



Europe, Russia, the United States and the Rest: Strategic Compatibility in a Period of Transition?

by Graeme P. Herd and Charles Simpson

Key Points

- As the international strategic landscape shifts away from the United States and Western Europe, the continued viability of existing cooperative security governance frameworks is being brought into question. Global power shifts are clearly occurring, but their precise direction and implications are uncertain. It is unclear whether the emerging system will be multi-polar, bi-polar, or non-polar.
- The Russia-US-European strategic triangle is unstable due to a trust deficit, as well as four key conditions: national strategic narratives that diverge from reality; agreement on strategic ends but not means; ineffective multilateralism due to institutional and organization weaknesses; and the rise of a multi-polar Europe.
- What sort of institutions will develop is unclear. There has been little leadership from the United States, Europe, Russia, or any of the other BRICS. Existing institutions from NATO to the CSTO have not proven their continued utility, and future avenues such as the “Medvedev Initiative” have not shown promise.
- As power shifts from the “West to the Rest”, the future of the Russia-US-Europe strategic triangle will be decided outside of the region, most notably as a result of interaction with China. The future of the Pacific Russia-China-US strategic triangle will to a large extent determine the evolution of the Atlantic triangle.
- Europe could conceivably serve as a buffer zone between emerging powers – most notably China and Russia – and a declining United States.

The case can be made that a generalized modernity crisis is infecting the United States, Europe, Russia, and China. The international governance structures that have ensured relative stability for the past half century are no longer sound. The questions surrounding the core issue of this modernity crisis are as follows: are existing economic and political systems still fit for purpose? If not, what sort of world order is likely to develop? To explore this thesis, the condition of relevant players and the shifting topography of the strategic landscape must first be surveyed.

The European Union (EU) is in financial crisis, without the leadership or will to turn monetary union into economic then political union. Russia represents a post-imperial modernizing project that looks set to enter a period of stagnation and ongoing challenges to legitimacy, highlighted by the December 2011 Duma electoral fraud and protest movement. It hosts a political elite estranged from the West, fearful of economic and societal modernization – as this implies a different political order – and a young, rich, entrepreneurial “creative class” estranged from its own political elite. The United States is also in a period of transition – for 60 years it has been global strategic actor, but its primacy is questioned, externally by rising powers as we move

towards an unstable multi-polar order, and internally by the dysfunctional nature of its political system, marked by Congressional gridlock and extreme political polarization.

“Strategic dissonance characterizes Russian, European and US approaches to contemporary strategic issues”

What are the strategic effects of this modernity crisis? The perception that debtor democracies may become more dependent on creditor autocracies, such as China, is heightened and the question is raised whether democracies are dysfunctional relative to state capitalist and other authoritarian political systems. Gideon Rachman of the *Financial Times* concludes: “If neither the United States nor some form of ‘world government’ can provide the leadership to tackle the world’s common political problems, then, a ‘third alternative’ will emerge, with China and Russia spearheading an ‘axis of authoritarianism’”.¹

Alternatively, Ian Bremmer of Eurasia Group suggests that disorder is the new order and that we are moving into a G-Zero world in which no global leadership is in evidence: “there is no single country or bloc with the political or economic leverage

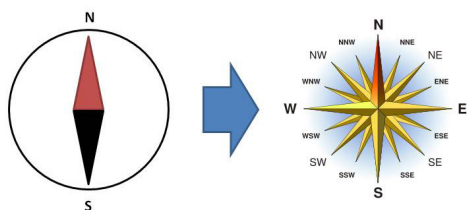
¹ G. Rachman, *Zero-Sum Future: American Power in an Age of Anxiety*, New York, Simon and Schuster, 2011, p. 175. See also C.A. Kupchan, “The Democratic Malaise”, *Foreign Affairs*, Jan. 2011, Online, accessed on 4 June 2012 at <http://www.foreignaffairs.com/articles/136783/charles-a-kupchan/the-democratic-malaise>

to drive a truly international agenda. The result is uncertainty and conflict over international economic co-ordination, financial regulatory reform, trade policy and climate change”.² On a macro level, there is also no global consensus on strategy. A Bretton Woods II agreement – with a reformed International Monetary Fund (IMF), World Bank, and UN Security Council – has not been agreed. This global power vacuum is the product of a lack of self-confidence amongst European states; a lack of strategic clarity in the United States; the sprawling size of the G-20 and the consequent lack of shared values of its members; and the unwillingness of China, India or Brazil to bear the financial and political costs of growing international responsibilities. The power vacuum, Bremmer argues, will benefit some governments, institutions and companies that can adapt to a leaderless world.

