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The Indivisibility of Security: Russia and Euro-Atlantic Security

Edited by
Andrew MONAGHAN

Research Division • Rome, January 2010

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Edited by Andrew Monaghan
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Copies of this NDC Forum Paper may be obtained directly from the
NATO Defense College, Research Division
Via Giorgio Pelosi, 1 - 00143 Rome, Italy
Fax +39-06-50 52 57 97
E-mail: m.dimartino@ndc.nato.int
Web site: http://www.ndc.nato.int

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INTRODUCTION

Defining the Indivisibility of Security: Russia and the Euro-Atlantic Community

Andrew Monaghan[1]

The Euro-Atlantic area has once again entered an important time. In response to increasingly systematic difficulties between Russia and the Euro-Atlantic community writ large, a plethora of processes have begun – the "reset" of Russia-US relations, the "reload" of NATO-Russia, and most recently the "reset" of EU-Russia relations.

Amongst these institutional "resets", which are simultaneously organisationally separate and yet deeply inter-related since they are reflective of Russia's relationship with the West more broadly, lie another, more thematic group of proposals. Since mid 2008, Moscow has sought to advance a series of initiatives to reconsider international security, energy and financial mechanisms arguing that the current

[1] Research Advisor at the NATO Defense College. All of the papers should be considered the responsibility of the authors themselves and do not necessarily reflect the opinions of the NATO Defense College or the North Atlantic Treaty Organization.

mechanisms in these fields do not address current challenges, indeed that they exacerbate them.

One of these three initiatives, the idea to hold a pan-European discussion about political-military aspects of security has direct relevance for the Alliance, both because it seeks to address a NATO-relevant agenda and since it has found some support in the Euro-Atlantic community and gained some momentum. This momentum has been channelled into the Corfu Process, launched in June 2009 by the Greek Chair of the OSCE, which attempts to embed a discussion of political-military issues in a wider security context, including aspects of the human dimension. As a result, and though it appears actively to engage in the Corfu Process, Moscow also continues to push for a discussion about a more specific political-military agenda and maintains a parallel European Security Treaty (EST) underscored by the publication on 29 November of a draft text of a European Security Treaty and circulated to the heads of relevant states and executive heads of international organisations including NATO, the EU, the CSTO, the CIS, and the OSCE.[2] As outlined by Vladimir Voronkov, Director of the Department of Pan-European Cooperation of the Russian Foreign Ministry, the Corfu process and the EST are 'mutually overlapping but not mutually replaceable approaches'. The difference is simple, he argued,

[2]For the text of the Treaty, see http://eng.kremlin.ru/text/docs/2009/11/223072.shtml

> the EST is a document drawn up with the involvement of all the international structures of the Euro-Atlantic regions, while the Corfu meetings are discussions within the framework of the OSCE covering a broad agenda that includes the enhancement of the [OSCE]'s effectiveness and its "three baskets"'.[3]

This heady mix of three inter-related organisational "resets" and four inter-related thematic processes now forms the core of Russia's relationship with the West and will shape the wider context in which NATO seeks to develop the "Strategic Partnership" as announced by Secretary General Rasmussen in September. It is a mix born of frustration at the failure to develop practical relationships and a mutual lack of trust enhanced by differing understandings of developments not just since the Colour Revolutions in 2004, but indeed since the 1990s. At the same time, it is a mix that reflects the strategic importance of Russia for the Euro-Atlantic community and vice versa, and the need for much clearer definition of the terms of relations.

The strategic dissonance in the wider relationship between Russia and the Euro-Atlantic community is striking. Senior Russian officials

[3] Voronkov, V. "Statement at the Joint Meeting of the OSCE Forum for Security Cooperation and the OSCE Permanent Council', 15 September 2009. FSC-PC.DEL/28/09. www.osce.org

regularly note the conflict of expectations since the end of the Cold War, and simultaneously assert a narrative of Russia's exclusion from Euro-Atlantic decision-making with observations about greater mutual misunderstanding today than during the Cold War. Indeed, according to Foreign Minister Lavrov, the West was more tolerant towards the USSR than it is towards today's much freer Russia.[4] This introductory chapter sketches the evolution of the EST proposals and places them in Russian foreign policy more broadly.

The Medvedev Proposals

Moscow seeks a new architecture for a new epoch. There are two main strands to this. First, Moscow sees a new role for Russia. Russia has consolidated itself after the 1990s, and now has the capacity to act as a regional power with a global horizon. This outlook has been framed over the last 18 months in a raft of new strategic concept documents, particularly the Long-Term Concept for the Development of the Russian Federation to 2020 (Strategy 2020) and the new Foreign Policy and National Security Concepts signed into effect by President Medvedev. This conceptual outlook sees Russia becoming a Eurasian regional hub in

[4] Lavrov, S. "Remarks at MGIMO University", 1 September 2009. www.mid.ru. For more on the strategic dissonance and the Russian proposals, see Monaghan, A. "At the Table or on the Menu? Moscow's Proposals for Strategic Reform", *NATO Defence College Report*, June 2009. For the sense of crisis in European affairs, Lynch, D. *New Ideas for an Old Continent: a Fresh Look at the Future of European Security*, Brussels, 23 April 2009.

security, energy and financial terms. This new role also envisages a sea change in the role of Russia in the Euro-Atlantic area, and Moscow now perceives Russia to be a subject rather than an object of EU and NATO policies. Thus Russian officials argue that Russian foreign policy is set and the current financial crisis will not make Russia return to the policy of the 1990s.[5]

The second main strand is that Moscow believes that the current international mechanisms and frameworks are not working. Again, it is important to see the security proposals against the background of the wider context of Russian foreign policy. Noting the failure of the international financial system, Moscow has sought to make proposals for its reform to the G20 – including the assertion of the primacy of the G20 over the G8 as being more internationally representative. Following the dispute between Gazprom and Naftohaz Ukraini in January 2009, Moscow has asserted the failure of the Energy Charter Treaty (ECT) and in April published proposals for a reconsideration of the European energy architecture – again, seeking both to reform the architecture and to include a wider range of states.[6]

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[5] Voronkov, V. *The European Security Treaty After Corfu*, OSCE SEC.DEL/242/09, 14 September 2009. For an assessment of the impact of the financial crisis on Russian policy, see Malle, S. *The Impact of the Financial Crisis on Russia*, NATO Defense College Forum Paper n. 12, December 2009.

[6] For more on the financial and energy proposals see Monaghan, op cit.

The security initiative asserts the failure of the Euro-Atlantic security architecture and mechanisms, with the Russo-Georgian war in August 2008 being just the latest in a long line of examples of this failure. The initiative draws both on long-term Russian concerns about exclusion from Euro-Atlantic security decision-making and on more recent arguments about the fragmentation of Euro-Atlantic security and increasing confusion of the agenda of existing organisations. The security initiative therefore seeks to emphasise the role of the Charter for European Security's Platform for Cooperative Security (1999) as a mechanism for enhancing coordination the activities of existing organisations.

Conceptually, the proposals have taken shape around four main blocks laid out by Foreign Minister Lavrov at the OSCE Annual Security Review Conference in June 2009:

- The affirmation of the basic principles of relations between states and their uniform interpretation and observation and translate this into legally binding format. This would confirm the inadmissibility of the use of force or its threat against the territorial integrity or political independence of any party to the treaty.
- Establishing the basic principles for the development of arms control regimes, confidence building measures, restraint and reasonable sufficiency in military

doctrine, and definition of what is meant by “substantial combat forces”.

- Establish clear rules for the principles of conflict resolution, enshrining uniform approaches to the prevention and peaceful resolution of such crises on the basis of negotiation. Conflict resolution should take place in three stages: commitments to abstain from the use of force, confidence building measures and the initiation of dialogue between the parties.

- The need to address arrangements for cooperation between states and organisations to counter new threats and challenges, including proliferation of WMD, international terrorism, illicit drug trafficking and other forms of trans-national organised crime.[7]

Alongside these proposals, Moscow has bolstered its critique of the current mechanisms with a more robust approach to two of the European architecture’s key documents: it unilaterally suspended its participation in the CFE Treaty in late 2007 and has refused to ratify its participation in the ECT, confirmed again by Prime Minister Putin in summer 2009.

There are a number of well-rehearsed criticisms of the proposals including their lack of real substance and their contradictory nature, particularly after the Russo-Georgian war and Russia's recognition of South Ossetia and Abkhazia. Indeed, whether Russian capacities to implement such an ambitious agenda – asserting of a new international role and launching what are in effect multiple processes – are as significant as Moscow claims is also open to question. These do not need further emphasis here. Nevertheless, it is worth underlining two points about the Russian position regarding these criticisms as the Corfu process evolves.

The first point is that, though Moscow acknowledges the beginning of a process, in parallel there is growing frustration amongst senior officials with the nature of the process. This is based on what Moscow sees as the rather unsympathetic attitude to the proposals it has encountered from the Euro-Atlantic structures. For Moscow, the constant demands for more substance are "tiring" and miss the point of Moscow seeking a collective discussion – Moscow does not simply seek to place proposals on the table to await the critique of the West. Moreover, particularly since the adumbration of the four main conceptual blocs in

[7] "Statement by Sergey Lavrov at the opening session of the OSCE Annual Security Review Conference", 23 June 2009. PC.DEL/480/09. www.osce.org

Vienna in June 2009, Russian officials reject the accusation that the initiatives lack substance or can be misunderstood.[8]

Furthermore, while Moscow argues that the proposals are not designed specifically in opposition to existing organisations, senior officials reject two specific responses from the Euro-Atlantic community. First, Moscow rejects the linkage of any discussion of such a treaty to Russian withdrawal of recognition of South Ossetia and Abkhazia.[9] Second, Moscow rejects the idea that all discussion should be held on the basis of the existing architecture. This is not only because of the sense in Moscow that NATO enlargement weakened the OSCE which is only now to be used as a platform for such discussions.[10] It is also because, as Ambassador Rogozin has stated, 'we are told by the West that they like NATO and the EU as it is, they suit the West fine. Well, they do not suit us, we do not like it'.[11] Though Russia remains 'ready for honest cooperation' with the Alliance 'where interests coincide', the existence of NATO has become a problem for all, according to Lavrov, above all for the Alliance itself and its members.[12] Thus there is a need for a new European security dialogue to move beyond NATO-centrism, since for

[8] Lavrov, S. Interview on Vesti TV, 11 November 2009.
[9] Voronkov, op. cit.
[10] Lavrov, Remarks at MGIMO University, 1 September 2009.
[11] Rogozin, D. *Russia, NATO and the Future of European Security*, Chatham house Roundtable Discussion, 20 February 2009. Available at www.chathamhouse.org.uk
[12] Lavrov, S. Remarks at MGIMO University, 1 September 2009.

Russia it is neither advantageous nor possible to live on the 'NATO globe'.[13]

The second point to note is that the ongoing assertion of the proposals – and the publication of a draft European Security Treaty – attests to the fact that the proposals are deeply couched in the context of wider Russian foreign policy trends. While the precise details of the proposals may be open to question, even quite broadly, they represent core aims and intentions are very unlikely to simply melt away. This should come as no surprise. It should be born in mind that for Moscow, the longer discursive process may be as useful as the rather distant goal of a legally binding treaty.

This duality of process and frustration creates a complex environment over the short-to-medium term in which Moscow's current parallels of making initiatives (and increasingly counting on positive responses from partners) while suspending commitments to the existing architecture is emphasised by a combination of both more proposals and further pushes at the pillars of the current architecture. Thus at the same time as underscoring the need for such a process, Lavrov has asserted that if the idea of a treaty fails, if there is not enough political will to do this,

[13] Rogozin, D. Interview on *Vesti TV*, 10 November 2009.

then we are faced with the prospect of the full-scale re-nationalisation or privatisation of political-military security.[14]

Defining Security in the Euro-Atlantic Community

It is perhaps an obvious assertion to suggest that the future of the organisational and thematic processes rests on mutual understanding. But it is an important one, since the "resets" themselves remain somewhat ill-defined in their nature and goals. Indeed, the problem of definition goes right to the heart of the current dissonance, and apparently similar terms are understood in a very different way.

The clearest example of this is differences in understanding of the "indivisibility of security", which lies at the centre of the security initiative. For the Euro-Atlantic community, "indivisibility of security" can be broadly defined in terms of

- the comprehensive nature of security in its three dimensions: human, economic, political-military)
- the indivisibility of security among states: that all states have a right to choose their own alliance and that no state should have a sphere of privileged interests

[14] "Statement by Sergey Lavrov at the opening session of the OSCE Annual Security Review Conference", 23 June 2009.

- the recognition that European and Eurasian security is deeply embedded in wider global security and that security within states is as much a part of security as security among states.

It is through such a definition that the Euro-Atlantic community sees the transformation of European security since the end of the Cold War towards a Europe whole, free and secure.

For Moscow, the notion of "indivisibility of security" applies to a whole and balanced pan-European common security space. Currently, therefore, the principles of the indivisibility of security are undermined by a two-tier approach to the pan-European space: the indivisibility of security at the pan-European, OSCE level, and the indivisibility of security within regional organisations (NATO and the EU). This division serves artificially to expel states that are not members of regional organisations and fragments the pan-European security space.

The different definition is emphasised by the fact that wider pan-European agreements and commitments are political, but within regional organisations, they are legally binding. It is through such a definition that Moscow asserts the collision of intra-bloc approaches and the fragmentation of European security.

This overall distinction breaks down further: Moscow also sees that European and Eurasian security is embedded in global trends but sees a gap in the nature of such threats and the narrow regional grouping based approach to addressing them. Understanding such distinctions in definition illustrates why, though Moscow sees the "end of NATO enlargement",[15] this does not in fact resolve the root problem for Russia: even if enlargement stops, Russia remains excluded from Euro-Atlantic mechanisms.

Other differences in definition will hamper the formulation and implementation of a common security agenda of issues which appear to pose mutual threats, for instance differences over energy security: Moscow interprets the North and South Stream pipeline projects as diversification and enhancing energy security for both Russia and its European consumers, while there are those in the Euro-Atlantic community who see the projects as undermining Europe's energy security.

Another example is the difficulty of defining a common counter-terrorism agenda. There are senior Russian officials who suggest that there can be just one understanding of terrorism, and that only terrorists themselves could think that there is anything good in the term. At the same time, Sergei Ivanov has stated that while fighting terrorism gives ample opportunity for joint action, effective interaction will be difficult to

[15] Rogozin, Interview on *Vesti TV*, 10 November 2009.

achieve without accord on defining the nature of terrorism itself. Some states, he asserted, strive to exploit anti-terrorist activities as a pretext to achieving their own political and economic goals.[16] Equally, there are many in the Euro-Atlantic community who have long questioned Russia's robust approach to counter-terrorism in the North Caucasus. Developing a common counter-terrorist agenda will require detailed understanding of delineation of where we already stand and how divergent agendas in different regions may affect common understandings and approaches. Such a need was highlighted by Voronkov, who noted with concern the call for a more active OSCE role in the North Caucasus – where there 'are terrorists' but 'no conflicts', and where Russia is combating the terrorists on Russian territory 'in the same way other OSCE states do on theirs'. An interesting subject for discussion in the OSCE, he suggested, would be the question of 'how to interdict external "feeding" of terrorist activity'.[17]

Russia: a Europe Apart?

Establishing such common understanding and definitions will be fundamental to the generation of a common practical agenda with which to develop the "reset" and "strategic partnership" processes. Alongside the complex definitions of conceptual terms, therefore, any "Reset" or

[16] Ivanov, S. Speech "Where is Russia heading? New Vision of Pan-European Security", Munich Security Conference, 10 February 2008.
[17] Voronkov, Remarks, 15 September 2009.

"Strategic Partnership" will need to take into account the *intended* role Russia seeks to play in international affairs, that of a sovereign state that asserts itself as a Eurasian hub and role model for developing states. Moscow's proposals for concluding a Treaty on European Security draw on the foreign policy philosophy outlined in Medvedev's approach as indicated in the article "Russia Forward" and enshrined in the strategic conceptual overhaul that Moscow has conducted.

In making its proposals and asserting the indivisibility of security, Moscow advocates both Russia's common European heritage and its equality to the Euro-Atlantic community. At the same time, it asserts what is tantamount to a unique agenda of both equal participation in decision-making in regional organisations while simultaneously maintaining Russian sovereignty in key areas, in essence, "in but not in and out but not out" of the Euro-Atlantic structure.

Moreover, Moscow asserts that Russia will not simply "agree to Western terms": as Medvedev stated in Berlin in June 2008, 'it is highly symptomatic that current differences with Russia are interpreted by many in the West as a need simply to bring Russia's policies closer in line with those of the West. But we do not want to be embraced in this way'.

In this light, the stated conceptual goals of Russia's initiatives are intriguing. On one hand, Moscow asserts the need for a "Greater Europe", or a "Big Europe". "Greater Europe" would mean binding Russia into Europe following the example of Germany and France and

the European Coal and Steel Community. In political-military security terms, Rogozin defines "Big Europe" essentially as building a perimeter around the pan-European area and agreeing to halt military planning against each other, and then creating a demilitarised zone within that perimeter. Such a "Greater Europe" union would serve to draw a line under the conflicts and divisions of the Twentieth century – it would also enhance European competitiveness in a Twenty First century world that will be marked by international instability and competition and increasing threats from extra-European sources, particularly the south.

