feel strongly about the need to listen to one another before considering what will have to be done to serve and respect the interests of all parties in European security.

In reviewing the American, Russian, and European contributions in this report, one can point to five similarities. First, all experts agreed on the urgent need to address the Ukrainian crisis as a necessary step toward meaningful discussions on European security. Theoretical discussions on the European security architecture with no bearing on the situation in Ukraine are of little use. Second, experts shared a sense that, in some ways, the relationship between the West and Russia was more dangerous than during the last decades of the Cold War. Third, they all called for reversing the slide toward confrontation. Fourth, they felt a responsibility to keep lines of communication open, and saw a significant role for track 2 dialogue in light of the significant differences in official positions. Finally, in developing this report, the challenge in agreeing upon text among the experts in each group underlined the differences of opinions, notably within the American and European groups.

Beyond these generalities, there were marked differences between the three groups in their:

- overall assessment of the situation in Ukraine;
- approach to redefining common interests and potential cooperation in light of the new European security environment; and
- perspectives on how to make best use of existing tools and mechanisms to advance these interests.

Focusing first on the crisis in Ukraine: According to Russian experts, the situation in Ukraine was the result of a dysfunctional security regime in the Euro-Atlantic space, pointing to a security environment in Europe that had become less transparent, less predictable, and less stable than in the twentieth century. American experts, on the other hand, pointed toward the Russian transgression of international law and respect for the sovereignty and interests of other states, which generated significant concerns in Washington about the direction of Russian policies. They clearly stated that the resolution of the Ukraine crisis on the basis of agreed international principles and norms, notably against the use of military force to acquire territory from neighbors, was a *sine qua non* for improving relations between the West and Russia. European experts recognized that European states and Russia had developed contradictory set of perceptions on the status of the post-Soviet common neighborhood and wider functioning of the Euro-Atlantic security system, which contributed to the clash over Ukraine. They highlighted the ongoing discussion in Europe between those who insist on Russia backtracking as a pre-condition for dialogue, and those prepared to look at the failure of the European security order and start a new discussion about its future functioning.

Second, turning to the task of redefining common interests and considering the fate of cooperation between Russia and the West, views diverged considerably. For American experts, the Ukrainian crisis marked a turning point in the relationship between the West and Russia. According to them, there is no going back to status quo ante. Prior to events in Ukraine, American experts had been focusing a new approach to US-Russian relations addressing numerous points of disagreement through mutual assured stability, which ruled out the use of force against each other

and rested on respect for each other's boundaries and independence. Rather, Russia's actions in Ukraine have forced a reevaluation of post-Cold War assumptions about Russia's place in the Euro-Atlantic family. American experts advocated a change of approach for European security away from cooperative efforts toward "managing our differences," while retaining some cooperative efforts on such global security issues as proliferation and arms control, and on regional issues where there is some common ground, such as Iran, Syria, Afghanistan, and North Korea. US experts offered an initial agenda for the Euro-Atlantic areas focused on restraint and predictability to avoid misunderstanding, with various measures focused on transparency and arms control. In addition, they suggested developing a common understanding on the rules of the road given the competing interpretations of international law and agreed norms.

Russian experts, for their part, indicated their attachment to the cooperative agenda and to a return to status quo ante, notably in the context of the EU-Russian partnership, which remains a strategic goal for Moscow. They underlined the need for a pragmatic approach, in stark contrast with what they viewed as the more rigid approach by US experts. However, Russian experts also reiterated their attachment to international norms and principles. The three groups of experts have yet to clarify the discrepancies in their interpretations of sovereignty, territorial integrity, and noninterference in internal affairs, notably in the context of Ukraine, and their differences of approach in this regard.

Despite a recognized divergence of interests and perceptions between the West and Russia, European experts focused on cooperation in selected areas, and offered a five-step approach:

- measures to avoid military escalation
- support for Ukraine to avoid an economic collapse
- humanitarian assistance and reconstruction support for war-damaged areas in Ukraine
- dialogue on the future of the European security order
- cooperation on a number of global and regional challenges

Third and last, when looking at how to make best use of existing tools and mechanisms, US experts hoped to be able to use existing institutions in creative ways, but underlined the limits of these institutions to tackle the current challenge. They pointed to the need to address some of the internal institutional limits of various organizations, such as the Organization for Security and Cooperation in Europe (OSCE), the European Union (EU), or even NATO. They pinned more hope on track 2 possibilities to be creative and offer “outside of the box” perspectives in an effort to move governments in the right direction.

Russian experts negatively assessed the security instruments and mechanisms in Europe which, in their view, have been inherited from the Cold War, as well as the inability of the post-Cold War to build a new indivisible system of security respecting the interests of all parties. Russian experts lamented this “institutional deficit” and the lack of interest in the West to consider earlier Russian proposals to modernize institutions such as the OSCE, or even create new mechanisms such as the European Security Treaty. They offered an agenda for strengthening the OSCE. They also suggested yet another perspective—complementary to the ongoing institution-building efforts—that would be based on a network of international regimes around specific issues or specific interest groups, which would provide for a less rigid and more open approach to cooperation, avoiding linkages between issues and the risk of stalling progress for political reasons.

Europeans, for their part, offered a perspective making the best use of existing institutions. In today’s

environment, the Europeans say, NATO is to have a role in avoiding military escalation and in urging restraint. The EU has to play a prominent part in avoiding the economic collapse of Ukraine, as much as in the trilateral consultation process between the EU, Ukraine, and Russia. European experts acknowledged the productive role of the OSCE in managing the Ukraine crisis and the potential to broaden its role to draw Russia into discussion regarding future European security architecture. They underlined, however, that the OSCE role in managing European security affairs cannot be developed at the expense of NATO and the EU with their respective engagements in eastern Europe and Central Asia.

We invite you to now turn to the three distinct pieces prepared by our US, Russian, and European experts, respectively, in an effort to assess the differences, and judge for yourself how far apart these three communities stand today. This is a first step toward what will likely be a difficult road ahead in managing our differences, fraught with danger, but where the way forward is not yet sealed. For our part, we remain committed to assist our respective authorities where we can, through track 2 efforts. As our European colleagues underlined in their contribution, the future of the security order in Europe will require track 2 activity between European, Russian, and American representatives, given the current divergent interpretations of existing norms and principles, and the entrenched official positions of all parties in official and institutional circles.

The Honorable **Ellen Tauscher**, Vice Chair, Brent Scowcroft Center on International Security, Atlantic Council

Minister **Igor Ivanov**, President, Russian International Affairs Council (RIAC)

EXECUTIVE SUMMARY

This report offers three different perspectives from various experts in the United States, Russia, and Europe on the state of the European security environment in the aftermath of the Ukraine crisis. These three perspectives reveal different perceptions of the current situation, provide different analyses of where common interests lie, and offer suggestions on how to make best use of the tools and institutional mechanisms to advance these interests.

This report is not about providing joint recommendations. It is an exercise in situational awareness to help assess the magnitude of the challenge in bringing American, European, and Russian perspectives to align toward a greater convergence on European security when circumstances permit. Although all parties agreed about the need to manage their differences, starting with addressing the challenges of the Ukraine crisis, the analysis of the situation and the approaches under consideration could not be further apart.

Nonetheless, the American, Russian, and European experts who worked on this report agree on the seriousness of the current crisis and the potential for further deterioration of relations. All experts have underlined the urgent need to address the Ukrainian crisis as a necessary step toward meaningful discussions on European security and progress on other global challenges.

An American Perspective

American experts stressed the depth of the crisis in post-Cold War Europe and acknowledged the failure of the West's strategy toward Russia. This strategy sought to build a fundamentally cooperative relationship

with Russia, mirroring other partnerships, which extended beyond those who formally joined Western institutions in the context of security and prosperity for all in the Euro-Atlantic family. Instead, the crisis produced by Russia's recent policies—and the West's response—reinforced the differences between Russia and the West over the status of Russia's neighbors, particularly those that are not members of the European Union (EU) or NATO. Russia and the West have opposing visions of security in Europe. Washington and European capitals perceive Moscow as departing from international norms and agreed principles. This Russian departure is generating significant concerns about the direction of Russian policies. In Washington, the situation is perceived as dangerous, and is calling the broader agenda of cooperation into question. It was acknowledged by American experts that the Cold War, in its final decades, witnessed a gradual toning down of confrontation, in contrast to today's situation, where the trend is toward renewed confrontation on a broad set of fronts. While US experts acknowledged that there should be, in principle, a common interest in halting and reversing the slide toward confrontation, they concluded that in practice a genuine meeting of the minds seems elusive for some time to come. There was no going back to status quo ante, but rather a re-evaluation of post-Cold War assumptions about Russia's place in the Euro-Atlantic family.

US experts began from the premise that resolving the Ukraine crisis on the basis of agreed international principles and norms that recognize the independence and territorial integrity of Ukraine and Russia's other neighbors was a sine qua non for improvement of Western-Russian relations. They acknowledged, however, that efforts toward a stronger partnership with Russia were increasingly perceived as part of the problem rather than the solution. Moreover, the past

approach of building cooperation incrementally on initial successes in limited areas no longer seemed adequate in the current crisis. US experts advocated a change of approach for European security, away from cooperative efforts and toward “managing our differences,” while retaining some cooperative efforts on global security issues where Russian and Western interests are sufficiently aligned to make cooperation possible in the midst of the current tensions.

US experts offered an initial agenda for the Euro-Atlantic area focused on resolve, which would also entail restraint and predictability to avoid misunderstanding, with measures such as:

- preventing conflict and rebuilding mutual confidence;
- maintaining, restoring, and extending nuclear and conventional arms control;
- pursuing dialogue on missile defense; and
- advancing nonproliferation objectives.

In addition, they suggested developing a common understanding on the “rules of the road,” given the competing interpretations of international law and agreed norms, and the nature of security and sovereignty as related to the Euro-Atlantic area. Finally, they underlined the detrimental effect of the Ukraine crisis on the broader agenda of cooperation beyond Europe and acknowledged that cooperation outside Europe would not necessarily facilitate the resolution of issues in Europe. Nonetheless, they agree that the United States and Russia must cooperate on global issues, from Iran and Syria to Afghanistan and North Korea.

US experts underlined the limits of existing institutions to tackle the current challenges. They stressed the need to confront some internal institutional limits, with first

and foremost the task of reassuring exposed allies of the reliability of the NATO guarantee in its Article 5. US experts pinned some hope on track 2 possibilities to be more candid and innovative than official exchanges and to offer “outside the box” perspectives in an effort to move governments in the right direction.

A Russian Perspective

Russian experts, by contrast, analyzed the Ukraine crisis as a consequence of a dysfunctional security regime in the Euro-Atlantic space, pointing to a security environment in Europe that has become less transparent, less predictable, and less stable than in the twentieth century. They witnessed a gradual erosion of the security instruments and mechanisms inherited from the Cold War and the international community’s inability in the post-Cold War era to build a new, indivisible system respecting the interests of all its participants.

Russian experts pointed to various Russian proposals that did not meet with Western approval, as the West seemed focused on other priorities outside of Europe. They underlined, however, their continued attachment to stabilizing relations with the EU, in the hope of restoring the status quo ante (prior to the Ukraine crisis), and to move forward by calling for a pragmatic approach.

Stressing an “institutional deficit” in Europe, Russian experts also returned to earlier proposals to strengthen the Organization for Security and Cooperation in Europe (OSCE), acknowledging the necessary settlement of the Ukraine crisis based on respect for the sovereignty and territorial integrity of the country, but without shedding light on the different interpretations between Russia and the West on fundamental OSCE principles and

commitments. Russian experts developed a proposal for reinforcing OSCE crisis management, conventional arms control, and confidence and security-building measures for the current situation in Ukraine.