United States and Europe as to how to relate to Russia in general and in particular to Russia’s role in the post-Soviet space. Reciprocally, Russia neither trusts the West (due to double standards, hypocrisy and NATO’s operation in Libya), nor believes Russia receives the respect it deserves. The underlying source of tension in the Euro-Atlantic space is a trust deficit, exacerbated by four complicating factors: divergent national strategic narratives; agreement on many strategic ends but not means; ineffective multilateralism due to institutional and organizational weaknesses; and the rise of a multi-polar Europe. Solidarity and shared responsibility are less in evidence – states prefer to act according to their own immediate interests and priorities, privileging this above the longer term interests of the preservation of peace in the system.

Box 1: After Unipolarity: Alternative Global Orders?

1- Multi-Polarity (Kupchan)



2- G-Zero (Bremmer)



3- “Axis of Authoritarianism” (Rachman)



The first of factor contributing to persistent asymmetries is the divide between strategic narratives and reality. The EU’s narrative was articulated nine years ago with the publication of its European Security Strategy (2003) which proposed a Europe “whole, at peace and free”. Russia’s narrative presents itself as an embattled “sovereign democracy”, encircled by threats which only elite continuity can manage. The United States meanwhile has already begun executing its strategic pivot towards the Asia-Pacific region away from the Atlantic to brace against China in the “Pacific Century”. Reality, however, brings into question the relevance of such narratives: what is seen on the ground does not suggest that Europe is “whole, at peace and free”, that Russia’s elites cause more harm than good, and that events will not be decided exclusively in the Pacific – as exemplified by the Georgia crisis of 2008, the implosion of Kyrgyzstan in 2010, and the ongoing Eurozone crisis.

Second, strategic dissonance (agreement on strategic ends but not means) characterizes Russian, European and US approaches to contemporary strategic issues which dominate the international agenda. For example, while the United States, Europe and Russia agree that a stable and peaceful Syria is the desired end state, they disagree on how to achieve this – with the EU and United States taking a varied approach from that of Russia by imposing sanctions and pursuing tough UN resolutions. Divergent approaches to the Iranian nuclear programme is another immediate example. Increasingly, policy differences are becoming highly politicized, rendering cooperation even harder.

Third, intra- and inter-institutional splits are occurring as organizations are torn between regional and global responsibilities. Further exacerbating these splits are several sub-factors: the weak nature of inter-institutional ties (e.g. the lack of a coherent EU-NATO); very low levels of contact between old institutions (e.g. the EU and NATO) and relatively new institutions (e.g. the CIS and the CSTO³); and the questionable utility of ideologically pure, universalist, comprehensive approach-based institutions (e.g. the Organization for Security and Cooperation in Europe (OSCE)). Within the Euro-Atlantic space (that is, North America, Europe, and Eurasia), security multilateralism exists in quantity but its qualitative unevenness is remarkable.

Russian attempts to consolidate its re-integration into the former Soviet space by adapting the CSTO to address domestic contingencies and pushing the Customs and Eurasian Union concepts will create an informal division between Euro-Atlantic

With such extreme paradigms of future global order in mind, let us turn to the United States, Europe and Russia to characterize current dynamics, before briefly examining possible alternative orders.

Strategic Uncertainty in Euro-Atlantic and Eurasian Space

Despite huge economic trade turnover, dense and growing networks of interconnectedness, and normalization of once-tense relations (e.g. Russo-Polish relations), persistent asymmetries are in evidence, from differences in economic power to approaches to human rights and statehood. There is no agreement in the

2 I. Bremmer, “Every Nation for Itself: Winners and Losers in a G-Zero World”, *South China Morning Post*, 25 March 2012, p. 15.

3 CIS: Commonwealth of Independent States; CSTO: Collective Security Treaty Organization.

and Eurasian security structures. However, the functioning of these institutions will be more indicative of a symbolic and virtual division than a real one, in two respects. First, if we look at the economic importance of the Customs Union for its member states (Russia's centrality is a given), we can note that direct foreign trade between Kazakhstan and Belarus is 1 percent or less of their respective totals. Even in the case of Russia, Kazakhstan only accounts for 7.5 percent (and falling) of its total trade and half of that is in hydrocarbon swaps. This is not an efficient or sustainable economic enterprise – indeed, it is a deeply political one – and it will not allow for the modernization of the Russian economy. Second, the CIS and CSTO are fragile and ill-suited to effectively counter jointly shared threats and they do not address root causes of crisis in the 21st century.