Structure of this Volume

Despite all the events and efforts to build understanding and relations between Russia and the Euro-Atlantic community writ large, it is striking how little real progress has been made in the last five years – despite the significant changes that have taken place both in Russia and in the Euro-Atlantic community. In 2004-5, one of the contributors to this volume published a paper entitled "misperceptions and divergences", in which he outlined the effort to come to terms with Russia, the "indispensable partner". The place of Russia in the emerging order was unclear, the institutional mechanisms were not working effectively, there was a "values gap" between Russia and the Euro-Atlantic community and Russia indignantly objected to outside interference in Russian domestic affairs. There were also significant differences of interpretation about developments in Ukraine and the South Caucasus and approaches to post-

Soviet conflicts, including Chechnya. 'Given such differences, Lynch wrote, 'it is vital that both sides make an effort to understand the thinking of the other'. 'Deeper understanding does not signify greater acceptance, but it may mean the avoidance of unnecessary clashes', he continued.[18]

All this remains true today as "Resets" and "Strategic Partnerships" are attempted. While there is an understandable desire to begin afresh, success depends heavily on understanding how relations have evolved as they have over the longer term, understanding the roots of the narratives established by all parties about the post-Cold War era and comparing and contrasting the experiences of all parties. What, for instance, can the Alliance learn from the effort to establish an EU-Russia "Strategic Partnership" since the mid 1990s? What can the Alliance learn from the Road Maps, the "Four Common Spaces" and Permanent Partnership Council framework established to incorporate specific vested interests into decision-making? Lessons, of course, can be drawn from both positive and negative experiences, but as the dissonance between the Euro-Atlantic community and Russia becomes increasingly systematic, it is important to understand both the longer term roots of this dissonance – at least since 2003-4 – and that there will be no "return to the Cold War". Too much has changed in Russia, Europe and global affairs for such a simplistic evaluation to be meaningful.

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[18] Lynch, D. 'Misperceptions and Divergences', in Idem, (ed.) *What Russia Sees*. Chaillot Paper No.74. January 2005.

Nevertheless, on one level, the Corfu Process reflects an acceptance to some degree by the Euro-Atlantic community of the Russian narrative of events since the end of the Cold War. But on another – as outlined above – there is clearly significant divergence between Russia's understanding of international affairs and that of the Euro-Atlantic community.

This volume brings together leading thinkers, all writing in personal capacities, from across the Euro-Atlantic spectrum in an attempt to draw together and highlight the main strands of these complex processes and in so doing attempt to provide a basis on which to understand the Corfu and EST processes as they relate to the Alliance in two parts. The first part addresses the Euro-Atlantic security architecture in its organisational format, establishing the range of responses to the Medvedev proposals. The second part switches to a more thematic focus, addressing two key dimensions of the indivisibility of security: arms control and energy security. As a whole, the volume seeks to provide a platform on which to build a balanced debate on ongoing processes in the Euro-Atlantic architecture.

With this introductory chapter having outlined the evolving Russian position since summer 2009, the remainder of the volume focuses on the range of Western responses to Moscow's initiative. The first chapter assesses the Corfu process from the OSCE perspective. Tracing the evolution of the Medvedev proposals and the sense of crisis

in European affairs, one that draws on realities and perceptions, the author clearly narrates the basis and progress of the Corfu process and the OSCE's role both in the dialogue and in the changing landscape of European security.

The second chapter outlines the evolving dialogue as seen from the EU. The author underscores the EU's dual approach of both an open minded and yet principled approach to the Medvedev proposals. The key focus is that the existing security order, though not perfect, is valuable and should be 'cherished' and protected. Developments to this framework can only emerge gradually and consensually.

The third chapter assesses the broad outlines of the US response to the Medvedev proposals, charting the points of tension and disagreement that have arisen between Russia and the Euro-Atlantic community and the Obama Administration's desire to re-evaluate Euro-Atlantic security and the search for partnership with Russia on issues of strategic importance. At the same time, the author notes that resetting US-Russia bilateral relations has implications for the European security dialogue, since the Reset is likely to take precedence.

NATO has not yet played a major role in discussing the EST, preferring to support such dialogue through OSCE and the Corfu Process or EST. Nevertheless, it remains the pre-eminent security provider in the

Euro-Atlantic area. In the volume, two chapters address NATO's role in the architecture. The first, by Karl Heinz Kamp, considers NATO's changing role and the likelihood of its return to its roots. Given the overall international context, Kamp states, including the impact of the financial crisis and changing threat perceptions of the member states, the Alliance will increasingly concentrate on core tasks of collective security – tasks which are emphasised by the widespread concern about developments in Russia. The impact of changing perceptions will be that NATO continues to dominate the European security architecture, advocating a western-oriented political "security fabric".

Andrew Wood focuses on the heart of the issue outlined in this introduction – establishing the challenges and threats faced by NATO and Russia. Wood outlines what each partner means for the other and a range of misperceptions and differently understood realities that have impeded the positive development of relations. Charting the evolution of both NATO's and Russia's agenda, Wood asserts that security is indeed indivisible, and that both NATO and Russia need to seek this together, since neither can do it alone.

Part two of the volume looks at two key areas in which security is indivisible and which feature prominently on the agenda of the Euro-Atlantic community and its partners alike – including Russia. Akçapar focuses on the central importance of arms control as a warning mechanism. As such the CFE Treaty remains the cornerstone of European

security, its importance highlighted by the Russo-Georgia war in August 2008. Equally, developments in Europe have changed the context in which the CFE Treaty exists, and the overall erosion of trust and confidence in the region has undermined the viability of the arms control regime. However, the Caucasus is the new epicentre of European security, he argues, it is no longer a "flank". The ultimate challenge, he suggests, is not bringing Russia back into the 1990 CFE regime, but instead recreating the circumstances that made such an agreement viable in the first place. The benefits of the CFE Treaty, he states, become all the more evident as the risk of losing it altogether begins to dawn.

If arms control is central to European architecture, energy security is no less prominent as a concern. Yet if arms control underpins European security and is thus within NATO's remit, energy security remains problematic. Primarily an issue for the EU and International Energy Agency, energy security has nevertheless begun to feature on NATO's agenda. Korsunsky highlights the security impact the gas dispute had on NATO member states and partners, in so doing pointing to the need for a broad awareness of today's security agenda: essentially underscoring the broader horizon NATO should envisage if it is to correctly understand Russian policy and the comprehensive nature of security.

PART 1: THE ARCHITECTURE

Chapter 1

The Corfu Process

Dov Lynch[1]

The Russian Proposal

Speaking in Berlin on 5 June 2008, the Russian President Dmitry Medvedev called for a pan-European summit to frame negotiations that would lead to a legally-binding 'European Security Treaty.' Since then, the Russian leadership has not missed an opportunity to reiterate the proposal, in bilateral relations with partners and through multilateral organisations.

The starting point of the Russian proposal is a bleak assessment of the state of European security. In the words of Deputy Foreign Minister A. Grushko, "twenty years after the end of the Cold War, there still is no reliable, comprehensive and integrated security architecture

[1] Senior Advisor to the Secretary General of the OSCE. The author writes in a personal capacity. The views expressed in the paper are those of the author and do not necessarily reflect those of the OSCE, the North Atlantic Treaty Organisation or the NATO Defense College.

throughout the area extending from Vancouver to Vladivostok." Instead, Europe's security space has become 'fragmented' into blocs that have different levels of security and that co-exist with friction. Twenty years after the end of the Cold War, common and indivisible security has not been built in Europe. As evidence, Russian officials point to worrying trends in the politico-military sphere: the continuing 'mechanical' process of NATO enlargement, US missile defence deployment plans, the use of force in ways unsanctioned by the UN (Kosovo 1999 and Iraq 2003), support for the dismemberment of some OSCE participating States (Kosovo 2008) in tandem with insistence on the territorial integrity of others (Georgia, Moldova), and the militarisation of countries on Russia's borders (Georgia). In the Russian view, these trends require the states of the Euro-Atlantic area to take a pause. This pause would halt perceived 'destructive tendencies' in European security and reaffirm a commitment by all to the principle of indivisible security.

The purported aims of the Russian proposal are three fold. First, Russia has called for holding a pan-European summit that would be convened to draft a new security treaty for a "truly unified Europe without dividing lines." This Europe would be characterised by "equal interaction between Russia, the EU and the US." As put by the Russian President, the idea would be to unite the three strands of Europe – Russia, the EU and US – under a single collective framework.

Second, the European Security Treaty would embody in legal form core principles of international law that should be uniformly

respected by all states. These principles include those of equal sovereignty, non-interference, territorial integrity, the inadmissibility of the use/threat of force, and the peaceful settlement of disputes.

Third, negotiations would concentrate on political-military questions that should be addressed at the pan-European level. These include new arms control parameters and confidence and security-building measures, renewed cooperation on counter-terrorism, non-proliferation of weapons of mass destruction, drug trafficking, and international crime. Speaking at a conference in Evian on October 8, 2008, President Medvedev said that "it is here [in the political-military sphere] that we have seen a dangerous deficit of controlling mechanisms recently." Russian officials have revived the concept of 'reasonable sufficiency' to act as a guiding principle of restraint in military development across the Euro-Atlantic area (the concept was integral to Gorbachev's 'new political thinking'). The Russian proposal also addresses conflict settlement in the Euro-Atlantic area. Russian officials have called for the elaboration of uniform approaches to the principles, procedures and mechanisms for crisis management and conflict resolution.

The underlying objective is to foster a legally-binding agreement on the principle of "equal and indivisible security." In Evian, the Russian President spoke of three "No"s – "no ensuring one's security at the expense of others, no allowing of acts that undermine the unity of the common security space, and no development of military alliances that

would threaten the security of other parties of the Treaty." In sum, Russia seeks agreement that "no State or international organizations can have exclusive rights to maintaining peace and stability in Europe." This, Dmitry Medvedev said in Evian, would apply equally to Russia. With all this, the Russian proposal has put the question of pan-European security back on the table.

A Sense of Crisis

The Russian picture of dividing lines and strategic uncertainty arising in the OSCE area can be challenged. Twenty years after the fall of the Berlin Wall, wider Europe enjoys an exceptional degree of security. The instability that accompanied the fall of Yugoslavia in the 1990s has been managed, European security institutions have transformed and become stronger, and much of Europe has undergone difficult but successful democratic transition. The contours of the vision of a 'Europe whole and free, and at peace with itself' that has driven the first the CSCE and subsequently the OSCE have been sketched out across the geography of Europe. Nonetheless, this vision remains a work in progress. Problems remain in European security. War as a tool of policy, the economic crisis affecting all corners of the continent, recurrent gas crises – all of these developments have underlined the uncertainty of European security.

The question raised by Russia is not singular but plural. Indeed, how best can the members of Euro-Atlantic and Eurasian areas address

together security challenges, including those arising from beyond the OSCE area? How can a comprehensive approach to security continue to be implemented across an increasingly diverse space? How may existing European security institutions better cooperate to tackle new and old challenges?

Overshadowing these questions is a sense of crisis. This sense of crisis draws on concrete realities and from differing perceptions. Concrete developments include the uncertainty that currently affects the Euro-Atlantic arms control regime, especially the Treaty on Conventional Forces in Europe. This uncertainty may lead to increasing opacity in military development across the Euro-Atlantic and Eurasian areas, and to localised arms races in volatile sub-regions. The war in Georgia in August 2008 showed the dangers posed to European security by the unresolved conflicts that still afflict the OSCE area. Longstanding international efforts to settle the protracted conflicts in Moldova, Georgia and over Nagorno-Karabakh have not bourn fruit. Additionally, the war showed also that the use of force remains a tool of policy in the OSCE area, both inside states and between them. More fundamentally, events in 2008 in the Western Balkans and the South Caucasus underlined the reality that the political map of Europe is not settled or agreed between all OSCE members. The process of state-making (and breaking) that has affected Europe since 1989 may not be finished.

No less real, there are rising perceptions of crisis among some OSCE participating States. First, the challenges facing democratic

transformation in parts of Europe has given rise to perceptions in some capitals that the process launched by the Charter of Paris (1990) has come to a standstill. Some states are pushing back against the framework of commitments in the OSCE Human Dimension. At the same time, some countries maintain that new dividing lines are emerging, because of the perceived existence of 'double standards' and absence of an effective pan-European instruments to bridge the gaps created by the enlargements of EU and NATO.

Moreover, the picture is blurry also because states have different security perceptions and priorities. Compared to the 1990s, when there existed a shared core view, security is understood in different ways across the OSCE area. For some states, security remains a question raised mainly within the confines of Europe itself. Some states and sub-regions of the OSCE area suffer endemic state weakness and tensions from unsettled conflicts. Volatility remains high. For other states, security relates mainly to threats that arise outside the OSCE area – from instability in Afghanistan, international terrorism, conflict in the Middle East, and the threat of nuclear proliferation. Differences are not absolute between these perspectives, but they do impact on priorities and the focus of political will.

So, the Russian proposal has arisen at a time of uncertainty in European security, when differences of interest and priority have become salient. Distrust has risen between states. Across wider Europe, states do not have – perceive they do not have -- access to the same levels of

security. For all the gains attained since 1989, the reality is one of rising dissonance on the continent. This dissonance may be heard in the increasingly divergent perceptions of developments on the continent and beyond and in the differing priorities for action. The gains of cooperative security achieved in the 1990s are eroding. In parts of wider Europe, security is being re-nationalised.

The Corfu Process

The initial response to the Medvedev proposal was silence. Some partners in the OSCE did take an early and open stance to considering the Russian call for a new European security dialogue. However many countries failed to see the need for such a dialogue, given Europe's plethora of security organisations. Certainly, the idea of a legally-binding treaty struck many countries as beyond realism and need. West of Vienna especially, a number of countries viewed the Russian proposal with open distrust, as a diplomatic manoeuvre to stop NATO and the EU in its tracks and dilute further the gains attained after the end of the Cold War. From this starting point of jaundiced reluctance, the positions of most OSCE participating States have evolved rapidly. The war in Georgia and the gas crisis in Ukraine helped to heighten the perception that all was not well on the continent and that a new dialogue could help to restore trust and build renewed purpose.

Holding the EU presidency in the second half of 2008, the French government came out early and positively. The first official reply to the Russian President was revealed in the context of the OSCE. In his speech to the Permanent Council on July 17, Foreign Minister Bernard Kouchner welcomed the idea of the Russian President and proposed that the OSCE be used as the platform to take it forward. Two months after the war in Georgia, Nicolas Sarkozy took another bold step. Speaking in Evian in October, Sarkozy said:

> Why not re-examine from every angle all groups, institutions and countries concerned, everything concerning security on our continent? And since we're at the beginning of the century and you [Dmitry Medvedev] made this proposal, why not modernise together our thinking, reflexes and habits that date back to the Cold War? We could certainly do it within the framework of the OSCE, the only forum that brings together all actors in pan-European security on an equal footing. I propose that a special OSCE summit be convened for this purpose before the end of 2009 so that we could discuss your proposals and those of the EU on new pan-European defence concepts.

While the idea of a summit failed to gain traction in 2008, the French proposal to take forward the Medvedev idea within the framework of the OSCE set a marker for EU states and many other members of the Euro-Atlantic community.

This was accompanied by a strong push from NATO. The meeting of the North Atlantic Council at the level of Foreign Ministers on December 3, 2008 welcomed the beginning of a dialogue in the OSCE. Again, the text is worth citing in full:

> We underscore that the existing structures – NATO, the EU, the OSCE and the Council of Europe –based on common values, continue to provide every opportunity for countries to engage substantively on Euro-Atlantic security with a broad *acquis*, established over decades, that includes respect for human rights, territorial integrity, the sovereignty of all states, without dividing lines, and the requirement to fulfil international commitments and agreements. Within this framework, Allies are open to dialogue within the OSCE on security perceptions and how to respond to new threats, and seek to the widest possible cooperation among participating States to promote a common Euro-Atlantic space of security and stability. The common aim should be to improve

> implementation of existing commitments and to continue to improve existing institutions and instruments so as to effectively promote our values and Euro-Atlantic security.

This statement was made at a time when the NATO-Russia Council was suspended, and 'business as usual' with Russia lay in abeyance. Five months after the war in Georgia, the OSCE was seen as the only forum for engaging with Russia on matters of European security.

The Finnish Chairmanship seized the initiative in the OSCE by organising an informal working lunch during the Helsinki Ministerial Council meeting. Taking place on 4 December 2008, OSCE foreign ministers were invited to share their views on the 'future of European security.' The discussion opened with interventions by the Finnish Foreign Minister Alexander Stubb, followed by the Russian Foreign Minister Sergey Lavrov, the French/EU Presidency Foreign Minister Bernard Kouchner, the EU High Representative Javier Solana, the Turkish Foreign Minister Ali Babacan and the Swedish Foreign Minster Carl Bildt. The exchanges between ministers focused on the content of possible high-level discussions, and the form that such discussions might take. At this point, most ministers welcomed only guardedly the idea of new discussions on European security -- provided that these occurred within the framework of the OSCE and that they took account of its comprehensive approach to security. Most ministers insisted that the

discussion should reaffirm existing commitments rather than focusing on the creation of new institutions. Many ministers were reluctant to consider a summit or other high-level meeting at this point in the absence of clarity on the substance of such an event, while others proposed holding a special informal OSCE ministerial meeting in the first half of 2009 to continue the discussion.

From Helsinki, discussions moved to Vienna. Led by then Greek Foreign Minister Dora Bakoyannis, the Greek OSCE Chairmanship took the lead in the spring of 2009. The Russian proposal was discussed at a joint meeting on 19 February 2009 of the Permanent Council and the Forum for Security Cooperation, the two key OSCE decision-making bodies. Discussions continued at a retreat of the 56 OSCE Permanent Representatives that occurred in late April. In addition, unofficial expert-level seminars were held, in Vienna (8 May) and Berlin (10 June). The OSCE Annual Security Review Conference on 23-24 June saw an intervention by the Russian Foreign Minister presenting the main lines of the Medvedev proposal.

The informal meeting of ministers on the island of Corfu on 27-28 June saw the transformation of a still episodic discussion into a more targeted and politically-driven dialogue. Forty four OSCE foreign ministers and five deputy ministers, along with representatives from NATO, the EU, the CSTO and the CIS, attended the meeting. Discussions centred on the three questions posed by the Greek Chairmanship in a background paper before the meeting. First, where

have the OSCE participating States failed to live up to the principles of comprehensive and indivisible security and how can they do more to abide by them? Second, how can states strengthen the implementation of commitments across all three OSCE dimensions of security? Finally, what are the challenges that the participating States need to address?