In addition, Russian experts offered a different approach, complementary to ongoing efforts toward institution building, as these efforts may not deliver anytime soon. Dismissing the wisdom of sanctions, “NATO renaissance,” or any tit-for-tat or zero-sum approach to security in Europe, Russian experts argued for a tight network of international regimes around specific issues (a functional approach) or specific interests, which would provide for a less rigid and more open approach to cooperation, avoiding linkages between issues and stalling progress for political reasons. Ultimately, they concluded on the need for dialogue and the importance of track 2 activities to keep talking to one another in search of compromises and to making tactical concessions for strategic goals in full respect of each others’ interests.

A European Perspective

European experts offered a balanced perspective mindful of the diverging views within Europe vis-à-vis Russia and the challenge of agreeing on a common position. Their analysis rested on a realistic assumption that, without a realignment of current diverging interests and perceptions between Europe and Russia, it will be difficult to make progress on the creation of a common political, economic, and security space in Europe. They suggested that realignment would be needed in three key areas:

- addressing the growing value gap between authoritarian Russia and liberal Europe
- reconciling diverging visions on the status of the post-Soviet common neighborhood
- reviewing the rules of the game of the Euro-Atlantic security order

Despite the magnitude of the challenge ahead, European experts offered a plea for continued efforts at cooperation in specific areas, recognizing that the tendency was nonetheless moving toward a geo-political struggle in the heart of Europe. They suggested a five-element approach as a basis for renewed cooperation:

- Measures to avoid military escalation and limit the danger of unintended incidents, urging restraint throughout all military chains of command and foreseeing a particular role for NATO in communicating clear and unambiguous red lines through a revamped deterrence and reassurance policy
- Support for Ukraine to avoid an economic collapse and a rupture of the Europe-Russia energy relationship, offering (in a context of a durable ceasefire in East Ukraine) a possible role for Russia in this economic bailout, and promoting the mediating role of the EU, notably through a trilateral process of consultations between the EU, Ukraine, and Russia on the implementation of Ukraine’s Association Agreement with the EU
- Humanitarian assistance and reconstruction support for war-damaged areas in Ukraine, notably through an international donor conference for the reconstruction of the Donbas region, potentially involving Russia and drawing on the expertise of the OSCE and the United Nations agencies in other conflict zones
- Dialogue on the future of the European security order, where track 2 efforts would seem essential given the diverging interests and interpretations of current crisis between Western and Russian-led institutions. European experts underlined the fundamental opposition between those who insist on Russia backtracking as a pre-condition, and those prepared to look at the failure of the European security order as it was prior to the Ukraine crisis in order to move forward.
- Cooperation on selected global and regional challenges, such as the Iranian nuclear program or trans-border crime, while acknowledging that the spill over effect of cooperation on global issues was not likely to trigger cooperation in Europe

Finally, European experts acknowledged the productive role of the OSCE in managing the Ukraine crisis, and the potential to broaden its role to draw Russia into a discussion regarding the future European security architecture. They noted, however, that the OSCE role in managing European security affairs cannot develop at the expense of NATO and the EU and their respective engagements in eastern Europe and Central Asia.

THE WEST AND RUSSIA IN THE AFTERMATH OF THE UKRAINE CRISIS: AN AMERICAN PERSPECTIVE

Introduction

The ongoing crisis in Ukraine has repercussions that go far beyond the Ukraine-Russia relationship.¹ Like the 2008 war in Georgia, the Russian annexation of Crimea and the Russian support of secessionists in eastern Ukraine have highlighted the vulnerability of certain states caught between Russia and the institutional West and raised deep concerns in the United States and Europe about Russian behavior and intentions.

Over the past quarter century, through their respective enlargement processes, NATO and the European Union (EU) have succeeded in dramatically enhancing the security and prosperity of those states that now find themselves inside one or both of these organizations. Their outreach efforts to nonmembers were based on the assumptions that the nonmembers would have stable economic and security statuses, and that Russia, like all members of the broader Euro-Atlantic/Eurasian community, would genuinely accept their independence and sovereignty in accordance with mutually agreed principles and commitments. Russia's recent actions have called these assumptions into question. Through its rhetoric, Moscow has made clear that it has a very different vision of the status of those countries that remain (and are likely to remain for the foreseeable future) on the outside. As a result, those nations that are not members of NATO and are located near the Russian border are more vulnerable today than they have been before.

The crisis has also exposed the general extent to which the West and Russia have different visions for security in Europe. For the West, European and Euro-Atlantic integration represent the achievement of

the principles agreed on in the 1990 Charter of Paris for a New Europe. From this perspective, Europe's underlying security "architecture," which consists of interlocking institutions—NATO, EU, Organization for Security and Cooperation in Europe (OSCE)—pursuing largely complementary efforts to promote security and stability, remains sound. The problem, according to this view, stems from Russia's choice to opt out of that architecture and, indeed, to challenge it economically, politically, and militarily. Russia is seen as departing from what were thought to be accepted international

NATO AND THE EUROPEAN UNION HAVE SUCCEEDED IN DRAMATICALLY ENHANCING THE SECURITY AND PROSPERITY OF THOSE STATES THAT NOW FIND THEMSELVES INSIDE ONE OR BOTH OF THESE ORGANIZATIONS.

norms and embarking on a course that represents a fundamental break from those same principles. Recent declarations by Russian leadership and a disquieting pattern of reported intrusions and near intrusions of Russian military aircraft and vessels into the territorial airspace and waters of NATO and/or EU member states in the Baltic and Nordic regions have also contributed

¹ US participants who worked together in developing this piece agreed on the basic thrust of the statement but not necessarily on every word. Their approach is, however, broadly convergent with that of the European contributors.

to growing concerns in the West about the direction of Russian policies. From Washington's perspective, the Ukraine crisis has generated a broad consensus within the transatlantic foreign and defense policy community on the need to strengthen both the US-EU partnership and NATO, with the latter refocused on its core missions of deterring conflict and Article 5 territorial defense.

The current situation is dangerous, not only because of the risk of confrontation but also because Russia and the West have many common interests and face many common challenges, on which they should be working together. The present crisis is not limited to relations between Russia and the West—it has regional and bilateral elements as well—but without a sustainable *modus vivendi* between Russia and the West, it will be difficult or impossible to address other challenges, such as energy sustainability, Ukraine's economic recovery, protracted conflicts in the Caucasus and Moldova, and stability on the borders of Afghanistan. In any event, the United States, NATO, the EU, and Russia should share an interest in halting and reversing the slide toward confrontation, bridging the gap that divides them, enhancing predictability, and developing effective channels for cooperation (or at least minimizing confrontation). In practice, however, achieving a true meeting of the minds on agreed "rules of the road" (even in those increasingly rare cases where the parties have reached formal agreement on texts) has proven elusive and is likely to remain so for some time to come.

Recognizing the Depth of the Crisis

There has not been a more pressing need to change the trajectory of relations between Russia and the West since the end of the Cold War. Unfortunately, over the past decade or so, the environment in which to pursue such an effort has been less than promising. In particular, the Ukraine crisis has had a devastating impact on mutual trust for both governments and populations. Russians have been saturated by state media with a version of events that few in the West would recognize. In the West, public attention may be more limited than in Russia. Still, the forcible annexation of Crimea, the downing of MH-17, and the increasingly overt Russian military presence in eastern Ukraine have served to galvanize popular and governmental sympathy for Ukraine in the West. Europeans are now more willing to accommodate the aspirations of the majority of the Ukrainian population to become associated with the EU. With relatively few exceptions, Western political leaders

have joined forces in their support for targeted sanctions against Russia's ruling class and some sectors of the Russian economy, despite concerns about the sanctions' impact on European countries.

THE FORCIBLE ANNEXATION OF CRIMEA, THE DOWNING OF MH-17, AND THE INCREASINGLY OVERT RUSSIAN MILITARY PRESENCE IN EASTERN UKRAINE HAVE SERVED TO GALVANIZE POPULAR AND GOVERNMENTAL SYMPATHY FOR UKRAINE IN THE WEST.

In both Russia and the West, it has become popular to speculate that we are entering a "new Cold War." This oversimplified analogy actually *understates* the challenge in important respects. The final years of the Cold War were characterized, however unevenly, by a gradual mitigation of confrontation (at least in Europe), more open economic interactions, the adoption of mutually agreed norms of behavior (most notably in the 1975 Helsinki Final Act), the establishment of channels of dialogue, and real progress on arms control—START I, the ABM Treaty, and SALT II, the Intermediate-Range Nuclear Forces (INF) Treaty, and Conventional Armed Forces in Europe (CFE) Treaty. By the end of the Cold War, the Soviet Union was a status quo power. By contrast, Russia today seeks to change the status quo. The current trend is moving in the other direction, toward a curtailment of dialogue (witness Russia's decision to boycott the nuclear security summits, its exclusion from the G8, and the suspension of most meetings of the NATO-Russia Council). It also seems to be moving toward the abrogation of agreements (denouncing the adapted CFE Treaty and ignoring the Budapest Declaration that guaranteed Ukraine's sovereignty and territorial integrity) and increased isolation.

Indeed, it would not be an exaggeration to say that the current generation of European and American leaders is fundamentally re-evaluating the post-Cold War assumption that Russia is and should be a member of an extended Euro-Atlantic family. Whatever Russian leaders may have hoped, Russian actions mean that a return to the status quo ante of a nascent cooperative relationship is not feasible, at least without fundamental changes in Russian behavior. Instead, if the deterioration is to be halted and reversed, a clear-eyed and candid understanding of how each side views the problem and a rebuilding of the relationship on the basis of common interests and respect is needed.

Redefining Common Security Interests

The most obvious common interest in the current environment is to avoid further escalation not by avoiding the issue, but by resolving the Ukrainian conflict on the basis of agreed upon principles—respect for Ukrainian sovereignty and territorial integrity, reconciliation between Ukraine’s western and eastern regions, non-use of force, etc. If the parties fail to cross this threshold, it is unrealistic to expect any substantial improvement in Western-Russian relations. As first steps, Russia, the EU, and the United States should refrain from military provocations and threats, end the violence of the past several months, prevent Ukraine’s economic collapse, end the threat of secession by enclaves in eastern Ukraine, and preserve Ukraine’s role in the transit of Russian energy resources to Europe. Yet Russia’s continuing support for secessionists, including the presence of Russian military personnel and equipment in the conflict area, continues to obstruct a settlement. Moscow’s formal annexation of Crimea guarantees that Ukraine will remain a bone of contention in the Western-Russian relationship for many years to come.

Even the resolution of the Ukraine crisis will not ipso facto result in an improved Western-Russian relationship. There has been little appetite in the recent security environment for new US efforts to develop a stronger partnership with Russia, which is increasingly seen as part of the problem, rather than part of the solution.

Historically, NATO’s approach to partnership with Russia has concentrated on identifying discrete areas of practical cooperation on largely noncontroversial issues, in the hopes of building incrementally upon initial successes. In general, efforts have focused on issues that are geographically far from Europe—most notably

Afghanistan—and/or substantively far from either side’s core policy sensitivities—civil emergency planning, submarine search and rescue, counterterrorism, counternarcotics, etc. Although this approach has produced some modest successes, it has also permitted differences over issues closer to home to fester and has failed to produce a durable, all-weather partnership. Whenever controversial issues have come to a boil on either side (e.g., Kosovo in 1999, Georgia in 2008, Ukraine in 2014), neither NATO nor Russia has hesitated to curtail, rather than intensify, its contacts with the other side.