Even within one leading and heavily institutionalised organization – NATO – it is clear that Allies are decreasingly interested in NATO's future. Although burden-sharing disputes have been a constant feature of NATO's evolution, the impact of the financial debt crisis has cut deep (the US, UK, France and Germany are all slashing defence budgets) and is likely to be longer lasting than any similar downturn in Alliance history. Heterogeneity is apparent in NATO Allies' approaches to the new threats identified at the 2010 Lisbon Summit – from cyber to energy to terrorism – which impact Allies differently and make reaching a consensus on collective action difficult.

Fourth, a multi-polar Europe is emerging. Turkey, the world's 19th largest economy, has achieved Euro-Atlantic (NATO) but not European (EU) integration on account of outdated national stereotypes (too industrial, too poor, too Islamic). Similarly, Russia represents a state that has significant influence as a European player but remains marginalized – being neither an EU nor a NATO member. Russia continues to understand the European security system as being characterized by its NATO-centric dominance and balance of power Cold War bloc mentality. It views NATO as a threat, particularly with regards to missile defence and the perception of its ability to compromise its own strategic second strike capability. For Russia, the EU represents a revisionist power in post-Soviet space – if former republics choose closer economic association with the EU, then from the perspective of a zero-sum Moscow this represents a decision to disassociate with Russia. Consequently, while multi-polarity has developed in Europe, there has not been success in tying these poles together.

Strategic Pause and Patience: the Calm before the Storm?

The twin impact of accelerating power-shifts and increasing interdependence shapes an ambiguous strategic environment. This is exhibited by China, and seeing as these transitions are flowing in the direction of “the West to the Rest”, it is worthwhile to examine Chinese ambiguity more closely to better understand the developing US-Europe-Russia strategic condition. Some strategic analysts view China in open military and ideological competition with the United States while others view China as wanting to be in the front seat of global governance and strategic decision-making: alongside the US driver as a co-equal, but in reality both unable and unwilling to build a Sino-centric regional order, let alone attain global hegemony. Others

still see a natural and peaceful historical shift underway, one that brings in its wake points of tension and friction in the relationship between China as an ascending and the United States as a descending power.

Box 2: Perceptions Matter: Rebalancing, Soft Balancing, Containment and Encirclement?

Hu Jintao, PRC President, Seeking the Truth (Communist Party Magazine), 2 Jan. 2012, cited in P. Simpson, “Hu Warns of Culture War”, Australian Financial Review, 4 Jan. 2012, p.13.

“International forces are trying to Westernize and divide us by using ideology and culture. The international culture of the West is strong while we are weak. Ideological and cultural fields are their main targets. We should deeply understand the seriousness and complexity of the ideological struggle, always sound the alarms and remain vigilant, and take forceful measures to be on guard and respond.”

T.V. Paul, J. Wirtz and M. Fortmann (eds.), Balance of Power: Theory and Practice in the 21st Century, Stanford, Calif., Stanford University Press, 2006, p. 3.

“US scholar Randall Schweller defines soft balancing as: ‘involving tacit balancing short of formal alliances. It occurs when states generally develop ententes or limited security understandings with one another to balance potentially threatening state or rising power. Soft balancing is often based on a limited arms buildup, ad hoc cooperative exercises, or collaboration in regional or international institutions; these policies may be converted to open, hard balancing strategies if and when security competition becomes intense and the powerful state becomes threatening.’”

If we take the Cold War as a guide, then one would expect the swift and extensive militarization of rivalry: the US renewal and extension of a formal structure of alliances to contain China met by Chinese efforts to escape such encirclement. While there is a regional arms race as evidence of an intensified “integrate but hedge” strategy, China has not sent warships to protect its oil and gas drilling and pipeline interests in Burma or deployed submarines to patrol the Bay of Bengal, nor has