The Corfu meeting started with a working dinner on Saturday evening opened by Dora Bakoyannis, followed by the Finnish, the Russian and the French Foreign Ministers and a full list of speakers. The meeting resumed the following morning and ended before lunch. The context for discussions in Corfu had moved on since the Helsinki lunch. There had been a worsening of the economic crisis in many countries, the failure to reach consensus on extending the UN and the OSCE missions in Georgia's conflict zones, and the arrival of a new administration in the US. This backdrop coloured the discussions. The lack of progress in Georgia made for some sharp statements regarding Russian policy. On the whole, statements by ministers were more operationally orientated than in Helsinki, with specific proposals put forward for continuing the dialogue. The doubts that had been raised by some ministers earlier about the need for a dialogue at all had receded, replaced by a general agreement on the utility of a renewed high-level discussion.

In her concluding remarks, Dora Bakoyannis declared that a "Corfu Process" had been launched and elaborated specific ideas for moving forward. First, she said, the dialogue should be anchored in the OSCE, and should take into account the contributions of all existing

security institutions. For the Greek Chairperson-in-Office, specific areas to be addressed by the dialogue included crisis management, conventional arms control with special emphasis in the CFE Treaty, environmental security and safe energy supply, and the strengthening of human rights, democracy and the rule of law. Bakoyannis determined that the next step in the dialogue would have to be taken at Athens Ministerial Council meeting on 2-3 December 2009. The overall objectives of the Corfu Process were to restore trust and confidence between the OSCE participating States, to assist them in implementing their commitments, and to clear the ground for concrete progress on security challenges.

The Corfu Process was launched on these foundations. In autumn 2009, the Greek OSCE Chairmanship organised ten discussion sessions in Vienna focusing on security challenges from across the three dimensions. These sessions took place at Ambassadorial level. The aim of these sessions was to identify themes for a decision on follow-up by the foreign ministers in Athens. Starting on 8 September, these meetings addressed common foundations and commitments in the OSCE area, challenges of a politico-military nature, issues related to conflict resolution in the OSCE area, challenges in the human dimension as well as those arising in the economic and environmental dimension. Discussions saw a reaffirmation of the commitment by the participating States to the concept of comprehensive, co-operative and indivisible security. At the same time, the meetings underlined the lack of confidence that remains between the participating States, as well as the

complexity of threats they face. Discussions within the Corfu Process have been innovative in the scope of topics addressed – starting with principles and commitments, stretching to crisis management, human rights and fundamental freedoms, and energy security. They have also been informal, allowing for a free-flowing and open exchange of views.

The Athens Ministerial Council meeting will mark the start of a new phase in the dialogue. OSCE foreign ministers will have to clarify the themes that should be taken forward, the modalities for the dialogue, medium and longer term objectives, its relationship to other processes underway in Europe (NATO Strategic Concept, the EU post-Lisbon adaptation) and the role that other organisations may play in it.

None of these questions will be easy to answer. Thus far, the Corfu Process has moved forward on the basis of a loose understanding resting on four points. First, the new dialogue should be open-ended and not prejudge outcome. Second, discussions should occur on all aspects of security and not just politico-military questions. Third, the dialogue should be tied to concrete progress on security problems on the ground, in the protracted conflicts and the pan-European arms control regime. Finally, the OSCE is a natural home for these new security discussions but not-exclusive to other formats. In deciding on how to take the new dialogue forward in Athens, the participating States will have to navigate through these points. Pushing too much on one or another of these points – for instance, by insisting on a treaty or a summit – could unravel the others and weaken the impetus for the new dialogue.

Underlying these questions remains the question of whether the Corfu Process is sufficient for Russia regarding the initiative for a new European Security Treaty. The fact that the OSCE has been so far the main venue for a renewed European security dialogue has posed something of a dilemma for Russia. The proposal by President Medvedev was never about the OSCE as such. The OSCE was seen as one of the main actors but not the key one. In fact, the Russian proposal was based on an explicit criticism of the Organisation's failure to live up to its promise and Russia's perceived difficulty in taking forward its interests inside the Organisation. Nonetheless, Russian diplomacy has engaged actively with the Finnish and Greek initiatives and participated in the Corfu Process, viewing it as a useful platform for promoting its views. At the same time, Moscow has continued to call for separate non-OSCE discussions on the proposal for a legally-binding European security treaty. The doubt that Russia seeks another track outside the OSCE has not been dispelled.

The OSCE Role

Clearly, something unexpected and new has emerged in the OSCE. Following a Russian initiative, a new dialogue has been launched between the 56 participating States on threats to the security of Europe and the collective responses these require. Started at the Helsinki Ministerial Council in December 2008, the discussions have already been

wide-ranging, beginning with the basic principles of inter-state relations, and taking in threats to European security from all angles.

Embryonic and uncertain, the new dialogue has shown what the OSCE can do as a forum for inclusive political dialogue. This pan-European role lies in the genetic code of the OSCE. The 1975 Helsinki Final Act was designed to guide the interaction between the participating States and their behaviour within their own borders. The Charter of Paris for a New Europe set the tone for the cooperation that ended the Cold War and laid the ground for comity between former adversaries that lasted well into the 1990s. At the OSCE summit in 1999, the participating States agreed on the Charter for European Security, the adaptation of the Treaty on Conventional Armed Forces in Europe, and the so-called Vienna Document, updating the continent's most inclusive confidence-and-security-building regime. The Istanbul summit illustrated the importance of the OSCE as an inclusive forum and a key norm-setting agency.

Providing a forum for pan-European security dialogue is nothing new for the OSCE. However, it is unexpected today. The decade since 1999 has been a difficult one for the OSCE. The OSCE has not held a summit-level meeting since Istanbul. Since 2002, the annual OSCE Ministerial Council meetings have failed to agree on a political declaration. OSCE budgets are routinely delayed because of political differences. Since 2003, the OSCE has been the subject of a recurring and sometimes poisonous debate about reform. The war in Georgia in 2008

was seen by many (wrongly) as a failure of the OSCE and international efforts at early warning. Compared to 1999, the OSCE has become the theatre where divergences between states are played out.

In the meantime, Europe's security landscape has changed. NATO has enlarged in Europe and is becoming a global actor. The European Union has developed an autonomous capacity to act in foreign policy. Other regional organisations, such as GUAM (bringing together Georgia, Ukraine, Azerbaijan and Moldova in specific fields of co-operation), the Collective Security Treaty Organization (CSTO) and the Shanghai Co-operation Organization (SCO) have emerged. Europe's security architecture has become more complex and diverse, raising questions about the utility of the OSCE when so many other actors exist. The Corfu Process is unexpected, therefore, because over the last decade many participating States have forgotten the unique role that the OSCE can play. This is being rediscovered.

The future of the Corfu Process is uncertain. However, it has already shown that when there is a will the OSCE can play a role as a forum for an inclusive dialogue on European security between all countries of wider Europe. Taking forward the new security dialogue must be underpinned by practical steps in different formats and institutions on different issues. There can be no OSCE monopoly of the process. The OSCE is well placed to serve as a clearing house for a process that will involve many moving pieces. The OSCE can work among and in co-ordination with other international organizations. It has

excellent relationships with the UN, the EU, NATO, and the Council of Europe. The presence of the EU, NATO, the CIS and the CSTO at the meeting in Corfu was a precedent to be developed. On the basis of the 1999 Platform for Co-operative Security, the OSCE can help to promote coherence as the participating States seek to advance their dialogue in multiple channels.

In the last 35 years, the European landscape has undergone historic change. Relations between states and perceptions of security have altered dramatically. International law has developed in key areas. Alliance systems, blocs, and the concept of neutrality have changed. Against this background, the OSCE remains the unchallenged place to discuss fundamental principles of state interaction and to build new trust for joint action against complex challenges. This is the promise of the Corfu Process.

Chapter 2

The EU and the Debate on Euro-Atlantic Security

Björn Fagerberg[1]

Ever since President Medvedev made his speech on Euro-Atlantic security in June 2008, the European Union (EU) has taken an open-minded and at the same time principled approach to the ensuing debate. This was outlined by Javier Solana, EU High Representative for the Common Foreign and Security Policy, in his intervention at the Munich Security Forum in February 2009. Expressing the EU's openness to an honest and frank debate on security in our part in the world, and its willingness to listen to and try to understand Russia's concerns, Solana noted that:

> [I]t is quite clear that among the three pillars of the pan-European security order—the US, Europe,

[1] Senior Adviser, Policy Planning and Early Warning Unit of the High Representative for the Common Foreign and Security Policy, EU Council Secretariat. The author writes in a personal capacity; the present article should thus be seen as his interpretation of the EU position on the issue in question, not as an officially endorsed policy declaration. The views remain the responsibility of the author and should not be attributed to the North Atlantic Treaty Organisation or the NATO Defense College.

> Russia—one of them feels uncomfortable in it. […]President Medvedev's proposals are a clear signal in that respect. It is in all our interest to analyse why and see what can be done.[2]

At the same time, Solana emphasised the EU's strong commitment to the existing institutional framework of Euro-Atlantic security and the principles upon which it rests. Importantly, he observed that:

> [N]o other region in the world has anything that comes close to our security order: a sophisticated blend of rules and institutions. Its most important feature is its comprehensive character: co-operation in all the three baskets of hard security, economics and human rights. That was a vision that we have to retain; and that we have still to fully achieve.[3]

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[2] Solana Madriaga, J. "Speech at the 45th Munich Security Conference", 02/07/2009 Available at http://www.securityconference.de/Dr-Javier-Solana-Madariaga.246.0.html?&L=1

[3] Ibid.

This article aims to provide a background to the EU's position in the ongoing debate on Euro-Atlantic security, by sketching out the basic beliefs, assumptions and principles upon which it is based. It then goes on to outline the concrete position that the EU has taken in the debate, particularly in the Corfu process in the OSCE, and where it would like to see this process lead.

The foundations of the EU's approach

Taking as its point of departure some of the key elements in the Russian proposals, and the perceptions and ideas underpinning them, this section aims to outline the four basic tenets upon which the EU's approach to the Euro-Atlantic security debate is based. These are the fundamental conceptual standpoints that can be said to be shared across the EU, regardless of individual differences on concrete policy issues among Member States, and to which the concrete positions taken by the EU in the discussions can be traced back.

Europe is (still) more secure than at any previous point in its history

President Medvedev's proposals on Euro-Atlantic security seem to reflect what appears to be by now a widespread opinion in the Russian foreign policy elite that the current security situation in the Euro-Atlantic region is perilous, not to say alarming. Recent events, particularly the 2008 war in Georgia, are frequently used to substantiate this assertion.

Moscow presents swift and sweeping changes to the existing security framework as the remedy.

The EU, too, is acutely aware of the existing challenges to the security of the Euro-Atlantic region, and in no way complacent about the need to address them. Ongoing vigorous discussions within the EU on security policy and how to deal with new threats testify to this. However, the EU's basic outlook nonetheless differs from that of Russia. Its fundamental conviction is still accurately reflected by the opening paragraph of the 2003 European Security Strategy, which stated that:

> Europe has never been so prosperous, so secure nor so free. The violence of the first half of the 20th Century has given way to a period of peace and stability unprecedented in European history.[4]

Five years after the publication of the European Security Strategy, the 2008 implementation report acknowledged that 'twenty years after the Cold War, Europe faces increasingly complex threats and challenges'. Yet, in the words of the report, '[t]he EU remains an anchor

[4] *A Secure Europe in a Better World: European Security Strategy*, Brussels, 12 December 2003. Available at http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf

of stability. Enlargement has spread democracy and prosperity across our continent. The Balkans are changing for the better'.[5]

In short, the glass is half-full rather than half-empty. Across the EU, there is a strong feeling that while there is no doubt that much remains to be done, and new, emerging challenges need to be dealt with, our continent is today nonetheless incomparably more secure than at any point in its history. This is not said in the sense of encouraging complacency, but to urge careful consideration before making drastic changes. This is an important aspect of the psychological backdrop against which the EU's attitude to President Medvedev's proposals should be seen.

The existing security order, while not perfect, is valuable and should be cherished

One of the tenets of current Russian thinking on Euro-Atlantic security, and the apparent motivation of President Medvedev's proposals, is that the current set-up of institutions, principles and commitments is fundamentally flawed. The major shortcoming is considered to be that it allegedly does not take Russia's interests into due account. Thus, starting his intervention at the OSCE Annual Security Review conference in June

[5] *Report on the Implementation of the European Security Strategy - Providing Security in a Changing World*, Available at http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/reports/104630.pdf

2009 with an overview of the "structural inadequacies of Euro-Atlantic security", Russian Foreign Minister Sergey Lavrov stated that:

> Following the end of the Cold War and the collapse of the bipolar system […] it did not in the event prove possible to put into place a stable and effective system that would bring together the countries of the West and the East. The main structural shortcoming lies in the fact that over a period of 20 years we have been unable to devise guarantees to ensure the observance of the principle of the indivisibility of security. Today we are witnessing a violation of […] the obligation to refrain from strengthening one's own security at the expense of the security of others.[6]

Central to this assertion that the existing security framework is inadequate is Russia's suspicion towards NATO in general, and its opposition to further NATO eastward enlargement in particular. When Russia accuses others of "strengthening their own security at the expense

[6] Statement by Mr Sergey Lavrov, Minister for Foreign Affairs of the Russian Federation, at the opening session of the OSCE Annual Security Review Conference, Vienna, 23 June 2009: "The challenges of "hard security" in the Euro-Atlantic region. The role of the OSCE in establishing a stable and effective security system." Translation by OSCE language services; available on-line in Russian at http://www.mid.ru/brp_4.nsf/0/ADED9C34EE795D2BC32575DE003DECD1

of the security of others", it is clearly first and foremost NATO enlargement that Moscow has in mind. In his second big speech on Euro-Atlantic security, in Evian in November 2008, President Medvedev summarized Russia's concerns in the following way:

> [T]he real issue is that NATO is bringing its military infrastructure right up to our borders and is drawing new dividing lines in Europe, this time along our western and southern frontiers. No matter what we are told, it is only natural that we should see this as action directed against us.[7]

While the EU does not take a position on the issue of NATO enlargement, one cannot fail to note that this vehement Russian opposition to it provides perhaps the best possible illustration of the considerable gap that exists between Russian perceptions of security and those prevalent in the EU (both in those Member States that are members of NATO, and in those that are non-aligned).

Looking at Russia from an EU point of view and trying to understand its threat perceptions, it would seem that its Western borders

[7] Speech by President Dmitry Medvedev at the World Policy Conference in Evian, France, 8 October 2008.

have never looked so peaceful and unlikely to produce an attack as they do today. If anything, NATO and EU enlargements have produced a strategic stability there that is probably unmatched in history. Indeed, the main threats to Russia's security would seem to come from elsewhere. Thus, as Javier Solana succinctly put it in his intervention at the 2009 Munich Security Forum: 'For us, the idea of Russia feeling threatened is absurd. But for Russia, apparently, that is the case'.[8]

It would seem that it is to a high degree from this basic gap in perception that our differing views on the current institutional setup stem. Russia feels left out and threatened by the "NATO-centricity" of the current Euro-Atlantic security architecture, leading it to call for sweeping change. The EU, while not blind to its shortcomings, and acknowledging that full integration of Russia into the Euro-Atlantic security framework remains a challenge, nonetheless puts the emphasis on the uniqueness of the existing framework and the impressive results in terms of peace and prosperity that it has produced.

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http://eng.kremlin.ru/speeches/2008/10/08/2159_type82912type82914_207457.shtml

[8] Solana, Speech at the 45th Munich Security Conference. Op cit.

The unique features that have made this security order so successful must be safeguarded

President Medvedev and other Russian representatives have often insisted that their proposals are not intended to do away with the comprehensive approach to security that was first laid down in the Helsinki Final Act (embodied in the "three baskets"). At the same time, a recurrent Russian narrative has it that while the situation with regard to Euro-Atlantic security is generally unsatisfactory, it is most dire in the field of "hard security" (politico-military issues, arms control, peace-keeping and conflict management and so on). The Russian proposals thus focus very much on these issues, leaving the impression that other aspects of security (notably the "human dimension", including issues such as the respect for human rights and fundamental freedoms, democracy, the rule of law and so on) are somehow secondary. Despite assurances of the opposite, this strong Russian focus on hard security has bred suspicion in the EU that the ulterior motive of the Russian proposals is to do away with the concept of comprehensive security as such, including the commitments in the "human dimension".

Such an ambition would not only run counter to the prevailing course of the Euro-Atlantic security debate over the last 35 years, which has seen the gradual development and refinement of the concept of comprehensive security, based on the fundamental conviction that the security of states cannot be separated from that of their citizens. It is also

in contradiction to the EU's own concept of security, as outlined in the 2003 European Security Strategy and re-affirmed in the 2008 implementation report. At the very heart of both these documents lies the comprehensive approach to security. Moreover, there is consensus in the EU that this approach will only become *more* relevant given current trends. We live in a world where terrorism, proliferation in weapons of mass destruction, regional conflicts, organised crime and failing states are emerging as key threats to our security. At the same time, these threats are becoming more complex, interconnected, and span traditional distinctions between internal and external security. Such developments call for a comprehensive response, not increased separation between the different dimensions of security.

Another unique feature of the current Euro-Atlantic security order is its trans-Atlantic dimension. Despite ups and downs in the quality of relations between Europe and the US, very few people in the EU would like to see this link cut off. To the contrary, it is seen as one of the cornerstones of Europe's security. This means that statements such as "Atlanticism has had its day" (as stated by Medvedev in Berlin in June 2008) do not resonate with a European audience. Indeed they contribute to breeding suspicion that the Russian proposals are really about driving wedges between Europe and North America. Since the outset of the debate, the EU has insisted that any discussion on Europe's security must include the US and Canada. This is indeed the meaning of the concept

"Vancouver to Vladivostok" which Medvedev referred to in his Berlin speech.