Certainly, under the right conditions, there is scope for resumed, even intensified cooperation in well-established areas. However, incremental steps are unlikely to help overcome the current crisis or to form the basis for a sustainable future partnership. Instead, greater efforts should be made to *manage and address fundamental points of divergence* and to promote cooperation (or at least greater mutual understanding) on priority issues of global security. An initial agenda for such an effort is outlined below.

Addressing Challenges in the Euro-Atlantic Area

NATO and Russia are unlikely to see eye to eye in the near future on such fundamental issues as NATO enlargement or the legal status of Crimea, Abkhazia, or South Ossetia (or indeed Kosovo). Both sides (as well as their neighbors) have an interest in enhancing predictability and strengthening channels of communication that can prevent misunderstandings from escalating into conflict. To this end, the following challenges must be addressed urgently:

Preventing conflict and rebuilding mutual confidence.

Russia’s assertion of a right/responsibility to “protect” Russian-speaking communities beyond its borders, combined with an increased frequency of Russian military assets crossing into neighboring airspace and territorial waters, has caused understandable anxiety among Russia’s neighbors, including NATO member states and EU members Finland and Sweden. Unless there is some fundamental change in this assertion, the stability and security in Europe will be under direct challenge from Russia. In the mean time, both Russia and NATO should share an interest in increasing military transparency and confidence in order to prevent a direct military confrontation (accidental or otherwise). The NATO-Russia Council (NRC) has developed some promising mechanisms (such as the Cooperative

Airspace Initiative) for doing so, and it should be possible to build on this experience.

Restoring conventional arms control. In particular, the collapse of the CFE Treaty following Russia's December 2007 "suspension" of implementation and denunciation in February 2015 has made Europe a less predictable, and thus more dangerous, place. It has made protracted conflicts (such as those in the Caucasus and Moldova) more vulnerable to rapid escalation. It has increased the risks inherent in the large military exercises conducted along NATO's border. In addition, it has cut off a major channel for regular military-to-military contacts. Allies and Russia have a common interest in either resuscitating or replacing the treaty, or at minimum in strengthening the provisions of the Vienna Document in order to enhance military transparency.

Addressing tactical nuclear weapons. Similarly, considering statements that Putin was prepared to alert Russian nuclear forces if his conquest of Crimea had encountered serious difficulties, steps by Russia to address allied concerns over Russia's remaining stocks of tactical nuclear weapons (particularly in such sensitive regions as Kaliningrad) and over its nuclear use doctrine can go far in re-establishing some level of mutual trust and confidence. Improved transparency measures should be a reasonable area to start. At the same time, the West needs to accept that if serious arms control talks resume, Russia will have its own list of priorities, and will press to include items on which the West has been reluctant to engage, such as defensive systems and the Prompt Global Strike (PGS) conventional weapons system.

Pursuing dialogue and cooperation on missile defense. While pushed to the background by more immediate tensions over Ukraine, Russia's unwarranted fixation on allied missile defense plans, and its apparent suspicion that the ultimate US/NATO goal is an "Iron Dome"-style architecture that neuters Russian nuclear deterrent, remains a major obstacle to improved relations. NATO's plans and capabilities to deploy missile defenses in Europe are absolutely no threats to Russia's deterrent posture. As technology moves forward and ballistic missile threats from Iran and other proliferant states multiply, missile defense will play an increasingly central role in NATO's defensive strategy. Against this backdrop, NATO has a key strategic interest in maintaining a high level of transparency vis-à-vis Russia, in order to avoid misunderstandings and potentially dangerous countermeasures. Russia can gain maximum transparency by enhanced missile defense cooperation with NATO. For its part, Russia, whose territory is within

range of Iranian missiles and other potential nuclear weapon states in the broader Middle East, has much to gain from cooperation with NATO in this field.

Emerging security challenges. Allies and Russia should also share a fundamental interest in combating terrorism and violent extremism (including by foreign fighters returning from Syria and Iraq), transnational crime, and other cross-border challenges.

Building common understanding on core principles. Many issues that divide allies and Russia are not primarily military in nature, but rather stem from competing interpretations of international law and agreed norms, including those contained in the 1975 Helsinki Final Act and the 1990 Charter of Paris for a New Europe. Until recently, Russia had been seen as a difficult, but largely predictable, interlocutor on these issues—a strong proponent of those principles that reinforced the Westphalian order (sovereignty, territorial integrity, noninterference in internal affairs), and a consistent critic of "post-Westphalian" concepts (humanitarian intervention, international support for democratic institution-building, etc.). Russia's recognition of Abkhazia and South Ossetia in 2008 and the annexation of Crimea earlier this year have, however, called this stance into question. It is incumbent upon Russian leaders to explain this discrepancy, but it is in allies' interest to press the question. Building common understanding on agreed "rules of the road" is essential to the security of NATO countries, Russia, and other parties in the Euro-Atlantic area.

Addressing Challenges Beyond the Euro-Atlantic Area

An underlying premise of US/NATO policy toward Russia over the past two decades—that enhanced cooperation in pursuing cooperation outside the Euro-Atlantic area could build a level of mutual trust that might ultimately facilitate the resolution of issues closer to home—now appears debatable at best. Yet, there are urgent issues on the global agenda on which allies and Russia would appear to have no choice but to cooperate. These include:

Iranian nuclear program. Russian support will remain invaluable to the international effort to pursue a comprehensive deal with Tehran that stems the threat of the Iranian nuclear program. The constructive role Russia could play in storing and converting Iran's enriched uranium could be a step toward improved relations and should only be encouraged. Russia needs,

however, to support the rest of P5 in pressing Iran to agree to an effective limit on its capacity to build nuclear weapons not just agree to a repository (at a generous price) for excess nuclear material.

Syria/Iraq/ISIS. Prior to the escalation of the Ukraine crisis, NATO and Russia have been engaged in a common effort to eliminate the Syrian chemical weapons program, though many allied governments have strongly opposed Russian support for the Assad regime. More broadly, allies and Russia should share an interest in defeating extremism, preventing proliferation (including of advanced conventional weapons), and achieving some sort of sustainable equilibrium in Iraq and Syria.

THERE HAS BEEN LITTLE APPETITE IN THE WEST FOR BUILDING NEW PAN-EUROPEAN SECURITY STRUCTURES ALONG THE LINES PERIODICALLY PROPOSED BY RUSSIA.

Afghanistan transition. NATO and Russia have cooperated on the resupply of the International Security Assistance Force (ISAF) and the training and equipping of Afghan security forces (with a special focus on counternarcotics efforts). They should share an interest in promoting the security of Afghanistan and its neighbors, particularly in Central Asia, following ISAF's withdrawal.

North Korea. In the past, Russia has played a constructive role in the six-party talks that seek to halt and reverse North Korean nuclear proliferation. Although those six-party talks have stalled, Russian efforts to cooperate with the West to manage the dangerous North Korean problem would be welcomed.

Institutional Responses

There has been little appetite in the West (virtually none in Washington) for building new pan-European security

structures along the lines periodically proposed by Russia. Nonetheless, existing institutions can be used in new and more creative ways.

NATO. The Wales Summit reaffirmed NATO's core Article 5 mission and underscored solidarity with allies that feel threatened by recent Russian actions. While the summit did state that the Alliance does not seek confrontation with Russia, it did out of necessity approve measures to improve NATO's readiness posture and capability to deal with the so-called "hybrid warfare" of the sort attributed to Russian actions in Ukraine. Although this will rankle some nerves in Moscow, Russian leaders should recognize that allies who feel threatened by Russian (or Russian-orchestrated) military action or other forms of intimidation will not agree to new forms of cooperation with Russia.

At the same time, the renewed focus on Article 5 raises questions regarding NATO's relationships, not only with Russia, but with states outside the Alliance in general. The enlargement process (with the possible exception of intensified interest from Sweden and Finland) remains stalled. The declaration at the Bucharest Summit in April 2008 that Georgia and Ukraine will become members of the Alliance has done little to enhance those states' security, and may even have indirectly contributed to the ratcheting up of Russian pressure. The Alliance's distinctive partnerships with Russia and Ukraine, arguably NATO's most resource-intensive relationships with external partners, did not prevent these two countries from going to war. This should provoke some soul searching about the Alliance's political outreach strategy: Does the public messaging of the enlargement process need to be adjusted? What would be the effects of refusing any new allies at the Warsaw Summit? Of closing the door permanently to Ukraine under Russia pressure? Is there a need to reaffirm that the door to membership remains open to all European nations that meet NATO's standards and no non-ally has a veto? Can the Alliance find other meaningful ways to address partners' security needs? Should it broaden its approach to the Euro-Atlantic partnership in general to better leverage complementarity with other security institutions (for example, by launching joint partnership initiatives with the EU or pushing forward initiatives within the OSCE)? Finding new ways to use the NRC to manage potential conflicts and identify and pursue common interests should be an integral part of this process.

EU. Like NATO, the EU underestimated both the magnitude of the task of building a meaningful partnership with Ukraine and the potential for Russian backlash. It must nonetheless play a key role in

stabilizing the situation (particularly in putting Ukraine on a solid economic footing, establishing transparent and sustainable energy policies, and promoting increased compatibility between the EU and the Russian-led Customs Union).

NATO ALLIES AND RUSSIA
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OSCE. The relevance of the OSCE as the principal Euro-Atlantic/Eurasian institution in which the United States, Canada, Russia, and all European states are full members has been heightened recently by the nature of the Ukraine crisis and the suspension of other formal channels of East-West dialogue (e.g., the G8 and the NRC at most levels). The organization's toolbox, which includes rapid deployment of civilian monitors, ground-level conflict prevention and resolution, election support and other forms of democratic institution building, and discrete diplomacy on issues related to national minorities, has been well-suited to the current crisis. Yet the organization's success has also hinged on the accident of the 2014 Swiss chairmanship (Switzerland has brought a number of assets to the table that other potential OSCE chairs are unlikely to be able to replicate, such as resources, personnel, political credibility, and an unusual constitutional structure that has permitted Switzerland's head of state to remain personally engaged in the day-to-day leadership of the organization). More broadly, the OSCE remains institutionally fragile and under-resourced. It remains unclear whether the OSCE can serve as an effective format for resolving, rather than simply managing, the underlying crisis.

NATO allies and Russia have a common interest in

enhancing the role of the OSCE, both in providing practical responses to crises (including by strengthening the capacities of OSCE institutions) and in promoting greater common understanding on agreed principles. The OSCE's "Helsinki+40" process, which will mark the fortieth anniversary of the Helsinki Final Act at the end of 2015 in Serbia, provides an ideal platform for such a debate, if the parties involved are willing to seize it.

Track 2. Even with the best of wills on all sides, formal institutional efforts will be slow and cumbersome. An energetic track 2 that engages civil society, as well as hybrid track 1½ efforts that expose government officials and policymakers to more creative, "outside-the-box" perspectives, will be essential to moving governments in the right direction. Organizing such efforts will not be easy. Official pressure has largely stifled debate in Russian civil society. The effectiveness of track 2 dialog depends, however, on participants not being strictly limited to espousing the official line of their governments. Nonetheless, it will be essential to engage nongovernmental actors in order to build mutual understanding and generate ideas on how best to manage and to eventually resolve the very substantial differences between Russia and the West. Regular exchanges between such track 2 initiatives and formal intergovernmental fora will be essential to moving the debate in a constructive direction.

Conclusion

The United States, the EU, and Russia will not always agree in their analyses of current security issues, and their interests will not always coincide. A necessary first step toward redefining common security interests is to find mutually acceptable ways to manage our differences. The Euro-Atlantic area boasts a range of security institutions that are theoretically able to serve as channels for dialogue and conflict resolution. The challenge is to use those institutions to their full potential. This effort must begin with an intensified effort to resolve the current crisis in Ukraine, not only because we need to reaffirm our adherence to (and our understanding of) the agreed principles that underpin our relations, but also because the crisis itself poses an acute political, military, and economic threat to Russia and NATO allies alike.