“There is a growing realization that power shifts deepen shared strategic vulnerabilities between the United States and China and will encourage mutual strategic restraint”

it used its financial leverage to directly influence US foreign policy. China has over the last 30 years managed an economy structured on export-led growth (based on cheap, low technology goods) with the result that it is integrated into world trade and is the largest holder of US securities. Economic interdependence provides a shock absorber for more fractious security relations. Looking forward, however, China plans to restructure its economy

around a different growth model, one that is domestic consumption-led with a macro-economic environment that would encourage domestic spending. This would change the size and function of its foreign exchange reserves, allowing China to leverage these reserves for geo-political goals. As this shift is ten to fifteen years in the future, if indeed it does occur at all, for now while we can note a lack of strategic trust and confidence, open hostility is not in evidence. In addition, as much as in the realm of “mutually assured economic destruction”, there is a growing realization that power shifts deepen shared strategic vulnerabilities (nuclear, cyber and space) between the United States and China (and Russia to a lesser extent) and will encourage mutual strategic restraint.⁴

⁴ D.C. Gompert and P.C. Saunders, *The Paradox of Power: Sino-American Strategic Restraint in an Age of Vulnerability*, Institute for National Strategic Studies, Washington, D.C., December 2011.

In 2012, the year of the Dragon, elections and power transfers in Russia, the United States and China add a potentially combustible ingredient to the pot of global transformation. Elections are traditionally a time for blame and tough assertiveness rather than compromise and accommodation, increasing the chances of strategic misunderstanding and of uncertainty driving events. Until new leaderships are settled in, or old leaderships confirmed, we can expect few new initiatives that build long-term trust or confidence. Rather, the best that we can hope for is limitation of strategic damage through the electoral year.

When new or re-legitimized old leaders emerge in China and the United States after October/November 2012, will the United States and China be able to discover a common strategic purpose? Could Xi Jinping, China's new President, travel to Washington in April 2013 to reset relations with the United States and then to the Philippines to reset relations in the Asia-Pacific region? If so, what framework could sustain a reset? First a mechanism or framework needs to be created within which agreed strategic agendas can be implemented. The G-3 has been posited as an inclusive burden-sharing mechanism capable of achieving a balance of mutual benefit, not power. Together the EU, China and the United States constitute 60 per cent of the world economy. The United States is the prime military power and consumer, China offers capital and labour, and the EU rules and technology and can play the role of strategic buffer between the United States and China. Each of these entities is systemically relevant.

The G-3 are producers of global governance while most other states are receivers – but does this common characteristic forge common interests? Can China and the United States identify areas of strategic cooperation? Afghanistan might constitute one such topic for strategic dialogue. However, US strategic interest in Afghanistan and Central Asia will diminish following the drawdown of US forces. A stagnating and gradually destabilized Russia is another possible topic for a US-China strategic dialogue. However, the risk of strategic miscalculation makes Russia a difficult focus for a Sino-US strategic dialogue. Managing India's rise is also a non-starter for such a dialogue. The ongoing Sino-Indian border dispute and China's non-ideological strategic partnership with Pakistan mean India is already a counter-point to China. The

preservation of the "Global Commons" also appears to be a non-starter given the normative differences between China and the United States over rights and responsibilities within maritime Exclusive Economic Zones, legal disparities on intellectual and technological property rights, as well as an undeclared war in cyberspace.

Conclusions: the Centrality of Europe as Global Strategic Buffer and Shock Absorber?

We can be certain that the global order will become more complex – something akin to Asia-Pacific regional bipolarity may arise within a broad global context of a slower evolution to a gradually stabilizing multi-polarity. Regardless, the future of Russia-US-Europe relations will largely be determined outside of the region. The United States is beginning to form a lynchpin between two interlocking strategic triangles – the United States, European NATO Allies and Russia on the Atlantic side of the Eurasian landmass and the United States, its Asia-Pacific Allies and partners and China on the Pacific side. China is already driving US-Europe-Russia relations.

While the gravity of power shifts outside of Europe impacts the development of the US-Europe-Russia relationship, for both Russia and China, Europe has the potential to act as a strategic buffer. As Russian attempts to hedge and balance between the United States and China fail, European partnership with all sides can act as a strategic buffer and offer a soft landing. Europe will never be a Pacific player giving it the neutrality to buffer cross-Pacific Sino-American tensions. The value and utility of Central Asia – as a conduit and as a resource-rich landscape – to China in the context of Asia-Pacific rivalry will increase in future as demand for resources and natural gas rises. Its geographical proximity and the deterioration of relations in North East and South East Asia will render this region one of primary strategic importance for China and worsen relations with Russia, while Europe – distant and unthreatening, but offering soft power incentives – will also become a strategic partner for China. Such a buffer will be important in constructing a cooperative security governance architecture given the uncertainty, risk, and instability of the emerging global system.

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NB: This paper is solely the opinion of the authors and does not necessarily reflect the official view of the GCSP.

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