The security framework can only develop gradually and consensually

Finally, a key underlying assumption for the EU's approach to the debate on Euro-Atlantic security—albeit one that has perhaps too seldom been expressed clearly—is that a solid and lasting security order can only be built over time. It must be the result of an incremental, gradual process. It must also be inclusive, involving all stakeholders and ensuring that they feel comfortable with the result of the process. There is a strong antipathy among the EU's Member States to anything that smacks of big states doing deals over the heads of smaller ones; Europe has seen too much of this over the centuries. Rather, the CSCE process, which in due course led to the Helsinki Final Act and the creation of the OSCE, is seen as the pattern to follow.

In part, such an approach can be explained by the experience of building the EU. Europeans like to think of the EU as the quintessential peace project; the Union is no doubt also the quintessential incremental and consensual project. It is thus only natural that the experience of building the Union itself should influence the EU's approach to building security in Europe.

Moreover, there is a strong conviction in the EU that the fluid and unpredictable nature of security threats also necessitates adaptable arrangements. If one looks back over the 35 years that have elapsed since the signing of the Helsinki Final Act, our security is today threatened in ways that could hardly have been conceived in those days. Cyber security and other emerging trans-national threats are perhaps the best examples, but the security of energy supplies is increasingly coming into focus, too. This is the nature of things: as our societies develop, so the threats to their security evolve. The conclusion to be drawn is that security is not something that can be "fixed" once and for all, as if by a "magic formula". Rather, it should be seen as a continuous process. This calls for institutions and arrangements that can adapt to changing realities.

The EU response

It follows from the tenets set out above that the EU welcomes a debate on Euro-Atlantic security and is willing to engage in it, as one of the key players. The condition is that the aim of such an exercise should not be to dismantle or replace the existing security framework, nor to question or revise the principles upon which it rests or the commitments undertaken by all Euro-Atlantic states, nor to limit the scope of activity of existing organisations. It is strongly felt that doing so would be detrimental to the goal of strengthening security in our part of the world.

Instead, in the EU view, the focus of the discussion should be on strengthening and bringing up to date the institutions already in place. These are based on sound principles and embody an approach to security that will only become more relevant in the future. At the same time, they unquestionably have certain obvious shortcomings which pertain both to the functioning of the institutions, notably the OSCE, and to the non-observance of commitments. Addressing these shortcomings is what efforts should be focussed on. In addition, a central point for the EU is that serious thought should be given to ways in which the existing institutions can be updated to be able to better deal with new threats and challenges, again such as cyber security, energy security, and the security implications of climate change, and other issues that are gaining importance.

From the outset, the EU has argued that a debate on Euro-Atlantic security should take place in the framework of established organisations. The obvious forum is the OSCE, an organisation that is unparalleled in the whole Euro-Atlantic region in terms both of inclusiveness and comprehensiveness in its approach to security. The EU does not accept the argument that the OSCE cannot serve as a forum for a new security debate since the organisation is not functioning adequately. Obviously, no organisation can function better than its members allow it to. If they waver in their devotion to the organisation and the commitments it embodies, the work of the organisation will inevitably

suffer. It is therefore up to the OSCE's participating states to ensure that the organisation can serve as the forum for a broad, comprehensive Euro-Atlantic security dialogue that it was construed to be.

It is crucial to the EU that such a debate should be open-ended. Pre-judging its result by stating what the outcome should be would not only be intellectually dishonest. Focusing discussions at too early a stage on what form the possible final outcome of the process might take also risks distracting from the substance of the discussions. It could also be politically counter-productive, as it could discourage states from taking part in the debate, or at least from doing so with an earnest and open-minded attitude. This ties into the issue of a possible legally binding framework, as proposed by Russia. The EU has taken note of the draft European Security Treated presented by President Medvedev at the end of November 2009. The EU is not *a priori* opposed to the idea of legally binding arrangements in the field of Euro-Atlantic security, but it follows from what has been said above that this should not at the outset of the debate be declared as the final objective. If the states of the Euro-Atlantic region reach a consensus that a legally binding document would serve the interest of ensuring their common security better than a set of political commitments, such a document will eventually come into being. For the time being, the EU's position is that the Russian draft treaty, just as other proposals and ideas on Euro-Atlantic security, should be discussed in the framework of the Corfu process, not as a separate track.

The idea of a legally binding treaty begs numerous questions. One is why legally binding commitments should be expected to be honoured to a higher degree than is currently the case with politically binding ones. How would observance be monitored and enforced, and what would the penalties for non-observance be? Moreover, it seems probable that ratification of a legally binding treaty on European security is a process that can be expected to be both difficult and time-consuming.

The EU and the Corfu process

The approach set out above led the EU to lend strong support to the initiative by Greece, as Chairman-in-Office of the OSCE in 2009, to hold an extraordinary, informal meeting of the foreign ministers of all 56 OSCE states on Corfu in June 2009. The EU saw in this meeting the opportunity to launch just the sort of security dialogue that it sought: one that would be comprehensive in its scope and inclusive in terms of participation, that would be firmly anchored in the OSCE as the pre-eminent Euro-Atlantic security forum, and that would take an open-ended approach.

The meeting in Corfu showed that the EU's approach enjoyed strong support among the OSCE's 56 participating States. There was consensus on the need for a wide-ranging dialogue on security issues into

which President Medvedev's proposals should be channelled. There was also consensus on re-affirming the validity of the whole set of commitments in all three OSCE dimensions, and on the need fully to implement them. Importantly, the participating States agreed that while all existing security organisations should contribute to the dialogue on Euro-Atlantic security, it should be anchored in the OSCE. Finally, it was noted that the common goals could only be achieved if trust and confidence among OSCE participating States were re-established.[9] In short, the Corfu meeting was in many ways a resounding vote of confidence in the existing structures, and a confirmation that the collective efforts of the OSCE's participating states should be directed at strengthening them, not radically overhauling or replacing them.

As a result of the Corfu meeting, a process of informal consultations among the ambassadors of all 56 participating states of the OSCE was launched in Vienna. The ambassadors were given the task assessing the current situation in each of the three dimensions and develop a common understanding of what the priority threats to our wider security really are. Furthermore, they should explore the appropriate framework that may be required for this renewed European security

[9] Corfu Informal Meeting of OSCE Foreign Ministers on the Future of European Security: Chair's Concluding Statement to the Press, Corfu, June 2009. Available at http://www.osce.org/documents/cio/2009/06/38505_en.pdf

dialogue. The eventual aim was to submit it for approval at the Athens Ministerial Council in December 2009.[10]

The EU's point of departure throughout this process has been that the Corfu process is a valuable opportunity that must not be squandered. It holds the chance of getting afoot a much-needed and long overdue serious, wide-ranging debate on European security, and re-invigorating and updating the OSCE. The timing is in many ways fortunate: the process, while remaining anchored in the OSCE, should be able to benefit from the recent improvement of relations between the US and Russia, and NATO's aim for a "new beginning" with Russia. From this point of view, the EU has welcomed the result of the Athens Ministerial. The EU sees the two documents on the Corfu Process that were adopted there – the Ministerial Declaration and the Ministerial Decision – as a clear endorsement of the work carried out so far. It is felt that they establish a good common ground for the process to be taken forward under the Kazakh Chairmanship in Office throughout 2010.

The Corfu process is sometimes criticised for being esoteric and vacuous, with little real substance. On one hand, it is probably inevitable that a debate on Euro-Atlantic security will seem somewhat esoteric, at least in the initial stages, with heated debates around concepts like

[10] Corfu Informal Ministerial Meeting – 27/28 June 2009: Chairperson's Perception, OSCE document CIO.GAL/84/09, 29 June 2009.

"indivisible security" and "cross-dimensionality". It is perhaps also in the nature of things that discussions on security sometimes take on an academic, not to say almost philosophical character. After all, they deal with the very foundations, and the most fundamental needs, of our societies.

Nonetheless, the detractors have a point: at some stage, substance is needed. The EU has been making the point consistently that the debate on Euro-Atlantic security cannot take place in a vacuum. By this, two things are meant. First, the debate should be accompanied by real, substantial efforts by all stakeholders to actually improve the security situation in Europe. Putting renewed efforts into resolving the protracted conflicts should be a priority. This is seen as key to restoring trust and confidence, without which states cannot be expected to engage in the debate in earnest. Indeed, discussions on security that are not accompanied by real efforts to address key security challenges will inevitably come across as rather cynical.

Second, it is emphasised that the debate must focus on the real threats to our security. If it ignores issues either like protracted conflicts or non-respect for human rights, it will sooner or later be seen as irrelevant. Equally, elevating one dimension of security above all others, e.g. focusing exclusively on hard security, is seen a recipe for failure. A process with such a narrow focus will not be successful in securing the

support and commitment of all states in the Euro-Atlantic region, thus condemning it to irrelevance.

In his speech in Munich, Javier Solana observed that:

> Never before have so many people worked to promote overall European security. Countless meetings are held in every conceivable format: bi-lateral and multilateral, formal and informal, among governments and with those outside. But while we meet often, there is less trust among us.[11]

This is a useful reminder that a process in itself is no panacea, and that there is already no shortage of talking-shops in Europe today. The challenge is to design a process that can really make a difference. In order to do so, it must not only be filled with substance, but with the relevant substance. Achieving this will be the key EU objective over the months and years to come.

[11] Solana, Speech at the 45th Munich Security Conference. Op. cit.

Chapter 3

The US Reconsiders Transatlantic Security

Donald N Jensen[1]

On the twentieth anniversary of the fall of the Berlin Wall, the need for a serious effort to review European security is increasingly recognized in the United States. Europe's existing order was constructed in the 1990s, after the reunification of Germany, the retreat of Soviet forces from the middle of the continent, and the collapse of the Soviet Union. The Organization for Security and Cooperation in Europe (OSCE), which traces its origins to the détente era of the early 1970s, (when had served as a multilateral forum for dialogue and negotiation between East and West) was set on a new course after the Paris Summit of 1990. Under the Charter of Paris for a New Europe, the OSCE was called upon to play its part in managing the historic change taking place in Europe and responding to the new challenges of the post-Cold War period, which led to its acquiring permanent institutions and operational capabilities. Although the Warsaw Pact had been dissolved, NATO

[1] Resident Fellow Center for Transatlantic Relations, Paul H. Nitze School of Advanced International Studies, Johns Hopkins University. The views expressed are the responsibility of the author and do not necessarily reflect those of the North Atlantic Treaty Organisation or the NATO Defense College.

continued to flourish and soon began to expand, soon admitting several former Warsaw Pact members. Simultaneously, efforts were made to develop cooperative relationships between the European Union and Russia, on the one hand, and between NATO and Russia on the other. [2]

In the past decade the premises on which this security architecture rest, however, have gradually been eroded. The roles and relative importance of the European security institutions have undergone major changes as the geopolitical alignment of forces between East and West has shifted. Today the Euro-Atlantic security region is characterized by a loss of confidence on both sides of the former Iron Curtain, renewed tension and serious disagreements regarding not only practices but principles:

- NATO and EU eastward expansion has reached its practical limits;

- Relative US power has declined and the efficacy of US global leadership is in question due to the global financial crisis, which originated in the US, and Washington's continued military engagement in Iraq and Afghanistan;

- A persistent security vacuum in Central Europe and the former Soviet space fuels mistrust;

[2] http://www.sipri.org/media/newsleter/essay/nov09

- Intra-state tensions in the post-Soviet space have become aggravated in recent years, with local conflicts simmering in Transdniestria, Georgia, Crimea, Nagorno-Karabakh;

- Arms control negotiations are deadlocked, and the Conventional Forces in Europe Treaty (CFE) is suspended;

- Russia has regained power and influence in the international arena;

- European energy security has been undermined by periodic Russia-Ukraine gas wars;

- Bilateral diplomacy has risen in frequency as multilateral cooperation has declined.

Washington Re-evaluates

As the Obama Administration nears the end its first year in office, US has expressed support for reinvigorating the Euro-Atlantic security architecture. It has sought to embrace Europe by giving verbal support to strengthening NATO, the European Union, and stiffening the OSCE's human dimension. Washington has pursued these objectives, however, as it has sought to "reset" relations with Russia. Achieving the latter objective to a significant extent would undermine the former. Thus, as Washington has elevated its bilateral relationship with Moscow, it has

had to deemphasize ties with Europe. Should these developments continue, the result may well be the further weakening of European security structures.

The OSCE

From the US point of view, the OSCE remains a vital European institution, along with NATO and the EU. While NATO and EU enlargement have enjoyed more prominence in recent years, the US views the OSCE as an essential venue for dialogue, cooperation and democracy promotion, especially with regard to those countries that are not yet members of those other institutions. In the view of the US Administration, the OSCE's comprehensive approach to security offers a vehicle for engagement on political-military, economic, and human rights issues. The Administration sees the Helsinki Final Act, in particular, as key to promoting democracy and respect for human rights. It has expressed strong support for the OSCE's eighteen international field missions in the Balkans, Central Asia, Eastern Europe and the Caucasus. The US has also praised the OSCE's record in election monitoring as well as efforts to promote religious freedom, freedom of the press and combat anti-Semitism and human trafficking. At the Athens Ministerial in December 2009, the US probably will highlight the accomplishments

of the OSCE and work to rejuvenate the organization.[3] At the ministerial the US is also likely to press for the re-establishment of an OSCE field presence in Georgia. It will also attempt to advance the OSCE-Afghanistan border security initiative and endorse the broad range of other OSCE work.

The Corfu Process

The United States has also supported the "Corfu Process," inaugurated by the Greek OSCE chairmanship to take a fresh look at the OSCE and European security more generally. Washington views the process as an opportunity to review the state of play in European security, including implementation of existing commitments, as well as a chance to identify new challenges and discuss ideas for revitalizing the organization. The Obama Administration has stated that it intends to participate actively in this broad dialogue and is open to ideas for improving European security. It hopes to agree with other members on a substantive agenda that will enable the OSCE to take further more detailed and concrete work under Kazakhstan's chairmanship in 2010.[4]

[3] Statement before the Commission on Security and Cooperation in Europe, Philip H. Gordon, Assistant Secretary Bureau of European and Eurasian Affairs, October 28, 2009, Washington, DC.
[4] Ibid.

NATO's Future and Russian Proposals for a European Security Treaty

US willingness to examine European institutions has followed a new set of Russian proposals for European security. In the '90s, Russia had hoped for the dissolution of NATO after the end of the Warsaw Pact, with the OSCE becoming a full-fledged regional collective security organization under Chapter VII of the UN Charter. Russian officials later claimed that at the end of the Cold War they had been assured that foreign forces would not be deployed in the former Communist states.

By 2007, Russian President Putin called the expansion of NATO a serious provocation. Particularly galling to the Kremlin was the NATO statement in April 2008 that one day Ukraine and Georgia would become alliance members. Two months later Putin's successor, Dmitry Medvedev, proposed new, though vague European security architecture in the form of a legally binding treaty. After the war with Georgia in August (described by one German diplomat as a "war over enlargement"), Russia again offered vague proposals for new security architecture, including an international security conference. In June 2009 Russia presented a comprehensive proposal on European security at the OSCE Annual Review Conference in Vienna.

Russia's proposals approach to European security reflects several concerns:

- an era of US-dominated unipolarity is giving way to a polycentric international system with new centers of political and economic influence;

- the major conflicts of recent years have been the result of the systematic breakdown of Europe's security architecture, including the West's continued reliance on blocs, embodied by NATO, to ensure security, its ideologically-driven "moralism" in international politics. Russia uses the concept of "sovereign democracy" to emphasize its independence from and "moral parity" with the West;

- the existing security architecture in Europe is incapable of coping with the global character of emerging threats;

- the West is inconsistent in setting its priorities, which it sets based on political expediency rather than international obligations.

- NATO and EU enlargement have reached their practical limits. Some countries will remain outside NATO and

the EU for the foreseeable future. A treaty addressing European security, therefore, is needed.[5]

Russia's June 2009 initiatives proposed a European Security Treaty limited to "hard" issues (i.e. issues related to the so-called Helsinki Final Act baskets concerning European Security and excluding baskets concerning economics, science and technology, the environment and human rights). Moscow reiterated the need to create a reliable security system based on polycentrism, international law, and the central role of the UN.

- It proposed that no state or international organization could have exclusive rights to maintaining peace and stability in Europe – an initiative aimed at the US and NATO;

- A second part addressed arms control, confidence-building, restraint and reasonable sufficiency in military doctrine;

- A third initiative would apply to conflict prevention and settlement and provide principles to be applied uniformly to all parties;

[5] Nopens, P. *A New Security Architecture for Europe? Russian Proposal and Western Reactions*, Security Policy Brief: Royal Institute for International Relations, Nov. 2009, pp. 1-2.

- A fourth part would be dedicated to countering new threats, including weapons proliferation, terrorism, drug trafficking and organized crime;

- Finally, negotiations on a European security treaty should be convened by heads of state and international organizations and focus on hard security. [6]

The effect of the Russian proposal would be to redefine security in Europe in ways that would be more accommodating of Russia and its interests, especially by minimizing NATO and the OSCE. The Kremlin seeks to exploit divisions with the Western alliance – between the US and Europe but also among the Europeans themselves. The proposals were also an attempt to change the perception that Russian is incapable of articulating a positive foreign policy vision. Moreover, Moscow is seeking a framework that would legitimize its indirect control over the former Soviet Union. The existing Euro-Atlantic security structures, dominated by the US and NATO are a major obstacle to this. Russia's ultimate goal is less an effective European security structure than an environment that would facilitate the projection of Russian influence.[7]

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[6] Ibid. p.2.
[7] Lo, B. *Medvedev and the New European Security Architecture*, Policy Brief: Centre for European Reform, 2-3.