THE INSTITUTIONAL DEFICIT AND SECURITY REGIME-BUILDING IN THE EURO-ATLANTIC SPACE: A RUSSIAN PERSPECTIVE

The State of Euro-Atlantic Security

No matter what matters of European security we discuss today, we cannot avoid talking about Ukraine. The Ukrainian crisis is still unfolding, but we are already in a position to draw a number of preliminary conclusions about these tragic and dramatic developments. And one of the most evident conclusions is that Euro-Atlantic security cannot be taken for granted. The fact is that today the security environment in Europe is less transparent, less predictable, and, therefore, less stable than it was at the end of the twentieth century.

That was the case even before the Ukrainian crisis broke out. The end of the Cold War in Europe did not result in the building of a new, indivisible system of Euro-Atlantic security based on a comprehensive balance of interests of all participants. On the contrary, we witnessed a gradual erosion of the security instruments and mechanisms inherited from the previous period. Probably the most graphic illustration of this unfortunate development was our unsuccessful attempts to keep the Conventional Forces in Europe (CFE) Treaty alive by trying to modify it in accordance with the changing security landscape in the continent.

A couple of years ago, Russia proposed to sign a new European Security Treaty that would not only replace the ill-fated CFE Treaty, but could also become a natural continuation of the Helsinki Process. Unfortunately, this proposal was ignored by the Western partners. The explanations were that the idea was too ambitious, that there is a profound institutional fatigue in Europe, that the proposal was too general, and so on. The Organization for Security and Cooperation in Europe (OSCE) reform plans have also never been seriously considered. The NATO-Russia Permanent Council has become a mostly technical instrument with very limited policymaking capabilities.

Many experts believed that in Europe of the twenty-first century—unlike in the Middle East or in other parts of the world—traditional security problems were simply irrelevant and immaterial. There was a bloody conflict in the Balkans at the end of the twentieth century, but the Balkan region had always been considered a very special part of Europe, with a unique history, ethnic composition, and political dynamics. Besides, the Balkans crisis was more or less resolved by concerted efforts of great powers despite all the institutional weaknesses and international law ambiguities. Likewise, the profound weakness of European security institutions did not become an insurmountable obstacle for defusing—if not resolving—the crisis in the South Caucasus in 2008; a personal intervention by then-French President Nicolas Sarkozy helped to mitigate the most dangerous repercussions of the Russian-Georgian clash.

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It should be noted that we observe the same lack of ability to incept and nourish new institutions, mechanisms, and regimes in areas besides security. Eleven years ago, an agreement was reached at the Russia-EU summit in St. Petersburg to proceed with the so-called “four common spaces” (the Common Economic Space, the Common Space of Freedom, Security and Justice, the Common Space of External Security, and the Common Space of Research and Education) to reinforce their cooperation. Later on, these “four spaces” were complimented by EU-Russia roadmaps that were supposed to define specific goals, schedules, and benchmarks in each space. There has not been much progress since that time. In many ways, we have been losing ground, not gaining it; the institutional deficit was one reason for our poor performance. We failed to sign a new partnership agreement to replace the old one that expired a long time ago. We could not move to a visa-free regime between Russia and the Schengen zone. We were unable to reconcile our differences on the EU “third energy package.”² Even on less controversial matters—like cooperation in research, environment protection, or transportation—our progress was quite modest, to put it mildly. The above facts do not discard or undermine the efforts of committed specialists in the West and in Russia, who did a lot to bring our cooperation to a new level. However, the overall balance sheet does not look too impressive.

Why have we not succeeded in institution-building? Why did we not use the last ten to fifteen years to their full extent? One common explanation is that both sides were distracted by other priorities and events—such as the global crisis of 2008-2009, complications in the euro zone, the continuous rise of China, and the explosion of the Middle East. This only proves that both the West and Russia appear to consider their relations to be of secondary importance and can therefore be easily be shelved or sacrificed for the sake of more central and more urgent needs. It appeared unnecessary to invest time, and the intellectual and political capital into thinking about new institutions, regimes, and agreements.

Nevertheless, it is important to improve Russia-EU relations and strengthen the OSCE as a fundamental framework for cooperation in the Euro-Atlantic region.

How to Increase the Common Denominator of Russia-EU Relations

In recent years, the nature of relations between Russia and the EU, as well as the way they have been developing, has caused disillusionment among politicians and experts on both sides. The prevailing view has been one of a crisis of trust, which was primarily explained by the lack of a clear vision for a strategy to develop relations, and by an agreed understanding of common long-term interests in a global and rapidly changing world. Experts have also pointed out the differences in values between the two societies and especially between their elites.

Nevertheless, the forecast for the development of relations was almost consensual: In the future, the relationship between Russia and the EU would retain its predominantly inert nature, with a stable and positive trend in trade and economic links, but without serious breakthroughs in the political realm that would attest a transition to the “real strategic partnership” declared long ago.³

The reality proved different. The political crisis has disrupted the previous balance, and relations are now developing in a far more tense and difficult context. Relations between Russia and the EU are currently undergoing a serious test of their resilience.

The relationship between Russia and the EU will be stabilized, and this is indicated by objective factors: geographical proximity; history; a high level of economic interdependence; cultural links; and finally, a strong institutional environment that has been created between Russia and the EU over the years. The main question is at what level will this stabilization take place? And what will the “common denominator” of the relationship prove to be? As Sergei Lavrov, Foreign Minister of Russia, has emphasized, “We hope the ‘safety net’ that has been created over the years will prove strong enough and will enable us not only to restore the pre-conflict status quo, but also to move forward.”⁴

It is worth noting that the partnership between Russia and the EU is not only extremely significant for both

2 European Commission, “Questions and Answers on the Third Legislative Package for an Internal EU Gas and Electricity Market,” March 2, 2011, http://europa.eu/rapid/press-release_MEMO-11-125_en.htm?locale=en.

3 S.A. Kulik and I.Y. Yurgens, *EU-Russia Partnership for Modernization: On the Problem of Implementation* (Moscow: INSOR, 2011), p. 6 (in Russian).

4 “The Point of No Return with the West Has Not Been Passed,” *on-planet.ru*, September 17, 2014, <http://on-planet.ru/policy/2400-tochka-nevozvrata-v-otnosheniyah-s-zapadom-esche-ne-proydena.html> (in Russian).

sides, it is also a pillar for a Greater Europe without dividing lines, the construction of which we consider our strategic goal.

In the present situation, we believe it is extremely important not to describe the state of relations between Russia and the EU in terms of what would be *desirable* for each side, but rather to concentrate on what is *possible* under the existing conditions and restrictions, and where we could stabilize and then optimize relations.

We proceed from the fact that the following points are mandatory prerequisites for the future stabilization of relations at the highest possible level:

Isolating Russia Does Not Serve the Interests of Either Side

In the context of globalization, economic competition is rising to a radically new level. National economies are becoming increasingly interdependent, which means that crises and shocks in one country reverberate throughout global market. Only strong states—that is, efficient and competitive states—can withstand these shocks and crises.

The priority objective today, therefore, is to increase Russia's competitive strength in the world. In addition, the more Russia is integrated into the global economy and the global processes of managing it, the more independent and competitive it becomes. On the other hand, a weak and uncompetitive Russia, which will inevitably be perceived as a threat to security on the continent, is not in the long-term interests of the EU and its members.

In the Modern World Both Russia and the EU Need Alliances

In the modern system of international relations, the position of any state (and of any supranational body) will be determined, among other things, by the degree to which it is attractive to potential partners. In other words, building alliances is not just a matter of choice for states, but is a strict necessity.

The EU holds one of the leading positions among possible alliances for Russia—and one with an obvious lead regarding the number of possible areas of cooperation. This could be a question of focusing not just on individual projects and areas, but also on a more advanced and integrated type of partnership. We must not forget that the EU is the only international partner with which Russia has signed a large-scale trade and

political agreement (the Partnership and Cooperation Agreement). On the other hand, alliances must also be built by the EU, which is also experiencing competitive pressure from other global power centers.

IT IS EXTREMELY IMPORTANT NOT TO DESCRIBE THE STATE OF RELATIONS BETWEEN RUSSIA AND THE EU IN TERMS OF WHAT WOULD BE *DESIRABLE* FOR EACH SIDE, BUT RATHER TO CONCENTRATE ON WHAT IS *POSSIBLE* UNDER THE EXISTING CONDITIONS.

Need to Distinguish between Tactical and Strategic Objectives in Russia-EU Relations

Relations between states are complex and multidimensional, and this is all the more true in the case, as here, of relations between a state (the Russian Federation) and a supranational body (the EU). This means that, in these relations, both sides are addressing large-scale objectives, but the timescales in which they plan to achieve their goals are different. Thus, there exist tactical (short-term) objectives, the urgency of which is determined by current circumstances, but there are also objectives of a strategic nature, where the desired result can and should be achieved in the future. It is important that tactical objectives should not eclipse strategic objectives, so the common challenges that exist for Russia and the EU are the key reason why a *strategic vision* of the future of bilateral relations is needed.

Cooperation at Various Levels

In analyzing the opportunities for developing cooperation with the EU, we must not forget the special nature of this association. The EU is a supranational body and at the same time a group of states. In the case of the EU, Russia is cooperating not with a state but with

a special kind of political system. Moreover, a significant part of that “specialness” lies in the field of foreign policy. The EU is not a superpower in the traditional sense, but the responses and reactions to challenges that the EU demonstrates are radically different from the responses and reactions of the traditional “great powers.” At the same time, the EU consists of states that all have their own national interests and opportunities to defend those interests.

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Russia understands the complex multi-level structure of the EU, and we are determined to build relations with the EU as a whole as well as with the individual member states.

Priority Areas of Cooperation in the Current Situation

The current situation requires a realistic approach. We do not want to rely on inflated expectations, which will inevitably lead to large-scale disappointments. There is no great sense in putting too much emphasis on topics such as a crisis of trust and differences in values between the two sides; it is more sensible to take an inventory of all the areas of cooperation and identify those where fruitful joint work is *important and at the same time possible*.

The Big Aim: The (Economic) Modernization of Russia

One of the most important social development objectives for Russia has been and remains modernization, setting the country’s economy on an innovative development path. And the EU, as a potential source of technologies, is already a positive factor for the modernization of the Russian economy. Furthermore, we must not forget that, in addition to technologies, the EU possesses a vast number of management and social practices in the

economic and technological fields, as well as experience in applying them.

Back in 2010, the Russia-EU summit in Rostov-on-Don officially launched a joint initiative with the signing of the Joint Statement on the Partnership for Modernization. This partnership included a wide range of areas for cooperation—from expanding opportunities for investment in key sectors that drive growth and innovation, promoting small- and medium-sized enterprises, and enhancing cooperation in areas of innovation, research, and development, to strengthening the fight against corruption and promoting people-to-people links. Thus, it is a matter of creating finished product manufacturing facilities in Russia with foreign involvement, and of attracting advanced foreign technologies and foreign investment into the processing industries in order to modernize their technologies and to make the country more competitive.

Although the progress in promoting the Partnership for Modernization has been quite modest, its declared aims remain important. It would be useful, therefore, to return to developing the areas of cooperation specified in this initiative.

