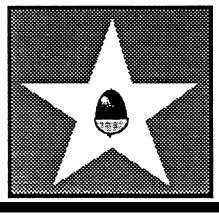
Conflict Studies Research Centre



James G Sherr

European Defence: Whither Russia and Ukraine?

March 2000

Occasional Brief 76

EUROPEAN DEFENCE: WHITHER RUSSIA AND UKRAINE?

James G Sherr

NATO has always been at its strongest when it has recognised its own limitations. Today NATO has an important role to play *vis à vis* the Russian Federation and Ukraine; indeed, its potential role is greater than many realise. Yet at a moment when both states are making critical choices – choices which will not only affect their relations with the West, but their character as states – NATO's role might not be decisive. The Common Security and Defence Policy[1] (CSDP) has the potential to strengthen the influence of NATO as well as the EU in Russia and Ukraine, but it will only do so if we approach these two countries objectively and if we are equally objective about how each of them perceive us.

The question, 'how will relations develop between NATO and Russia?' is not a first order question. Today the first order question is 'who is Vladimir Vladimirovich Putin'? In answering it, one must avoid predictions – surprise is the norm in Russian politics – but we can not only say who Putin is, but why he is. And of these two questions, the latter is the more important.

I will try to answer the question 'why Putin?' on two levels, the first sociological (in terms of people), the second in terms of the character of the Russian state. The unkind thing to say is that Putin represents the coming of age of those whom the Russians call *molodyye volki*, ('young wolves'). In dispassionate terms, what distinguishes this group is its belief in a strong state coupled with a total lack of nostalgia about Communism. Indeed, their greatest indictment of Communism is not that it was intolerant or undemocratic, but that it weakened the country and squandered its resources. The Putin generation believes in business, it is intelligent and self-confident; many of its members have made money and have achieved personal success. They want Russia's economy to be equally successful but they are not nearly as concerned that it be open or liberal. And not all members of this generation view tolerance as a virtue. With mounting frustration and anger, they have seen the clan based rivalries and criminalities of the Yeltsin system destroy the promise of the Yeltsin era: that the disintegration of the Soviet Union would usher in 'the revival of Russian statehood'. Instead, they have witnessed Russia's fragmentation and enfeeblement. In a similar spirit – mounting cynicism and resentment – they have also witnessed NATO's 'transformation' not into an organisation that plays a progressively diminishing role in Europe but a progressively dominant role in it. For eight years, history has been made in Europe, but it

---

[1] Despite the title, the conference devoted much of its discussion to the emerging Common Security and Defence Policy of the European Union.

has not been made by Russia. In the mainstream Russian perception, 'NATO-Russia partnership' – and international law – have bound NATO just as much as NATO has wished to be bound by them.

Dominant these perceptions now are. In the wake of the 1998 financial crisis, the enlargement of NATO and the Kosovo conflict, they not only characterise a distinctive group, they have come to characterise the mood of the country as a whole. Whether this mood will produce secular change in the way Russia functions, in what Russia *is*, is too early to say. But the energy and determination which exists should not be underestimated.

This brings me to the second level, the Russian state. During the Yeltsin era, the Russian Federation was a state in terms of international law and diplomatic courtesy. But in terms of practical reality, it was far less a state than an arena upon which powerful interests ruthlessly competed for wealth and power. Putin and his supporters are determined that Russia should be a coherent state and act like one. To this end, we can expect he will deploy not only the levers of presidential power, but the resources – 'informational' and not just coercive – of the former KGB.[2]

The challenges for the West in dealing with Putin's Russia are likely to be twofold. First, under Putin we may at last see a government addressing Russia's fundamental problems, if not necessarily by means that we care for. The second challenge is that Putin wants good relations with the West. There is every likelihood that a serious effort will be made to engage Western business and, at last, create the sort of legal and economic environment that *will* engage them. The alliance with Anatoliy Chubays (should it endure) could prove to be of the utmost importance. There are also indications that Putin will be interested in improving relations with NATO and not just other Western bodies (such as the EU) at NATO's expense. Braving the hazards of prediction, we should not be astonished if Putin shows that he is willing and able to deliver on arms control (eg START II) – indeed willing to expand the boundaries of negotiation and agreement (eg ABM Treaty revision).