European Security and the Moscow-Washington Reset

The Russian proposals were received with suspicion by the Bush Administration and in other Western capitals. The US, UK, Poland, and the Baltic States actually rejected them outright. With the election of Barack Obama, who enjoys unprecedented popularity in Europe, Moscow has reworked its proposals to make them more conciliatory and inclusive. In contrast to Russia's traditionally harsh initial rhetoric, for example, Medvedev's speech at the G-20 summit described NATO as the 'strongest military alliance on the world," which had a "deserved place" in the global security system.[8]

Meanwhile, the new US Administration has engaged Moscow in areas where it believes Russia can make a strategic difference: strategic arms control; Iran, and Afghanistan – and deemphasized areas that have previously caused tensions with Russia, including ABM and NATO expansion. The US moves have altered the psychological climate, though cautiously, and caused Moscow to begin to engage Washington on issues where it has a genuine interest and a key role. The prospect of a renewed security relationship with the US has made grand systemic approaches to international security, such as the Russian proposals for a new security treaty, less relevant and less urgent. Indeed, in recent months the US seems to be listening to Moscow. Nevertheless, the Obama Administration has privately welcomed an initiative by the Carnegie

[8] Ibid, p. 4.

Endowment for International Peace, an American think-tank, which will ask a blue-ribbon panel of Russian, European, and US politicians and diplomats to ponder an "inclusive, Euro-Atlantic security system that might address Russian concerns". [9]

Contradictions

Washington's renewed interest in cultivating ties with Moscow has encouraged a return to Russia- centric tradition in US strategic thinking (and vice versa), making the future of proposals for a new European security architecture hostage to trends in the US-Russia relationship. As long as that relationship shows progress on concrete priorities there will be less attention on complex conceptual schemes for Europe's future.

Despite widespread public optimism in Washington through most of 2009 about this "reset" approach, the coming months are likely to be marked by serious challenges that will determine whether Moscow and Washington can give substance to these hopes. First, the Obama Administration sees Russia instrumentally – i.e., not as an equal, but as a player which can help it on issues such as terrorism and nonproliferation. The US is not interested in satisfying Russia's more general ambitions to be a great power engaged in the broader panoply of global issues. In fact, Washington may resist Moscow's efforts to play such a role.

[9] Ibid, p.7; Charlemagne, "A New Balance in Europe", *The Economist*, 21-27 November 2009.

Second, the credibility of US and NATO security guarantees for states of the former Soviet Union is unclear, thereby leaving significant chances for a new crisis such as the 2008 Caucasus war.

Third, Russia's ruling elite is likely to pursue foreign policy initiatives with an eye toward maintaining power and perpetuating the corrupt, authoritarian system it has built over the past decade. For the moment, the Kremlin seeks to pursue that goal by seeking a benign external environment, at least outside the former Soviet space. But Russian leaders have a long-standing habit of seeking external enemies in order to stay in power and their moods can change quickly.

The fate of any US-Russian rapprochement is ultimately likely to be determined by the Russia's role in helping curtail the Iranian nuclear program. So far, Moscow has cleverly played both sides during the crisis, offering verbal and diplomatic support to the US even as it sought to avoid approving UN sanctions on Iran or taking any significant steps that would jeopardize its political and economic influence there. As Iran takes steps toward achieving an operational nuclear force, however, the US is likely to pressure Russia to unambiguously join it in taking a tougher stance or risk the currently improved ties.

Should the Washington-Moscow relationship turn bad, over Iran or after a deadlock in arms control negotiations or another crisis in the

post-Soviet space, the call for strengthening European security structures is likely again to receive more concrete support in the US.[10] The United States would be likely to consider three approaches, each of which would include an effective European and transatlantic energy strategy that provides mechanisms for coordinating policies and strategies to stabilize and support states that face supply disruptions:

- Maintaining the current status quo, but removing misperceptions and strengthening transparency and confidence; identifying and pursuing common interests in the Euro-Atlantic zone.

- Identifying additional political, legal and military arrangements that address the security concerns of in Central and Eastern Europe and the Black Sea region.

[10] Lo, p.7.

- Fundamentally transforming the overall architecture of Euro-Atlantic security by revisiting the idea of a European Security Treaty.[11]

[11] East-West Institute, *Euro-Atlantic Security: One Vision, Three Paths*, June 2009 p. i.

Chapter 4

Back to the Roots:
A Changed NATO in the European Security Landscape

Karl-Heinz Kamp[1]

Among those currently debating the future security order in Europe, a certain consensus is emerging that NATO will remain the major building bloc of any security architecture on the continent. Thus, any evolution of NATO will have a crucial impact on the further development of the European security landscape. This article gives a forecast on the Alliance's future course, looking beyond its current plans to develop a new Strategic Concept. First, the article sketches NATO's transforming strategic horizons in its phases of development, particularly the impact of Afghanistan and the financial crisis on this transformation. The paper then outlines some concerns about Russia's role and nuclear issues in international affairs as threat perceptions evolve.

NATO has transformed significantly, becoming a global player which is militarily active on three continents. The Alliance provides

[1] Director, Research Division, NATO Defense College. The views expressed are the responsibility of the author and do not necessarily represent those of the NATO Defense College or the North Atlantic Treaty Organization.

security for nation-building efforts in Afghanistan, it keeps the peace in the Balkans, provides air transport for the African Union and is engaged in counter-piracy operations in the Gulf of Aden. At its creation, it was never expected that NATO would have such a variety of tasks and missions. Instead, the Alliance's current portfolio is the result of constant adaptation to new circumstances and requirements over six decades. Nevertheless, the security context remains in constant flux, and it is worth asking when NATO's next adjustment to new conditions will happen and what direction will the Alliance take?

It was always a decisive event – triumph or tragedy – which initiated a new era in NATO's evolution. The fall of the Berlin Wall terminated NATO's first epoch as a defense organization and led to its second phase as an instrument for shaping the political order in Europe. Partnership, membership and indeed military action in the Balkans were all steps to fill the power vacuum left by the Warsaw Pact and to support the stabilization and democratization of Eastern Europe. The attacks of 9/11 marked the beginning of the third phase of NATO's history, in which the Alliance still finds itself and in which it has transformed into a global stability provider.

NATO is probably facing phase four of its history and it will again be a decisive event which triggers a new era, namely the forthcoming withdrawal from Afghanistan. NATO's retreat from the

region – be it in two, four or more years – will emphasise its reorientation towards a classical security alliance. Certainly, this alliance will have to look beyond its territorial borders to cope with today's challenges and NATO will not exclude military action beyond the Alliance's geographical boundaries to achieve its aims. Still, NATO after Afghanistan will more closely resemble to the defense alliance in phase one than to the global actor in the current phase three.

The point about NATO's role in Afghanistan should not be misunderstood – NATO's military engagement in Afghanistan was inevitable. There was no alternative to the ousting of the Taliban regime in Kabul that provided save havens for the Al Qaeda network. That is why there is consensus among the Allies to withdraw not before the Afghan government in Kabul has enough of its own capacity, including security forces, at its disposal in order to prevent the re-emergence of the terrorist menace. Still, NATO's mission in Afghanistan will remain traumatic for the Alliance, not only regarding the price being paid in blood and treasure. Particularly in light of the modest achievements that any nation-building effort in such a poor and war torn country can accomplish, disillusionment will further spread among those engaged in Afghanistan. Even if the international community should succeed in generating stability and economic growth in the region over the next decade, Afghanistan will hardly be able to exceed the economic power of an African state like Chad and will always be heavily dependent on

external development aid. Such a sobering outcome can hardly be attributed to a lack of international engagement, but it is the maximum that can be achieved in countries that are the least developed in the world.

Consequently, no one will have further illusions on the prospects of nation-building in deprived regions. The willingness to become militarily engaged in trouble areas will shrink dramatically – despite the cruelties in Congo, Sudan and elsewhere. The end of NATO's engagement in Afghanistan will go along with a deeper insight in the limitations of international crisis management. Thus, the Alliance after Afghanistan will be a different one in a number of respects.

The pendulum of its activities will swing from international engagements back providing security for the NATO members. The popular idea of NATO being a subcontractor to the United Nations, providing its military assets for worldwide crisis management, will be passé. Instead, collective security commitments according to Article 5 of the Washington Treaty will remain quintessential in NATO's thinking and practice.

NATO's concentration on core missions will be underwritten by its future economic perspectives. The international financial crisis of 2008 and the costly programmes to bail out the banks will have severe negative repercussions on the budgets of NATO allies for years to come.

What is more, for the sake of domestic policies, all NATO governments are likely to cut their defense budgets disproportionally compared to social expenditures. The implications for NATO's military capabilities will be twofold. On one hand, the share of the defense-related parts in the overall budgets will further decline. Already today, only five of 28 NATO members meet the obligation to spend at least two percent of the Gross National Product (GNP) for security and defense. The average is currently about 1.7 percent and even this figure is significantly inflated by the giant military spending of the USA. On the other hand, even the debate about percentage figures becomes less and less relevant as the GNPs of almost all NATO countries are decreasing. As a result, as a whole there will be less money available for the military.

These upcoming financial constraints, plus the fact that some NATO members spend more than two thirds of their defense budgets for personnel costs, give an indication on how military investments will develop. Regardless of rhetorical commitments particularly among the European NATO members, there will not be sufficient funds for the military transformation towards expeditionary forces, rapidly deployable over vast distances. Major projects for strategic airlift capabilities, communication or other bullet points on NATO's priority lists will be cut or postponed so that the goal of long range power projection will remain fiction for a long time. Most NATO countries will have to cope with what

is at their disposal today and what had once been acquired for the purpose of military self-defense.

Current insecurities about the developments in Russia will give further momentum to NATO's future course. A number of NATO countries still regard Russia as a threat and as one of the reasons why they wanted to become a member of the Alliance. Moscow's sometimes self-confident and even aggressive rhetoric combined with actions like military exercises close to the Baltic ("Zapad 2009"), simulating major advances westward – do not help to dispel those concerns. For the foreseeable future, neither Russia's harsh words nor its offensive actions are likely to cease. Furthermore, at the same time, demographic problems, economic challenges and internal tensions can turn Russia into a major problem for stability and security in Europe. All this does not exclude cooperation with Russia in clearly defined areas of common interest. Still, NATO's core business of providing security for its members will become more relevant through foreseeable developments in Russia.

NATO's reorientation will not only be confined to its defense mission. Instead, other political functions of the Alliance will be seen from a more "classical" perspective as well. For instance, the idea of rapidly pursuing NATO enlargement to complete the idea of a "Europe whole and free" will fall behind on the Alliance's priority list. Ukraine

and Georgia have a promise for membership, however without any concrete timetable. There is a broad consensus that both countries will still have a long way to go to be ready for accession. At the same time, NATO would currently hardly be able to fulfil credibly a security commitment for Ukraine, a country second in size only to Russia. Besides, there is some disappointment in NATO with respect to the limited military efficiency, the lack of financial contributions or the high levels of corruption in some of the new member states. All this clouds the general climate for swift enlargement steps. Of course, the door for new members will remain open. However, NATO's role as a transmission belt for military and political transformation in Eastern Europe will be less relevant.

A tendency of "returning to the roots" will appear in the nuclear realm as well. Regardless of trendy dreams of a nuclear-free world, the number of nuclear states is likely to grow. North Korea has already proven its nuclear status and Teheran seems determined to possess the nuclear bomb as quickly as possible. If Iran becomes a nuclear weapon state, other countries in the region are likely to follow. If the US wants to curb the spread of nuclear weapons, it will have to take on further nuclear commitments for Asian or Middle East countries, thereby extending their nuclear umbrella as they have done already with NATO, South Korea or Japan. Hence, concepts of deterrence and extended deterrence (nuclear states protect their non nuclear allies) will face a renaissance.

Finally, NATO's threat perceptions are likely to change in general. At present, most Allies put emphasis on the threats posed by terrorism, failed states, regional instabilities or the spread of weapons of mass destruction. The danger of major interstate war is mostly disregarded. Alas, there are at least three trends which might prove this view to be a grave miscalculation. First, there will be tremendous rivalries in future for energy and raw material. Second, the consequences of climate change will become relevant as security issues in the sense that rising ocean levels will concern particularly those countries in coastal region which cannot afford efficient countermeasures. Regional friction and outright aggression by those immediately affected might be the result. Third, the rising number of "nuclear haves" might also lead to regional imbalances and hostilities. Taking these trends together, it is hard to imagine that the resulting crises and tensions will always be solved by diplomatic means. The scenario of major states at war, indirectly – or perhaps directly – affecting NATO, will be back on the international stage. The perception of NATO as a traditional security alliance will gain importance.

So NATO in "phase four" of its history will have different priorities, focusing more on the immediate security interests of its members. Such an evolution is neither "positive" nor "negative" in itself. What is crucial is that these interests are primarily "Western" interests. The West, not as a geographical but a political category, describing the

community of democratic, pluralist, market oriented countries, is a reality. This is why NATO in its partnership approach today differentiates between countries like Uzbekistan or Armenia on the one hand and Sweden and Australia on the other. This partnership of like-minded nations needs to be further evolved.

As a result, a lasting European security architecture will be dominated by NATO and will be in its general orientation a “Western” one. This does not exclude overlapping structures with other regional institutions, like the Shanghai Cooperation Institution, extending from Russia further to the East. However, there is no alternative to a Euro-Atlantic security fabric, even if NATO evolves back from a global stability provider to an interest based security institution for its members.

Chapter 5

A Joint Review of the Challenges and Threats of the 21st Century

Andrew Wood[1]

The more I thought about preparing these remarks about the challenges and threats that face us, the more aware I became of the difficulty of tackling it effectively. It is easy to draw up a reasonably representative list of issues for discussion. Such lists have been written before. They would include for example terrorism; narcotics; environmental issues; global economic and financial questions; energy security; nuclear proliferation and so on. But the more I reflected on such agendas, the harder I found it to say anything very new or even sensible about them. That is not because Russian and NATO Parliamentarians do not share a common interest in dealing with such matters. Nor is it because predicting too far ahead is unwise – after all even if we found solutions that would mean that the problems themselves would change shape in the light of those solutions as time passed.

[1] Former UK Ambassador to Russia. The views in this chapter remain the responsibility of the author. This paper reflects comments made at the Russia/NATO Parliamentary meeting on 13 November 2009.

No, it was, instead, for two other reasons: first, because each of the issues I have just mentioned becomes complex and tangled as soon as you move beyond its general heading – one man's terrorism is another's resistance; putative nuclear proliferation can be disguised as peaceful development and so on. And second, because all these subjects have one thing in common, that they do not treat the core issues of intra-European relations.

So I should like to start by looking at the NATO-Russia relationship, because it seems to me that getting this right, or perhaps better, setting it on a clearer path, is essential if we are to improve our ability to manage other issues. Of course, there is an argument which says that in discussing issues where we recognise a common interest we can hope to build trust, and thereby improve the prospects for wider collaboration. But true as this proposition may be in principle, we have not had a lot of success in that so far.

So, what is NATO for Russia? And what is Russia for NATO? The answers to both questions are muddled, and that matters for any rethink or "reload" of the relationship, and all the more so if NATO and Russia are to sit down together to define their mutual interests and define an agenda that would form the basis of a "Strategic Partnership".

NATO is for most Russians a hostile entity, and for many influential Russians, one with active designs against their country. Most of them would rather it did not exist at all. A whole narrative has evolved to support this view, which works to a Soviet inheritance. There are extreme versions of this narrative, which would include ascribing Moscow's difficulties in the North Caucasus, as well as the wider Caucasus, to Western interference and a developed ability on the part of the West, through NATO, to organise long term conspiratorial policy making. NATO's inclusion of states which were once part of the Soviet Union is not seen as the result of those countries having chosen of their own accord to join the Alliance but as a response to Western pressure. The idea that new members, whether actual or prospective, might wish for NATO membership because of policies made in Moscow, or fears of future Russian developments, does not seem generally to be taken into account.

NATO is, second, seen as the tool of the United States, not as a true consensual Alliance. Again, Soviet history informs Russian assumptions, with NATO being regarded as a mirror image of a Warsaw Pact controlled from the capital of the former Soviet Union. The effect is to reinforce the belief that Moscow's objective must be to work on Washington, as one Great Power to another. This does not preclude Russian efforts to work the bilateral relationships with European powers that it sees as useful, notably Germany. Moscow's effort to understand

and work with European countries which were once members of the Warsaw Pact seems however to be limited. The Russian attitude towards the European Union is ambivalent, despite the description sometimes given of an eventual triumvirate of Russia, the United States, and the EU ensuring equitable and effective balance in the transatlantic space. Medvedev himself pointed to this ambivalence in his Berlin speech on 5 June 2008, stating that the end of the Cold War had made it possible to build up 'genuinely equal cooperation between Russia, the EU and North America as three branches of European civilisation'. But at the same time he noted a 'worrying tendency to take a selective and politicised approach to our common history'. On the basis of this ambivalence, he announced Moscow's desire for a pan-European discussion about unity between the whole Euro-Atlantic area from Vancouver to Vladivostok. Such a discussion, he argued, should lead to a new Treaty.

I should of course make it clear that I realise that, in sketching out some of the assumptions which seem to lie behind Russian policy attitudes as I am trying to do at this point, I am speaking merely as a British observer, and also simplifying the message. I should nonetheless, and lastly, remark that Russian military doctrine also appears still to rest on ex-Soviet foundations. Fair enough, you might say: Russia is after all the successor state to the USSR, and entitled to regard itself as such. To a certain extent, that is indeed so – but not to the extent that its military doctrines as they still exist should be tied to the beliefs of the 70s or 80s. And not to the extent that Moscow should see the influence of others in

its “sphere of privileged interest” as automatically and necessarily inimical.

What, now, is Russia for NATO and other Western organisations and their member states? Attitudes vary of course, as historical memories vary, and as experience of post Soviet Russia has differed. Some are more wary than others of Russian ambitions to be a “Great Power”. But three essential points need to be made: first, the disease of Russophobia is a Russian fantasy, not an objective reality. That is not of course to say that everyone else loves Russia, any more than I would suppose that everyone loves Britain.