The Visa Regime

Russia and the EU reached an agreement at their 2012 December Summit to move toward a visa-free regime. Achieving a visa-free regime with the EU was undoubtedly a key objective of Russian policy in relation to the EU; this matter was also important for the EU, given that the majority of EU entry visas are issued by consulates located in Russia. The difference in the member states’ positions on the question of visa policy with regard to Russian citizens has prevented the issue of a visa-free regime from being resolved, and today the talks are frozen.

It is understandable that real progress in this area is impossible in the current situation. Nevertheless, it would not be worthwhile to take this matter completely off the agenda; it would make more sense to postpone it, to shift it from the tactical to the strategic category. A distinguishing feature of visa policy is that any tightening-up has a huge negative “economy of scale”: there always turn out to be far more “casualties” than originally planned. In particular, tightening the visa system has an extremely damaging effect on all areas of people-to-people ties between Russia and the EU, as it disrupts channels of mobility and systems of cooperation.

Countering Terrorism, Extremism, and Xenophobia

Manifestations of xenophobia, inter-ethnic intolerance, terrorism, and ethnic and religious extremism remain a powerful threat to stability for both Russia and the EU. Inter-ethnic and inter-religious tension grows with every passing year, while terrorism has become a highly dangerous systematic and ubiquitous threat to the security of people and states.

In January 2014, Russia and the EU adopted a Joint EU-Russia Statement on Combating Terrorism, in which they mapped out strategic areas of cooperation. It would make sense to specify joint steps and timeframes for both on the basis of this document.

Countering Corruption

Today, the spread of corruption is an extremely significant threat—not only for individual countries, but the entire international community. The extensive spread of corruption and lack of transparency in markets hamper the inward flow of investment and put a brake on the growth of the global economy. Corruption undermines trust in states and supranational institutions.

The fight against corruption is a high priority for Russian government and of high concern for Russian public. At the same time, the majority of EU citizens still regard corruption as one of the EU's biggest problems.⁵ It is in the interests of both sides to develop contacts and exchange experience in this field. Meanwhile, cooperation between the EU and Russian anticorruption agencies remains at an extremely low level.

Increasing the Role of Private Sector and Improving a Russian-European Business Environment

We see some promising areas of joint work within the framework of this bloc. First, we need to systematically expand the participation of Russian and European business circles in expert assessment as well as in the process of taking political decisions, both in Russia and in the EU. Developing cooperation between government (at the national and supranational levels) and the private sector can not only reduce the risk of ill-considered

political decisions being taken, but also minimize the negative consequences if such decisions have already been made. In addition, such cooperation will help to weaken corruption and create a healthier business environment.

We should note that this objective was set by the Partnership for Modernization, the plan for which envisaged “involving business circles in Russia and the EU in the work of Russia-EU cooperation bodies, including sectoral dialogues.”

MANIFESTATIONS OF XENOPHOBIA, INTER-ETHNIC INTOLERANCE, TERRORISM, AND ETHNIC AND RELIGIOUS EXTREMISM REMAIN A POWERFUL THREAT TO STABILITY FOR BOTH RUSSIA AND THE EU.

Second, we need to put effort into improving a joint (Russian-European) business environment. Here we must note the positive role of the EU-Russia Industrialists' Round Table (IRT). The IRT remains a unique and prestigious institution for multidimensional cooperation.

Maintaining and Supporting All Forms of Humanitarian Cooperation

Humanitarian cooperation is one of the most successful and least complicated areas of developing relations between Russia and the EU. Today, amid the difficult conditions of the crisis, it is important to maintain humanitarian cooperation, especially in the sphere of education and training.

At the same time, maintaining humanitarian cooperation is an investment in the future. Dialogue, varied contacts, and the maintenance of institutions and arenas for cooperation that link both sides will substantially

⁵ Natalia Tabunova, “Corruption Is Not a Disease, It Is a Crime,” *Rossiiskaia Gazeta*, February 6, 2007, <http://www.rg.ru/2007/02/06/kallas.html> (in Russian).

facilitate the “reset” of relations that will no doubt take place in the future. In addition, humanitarian cooperation is a kind of safety net capable of compensating (at least to some extent) for hasty steps and possible mistakes by political elites.

Thus, we need to make serious efforts to *maintain and support* as many forms, means, practices, and instruments of humanitarian cooperation as possible; that is, everything that has been built up in previous years. The most important task is to *counter* the creation of new stereotypes and prejudices, which can rapidly form and yet take a long time to overcome. Finally, since the political crisis is developing primarily at the high level of politics, the decentralization of cooperation, and its local and regional level, is becoming fundamentally important.

THE DRAMATIC DEVELOPMENTS IN UKRAINE HAVE ONCE AGAIN DEMONSTRATED THE RELEVANCE OF THE COOPERATIVE CRISIS MANAGEMENT TOOLS AND MECHANISMS OF THE OSCE.

Institutional Deficit in Europe

Skeptics and pessimists argue that in the recent past and in the foreseeable future alike the major powers have been and will be too preoccupied with their domestic problems to attempt to invest heavily into international security projects. They say there is little hope of some grand new European security projects being proposed: there is no one left to propose them and, even more importantly, no one left to finance them. All the ideas of restructuring the UN, modernizing NATO, and reforming the OSCE will therefore remain on paper—at least for the next several years. Here too the similarity with the world economic situation is striking. Consider all the talk at the height of the world economic crisis about the need for a radical reform of the IMF and the World Bank, for a modernization of the WTO and for new measures

to keep the world economy from falling off a cliff. Six years on, practical steps in that direction have been timid, and plans for radical reforms have once again been postponed indefinitely.

However, the crisis in Ukraine revealed a striking institutional deficit in Europe—in fact, the crisis was managed (or rather mismanaged) mostly through a chain of phone calls between European, American, and Russian leaders. No institution—not the NATO-Russia Council, nor numerous EU bodies, nor the United Nations Security Council—was able to play a significant role in preventing, downscaling, or managing the crisis. OSCE got involved, but in a rather limited way and only at a late stage of the conflict.

The role of the OSCE was, however, the most visible and significant in comparison with the other institutions.

The Need to Strengthen the OSCE

The dramatic developments in Ukraine have once again demonstrated the relevance of the cooperative crisis management tools and mechanisms of the OSCE. It became evident that it is premature to remove the organization from a list of key elements of the wider European security architecture. Issues of strengthening and reforming the OSCE are once again part of the European agenda. We propose the following first steps in reforming and strengthening the OSCE.

Political Settlement of the Ukraine Crisis

The first and foremost task is the political settlement of the Ukraine crisis based on respect for the sovereignty and territorial integrity of the country. Without this, it is impossible to restore mutual trust. It is in the interests of all OSCE participating states to prevent the emergence of another protracted conflict in Europe. A joint promotion of the Minsk Process and the coordination implementation of mutually acceptable agreements among the parties could, in the short term, be a major joint project for Russia and the West within the OSCE framework.

High-Level OSCE Meeting

A high-level or summit meeting of representatives of the OSCE-participating states should take place sooner or later (preferably sooner, of course). Whether that happens in 2015 or later is a matter for a negotiation, the outcome of which will depend on the progress in

resolving the Ukraine crisis through the Minsk process. But such a meeting is necessary in order to extract the more significant lessons of the Ukraine crisis, agree upon the necessary corrections to the European security architecture, and outline a blueprint for strengthening the OSCE.

OSCE Principles and Commitments, the Security Community

Against the background of the 2014 Ukraine crisis, it is crucial that the OSCE participating states reaffirm the relevance and equal significance of the fundamental principles of the 1975 Helsinki Final Act, the 1990 Charter of Paris for a New Europe, and the 1999 Charter for European Security. No less important is the reaffirmation of the continued commitment of the OSCE participating states, as agreed at the 2010 Astana meeting, to the goal of creating a free, democratic, and indivisible Euro-Atlantic and Eurasian security community stretching from Vancouver to Vladivostok and rooted in agreed principles, shared commitments, and common goals.

Acting on the OSCE Principles

However, simply declaring one's renewed commitment to these general principles, commitments, and goals is not enough, especially in the current context of mutual mistrust. For this reason, the main emphasis of the OSCE's work in 2015 and the foreseeable future to resolve the problem should be placed on discussing measures that are aimed at putting OSCE principles into practice more effectively. In particular, this could mean: agreeing upon a code or codes of conduct for OSCE participating states in the most problematic areas; resuming and pursuing conventional arms control and improving the effectiveness of existing confidence and security-building measures, modernizing them and broadening their scope; and strengthening cooperation in the search for joint responses to transnational threats to security in the OSCE region.

Drafting the OSCE Charter (Constituent Document)

Drafting and adopting the OSCE Charter (constituent document) would mark an important step towards reforming the organization. The charter would reaffirm, in a legally binding form, the modus operandi of the organization, its structures, and institutions. It would also make sense while working on the charter to review the powers, role, and functions of the OSCE chairperson-in-office and secretary general.

Convention on the International Legal Personality, Legal Capacity, and Privileges and Immunities of the OSCE

In parallel with an agreement on the Charter (constituent document), the OSCE should put an end to a long-pending issue and adopt a Convention on the International Legal Personality, Legal Capacity, and Privileges and Immunities of the OSCE, which was agreed upon by the participating states a long time ago.

IT IS CRUCIAL THAT THE OSCE PARTICIPATING STATES REAFFIRM THE RELEVANCE AND EQUAL SIGNIFICANCE OF THE FUNDAMENTAL PRINCIPLES OF THE 1975 HELSINKI FINAL ACT, THE 1990 CHARTER OF PARIS FOR A NEW EUROPE, AND THE 1999 CHARTER FOR EUROPEAN SECURITY.

OSCE Crisis Management

Proposals concerning the need to substantially improve the human and financial resources available to the OSCE Conflict Prevention Center in order to expand its monitoring of the current situation in Ukraine and prepare conflict settlement proposals should be thoroughly considered. It would be worth considering the feasibility of dispatching (under modern conditions) previously adopted peacekeeping or peacebuilding missions under its mandate.

Conventional Arms Control in Europe

The OSCE is the only forum for dialogue on military-political aspects of European security. In discussing these issues, the OSCE Forum for Security Cooperation (FSC) plays a key role. It would be useful to launch,

within the framework of the Forum, technical consultations by military experts to form a “security matrix” that would determine the inter-connections between—and degree of influence on—various types of weapons in combat missions.

Confidence and Security-Building Measures

As part of the ongoing OSCE discussions on the modernization of the Vienna Document on confidence and security-building measures, it would be advisable to focus on measures in the short term to improve the effectiveness of verification activities. In parallel with talks on modernizing the Vienna Document, it would be useful to conduct a systematic review within the FSC framework of the practices and effectiveness of the implementation of established confidence and security-building measures, especially in crisis situations.

Transnational Threats

In the context of developing joint responses to new challenges and threats, OSCE-participating states should, first of all, establish a practice of consultations and coordination of common positions on a broader range of issues going beyond OSCE’s geographical area. Such consultations could lead to decisions on joint action to counteract transnational threats, including joint project activities outside the OSCE area.

Convergence of Integration Processes

In collaboration with the UN Economic Commission for Europe, the OSCE could become a forum for wide-ranging expert and political dialogue on a number of issues related to harmonization and the convergence of integration processes in wider Europe.

Reforming the Human Dimension of the OSCE

The OSCE can help overcome disagreements pertaining to the human dimension by depoliticizing the problems and issues that arise in this sphere, and establishing a dialogue mechanism based on cooperation and not rhetoric, without duplicating the multilateral mechanisms for the protection of human rights and fundamental freedoms that already exist and are successfully functioning in Europe.

Parliamentary Dimension of the OSCE

The OSCE Parliamentary Assembly occupies a special place in the structure of the organization’s main institutions. It plays an important role in promoting the values and achieving the goals of the OSCE in all

dimensions of its activities, including the military-political, economic, environmental, and, last but not least, OSCE’s human dimension.