Second, the ideas that NATO is actively directed against Russia or that it is the obedient tool of the United States simply do not compute for Western policy makers. It is obvious to Western policy makers that the peaceful and harmonious development of the Russian state is a necessary condition of peace and harmony in Europe, and to better outcomes beyond that continent. And third, that while Moscow has an important part to play in Western policy formulation, it is less central for most Western policy makers than the West, and of course particularly the United States, apparently is for Moscow.

It is, I think, a puzzle for the West that these points, which are obvious for the West, are not also obvious to Moscow. In defining its

national security Russian policy makers fix on the threat as they see it of NATO expansion but ignore the fact that since the late 1980s NATO has drastically reduced the number of its forces in Western Europe, eliminated all ground based short and medium range nuclear missiles, and has adopted a new strategy that has nothing to do with containing Russia. Yet the Russian Strategic Review issued in May this year, while differently focused than its predecessor, nevertheless still described a US First Strike as the most serious external threat to Russia. Mutually Assured Destruction is still seen, it appears, as a core doctrine. One can see that there are interests which would cling to that doctrine as protecting their positions, and there is an inevitable momentum behind the arms control element in the US/Russia "reset" exercise which reinforces this sort of perception. But otherwise, it looks oddly unreal, out of tune with present day European realities, and irrelevant to the real problems we have in common.

What is it then that gives life to this difference of view looking from the West at Russia, and from Russia at the West? Disappointed love is one answer. Russia has gone through a bruising cycle of hope, frustration and resentment as it has measured its relationship with the outside world, and the West in particular, during what has been a difficult and inevitably contentious transition towards establishing a responsive economy and effective form of government in revolutionary post Soviet circumstances. The countries to Russia's West have also had their internal preoccupations, including for significant numbers of them the

need to consolidate democratic institutions and market economies within the EU and NATO frameworks. The confidence which has come through the process of reform which led up to their admittance to NATO, as well as their eventual membership of that defensive Alliance, has helped them to make that transition more easily – and that is to everyone's benefit. But Russia and the West have during this process found our core values drifting apart, and our ability fully to understand each other's point of view, I fear, eroding as they have done so: while the West sees a strategic transformation and increased stability and security, Moscow sees bloc mentality and weakening of wider European security.

Particular issues have reinforced division. A list would include for example Kosovo, Georgia, strategic missile defence systems in Poland and the Czech Republic (now shelved by the Obama Administration), cyber disruptions, the security of energy supply and external pressures on Ukraine. What all these have in common is that they are centred on Europe and that the question of the right balance between Russia and NATO cannot be treated as an individual issue, separate from the way we consider the lands between. It is one thing to see that Russia has a particular interest in these countries, and that they have for that matter a special interest in their relationships Russia. But it is quite another to accept that this means that others, whether individual Western countries, or the EU, or NATO, have no part to play in this area. It is self-evident in any event that none of these countries wish to be

dependent on either their Western or their Russian neighbours, and that all of them will be affected by the degree to which their interests are taken into account by those neighbours. Intimidation will not work better than equitable accommodation. If the world is indeed multipolar, then Kyiv, Moscow, London, Madrid, Warsaw and so on are all decision centres in their own right.

So, like it or not, we are going to have to deal in the future with a changing and complex European landscape, which cannot be captured by any general schema or plan, but must instead be managed pragmatically. That will call for a continuing effort at sympathetic understanding as attitudes evolve, and as countries and organisations develop. Meetings, including with the Parliamentary Assembly, have a part to play in that process. Reset buttons are good too – provided always of course that they do not simply reset us to our default factory settings. What they can do is to give us all time to reflect.

It is not difficult, I believe, to see ways in which our efforts to manage our common concerns will gain traction. The progress of military reform in Russia is one. Once that has been completed, Russia will have armed forces that are not just better equipped and more professional, but ones which are better suited to what most of us here would agree with the reform's architects are the real threats to the country's security. Those forces, like NATO's, will as a result no longer be configured for mass

warfare in Europe. We can I trust take it that the reform plan is already at odds with the idea that there is at present a security crisis in Europe. Differences, and maybe critical points perhaps. But an overarching crisis? I think not.

NATO too is evolving, and working to the adoption of a new strategic concept. An understanding of Russian intentions now and the country's likely development will be a crucial factor in that, as it will be for all the individual countries represented here. The NATO Secretary General's call for Russia and NATO to cooperate on developing a joint evaluation of existing threats is timely in that regard, and evidence, surely, of a wish to work with Russia not to struggle against it. We have, as we all know, problems enough in common. Think for instance of what the result would be of a return to greater chaos in Afghanistan. That ought to be enough to shock us into working together.

In many ways, we do have a common history – one which includes Russia's history. That experience has informed all our lives. Nearly all the countries represented in the NATO Parliamentary Assembly have undergone wrenching changes and have pondered within as to what it should mean and how they should cope with their effects. That has not been easy, and has involved, for instance for the United Kingdom, hesitations and changes of perspective. Russia's conversation with itself since the collapse of the Soviet Union remains intense, and its

relationship with the outside world sometimes disputatious. But in the end, as President Medvedev has said, security is indivisible. NATO has its part to play in protecting that security. So do non NATO countries, Russia included. Our aim must be to do it together. No country, not even Russia, can do it alone.

PART II – THE THEMES

Chapter 6

Arms Control: the Canary in the Coal Mine

Burak Akçapar[1]

In the world of arms control, crises are endemic, almost second nature. A recent example has been the woes of the 1990 Treaty on Conventional Forces in Europe (CFE Treaty). This Treaty has undergone countless additions, amendments, and statements before finally being "suspended" by Russia. Only months after the suspension, the conventional weapons of the State Party that had done the suspending were involved in a war, and poured across its neighbor's border. The hardware involved demonstrated the strength of the already extant holdings in the flanks. That the CFE Treaty contains no provision for "suspension", indeed does not even mention it, added irony to the affair.

Rather than despairing of the current crisis of the CFE Treaty, we should have faith in the Treaty's merits and redouble efforts to move past

[1] The views expressed in this article are personal and cannot be attributed to any government or institution with which the author is associated, nor should they be taken to reflect the views of the NATO Defense College or the North Atlantic Treaty Organisation.

current difficulties. Indeed it is a cornerstone of the European security architecture and ever relevant to the challenges we face. At a time of widespread concern about instability and "inclusion" in Europe, we should remember that arms control is about transparency and reassurance – but it does require serious effort to make it work.

In arguing for the continuing importance of the CFE Treaty, this paper first briefly places arms control in general in context, before looking at the CFE more specifically, discussing its evolution to meet the changing political circumstances in the Euro-Atlantic region. The paper then turns to the changing strategic context since 2000, particularly Russia's changing approach to the Treaty and the impact of the war in August 2008, which had the effect of making the flank the epicenter of the Treaty. Finally, the paper sketches three options for the future of the CFE Treaty.

Arms Control in Context

International law intertwines with international politics. The interaction is two-way: Politics shapes law, law influences politics. Often, politics is more influential than law in determining state behavior. Nonetheless, political capital is always limited, even for the mightiest of states. The further a state drifts from lawful and moral conduct, the weaker its international standing becomes. Consequently, the specific provisions of a specific arms control treaty law are important. Politics alone cannot dictate treaty law anew each time there is a change of will

on the side of one party, and, more than anything else, that is the salient point about signing treaties.

International law has long been under pressure to cope with the complexity and vicissitudes of international life. This strain has increased after the Cold War, as demands for a new world order intensified. In 2009, the international community finds itself in flux, with almost every aspect of the international order being challenged – from the top down and from the bottom up. The very institutions established to create a minimum order in global affairs now threaten this order due to their ineffectiveness, even obsolescence.

Arms control processes constitute one of the methods by which states seek to attain and strengthen a minimum of international public order.[2] Agreements emphasize cooperation and multilateralism instead of unrestricted competition. They treat their contents in a systematic and cumulative fashion, each breakthrough being maintained and institutionalized not only in the follow-up agreements, but also in other arenas of arms control. Thus they reflect both thinking *de lege ferenda*, but produce legally and politically binding international written agreements that create expectations and obligations for compliance (*de lege lata*) in an area as fundamental as national and international security.

[2] For more in-depth discussion, see Akçapar, B. *The International Law of Conventional Arms Control in Europe*, Baden-Baden 1996.

As treaty law, contractual arms control employs obligations, principles, institutions, and procedures binding on the relevant parties. As does all law, arms control law attempts to institutionalize cooperation, set standards of peaceful conduct, erect mechanisms to verify compliance, and develop appropriate procedures and institutions to deal with disputes and non-compliance.

Being part of and subject to general international law, arms control cannot provide technical guarantees because the weakness of general international law itself is not a technical matter: International law is a function of the political community of nations, its defects are due to the embryonic character of the community in which it functions, not its technical shortcomings. After more than four centuries of experience, international law cannot claim to have found an effective and consistently reliable antidote to determined aggressors or violators apart from self-help. Arms control negotiations and agreements, as well as alliances, mitigate the insecurity in which the states in the world arena find themselves as a result of this ultimately individual responsibility for self-preservation. If armaments are about deterrence, arms control is about reassurance – as long as it is observed.

The CFE Treaty and its context

The CFE architecture reflects both the shortcomings of international law and order and the erosion of the specific political consensus that made it initially possible. The political context of the 1990 CFE Treaty was one in which the Parties sought to codify the new

strategic landscape that emerged towards the end of the Cold War at a particularly unpredictable time. The CFE Treaty created a mechanism to diminish this unpredictability and increase visibility, and in so doing, it helped to establish a specific security architecture for the Euro-Atlantic region.

The CFE Treaty is actually two good things rolled into one. It is a disarmament treaty and an arms control regime. Its disarmament provisions have been fulfilled, and as such the 1990 document is already a success story. But the arms control aspect as a continuous arrangement within the Euro-Atlantic security architecture has been under strain since the Treaty was conceived. That is, however, neither surprising nor unique. Arms control is intrinsically more challenging than disarmament, if for no other reason than because it entails continuity beyond the date and circumstances that gave birth to it. In a dynamic world where events unfold in leaps and bounds, and concerning an issue that governs one of the most important of a state's considerations, security, this is bound to be a tall order, but a necessary one all the same.

As a disarmament document, the CFE Treaty mandated the elimination of holdings in five categories of heavy conventional armaments and equipment in excess of the predetermined ceilings in the document's zone of application, which extended from the Atlantic to the Urals. These reductions, both enabled obsolete and excess weaponry to be discarded and allowed for the modernization of the residual treaty-limited equipment. Thus it may be that defense reform efforts have been

aided by the CFE treaty's disarmament provisions. Had it not been for the CFE, militaries would likely still have insisted on keeping those armaments which, fortunately, have now been reduced. Money would have been spent on storing and maintaining obsolete armaments, and no resources made available to carry out some, however limited, defense modernization.

The second and longer-term aspect of the CFE Treaty, the arms control regime it set out, was and is both more ambitious and more vulnerable to the vicissitudes of current history. It is also all the more crucial. The Treaty created a complex living organism that included an advanced transparency and verification regime involving detailed information exchanges, on-site inspections and challenge or surprise inspections, in addition to monitoring arms destruction. The inspection regime can be deemed to be performing satisfactorily overall. Around 6,000 on-site inspections have been carried out in accordance with the CFE Treaty, providing a unique level of transparency in military affairs; a remarkable feat even in the age of Google Earth. While not alone in the realm of transparency arrangements in the Euro-Atlantic area, the CFE Treaty was a valuable companion to NATO's Partnership for Peace program, the Vienna Documents on Confidence- and Security-Building Measures in Europe and the Open Skies Treaty.

So the 1990 CFE Treaty created a complex diplomatic, military and political regime that was expected to maintain itself and remain in effect for the indefinite future. Yet, the regime was to inhabit a military-

diplomatic situation that was in flux and under corrosive attack from day one: the very circumstances that facilitated the conclusion of the CFE Treaty have complicated its implementation ever since, not least given the dissolution of the Warsaw Pact and indeed collapse of the USSR. Since then, NATO and the EU have both enlarged, wars have been fought in Chechnya and Kosovo and unresolved conflicts simmer in Georgia and Moldova.

With recognition of these changes, the CFE too has changed, the regime's embedded procedural-institutional mechanisms kicking in to revise the Treaty. Thus in December 1996, a new round of talks was launched at the OSCE Summit in Lisbon to adapt the treaty's bloc-to-bloc structure to the nascent realities in the Euro-Atlantic region. Following three years of intense negotiations, the Agreement on Adaptation of the Treaty on Conventional Armed Forces in Europe was signed on 19 November 1999 in Istanbul. The Adapted CFE Treaty (ACFE) replaced the bipolar concept with one that is based on national and territorial ceilings.

It set out a system of national obligations in place of the defunct East-West bloc structure. The territorial ceilings refer to the total number of (land-based) Treaty-limited equipment in each category that is allowed on the territory of any State Party, including those of its own and those deployed by any other State Party. The ACFE Treaty also strengthened verification measures, and most importantly, opened the CFE arms control regime to countries that were not yet party to the 1990 CFE Treaty. Indeed, the original CFE Treaty did not include any provision to

allow the accession of new parties. Thus a major task was again completed to keep the CFE arms control regime on track.

Yet since 1999, of 30 States Parties to the CFE Treaty, only Belarus, Kazakhstan, Russia and Ukraine have ratified the adapted document[3] and it has never come into force. Georgia and Moldova made clear that they will not ratify the Adapted CFE Treaty while Russian military forces remain on their territory without their consent (in violation of Article 2 of the ACFE Treaty). Accordingly, the 1999 Final Act of the CFE States Parties contained a pledge by Russia to withdraw and/or destroy CFE-limited armaments and equipment and evacuate its military facilities in Georgia by July 2001 and in Moldova's separatist Transdniestria region by the end of 2002. NATO Allies provided both financial support for the withdrawal of Russian forces and assistance in the destruction of obsolete ammunitions. Later, Russia maintained that the Istanbul Commitments were only politically binding. While the NATO Allies have repeatedly reaffirmed their readiness and commitment to ratify the Adapted Treaty in Summits and Ministerial meetings, in practice none of them did so because of the Russian failure to leave Georgia and Moldova.

History Gathers Pace

Since 2000, a completely new strategic horizon has emerged. The years between 2001 and 2008 witnessed an increasing loss of control over developments in strategic areas around the world, including, of course, in

[3] Ukraine has not officially deposited its document of ratification.

Iraq, Afghanistan. The US as not just the sole superpower but, more significantly, the sole upholder of global balance seemed to lose influence in world politics. Problems in various aspects of the European security architecture began to emerge with greater prominence. Turkey's exclusion from the evolving EU security and defense policy, endless jostling over NATO-EU cooperation, misguided attempts to carve out a competitive global role for the EU and a general sense of arrogance and the "end of history" for Europe have had a corrosive effect on the European continent's achievements and alliances that were patiently built up over decades.

Simultaneously, the world was experiencing what Fareed Zakaria has called the "rise of the rest", in large part due to the surge in hydrocarbon prices. Russia was one of the prime beneficiaries of the boom in energy prices and translated its rising cash reserves into increasing assertiveness, particularly in its neighbourhood and in relations with its energy customers. In 2006 Russia adopted a new approach in its relations with NATO, resorting to alternative arguments demonstrating the growing incompatibility of the original CFE treaty regime with political and strategic reality. Moreover, Russia threw the extraneous issue of US ballistic missile defense system in the Czech Republic and Poland into the conventional arms control debate.[4] In February 2007 then-Russian President Vladimir Putin, speaking at the annual Munich

[4] Lachowski, Z. "Conventional Arms Control", *SIPRI Yearbook 2008. Armaments, Disarmament and International Security*, Oxford, 2008. pp.473-474.

Security Conference, warned the West against imposing new dividing lines and walls on Russia.

Simultaneously, Russian officials became brusquely vocal in their criticism of the CFE Treaty as outdated, emphasising what they alleged to be Russia's increasing military encirclement. This culminated on 12 December 2007, after a five-month advance warning by Putin, in the formal Russian announcement that the implementation of the original 1990 CFE Treaty was "suspended". In practice, this meant that Russia would not exchange data in accordance with the Treaty and would not send or accept inspections. The arms limits, which Russia habitually exceeded in the flanks but kept within overall ceilings, ceased to apply. NATO called on Moscow to rescind its decision and confirmed that "without prejudice to any future action they may take", NATO countries that are States Parties will continue to implement the original CFE Treaty and associated documents.

The Russian decision not to "withdraw" from the CFE regime as was legally permitted under the provisions of the Treaty, instead to resort to Article 72 of the 1969 Vienna Convention on the Law of Treaties, which allows "suspension", has since been subject to debate. The prevailing interpretation is that Russia wanted to demonstrate its resentment with a string of developments, including the Adapted Treaty ratification process, NATO enlargement, abrogation of the ABM Treaty, plans to deploy US missile defense systems in Poland and the Czech Republic, deployments in Romania and Bulgaria, and Kosovo's independence. Accordingly, the intention was never to abrogate totally

the CFE regime. The fact is that senior Russian officials were careful in their discourse not to sever completely their ties with the CFE Treaty. Yet, time works against the CFE regime as the cornerstone of European security, since corrosion could spread to other States Parties over time.

The Flank is the New Epicenter

In 2008 the CFE Treaty's strategic importance was highlighted. Indeed, the the CFE regime's logic is vindicated by the Georgia-Russia war of August 2008. The Caucasus is the new epicenter of Euro-Atlantic security, and the CFE regime is the single-most essential arrangement for Russia and NATO in a complex and ethnically diverse region, where the immediate interests of every major power are directly influenced. What really changed were perceptions and the range of available options. The Caucasus is, to all intents and purposes, no longer a "flank", but a central theatre for the CFE regime. This critical region's current woes, however, are part and parcel of the overall weakening and fragmentation of the international order, including all its supporting institutions and arrangements in Eurasia.

Thus the CFE regime's problems cannot be seen in isolation. The real issue is not necessarily any aspect of the original or the adapted CFE Treaty but the deterioration in the nature of the political and strategic environment within which these documents operate. It is less that particular articles of the Treaty or associated documents have failed, more that the politics of it has collapsed (though not because these documents were not good enough or had become irrelevant). Some key points became obsolete, but the procedural-institutional elements provided for

mechanisms to enable due evolution. The CFE regime persisted in the face of politics that have been failing for some time and helped keep minimum order. What is needed is not a new treaty, rather a new politics to salvage the existing treaties, even though the return of good politics may not readily translate into the restitution of the arms control regime.

In the case of the CFE arms control regime, there is a double danger. First, confidence between Russia and the other Parties has been eroding significantly. The August war added bad blood to the long trail of mutual recriminations. In recognizing the independence of Abkhazia and South Ossetia, Russia has taken ownership of two precious pieces of heavy luggage which have no carrying handles and which Russia can not afford to drop. This burden is likely to get heavier as time passes and it will have repercussions.

Second, the confidence of all States Parties in the CFE Treaty's viability is eroding. The security architecture as a whole, whether in terms of the institutional and material hardware or legal and indeed behavioral software, might collapse if the current situation is allowed to linger. It would be naïve to think either that this is not what some have wanted all along, or, equally, to expect anything positive to come out of the disintegration of European security. Nor is it realistic to believe that erosion can be contained only if we turn the other way and leave things to their own devices. This is true for Russia, NATO and their partners.

The CFE regime remains the cornerstone of Euro-Atlantic security: as the only verifiable and meaningful military limit-setting and

transparency-enabling regime in Europe, the CFE regime supports almost everything else. It may not be the car that we daily drive to work. But, it is the road that the fancy cars drive on. It also serves as the canary in a coalmine, warning of impending danger: when the CFE regime dies, something must be rotten and states around Europe will sooner or later re-enter a defensive or even revanchist mode which will seriously undermine Euro-Atlantic security.

The ultimate challenge is not bringing Russia back into the 1990 CFE Treaty regime, though this may prove difficult. It is the broader task of creating the circumstances that would allow the regime to start functioning again. That can only be achieved when the Adapted CFE replaces the largely outdated original Treaty. Thus, the same basic question that preoccupied policy makers in Istanbul in 1999 remains pertinent today: How can the original CFE Treaty be upgraded to meet Russia's legitimate concerns, while also ensuring that Russia's neighbors, including Moldova and Georgia, and the essential arrangements in the misnamed "flanks" are not given short shrift. In practice, that means maintaining the flank regime, because this is where Europe's largest military power has been directing its conventional power and where both Russia and NATO have interests.

The Future of the CFE Treaty

In the conditions that have prevailed since August 2008, this is more challenging, but all the more important and not insurmountable. There are three options regarding the future of the CFE Treaty. The first,

against which this paper argues, is to leave it to die. That would fundamentally change the Eurasian security landscape. Starting with a massive, if not unparalleled investment in intelligence capabilities, a world without the CFE regime will acquire a very new and different outlook, and by no means a positive one.

The second is to give Russia all it desires. The outcome of that would not be different either. Shockwaves would be sent throughout Eurasia, creating apprehension in all of Russia's neighbors, strong and weak alike, and increase criticism of the US and Western Europe for "taking the easy way out". A corollary of this approach would be to cut off a limb and move on: i.e. the flank regime or the Adapted Treaty could be dropped. Not only would this to all intents and purposes produce the same result as abandoning the whole regime or giving in to Russia's demands, some limbs just cannot be sacrificed.

The third option is to try to salvage the process by employing a number of tracks, some in parallel, some in sequence, some spontaneously, but all more vigorously. The first dimension of the way ahead is thus to ameliorate the political circumstances. Despite hardball rhetoric, Russia in fact always "seemed to favour maintaining pragmatic relations with the US as part of a larger strategy of seeking to ensure Russia a central role in managing global affairs, at least to the extent that Washington was willing to recognize and accept what it saw as Russia's

legitimate security interests".[5] Since the US withdrawal from the ABM Treaty, Russia has constantly been given the message that Washington did not respect it. Combined with the moves on missile defense, this snub in nuclear arms control challenged the US-Russian relationship. It created a very negative backdrop to the rest of Russia's complaints, including further NATO enlargement and Kosovo's independence. The Obama Administration has signaled its desire to "reset" this critical relationship and the Russian and US Presidents in their first meeting on the margins of the G-20 Summit in April 2009 vowed to make a "fresh start", while announcing their intention to begin negotiations on a new nuclear arms control treaty. Some time must be granted for these efforts to take effect. Dialogue is essential, and US diplomatic efforts led by President Barack Obama and Secretary of State Hillary Clinton seem both intended and able to deliver genuine dialogue with all parties. If Russia sincerely felt disrespected and encircled, then it would take the olive branch and push the reset button as well.

There is widespread recognition that Russia's criticisms of the Euro-Atlantic security architecture must be listened to. Russia must be shown that the Euro-Atlantic architecture is no longer about keeping Russia out or down. Yet Russia cannot be given a veto over the destinies of the people in its neighborhood. In the European system of fundamental principles and institutions (a system that Moscow helped to build), nations decide in a sovereign fashion what alliances they will join. Russia

[5] Mankoff, J. "Russian Foreign Policy and the United States After Putin", *Problems of Post-Communism*, Vol. 55, no. 4, July/August 2008. p.43.

would also not be right to expect the US and NATO to remove themselves from the Euro-Atlantic security equation. However, Moscow has the right to expect respect and cooperation in exchange for observing peaceful conduct and friendly competition among actors in the Euro-Atlantic region. In other words, Russia must be given the opportunity to feel in and not out, and the CFE forums, such as the Joint Consultative Group, cater to that exact purpose. The NATO-Russia Council presents another opportunity that needs to be seized by both Russia and NATO countries.

Equally, NATO solidarity is necessary, particularly in resisting the temptation to strike separate deals. Russia is a capable partner of strategic importance with much to offer those who agree to break from the crowd. There is a temptation to give up an aspect of the CFE regime in exchange for retaining the rest. That would, however, be a mistake. Euro-Atlantic security is indivisible not just in words but in essence. South and North cannot be dissociated from the middle and indeed *vice versa*. On the flip side, the same temptation to strike bilateral deals should not be permitted for US-Russia dialogue. As necessary as that relationship is, it cannot be expected to carry the entire body of allies.

Improving the overall political circumstances is not the paramount goal. The ultimate objective must be to reinstitute the arrangements for minimum order. The CFE Treaty as amended and appended specifically serves that function. The task is therefore to bring the entire package into full effect. Technical merits of the CFE Treaty

cannot be forsaken to win short term favors. It is a complex package, not only in terms of its articles and stipulations, but also as regards the political purposes it fulfils – its elaborate machinery of the CFE and ACFE Treaty cannot be abandoned either in part or in sum. The endpoint and bottom-line is their implementation, not desertion from them. The political environment needs to be controlled to make these treaties work. Violation, like unchecked power, is both corruptive and contagious: neighborhoods where the shops have broken windows and where there are no signs of public order are more prone to criminality. The unraveling of such a complex package may have implications that are beyond the objectives of Russia and others.

Therefore, the Adapted CFE Treaty must be brought into force without delay. Most of the concerns and criticisms of every party will be resolved once ACFE is vigorously implemented - the 1990 Treaty without the adaptation text cannot survive. This is also needed to include all NATO countries in the CFE regime: Slovenia, Lithuania, Estonia, and Latvia have already pledged to accede to the CFE regime once the Adapted Treaty enters into force. Nothing stops them from already acting unilaterally as if they were members of the CFE club. As new members, Albania and Croatia would also come under the spotlight.

In this context, the Istanbul commitments should be reaffirmed, but the linkage to the ratification of the Adapted Treaty needs to be eased. The Parallel Action Plan proposed by NATO is a worthy effort that did not produce much between March and August 2008 and received a critical shock during the Georgian-Russian war. There is every reason to

renew efforts to reinvigorate the PAP process, perhaps expanding the associated Russian-US talks to include the participation of all or a selected group of allies.

However, the PAP may need to acknowledge that solving the Georgia and Moldova problems needs a Daytonian resolve, while Nagorno-Karabakh needs a new Minsk. It is abundantly clear that the subject matters of the Istanbul commitments, namely the resolution of the Georgia and Moldova problems, but also the Armenian-Azerbaijani conflict, need firmer emphasis. That which festers in the Caucasus has the potential to afflict the rest of Europe. The existing mechanisms to address these difficult issues have not been successful, and it is time to think their parameters over while reflecting on how renewed efforts to meet the Istanbul commitments, resolve the conflicts, and employ the PAP can fit together.

In this context, President Medvedev's proposal to convene a European security conference may be put into action, with clarifications and modifications. As the EU statement of 18 February 2009 underscored, "due to its inclusiveness and its comprehensive approach to security" the OSCE already presents itself as the most appropriate forum for such a comprehensive exchange. For the debate to be successful, Russia and other parties would need to agree in advance that the aim is to reaffirm not just the Helsinki principles but also the current institutions and structures of the Euro-Atlantic security architecture. The conference could then proceed on such preordained parameters to strengthen and

improve the existing pillars of European military stability, foremost among them the CFE Treaty regime in its amended form and with its membership expanded to include all European countries. Even the CFE Treaty's existing review mechanisms provide significant opportunities to resolve differences – when there is a will.

But the idea of a new European Security Treaty that Russia has proposed is premature. The Euro-Atlantic archives are overpopulated with a vast variety of legal and political documents, institutions and organizations. One element common to many is the host of issues stemming from Russia. Since Russia is Europe's largest military power, this may be considered normal. Yet, the real task in Europe is to implement the huge body of commitments that is out there, not to continually create new ones.

Conclusion: The Need for Patience

One of the ways that international law deals with the increasing complexity and multiplying requirements of the global order is to create rules and law more rapidly and effectively. Thus, new sources of obligation and methods for creating them make their debut and take their place in the international legal order alongside more traditional ones. Conventional arms control and European confidence and security processes have employed this flexibility since their foundation. The Helsinki Final Act of 1975 is an excellent example, a foundation document which, however, was "merely" a politically binding instrument, not a legal treaty. For its part, the CFE regime is already a comprehensive

body of formal legal treaties, declarations, statements, final acts and concluding documents: every kind of document.

A declaratory instrument that would keep the CFE regime intact, while reaffirming the parameters of the security architecture and conduct of states in our common Eurasian home may help to move us past the current crisis. Arms control is hard but it is worth the effort. The benefits of the CFE Treaty become more evident once the risk of losing it begins to dawn. As such, it has appeared as the canary in the coalmine, providing a timely warning. If this has not yet become apparent to Moscow, it will in due course. The CFE Treaty has faced serious crises before, and crises will continue to emerge, since crisis is endemic in the world of arms control. The solution to the current spat will also be found through the effective use of the current tools, if necessary care and effort is shown: Euro-Atlantic security and stability does not happen by itself and should not be taken for granted.

Chapter 7

Russian Energy Security Policy: A Challenge, an Opportunity or a Threat?

Sergiy Korsunsky[1]

In less than a decade of the current century, the issue of availability of energy resources and stable supply of both oil and gas has become more important than ever before. The resurgence of Russia as a global player on the world energy markets has brought new agenda to the substance of traditional dialogue between East and West. Nowadays Russian energy policy and its implementation is a serious factor of economic and political stability in many European countries, including Russia's immediate neighbors, Eastern and Central European members of the European Union (EU) and NATO. So far, the EU has failed to develop and pursue a truly common energy policy, raising questions about whether the NATO should take over this role. The main reason behind this question is simple: through the disruption of gas supply to European allies, Russia is able to affect not only civil, but military infrastructure as well, and to create havoc in the economic and political infrastructures of many states. The issue is to be addressed with clear

[1] Ambassador Extraordinary and Plenipotentiary of Ukraine to Turkey. The views expressed in this paper are the responsibility of the author and should not be attributed to the Ministry of Foreign Affairs of Ukraine nor to the NATO Defense College, nor the North Atlantic Treaty Organization.

understanding that Russian energy policy is a challenge, one which can create either an opportunity or constitute a threat.

The Big Picture

The idea to use hydrocarbons as a geopolitical policy tool is neither new nor particularly genius. Last century brought a series of attempts to impose political and economic pressure through the disruption of oil flow to world markets. All of them failed to establish a "reign of producers", although not without economic damage and conflicts both political and military. Those past failures could be rightfully explained by several reasons. First, United States and other major consumers were directly affected and therefore exercised considerable effort to cope with the oil crisis one way or another. Second, the Soviet Union did not participate in the oil blockage, at least directly. Third, it was all about oil – a global commodity that could be delivered through diversified routes and means and stored onshore easily. Natural gas supply at that time was not an issue of concern since Liquefied Natural Gas (LNG) was largely non-existent while land pipelines were safely running from not-so-politically motivated producers to so-well-paying consumers always situated at the same geographical terrains and markets. But times have changed since then dramatically.[2]

[2] For a fuller discussion, see Yergin, Daniel H., *The Prize: The Epic Quest for Oil, Money, and Power*, New York: Simon and Shuster, 2008.

The new century has brought a new reality. Gas, not oil, has appeared as the main "energy weapon", affecting allies of the United States, though not the US itself, and nowadays Russia is main player in this game. Problems started with quick transformation of Russia into the major gas producer and supplier in Eurasia. The new leadership of Russian Federation came to power and turned out to be very serious about taking the country back to the club of global players. It is important to understand their motives.

It was not only because President Putin and his team regarded Russia as the successor to the Soviet Union. The problem is more complicated. They see Russia as a rightful and adequate successor of the Byzantine Empire, the "third Rome" (or forth – it depends). Hence when dealing with Russia a Byzantine-kind policy is to be expected when it comes to both domestic and foreign problems: Byzantine rulers were famous for solving their own problems through somebody else's expenses. And when it comes to one of the major pillars of the modern Russian State, energy resources, such a policy could be very painful.[3] For example, the US and European companies are allowed to transport more oil from Kazakhstan to the Black Sea via CPC pipeline only if they finance the Burgas-Alexandropulos bypass which will be owned in equal parts by the Russian State and Bulgarian and Greek companies. It is meant to be the first Russian-controlled pipeline on the EU (and NATO)

[3] Goodrich, L. & Zeihan, P. "The Financial Crisis and the Six Pillars of Russian Strength", *Stratfor*,

territory. The PR-war against Ukraine conducted in Brussels during the winter 2008-9 to get access to the Ukrainian gas transportation system and the invitation of Turkey to join the South Stream project in order to block Nabucco pipeline presented other examples of the new Russian "realpolitic".

Basics of Russia's Energy Policy

In 2003, the "Energy Strategy of Russian Federation for the Period to 2020" was adopted. At the outset of this document it states that: "Russia possesses a great energy resources….which is the basis of economic development and the instrument for carrying out internal and external policy".[4] To support this statement, an Agreement was signed between the Ministry of Foreign Affairs of Russian Federation and the Gazprom, where diplomats and Kremlin-run state monopoly agreed to help each other in promoting each other interests at the international arena.[5] Such cooperation is not generally new and it is even necessary for Foreign Service officers to be involved into promoting of particular national economic interests. It is much more impressive that in Russian version it was not diplomats but Gazprom who was going to promote foreign policy goals.

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http://www.stratfor.com/weekly/20090302_financial_crisis_and_six_pillars_russian_strength

[4] http://www.rg.ru/2003/09/30/energeticheskajastrategija.html

[5] www.mid.ru/ns-dipecon.nsf/.../$FILE/ECDIP2003.doc

The Russian leadership has repeatedly pointed to the importance Russia's raw materials resources give it in international affairs. For instance Prime Minister Putin stated earlier this year again that "Russia enjoys vast energy and mineral resources which serve as a base to develop its economy; as an instrument to implement domestic and foreign policy. The role of the country on international energy markets determines, in many ways, its geopolitical influence".[6] Nevertheless, if so, it is probably going to be the first case in history. None of the major hydrocarbon producer states in Persian Gulf, nor African nor South American countries have managed to become geopolitically influential. European producers like Great Britain, the Netherlands and Norway are influential not because of their gas and oil deposits, but technology-based economies. Indeed, there is no prosperous democratic country in the world whose wealth and geopolitical stand were based on oil and gas. Rather, it is quite opposite – the less cheap resources are available, the more efforts a nation has to apply to achieve prosperity and this is the path that leads to strong economy. Japan, Israel and Turkey are among the countries that serve as an example of how to build a geopolitical value without owning energy resources.

But who cares to learn history. In recent years the Russian Federation became a hostage of its own energy policy. Gazprom has moved forward aggressively buying every energy asset available in Europe and developing both realistic and surrealistic projects to try to

[6] Cited in The Jamestown Foundation, "Eurasia Daily Monitor", Vol. 6, Issue

cement its position as major gas supplier to the EU. Backed by strong political will in the Government, Gazprom succeeded in Germany, France, Italy, Austria, Belgium, Bulgaria, Netherlands, Romania, in Balkans, Belarus and, probably, in Turkey. Gazprom did not succeed in the UK and Ukraine. No wonder that relations with London were cooled down and when it comes to Ukraine a proper description could be characterized as a "permanent gas and information war".

At the same time Gazprom failed to invest into upstream development in Russia pushing land-locked Central Asian countries like Kazakhstan, Uzbekistan and Turkmenistan into Russian-led gas business instead. The lack of spare capacity is only one of the problems that could seriously diminish Gazprom's ability to match its obligations transforming the energy giant into a colossus on the clay legs. Let us look at some facts.[7] Nowadays the development of the giant Kovykta gas field, once considered a major project, has been placed on hold;[8] the "jewel in the crown" Shtokman field is in trouble and the Sakhalin-2 project is being forced to divert its gas to the strategic Russian Far East for domestic consumption.