Avoiding the Marginalization of the OSCE

There are three possible solutions to the problem of OSCE’s further marginalization within the modern European security architecture:

- Radically increase the commitment of OSCE-participating states to seek negotiated solutions. This would enable the organization to operate on a consensus basis without experiencing significant discomfort. However, the current situation in Europe as a whole—and particularly within the OSCE—suggests that there is no reason to expect this goal to be achieved in the short or even medium term.
- Make the OSCE less dependent on the availability of consensus among its participating states by empowering its institutions to act independently and take prompt action within the framework of a clearly defined mandate. OSCE discussions over the past five years point to the fact that a consensus on this option is unlikely to be achieved in the short term either.
- Combine increased independence of the OSCE’s structures and institutions within the framework of their mandate (and budget) with an increased commitment of the participating states to seek consensual decisions. At first glance, this proposal seems even more utopian than the previous two. However, even modest steps toward increasing the independence of the OSCE’s structures and institutions may probably encourage the participating states to engage more actively in consensus-building.

The Fragility of Russia-West Relations

The Ukrainian crisis has become a very explicit manifestation of the fragility of our relations. Both sides pursued their own policies toward Ukraine without any coordination or consultations with each other. Moreover, the question of the “European choice” for Ukraine was raised in the old Cold War logic of the bipolar world. Through efforts on both sides we could have avoided the Ukrainian tragedy—at least in the dramatic form that it finally acquired. Rather than emphasizing differences

in approaches and blaming each other, we should have looked for what unites us in this extraordinary situation. Above all, neither the West nor Russia can gain anything from Ukraine becoming a “failed state” in the center of the European continent; such a development would create a whole range of fundamental threats and challenges to everyone in Europe, not to mention countless tragedies and suffering for the Ukrainian people. At this stage, it is much more difficult to restore the relationship between Russia and the West than it was only a couple of months ago, but we have no alternative to limiting the damage and moving ahead.

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TIONS WITH EACH OTHER.

Sanctions

Many discussions of the Ukrainian crisis in the West today boil down to the question of sanctions against Russia. How many sanctions are enough? How efficient are they? Who should pay for the sanctions? The effectiveness of sanctions as a foreign policy instrument is questionable. As a rule, sanctions reflect failures of diplomacy, especially when the sanctions are not linked to a comprehensive political settlement plan, a clear roadmap to the solution of the problem. But in any case, a discussion about sanctions should not replace a discussion about the future of Euro-Atlantic security institutions.

NATO Renaissance

Some politicians and experts in the West would say that the Ukrainian crisis has had at least one positive institutional side effect—it has resulted with the renaissance of NATO. One can imagine that certain forces in the West were looking for an opportunity to prove the need to keep NATO in its original format and to get additional defense budgets. We interpret this approach as an attempt to avoid discussing real security threats that are truly common for us all and call for coordinated responses. Will these new threats disappear, if NATO resumes a Cold War-type confrontation with Moscow? Not very likely. It is sufficient to mention terrorist acts in Madrid, London, and other European cities; illegal migration; organized crime; illicit drug traffic; and so on. All these challenges are transnational in their nature and even a “renewed” NATO cannot cope with them on its own. The new system of Euro-Atlantic security will be efficient only if it is inclusive, indivisible, and based on fundamental interests of all the nations in our region.

New Euro-Atlantic Security System

Today, beginning to work on the new Euro-Atlantic security system looks like an uphill battle. The inability of Russia and the West to coordinate their approaches toward Ukraine and the explosion of hostile rhetoric on both sides during the crisis in Ukraine is a very clear indication that the old Cold War perceptions are alive and well in the Euro-Atlantic space. The level of mutual distrust is extremely high today. The future of Ukraine has been and is still regarded by many as a “zero sum game,” and developments inside Ukraine are presented as a fight between “pro-European” and “pro-Russian” political forces. This approach obscures our vision, prevents us from articulating our strategic interests, and limits opportunities to assist Ukrainian society in coping with the most serious crisis in the history of modern Ukrainian statehood.

Though it is still very difficult to assess all the repercussions of the Ukrainian crisis, it is already evident that all the major actors involved in the crisis—Russia, the EU, the United States and, above all, Ukraine itself—are going to be not losers, not winners. In the twenty-first century, a geopolitical “zero-sum game” becomes a “negative-sum game” at the end of the day, with all the sides ending up as losers. Trust will not come on its own, without us investing our time, energy, and political capital into building trust. Trust is a byproduct

of common actions, where both sides learn how to keep each other's interests in mind, how to compromise, and how to make tactical concessions in order to achieve common strategic goals.

The centerpiece of the problem we face today—Ukraine—should also become the cornerstone of the solution. Ukraine put us on opposite sides of the barricades, and Ukraine should bring us back together again. The scale of economic and social crisis in Ukraine is staggering. Neither Russia nor the West alone are likely to handle this crisis successfully. Only through coordinated actions can we help Ukraine to avoid turning into a failed state. And this collaboration in implementing very specific, very practical projects for Ukraine may gradually rebuild trust, which we all desperately need.

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What kind of an institutional framework is needed to accomplish this historic mission? We should not limit ourselves to any given set of organizations, excluding all others. In each field—security, economic and social development, state-building, and human rights enhancement—there might be natural leaders and organizations that are best placed to deal with specific challenges. However, the Ukrainian crisis has demonstrated to us all that trying to build a new security system for the Euro-Atlantic space using last century's templates is a hopeless task. The time of hierarchies in international relations is gone. There is no guarantee that any new institutions will be better than existing ones, whose potential is still far from exhausted. It is time for us all, both in the West and in the East, to think about what we could have done differently in the past. One of the key causes of our failures has been the desire

to find a single magic solution to all our problems. We have been looking for some kind of philosopher's stone of European politics, a universal mechanism, institution, or construct that would solve Euro-Atlantic security problems once and for all.

The feverish talk about existing or proposed new security institutions reminds us of Europe's obsession with treaties and pacts in the 1930s. Back then, European powers were desperately trying to forestall the looming catastrophe by signing all kinds of bilateral or multilateral treaties of cooperation, nonaggression, neutrality, etc. It is well known how the 1930s ended; the obsession with treaties did not—and could not—solve a single European or global security problem. The idea is not, however, to draw parallels between the 1930s and the present day. World politics—and especially politics in the twenty-first century—does not boil down to institutions. Many of the rapidly unfolding international events completely bypass international organizations, with their arcane procedures, unwieldy bureaucracy, and interminable debates. All too often, regional and global security institutions such as the UN, NATO, the OSCE, and others are simply too slow to react to the unfolding crises. In such cases, they are being supplanted by tactical ad hoc coalitions thrown together to achieve specific objectives.

Conclusion

There is no attempt to argue that existing international organizations should be consigned to the dustbin—they still have important roles to play. But a globalized world—if we ever achieve such a world—will probably begin as a tight network of mutually complementary international regimes. As for the institutions, they will be either reformed or created anew as and when the need for them arises. This approach, based on a network of separate but interconnected regimes, can be applied to both regional and global security. There are plenty of suitable platforms for such regimes. They include joint measures against terrorism, prevention of nuclear and missile proliferation, cybersecurity, managing migration, the future of energy and the environmental situation in Eurasia, countering drug trafficking and transnational crime—the list can go on and on. Efforts to establish such regimes should probably be made simultaneously in many areas; a breakthrough in one area can also help us succeed in several related areas.

Each of these regimes should be based on its own procedures, its own individual list of participants, its own geography and principles of working out a common approach. The role of individual nations in the various regimes will be different: the problems of nuclear energy or migration are not equally pressing for every country. Experience shows that the effectiveness of international regimes depends on a number of factors.

First, such regimes appear only in areas where there are significant shared interests—and these interests must actually be perceived by the participants as shared. That perception is, we believe, is key to the success of many sub-regional formats of cooperation, including cooperation on the Eurasian continent. The same applies to various specific international regimes that serve a clear function, such as the international regime of civil aviation safety. Such regimes would obviously be easier to build in technical, politically neutral areas, gradually moving on to more sensitive subjects.

Second, the efficiency of international regimes depends in many important ways on the involvement of the international expert community. Joint political declarations mean little unless they are built on a solid foundation of expert analysis and proposals. There needs to be continuous and very practical dialogue between experts in every single area of cooperation. It would not be an exaggeration to say that international regimes only become successful when experts and specialists representing the member states began speaking the same language.

Third, one clear advantage of regimes compared to a rigid institutional system is their openness and flexibility. We should make use of that advantage by inviting all interested parties to join in. As a rule, regimes do not give their participants the right of veto; they do not make a clear distinction between great powers and all other nations. Indeed, in some cases they even include nonstate actors that have a role to play in world politics.

Fourth, regimes are an effective instrument of reducing uncertainty in the relations between the key players. Trust and channels of communication established in one area reduce the risks and uncertainties in other areas. In that sense regimes are a more flexible but still very effective instrument of neutralizing the *anarchic nature* of international relations compared to institutions.

Fifth—and this, perhaps, is the greatest difficulty—while recognizing the general principle that security

is always shared in this day and age, we must learn to isolate and shield successful international regimes from problems, crises, and conflicts in other areas. Our world has become interdependent—but we must not allow our security cooperation to be limited to the lowest common denominator. We must not allow another crisis in our relations—and such crises might yet break out from time to time—to throw our cooperation in all areas back to square one. The practice of linking progress in one area to concessions in other unrelated areas must be abandoned. The principle of indivisibility must strengthen the overall level of regional and global security rather than undermining it.

To the romantics dreaming of a globalized world all these proposals will probably seem too uninspired and down-to-Earth. The more preferable is slow but steady progress on the long road toward resolving practical problems of international security to overly optimistic goals dictated by short-lived political considerations. Such goals would only freeze the entire process of building a new architecture of regional and global security. The regime-based path toward greater international security will require persistence and many years of painstaking work. But, in the end, it will probably prove more productive than the ambitious plans of the past two decades that remain firmly solely on paper.

WE MUST NOT ALLOW OUR
SECURITY COOPERATION TO
BE LIMITED TO THE LOWEST
COMMON DENOMINATOR.

Of course, as we develop various security regimes and make them part of the international system, we must not allow ourselves to be distracted from making existing international organizations more effective. There have been plenty of proposals to that effect. There is no deficit of new ideas. The real problem is the deficit of political will, commitment, and readiness by the key players to sacrifice immediate tactical advantage in pursuit of strategic interests. There is a clear and urgent need to begin a cautious but profound reform of the UN system; to strengthen the role of regional organizations

by delegating some of the UN powers to them; to make better use of the potential of public diplomacy and of the private sector in conflict resolution. There is an equally pressing need for decisive steps in the reform of international law, including a rethinking of such basic definitions of “aggression,” “sovereignty,” “the right to self-determination,” “humanitarian intervention,” “information security,” and many others.

Finally, we cannot move forward if we do not talk to each other. In times of crises you need to talk to the opponent more, not less. The absence of an official dialogue between Russia and the United States, Russia, and NATO is a major obstacle in the way to find a way out of the current crisis. NGO representatives can at least make sure that track 2 consultations continue and pave the way for diplomatic breakthroughs.

MANAGING DIVERGENCES AND REDEFINING COMMON INTERESTS WITH RUSSIA: A EUROPEAN PERSPECTIVE

The outbreak of the Ukraine crisis and Russia's response to it caught the European states by surprise. European countries have long struggled to agree upon a common position in the fora of the European Union (EU) and NATO. A multitude of views on Russia and Ukraine policy reflected the different political and economic priorities of individual governments, the influence of geography and history, and many other factors. Consequently, the European response to the crisis has been slower and less coherent than that of the United States. At the same time, however, European members of NATO and the EU have displayed a dogged desire to work on the problem and to achieve some unity of action in response to Russian behavior, notably in the establishment of the sanctions regime against Russia and in their ability to reach consensus decisions at the 2014 Wales NATO Summit. Throughout the crisis, the divergent perspectives and perceived short-term national interests of European states have been in competition with a deep-rooted, if sometimes inchoate, sense that more fundamental interests—and even perhaps the very future of European unity itself—are at stake in the crisis.

In this chapter, we set out a European perspective on the issues, interests, and institutions at the heart of the crisis. We identify key points of tension and divergence between European states and Russia, and then move on to a discussion of the common interests that remain and the rationales that could persuade various actors to pursue them. We conclude the chapter by considering the implications of the remaining cooperative agenda outlined for NATO, the EU, and the Organization for Security and Cooperation in Europe (OSCE).

Divergent Interests

Before we can think about redefining common interests, the divergent perspectives of European states and Russia need to be understood and acknowledged.

Today, a closer look at the nature of the divergence with Russia reveals three important aspects.

First, at the ideological level, Russia's authoritarianism at home is increasingly at odds with European liberalism. Moscow's behavior internationally also remains far from what is seen in the West as a model of commitment to a rules-based international order. This values gap emerges as a particular source of tension given the fact that Russia is still nominally bound by a number of human rights obligations, including those stipulated in OSCE and Council of Europe documents. Many Europeans, from opinion leaders and civil society groups to ordinary citizens, expect European governments to consider this normative dimension when formulating policy toward Moscow.

**RUSSIA'S AUTHORITARIANISM
AT HOME IS INCREASINGLY
AT ODDS WITH EUROPEAN
LIBERALISM.**

The status of the post-Soviet common neighborhood is a second point of contention. The majority of European states remain wary of offering EU or NATO membership—or even the prospect of membership—to the countries situated between Russia and the borders of these institutions. Nonetheless, there is consensus within the EU that the citizens of countries such as Ukraine, Moldova, or Georgia would benefit from a closer political, economic, and military relationship with the West and through greater approximation of their governance structures to Western standards. That conviction has underpinned the core of outreach programs such as the EU's Eastern Partnership or

NATO's Partnership for Peace. Russia seems to interpret this Western policy as infringing on its legitimate interests and therefore aims to limit the policy choices of the common neighborhood countries to either integration into Russian-dominated organizations or acceptance of a less formal dependence relationship. So far, no viable model to reconcile these two visions of the future of the common neighborhood has emerged.

**FALLOUT FROM THE UKRAINE
CRISIS WILL BE AN OBSTACLE
TO COOPERATION EVEN
WHERE CLEAR COMMON IN-
TERESTS DO EXIST.**

Closely connected with the status of the common neighborhood is a third broader question regarding the functioning of the Euro-Atlantic security system. Europe has a stake in preserving the system based on the UN Charter, the 1975 Helsinki Principles, and the 1990 Paris Charter for a New Europe, with links between states based on equality, respect for sovereignty and territorial integrity, a prohibition on the use of force, and respect for human rights and the principles of democracy. From a European perspective, Russia's recent policy reflects a radically different approach to the organizing principles of regional security in the Euro-Atlantic area. According to Russia's playbook, rules such as indivisibility of security or nonintervention in the internal affairs of other states are interpreted in such a way as to preserve Russia's influence over its immediate neighborhood, give Moscow a veto power over EU and NATO activities in the area, and assure the stability of other authoritarian regimes in the OSCE zone. Moscow presents its use of force to defend its interests as comparable to, and just as legitimate as, the West's use of force in Kosovo in 1999, Iraq in 2003, and Libya in 2011. Moreover, Moscow seems convinced that the West is fomenting color revolutions—which some Russian government and military officials see as a form of Western asymmetrical warfare—in order to weaken and surround Russia.

Europe's Common Interests with Russia

As long as Russian and European interests and perceptions do not align on the crucial issues highlighted above, it is difficult to envisage progress on the creation of a common political, economic, and security space from Lisbon to Vladivostok—even if it is recognized that the creation of such a zone would most likely be beneficial in the long term to all European countries, including Russia.

Fallout from the Ukraine crisis will be an obstacle to cooperation even where clear common interests do exist.

Nevertheless, it is important in the wider setting of twenty-first-century international politics that efforts at cooperation continue, despite the difficulties. While a geopolitical struggle appears to have returned to the heart of Europe, it is contextualized by a global environment in which power is diffused. No state has all the means at its disposal to deal single-handedly with the threats and challenges it faces. There is a need to preserve and strengthen cooperation with Russia today in some areas, even more than at the height of the Cold War, when some cooperation with the Soviet Union developed and was preserved through crises. From the perspective of the European analysts involved in this project, and notwithstanding the acknowledged fundamental disagreements outlined above, the priority areas for cooperation include the following:

Avoidance of a Larger Military Conflict in Europe

Despite the Russian annexation of Crimea and its intervention in eastern Ukraine, it is plausible that the Russian leadership understands the disastrous and prohibitive costs of a direct military conflict with NATO countries. Similarly, NATO states do not seem to be interested in escalating military tensions with a nuclear-armed Russia to the level of direct confrontation. At the NATO Wales Summit in September 2014, the allies agreed on relatively minor, defense-oriented reinforcement of the eastern flank of Alliance territory. Proposals to support Ukraine with significant quantities of weapons and military equipment were still debated at the time of the publication of this report, confirming the unwillingness of Europeans to increase the chances of direct confrontation with Moscow.

The main danger seems to be the possibility of unintended escalation following an incident involving the military or law enforcement agencies of Russia and other European and NATO states. Recent research by the European Leadership Network (ELN) has identified more than fifty specific cases of close encounters between Russian, NATO, and other Western country militaries between March and December 2014.¹ These incidents included narrowly avoided collisions between aircraft, close encounters at sea, and the abduction of an Estonian intelligence officer—on Estonian and, therefore, NATO soil—by Russian operatives. In the current environment, any such incident that results in a loss of life or in extensive damage to either side would be likely to provoke a response involving either direct military action or increased military operations in border regions. This could feed a spiral of growing tensions that may be difficult for any side to completely control or stop.

THE MAIN DANGER SEEMS TO
BE THE POSSIBILITY OF UNIN-
TENDED ESCALATION.

To avoid such an outcome, it is in the common interest of European states and Russia to exercise restraint throughout all military chains of command, especially regarding their respective armed forces' activities in the border areas. To increase predictability and stability, both sides should build on transparency and confidence- and security-building measures already agreed on in the OSCE framework, such as those in the Vienna Document.

1 European Leadership Network, "Interactive Map of Russia-West Dangerous Military Encounters Updated," December 15, 2014, http://www.europeanleadershipnetwork.org/interactive-map-of-russia-west-dangerous-military-encounters-updated_2262.html. See also the original report by Thomas Frear, Lukasz Kulesa, and Ian Kearns, *Dangerous Brinkmanship: Close Military Encounters Between Russia and the West in 2014*, (European Leadership Network, November 2014), <http://www.europeanleadershipnetwork.org/medialibrary/2014/11/09/6375e3da/Dangerous%20Brinkmanship.pdf>.

Salvaging the Ukrainian Economy and Avoiding a Rupture in Europe-Russia Energy Relationship

Questions about the vector of Ukrainian political and economic integration (EU- or Russian-oriented) are at the heart of the current crisis. President Viktor Yanukovich's November 2013 decision to suspend preparations to sign the Association Agreement with the EU sparked the protests that culminated in his ouster from power.

While the question of the consequences of the Association Agreement's implementation remain unresolved, a war has continued at various degrees of intensity in the Donbas area of Ukraine, and the country's economic situation has continued to deteriorate. Ukrainian gross domestic product (GDP) has fallen by 6.7 percent in 2014, according to official estimates from Kyiv. Without external support, primarily in the form of International Monetary Fund (IMF) and EU loans, the Ukrainian economy will most likely not be able to survive in the coming years.

From the European perspective, preventing the collapse of the Ukrainian economy remains a high priority. The Europeans seem to tacitly acknowledge that the EU and IMF alone cannot provide all the necessary support and that some degree of Russian cooperation is required if the worst is to be avoided. This was reflected in the decision to suspend the implementation of the economic part of the EU Association Agreement until December 2015, a move influenced by the assumption that Russia may impose further costs on Ukraine if its position on halting the Deep and Comprehensive Free Trade Area (DCFTA) implementation is not taken into account.

Russia has been eager to use Ukraine's economic vulnerabilities to obtain a high degree of influence over internal developments in Kyiv. However, there may also be significant costs to Russia if the Ukrainian economy collapses. Most obviously, Russia's trade with Ukraine would diminish further, to the detriment of its own economy. Perhaps more importantly, as Russia is widely perceived inside Ukraine to be the cause of the economic problem, this could alienate much of the population even further from Russia and drive the authorities in Kyiv into the arms of the EU.

If, on the other hand, Russia recognizes the benefits of easing the pressure on the Ukrainian economy, that could create a platform for discussions on how the EU and Russia could work together to help Ukraine, a

conversation that in turn could lead to a dialogue on a more positive economic relationship across the entire Lisbon to Vladivostok area.

Russia and Europe also have a common interest in terms of preserving their energy relationship. Russian resources have been playing an important role in the energy mix of several European states. Russia has been supplying one third of EU oil imports and a quarter of its coal and other solid fuel imports. It has also been the source of approximately 30 percent of EU countries gas imports, and in a number of eastern and south-eastern EU states, dependence on Russian gas is between 80 and 100 percent.² In turn, Europe has been providing a predictable and stable source of revenue for Russia. This mutual dependence relationship may however change in the future. Russia's heavy-handed approach toward Ukraine and the implicit threat of gas delivery interruptions buttress the arguments of those who advocate reducing Europe's dependence on Russian oil and gas. Similarly, Russian authorities seem to emphasize gas exports to China as a way of diversifying away from its dependence on European markets.

Humanitarian Assistance and Reconstruction Support for the War-Damaged Areas in Ukraine

Russian annexation of Crimea and nearly overt support for separatist forces in eastern Ukraine has resulted in an armed conflict which, by early 2015, had cost the lives of more than five thousand people. The full picture of the devastation to private property, industry, and infrastructure caused by the fighting in the Donbas area has not yet emerged, but, according to early estimates, between \$1 and \$2 billion would be needed to assist the areas that remain under Ukrainian control alone.³ According to the United Nations, some 5.2 million people in Ukraine live in conflict-affected areas and over one million have fled to elsewhere in Ukraine, Russia, and other neighboring countries.⁴

2 Eurostat, "Energy Production and Imports," http://ec.europa.eu/eurostat/statistics-explained/index.php/Energy_production_and_imports.

3 "\$2 Billion Needed to Restore Donbas," UNIAN, October 14, 2014, <http://www.unian.info/economics/995748-2-bln-needed-to-restore-donbas.html>.

4 Kieran Guilbert, "More than 1 Million Flee, Ukraine Close to 'Humanitarian Catastrophe,'" Reuters, January 8, 2015, <https://uk.news.yahoo.com/more-1-million-flee-ukraine-close-humanitarian-catastrophe-182157516.html#8pTsTQs>.

If a viable ceasefire can be reached in eastern Ukraine, provision of urgent humanitarian assistance and the start of reconstruction work therefore emerge as important common interests for both European countries and Russia. Russia should be especially interested in outside assistance in the reconstruction of the areas of Donbas controlled by the pro-Russian forces, given its own budget constraints and other priorities.