In late August, Moscow launched a new energy strategy.[9] On August 28, the Russian newspaper Kommersant reported that Moscow

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95, May 18, 2009.
[7] The Jamestown Foundation, "Eurasia Daily Monitor", Vol. 6, Issue 164, Sept 9, 2009.
[8] www.polit.ru/news/2009/09/28/Miller.html
[9] Minenergo.gov.ru/news/min_news/1189.html

intends to invest $1.8-2.1 trillion in the oil and gas business by 2030 to increase production in order to keep up with projected European and Asian demand for Russian hydrocarbon exports as well as with increasing Russian domestic consumption[10] **.** The new investment strategy envisions a three-stage program - 2009-2015, 2015-2022 and 2022-2030. The costliest of these stages is projected to be the third stage, during which investments into the oil sector are projected at $313-321 million and the gas industry is expected to receive $284-299 million. As a result of these investments, oil production is expected to rise by almost 9 percent and gas production by 4 percent as compared with 2008.

But the projections for future production increases seem to contradict the statistics for 2009, which show that in the first half of the year gas production fell by a record 20.8 percent (Gazprom's figures alone decreased by 24.4 percent), while gas exports fell by 36.7 percent. Although the 2009 figures are linked to the world economic crisis, which lowered industrial production and subsequently reduced oil and gas consumption, many economists suggest that the crisis is coming to an end and that energy prices are showing signs of recovery. However, can the Russian oil and gas industry recover fast enough to meet renewed demand for its products or has it become mired in a domestic crisis brought about by the mismanagement and politicization of its energy sector?

[10]www.kommersant.ru/doc.aspx?DocsID=1227148

New World Order

During his April 2009 visit to Helsinki, President Medvedev reiterated Moscow's calls for both a new security order (Helsinki Plus) mirroring the realities of a substantially changed and multi-polar international political system, as Russia sees it; and second for a "modern global energy supply system" based on Russia's "Conceptual Approach to the New Legal Framework for Energy Cooperation", presented in Europe as a substantially new vision of how the correct international legal system in energy trade is to be set up.[11] It is aimed to substitute the "insufficient" and "ineffective" Energy Charter Treaty with new "comprehensive" document. The main goal of this "Conceptual Approach" is to reflect and unconditionally accept the current conditions under which Russia is and will try to remain the primary source, producer and exporter of energy, most notably natural gas. In other words, if Russia dislikes the Energy Charter Treaty, it must be removed and substituted by something Russia does like. All other countries are bound to agree. It is that simple.

Russian leaders perceive attempts to exclude Russia from global energy policies. They believe instead that energy cooperation and dialogue should not be allowed to go ahead without Russia and such an approach should be similarly applied to the Ukraine-EU energy dialogue or development of energy projects in the Far East and Central Asia. In this regard it is worth mentioning a little known amazing fact that State

[11] http://www.kremlin.ru/text/docs/2009/04/215303.html

Secretary and Deputy Minister of Industry and Energy of the Russian Federation serves as the Vice-Chairman of the Energy Charter Conference and Deputy Secretary General of the Energy Charter Secretariat in Brussels is a high ranking Russian diplomat Ambassador Vladimir Rakhmanin who once worked as a Chief of Presidential protocol with the President of Russian Federation. It is his duty to develop Energy Charter Process and conduct negotiations on the Transit Protocol, considered by ECT member states as an extremely important legal tool applicable to transit countries. Russia dislikes this Protocol because it says that transit facilities are to be open for competitors. That should not be allowed to happen on the Russian territory – only somewhere else. Therefore, it is doomed to be abandoned and substituted with new "comprehensive" document – indeed Prime Minister Putin has signed the appropriate legislation stating that Russia will not be a party to the Charter.

Instead of the ECT, this new "Conceptual Approach" envisions "new universal…document" for "all producers (exporters), transit states and consumers (importers) of energy resources" and such a document should cover "all aspects of global energy interactions". A deep dive into this "approach" reveals that it is truly an amazing document. It looks like a "World Constitution" covering all areas of energy business for all countries and all energy resources ever available. For example, Annex 2 lists all energy products that must be covered by new "universal document". It includes everything – from enriched uranium to electricity, coal and even woods. Specifically, among basic principles of the document a "non discriminating access to the markets" and "stimulating

of mutual exchange in actives of energy business" attracts particular attention.

It works like this: a Western consumer opens its market for Gazprom and allows purchase of local gas-distribution network by Russian monopoly in exchange for permission to participate in an upstream project in Russia. Sounds fine, but only until gas or oil is extracted and the Western company wants to sell it to the world market. Then it discovers that all transportation infrastructure is in hands of the Russian state-owned companies which have no spare capacity for transportation, sorry. But apparently those details are small and irrelevant by Russian standards. The presented document has a completely different goal: it was created to divert attention and efforts of the world community, specifically the EU, from real work over a comprehensive energy security approach to discussion of a concept which has nothing to do with reality.

While the response to the "Conceptual Approach" was muted even inside such staunch allies as Germany and Italy, the Russian leadership has moved forward. On May 12, 2009 President Medvedev approved the latest version of the "National Security Strategy of the Russian Federation up to 2020".[12] This doctrine outlines the basic fears and assumptions shared by the current Russian leadership about the state of the world and Russia's place in it. It addresses these concerns within

[12] http://www.scrf.gov.ru/documents/99.html

the context of Russian national interests, and by doing so opens a window into the thinking of the political elite on such an important issue as its use of natural resources – above all hydrocarbon reserves – as a foreign policy tool.

The well-known views of the Russian leadership were incorporated into the security doctrine in a roundabout but nonetheless open manner.[13] Paragraph 9 of the doctrine states: "The change from bloc confrontation to the principles of multi-vector diplomacy and the [natural] resources potential of Russia, along with the pragmatic policies of using them has expanded the possibilities of the Russian Federation to strengthen its influence on the world arena". In other words, Russia's energy resources were once again officially acknowledged to be tools of Russian foreign policy. There was apparently no further reason for denying the obvious.

Paragraph 11 lists the geopolitical battlegrounds where Russia believes that the future conflicts over energy will arise – and where, by definition, its national interests lie: "The attention of international politics in the long-term will be concentrated on controlling the sources of energy resources in the Middle East, on the shelf of the Barents Sea and other parts of the Arctic, in the Caspian Basin and in Central Asia".

[13] The Jamestown Foundation, “Eurasia Daily Monitor”, Vol. 6, Issue 95, 18 May 2009.

The document portrays a war-like scenario of future conflicts over energy resources. Paragraph 12 says: "In case of a competitive struggle for resources it is not impossible to discount that it might be resolved by a decision to use military might. The existing balance of forces on the borders of the Russian Federation and its allies can be changed." But who will supposedly change the balance? According to the strategy, it is the United States with its Ballistic Missile Defense program or the NATO itself. Paragraph 47 continues the linkage between energy and Russian national security: "The sources of danger to national security could become such factors as the crisis of world and regional financial-banking systems, the intensification of the battle over natural resources, among them energy, water and consumer goods".

As dramatic as the new Russian National Security Strategy appears, it does not differ substantially from the previous doctrine. Furthermore, Russian security policy appears to be betting heavily on resource nationalism in order to strengthen Russia's "benevolent" control of gas supplies throughout the Central and East European gas markets – the ultimate goal of which is the neutralization of the role played by these countries within NATO, along with the unending struggle to increase the profits for Kremlin-friendly Russian companies.

The lack of new concepts within the latest Russian National Security Strategy doctrine is its major shortcoming. The latest security strategy appears more calculated to preserve the current state of affairs, than to offer genuine answers to Russia's and the world’s security needs.

It is questionable whether the strategy is workable. Some influential EU member states have apparently reconciled themselves to the possibility of long-term Russian control over their economic well-being, and are turning a blind eye to any and all of Russia's opaque energy and pipeline deals in order to remain on good terms with Moscow – and maintain access to its gas pipelines. If the framers of the Russian security doctrine have determined that the energy Balkanization of Europe is part of their strategy to keep Russia safe and transform it once again into a great power, then they are off to a good start.

The Role of NATO

And this is exactly the moment when question of global security related to energy issues comes to the picture. This year's "second gas war" with Ukraine demonstrated clearly that if knocking down the social and economic infrastructure in a dozen of European countries (which are, by the way, NATO and EU members) would take a middle size war under "normal" circumstances, during winter time sowing complete havoc in many European capitals takes only a week without gas, the flow of which is stopped for political reasons. No wonder this issue was finally brought to the attention of NATO. Former Secretary-General Jaap de Hoop Scheffer explicitly stated on the eve of NATO 60th anniversary that "the disruption of a country's energy supply can rupture the economic

and social fabric of a country in a way that resembles the consequences of a war – yet without a single shot being fired".[14]

He correctly recognized that the Alliance cannot be a major fighter for energy security, but similarly NATO cannot afford to stay idle in front of this challenge.

Through the artificially created "gas wars" with Ukraine, Russia sent a very explicit message to former allies in East and Central Europe who suffered the most: neither NATO nor EU will supply you with gas, so be attentive to Russian interests, whether they concern South Stream or the opening of internal markets for Gazprom or the privatization of energy infrastructure. Through an intensive PR campaign conducted by a well-paid pro-Russian lobby in Brussels a lot of damage has been done to image of Ukraine as a transit country and somehow this damage was transformed into negative response of many EU and NATO members to euroatlantic aspirations of Ukraine. Amazingly, the list of countries who strongly opposed Ukraine's membership in NATO coincides with list of those which are best friends with Gazprom. Nowadays Russia is very proud that "issue of membership of Ukraine in NATO disappeared from the political agenda".[15] Definitely, NATO should not be proud of such an outcome.

[14] Jaap De Hoop Scheffer, "NATO at 60: Time for a New Strategic Concept", *Hurriet Daily News*, 2 April 2009
[15] Rogozin, D. http://www.rian.ru/politics/20090210/161607652.html

The issue of NATO's involvement in energy issues has been a subject of debate inside and outside the Alliance during past three years.[16] Such a discussion was ignited by the first Russian-Ukrainian "gas war" in winter of 2005/2006, which resulted in serious concern in Europe and the US about the reliability of gas supply from Russia. Senator Richard Lugar was among the first who brought this issue to the transatlantic level.[17] The second "gas crisis" of 2008/2009 helped to bring more substance to energy security discussions across the Atlantic and cement an understanding that there are at least several areas where NATO must be involved: development of a common policy, military preparedness and securing of transit routes among them. Apparently, both NATO and EU must work together for better coordination and understanding of the current energy security challenges. Military and political coordination within NATO is to be in a concert with economic, industrial and infrastructural policy of the EU.

Role of the EU vs. Russian Realities

No doubt the EU will continue to work on a common energy policy, even though Germany, Italy and France have their own views on how to deal with Russia. It is a vital interest of the EU to have Ukrainian gas transportation system included into European gas transit and

[16] Monaghan, A. "Energy Security: NATO's Limited, Complementary Role", *NATO Defence College*
Research Paper, # 36, May. Rome. 2008.
[17] Lugar, R. "Energy and NATO", Keynote speech delivered to the German Marshall Fund Conference, Riga, November 27, 2006. http://lugar.senate.gov/energy/press/speech/riga.html

distribution network. Right now the EU may be reluctant about Ukraine's near-future membership in the EU, but when it comes to energy it is absolutely necessary to draw the border of the European energy policy along the lines of eastern border of Ukraine. If European companies would be buying gas on the Russian-Ukrainian border and then sign a separate transit agreement with Ukraine – that would change a lot not just in Ukraine, but in Europe as well. Here lies an answer to the question why Russia reacted so harshly to the EU-Ukraine Memorandum on gas issues. From the Kremlin's point of view the EU is simply not allowed to deal with Ukraine without Russia. And this is an attitude toward the "harmless" EU, so what to expect when it comes to "the enemy" – NATO?

Similarly, Turkey is a natural and important partner of the EU, taking into account its geopolitical role and strong economic performance. Turkey's role in NATO is huge and it is going to be a real player in the European context once EU-accession negotiations are over. Now it is important to help Turkey to realize its potential within, not outside European energy policy. From the political point of view, one of the crucial principles that have to be observed concerning energy security is the diversification of energy sources and delivery routes. In the Eurasian context, that means opening up Caspian resources for European consumers and construction of new supply routes since oil and gas rich Caspian countries are land-locked. Until recently Russia was the only way of transit of Azerbaijani and Kazakh oil and Turkmen gas to consumers. The Baku-Tbilisi-Ceyhan (BTC) oil pipeline became the first

project that brings Caspian oil to the world market bypassing Russia. The logic of development of oil and gas deposits in Azerbaijan and Turkmenistan created a need to make another step forward: the construction of gas pipeline from the Caspian basin to Europe, Nabucco. It is thought to be a major part of the Southern Energy Corridor through Turkey together with BTC and Baku-Tbilisi-Erzurum gas pipeline and Kirkuk-Ceyhan as well as planned Samsun-Ceyhan oil pipelines and some other projects. This concept is being developed by the European Commission and is considered very important in the context of diversification of oil and gas supply to Europe.

But last year's Russian-Georgian war has caused a lot of damage to the southern energy corridor, since Georgia constitutes an indispensable part of it. The Russian military invasion was only one part of the story. Another is South Stream – a gas pipeline that may run from Russian Black Sea coast to Bulgaria via Ukrainian or Turkish territorial waters. That is going to be the deepest and longest underwater pipeline ever built. Being economically unjustified it is aimed at two main goals: (i) to bypass Ukraine diverting 63 billion cubic meters of gas from the land pipelines to underwater route and (ii) to stop Nabucco, since both projects are targeting the same market. Russia cannot allow an alternative gas supply to its "canonical" territory in Central Europe. Nabucco has its own complications connected with lack of gas supply, but in the presence of the South Stream those difficulties may become too severe to secure the financial resources needed for its construction.

Gazprom estimates the cost of South Stream at 20-24 billion Euro, depending on final choice of the routes for certain pipeline sections. Gazprom has no spare gas capacity for this pipeline, and no money to build it, but during his August 6, 2009 visit to Ankara Prime Minister Putin gained Turkey's consent to start exploration works in Turkish territorial waters. In addition to the South Stream, Blue Stream 2 has been discussed as an additional line of gas export across the Black Sea from Russia to Turkey and beyond.

And yet Russian gas monopoly Gazprom on August 26, 2009 reported a 62 percent drop in net profit for the first quarter of 2009, when the company was hit hard by disruptions of gas supplies to Europe and the plunging value of the ruble.[18] The net profit of the world's largest gas producer dropped to 103.7 billion rubles ($3.3 billion) during the January-March period from 273.4 billion a year earlier. Sales rose 2 percent to 931.4 billion rubles ($29.7 billion). The company also reported a 140.4 billion ruble ($4.5 billion) foreign exchange loss as the ruble's value declined dramatically since last fall, when Russia entered its first recession in a decade. The currency's drop caused net debt to rise 17 percent in the first quarter to 1.2 trillion rubles ($38 billion)[19]. The gas price dispute with Ukraine in January also contributed to the massive drop in Gazprom's earnings, since at the time, Russia suspended gas shipments to Europe via Ukraine - about 20 percent of Europe's total gas

[18] http://www.todayszaman.com/tz-web/news-185228-105-gazproms-q1-profit-down-62-pct-to-33-bln.html
[19] www.lenta.ru/news/2009/10/30/gazprom

consumption - for two weeks. Indeed, Gazprom's export volumes to Europe and other countries excluding former Soviet Union republics dropped 31 percent in the first quarter to 31.7 bcm compared to a year earlier. They increased, however, by 28 percent in value terms -- to 433.2 billion rubles ($13.8 billion) -- due to higher gas prices.

The company's deputy chief executive Alexander Medvedev said in late June that Gazprom sales volumes are expected to decline by about 40 percent this year despite increased consumption in Europe in recent months. The company earlier said it would slash its $29.4 billion investment program by 30 percent this year, citing inadequate demand for the planned capacities.[20]

So, what South Stream and Blue Stream 2 are they talking about? South Stream could be filled with Turkmen gas only and this is only possible if Russia would monopolize gas transit form Turkmenistan. But recent Turkmenistan-China commitments as well as President Berdymuhammedov's recent policy aimed at diversification of export routes makes the idea of such "monopolization" highly unrealistic.

The truth is that Ukraine's infrastructure is simply indispensable both for Russia and European consumers of Russian hydrocarbons no matter what "streams" are being discussed. Instead of wasting money and efforts on surrealistic projects Gazprom has a very good alternative: to

[20] www.vremya.ru/2009/110/8/231934.html

work with Ukraine and Turkey on a true partnership basis. Russia is a welcome partner in the EU-Ukraine framework of energy cooperation. Approximately $2.5 billion for several years would be enough to modernize the Ukrainian transit system and upgrade it creating additional capacity of 30 bcm of gas transit. Nabucco with its capacity of 31 billion cubic meters is definitely not a direct threat to Russian interests into Central Europe, but would contribute a lot into regional stability and economic development. If Gazprom's own interests are put aside, it is difficult, even impossible to find negative consequences of those projects. Installing independent metrological stations on the Ukrainian side of the Russian-Ukrainian and Ukrainian-Polish borders and transparent transit agreement between Russia and Ukraine based on international law without shadow intermediaries would resolve the issue of "stolen gas" once and forever. Everyone wins if Russian energy policy is not a threat, but an opportunity.

Conclusion

In the coming years a common European energy policy apparently will take shape. It is vitally important to include security considerations into this policy as well as energy issues are to be included into new NATO Strategic Concept which is being developed. It is a necessity for the EU and NATO to coordinate their efforts in this area. Additionally, leaving Ukraine and/or Turkey outside European energy policy would be a mistake weakening both the EU and NATO. As much as possible should be done to work with Russia over common issues but when it comes to the common values and goals of the Trans Atlantic allies and members of

the European Union the room for compromise is to be clearly defined. Russia is to be respected, but not feared. And definitely, Russian interests are to be taken into account whatever concept of energy policy in Eurasia is being developed, but not only Russian. Any system is stable when it is balanced.

Contributors

Burak Akçapar
Bjorn Fagerberg
Donald N. Jensen
Karl Heinz Kamp
Sergiy Korsunsky
Dov Lynch
Andrew Monaghan
Andrew Wood