PROVISION OF URGENT
HUMANITARIAN ASSISTANCE
AND THE START OF RECON-
STRUCTION WORK IN DON-
BAS EMERGE AS IMPORTANT
COMMON INTERESTS.

An international donor conference for the reconstruction of Donbas is planned for spring 2015. It could be an opportunity to facilitate broader cooperation on the issue, with some Russian involvement. Granted, there would most likely be strong objections against involving Russia in the joint effort, as in Ukrainian and European assessments it bears prime responsibility for the conflict and therefore the destruction caused. The only practical alternative is to focus Western support on the areas controlled by Ukrainian authorities, while leaving it to Russia to offer assistance to the separatist-held areas. However, this path would most likely result in a gradual severing of economic links with the rest of Ukraine and a solidifying of the frozen conflict status of the region. It may therefore be useful to begin by designating specific areas or reconstruction projects in which, based on Ukrainian consent and possibly under a framework involving the OSCE or the United Nations agencies, European donors and Russia can cooperate.

Dialogue on the Future of Security Order in Europe

In Europe, differences remain regarding the wider impact of the Ukraine crisis on the European security

order. For some, the only way forward is to persuade (or coerce) Russia to return to observing the post-Cold War rules of relations, which would involve withdrawal from all of Ukraine's occupied territories. Until that happens, only a basic level of interaction with Russia in the security sphere is possible, and Russia should be treated as an outsider to the European system. Others call for a more thorough examination of the reasons for the failure of the European security order, including analysis of cases when Western actions may have contributed to the erosion of the system, such as the NATO and EU enlargement processes or the development of the US missile defense system. In that interpretation, European states should still attempt to keep Russia "in," which may require going through the list of Russian grievances. According to this reading, the rules of the game for the common neighborhood between NATO/EU and Russia need to be discussed.

PRESERVING THE CURRENT INTERNATIONAL ORDER BASED ON THE UN CHARTER AND COMBATING WIDER GLOBAL CHALLENGES REMAINS AS MUCH IN THE INTEREST OF RUSSIA AS OF EUROPE.

A discussion that reflects on the conditions for regional stability, the current divergent interpretations of the Helsinki Principles, and the relevance of the Paris Charter is needed both within Europe and between representative of various European countries, Russia, and the United States. At the same time, it is unlikely that it can be productively pursued in the fora of international organizations such as the OSCE, the Council of Europe, or the NATO-Russia Council, given the entrenched official positions of all parties. This is an area where credible track 2 activities have a positive role to play.

Ultimately, if a new understanding is not reached with Russia on the basis of the European security order and

its effective implementation in practice, the costs and potential dangers of an unstable status quo will increase for both sides.

Cooperation on Selected Global and Regional Challenges

Both Europe and Russia also have a stake in continuing cooperation on a number of global and regional challenges. While it is naive to expect that such cooperation on global issues would have a spillover effect and transform the way in which the two sides pursue their interests within Europe and the joint neighborhood, it is still worth pursuing. It should be remembered that the crisis over Ukraine erupted roughly at the same time as Russia, the United States, and a number of European countries were engaged in unprecedented cooperation aimed at securing and eliminating Syria's stockpile of chemical weapons.

Cooperation over the Iranian nuclear program has survived the crisis, at least up to the time of writing. Preserving the current international order based on the UN Charter and combating wider global challenges remains as much in the interest of Russia as of Europe, and other areas of cooperation are possible. From a Western perspective, since it is not always the case that Russian cooperation is indispensable to the pursuit of European interests, these possibilities probably have to be assessed on a case by case and transactional basis.

Protection of the international weapons of mass destruction (WMD) nonproliferation system is at the top of the list of common interests among short-term priorities. Neither side would benefit from proliferation of WMD, caused by the collapse of regimes such as the as the Treaty on the Nonproliferation of Nuclear Weapons (NPT) or the Comprehensive Nuclear-Test-Ban Treaty (CTBT), the emergence of new nuclear powers, or the use of biological and chemical weapons.⁵ Containing the threat of terrorist organizations with radical Islamist agendas has also re-emerged as a uniting cause following Islamic State of Iraq and al-Sham (ISIS) advances in the Middle East, despite all the differences about the strategies for combating specific terrorist organizations. The cooperation here includes action

5 In this context, Russia's decision to discontinue participation in the Nuclear Security Summit process, aimed at fostering international cooperation in securing nuclear materials worldwide from the threat of theft and sabotage, is a worrying development.

at the UN level to prevent radicalization, as well as contacts between intelligence officials and some degree of information sharing.

Regional cooperation on maritime issues involving resource management, spill prevention, search-and-rescue, and other practical issues has also continued in the Arctic, Baltic, and Black seas with Russian participation, despite the Ukraine crisis. Similarly, regional cross-border cooperation continues in several regions. Russia has shown an interest in maintaining business as usual in these fora. EU and NATO states have imposed certain limits on cooperation, notably in the NATO-Russia Council context. However, it is in the interest of all European countries that low-level, day-to-day cooperation assuring the safety of all European citizens (e.g., cooperation in fighting crime, including drug and people trafficking, rescue at sea arrangements), protecting trans-border ties and the natural environment continues as it does today.

Implications for Key Multilateral Institutions in the Euro-Atlantic Area

The pursuit of cooperation in the areas discussed cannot and will not fall to any single institution. We therefore turn next to consider the possible roles of NATO, the EU, and the OSCE in the period ahead.

The Role of NATO in Pursuing Common Interests

NATO will continue to enhance deterrence measures aimed at Russia and will implement the steps agreed at its Wales Summit to reassure allies in the eastern part of the Alliance.⁶ Russia has decided to treat NATO actions as a threat, but a majority of Europeans see them as necessary steps that are important to communicating red lines to Russia unambiguously, which in turn is important to stability and the subsequent pursuit of common interests.

NATO's role in pursuing areas of common interest will be limited in the short term. Regarding the aim of avoiding direct military confrontation, NATO will

need to communicate clearly to Russia exactly what it is doing along its eastern flank under the framework of its revamped deterrence and reassurance policy. This includes being clear about how it would respond to further Russian military actions. The NATO-Russia Council, which can still meet at the ambassadorial level, should be utilized for this purpose. Internally, NATO should also make clear that its procedures for handling incidents involving the Russian military are known and universally interpreted throughout the Alliance and are guided by the principle of restraint. NATO will also need to coordinate its members' positions and be ready for discussions on military transparency and confidence and security-building measures with Russia, which may at some point take place at the OSCE or subregional levels.

NATO WILL NEED TO COMMUNICATE CLEARLY TO RUSSIA EXACTLY WHAT IT IS DOING ALONG ITS EASTERN FLANK.

The Alliance will also need to contribute to any discussions on the future of the European security system. NATO's stance regarding further enlargement of the Alliance and its relationship with the countries in the common neighborhood remains a major source of disagreement with Russia and will have to be factored into discussions. NATO's position from the Wales Summit that a "clear, constructive change in Russia's actions which demonstrates compliance with international law and its international obligations and responsibilities" is a condition for renewed partnership remains valid as a guiding principle for future NATO-Russia relations.⁷

⁶ NATO, "Statement by the NATO Defence Ministers on the Readiness Action Plan," February 5, 2015, http://www.nato.int/cps/en/natohq/official_texts_117222.htm.

⁷ NATO, Wales Summit Declaration, September 5, 2014, http://www.nato.int/cps/en/natohq/official_texts_112964.htm.

The Role of the EU in Pursuing Common Interests

The EU has a vital role to play in helping to prevent Ukrainian economic collapse and providing humanitarian assistance and reconstruction support to the affected areas. The EU needs to implement its pledges regarding economic support and also work with Kyiv on improving its governance capacity and institutional arrangements, including through a dedicated mission supporting reform of civilian security structures. Individual European leaders have also been engaged in shuttle diplomacy to stabilize the situation in eastern Ukraine, albeit without a formal EU mandate, and may need to be involved also in the future for high-level contacts with Russia.

Provided that fighting in eastern Ukraine stops, the trilateral process of consultations between the EU, Ukraine, and Russia on the consequences of DCFTA implementation on Russia and the proceedings of a contact group on settling the gas issue should be used to agree on a wider joint approach toward stabilizing the Ukrainian economy.

The EU played a crucial role in brokering the October 2014 interim agreement on the resumption of Russian gas deliveries to Ukraine and on the payment scheme for the Ukrainian debt to Russia, which prevented any interruptions of the Russian gas supplies to Europe via the Ukrainian transit system. Russia is currently attempting to portray the Ukrainian transit route as unreliable and to press Europe into supporting alternative delivery options, including North Stream and the planned connection through Turkey. Europe finds itself in an awkward position, trying to support Ukraine in its efforts to obtain reasonable terms for further deliveries of Russian gas, but also planning for scenarios of gas delivery disturbances in the years to come.

For the time being, the EU has focused on attempts to influence Russian policy through a gradual tightening of sanctions. The EU's role in the period ahead should be wider. It needs to contribute to a renewed dialogue on the nature and stability of the European order as a whole, and on the rules of the game in the common neighborhood. That may require balancing its policy of sanctions on Russia with political outreach aimed at drawing Russia back into the fabric of Euro-Atlantic political norms. A clear and unambiguous declaration re-emphasizing the aims of the Eastern

Partnership policy (which does not include a membership perspective, has no link with the question of NATO membership, and does not require severing economic contacts with Russia) and the EU vision of the relationship with Moscow could create space for engagement with Russia.

The Role of the OSCE

To the surprise of many observers, the OSCE has emerged as the most productive international organization involved in the management of the Ukraine crisis by providing impartial information about developments in Ukraine, engaging in election monitoring, brokering humanitarian access and ceasefire arrangements, and taking the lead in implementing the ceasefire monitoring regime. This role has been possible not only due to the inclusive nature of the organization and the experience of its staff, but also to the invaluable efforts of the 2014 Swiss chairmanship, hopefully continued in 2015 by the Serbian chairmanship.

THE OSCE HAS EMERGED AS THE MOST PRODUCTIVE INTERNATIONAL ORGANIZATION INVOLVED IN THE MANAGEMENT OF THE UKRAINE CRISIS.

From the European perspective, the OSCE has an important role to play in re-establishing a functioning ceasefire in Ukraine. Beyond that task, it may help to revise Ukraine's constitutional arrangements and legal framework for the Donbas area, and make it possible for Ukraine to draw on its expertise in settling minority issues, demilitarization of conflict areas, and reconciliation.

Given Russia's role in the OSCE along with all NATO countries, Ukraine, and others in the common neighborhood, the OSCE could also be important as the forum through which to restart efforts at

confidence- and security-building measures and arms control, in areas such as the revision of the Vienna Document, the CFE Treaty, and the Open Skies Treaty.

At the same time, there are serious doubts as to whether the OSCE can be the venue in which the necessary discussion on the future of Europe's security architecture can be successfully concluded. Its concept of the establishment of the Euro-Atlantic and Eurasian security community suffered a blow with the use of force by one OSCE member, Russia, against another member—Ukraine. Furthermore, the majority of European countries are unlikely to agree on giving the OSCE a leading role in managing European security affairs if these countries see this as limiting their own foreign policy ambitions or NATO's and the EU's roles and scope for engagement in eastern Europe, the Caucasus, and Central Asia.

Regardless of whether or not the OSCE can be the venue for the necessary wider discussion, the January 2015 decision to establish a panel of eminent personalities to prepare proposals on “reconsolidation” of European security as a “common project” represents the first serious attempt mandated by governments to think strategically about the challenges outlined above.⁸

⁸ OSCE, press release, “All Participants of Panel on European Security as a Common Project Confirmed,” January 12, 2015, <http://www.osce.org/cio/133986>.

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