Then why are these 'challenges' challenges? First, because Putin is likely to make improvement contingent upon discussing what we don't like discussing – our geopolitical interests. Does NATO have strategic interests in the Transcaucasus? If so, which? Does it acknowledge that Russia has legitimate interests there, and of what sort? With or without a war in Chechnya, if we cannot discuss these questions amongst ourselves, we will not be able to discuss them with Russia, let alone translate Western hopes into improved relations. And if we cannot match ends and means and word and deed, then any improvement we secure will simply be the prelude to further accusations of 'hegemonism', duplicity and betrayal.

---

[2] These are not to be found solely in the FSB (Federal Security Service – *Federal'naya sluzhba bezopasnosti*). Just as important are the communication (and intelligence) means of FAPSI (Federal Agency of Government Communications and Information – *Federal'noe agentsvo pravitel'stvennoy svyazi i informatsii*).

Second, we are likely to find that Russia's internal affairs are off limits in this discussion. The entire Chechen saga not only demonstrates the size of the gulf that still separates mainstream Russian values from our own; it also demonstrates that the days are past when Westerners could lecture Russians about how to behave in their own country. In moral and human terms, there is nothing to distinguish Putin's conduct in Chechnya from Milosevic's in Kosovo. In political and practical terms, Western criticism of Russia's conduct has not only proved ineffectual, it has strengthened support for Putin and resentment of the West (whose conduct in Kosovo – however we might perceive it – is widely seen in Russia as the crowning example of its double standards about international law and human rights).[3]

Third, we are likely to see a more systematic effort to realise Russia's interests in its 'near abroad'. This brings me to Ukraine.

Ukraine

Ukraine now has a government of reformers.[4] Amongst Ukraine's richly ironic, richly cynical and richly humane class of experts and analysts, the consensus is that this is Ukraine's most capable and determined government since independence. Sadly, many also believe that it represents Ukraine's 'last chance'.

Why has this government been appointed? In the absence of definitive answers, I would suggest three hypothetical ones.

First, Putin. Putin might not seek an 'integrated' Ukraine, particularly if it is the sort of integration that costs Russia money. But there are indications that he seeks a subordinated Ukraine and, more worrying still, indications that he has identified the means required to subordinate it. By my calculations, the Russian Federation has cut the supply of oil to Ukraine five times before December 1999. Anyone who reflects upon, and anyone who is

---

[3] Discussions in a recent visit to Moscow (24-28 February 2000) bring out a more surprising fact: that support for Putin over Chechnya is strong even amongst some who accept the possibility that he orchestrated the bombings in Russian cities on the eve of the Chechen campaign.

[4] Ukraine's parliament, the *Verkhovna Rada* confirmed the appointment of the Chairman of the National Bank of Ukraine, Viktor Yushchenko, as Prime Minister on 22 December 1999. Most other significant members of the government were appointed (or newly confirmed) before the end of the year. By no means are they all reformers or the 'Prime Minister's people' (eg, Yulia Tymoshenko, Deputy Prime Minister, responsible for fuel and energy is CIS orientated and an oligarch in her own right). But Yushchenko, his First Deputy Prime Minister, Yevhen Yekhanaurov and Economics Minister, Serhiy Tyhypko, are unmistakable reformers and hard edged pragmatists, with a similar cast of mind.

dealing with the dynamics of the *present* oil crisis will know that something in Russia has changed. The Russian Federation has always had numerous levers of influence over Ukraine. It is Ukraine's largest trading partner and its worst one – a reality which is doomed to persist unless Ukraine can open up its economy to Western investors (and its own hamstrung entrepreneurs). In the absence of a transparent energy sector, it is also doomed to be dangerously dependent on Russian oil and gas and starved of vitally needed investment by Western energy companies. According to Russian Federation law, six security and intelligence services have the right to operate on Ukraine's territory, and five currently do so.[5] In May 1997, the Russian Federation secured the right to base its Black Sea Fleet on Ukrainian territory for the next twenty to twenty-five years.[6] In the Yeltsin era these different entities usually pursued their own 'subjective' interests or fought amongst themselves; only rarely did they 'march separately and fight together'. What if the exception now becomes the rule?

The second factor is the United States, Ukraine's principal benefactor but also its most demanding one. The December 1999 Clinton-Kuchma summit (even more so, the Gore-Kuchma commission) was a no-holds-barred affair. The reason? Once again, it is likely to be Putin. Despite the predictably hopeful rhetoric, the Clinton administration is waking up to the possibility that it might be dealing with a new regime and not merely a new leadership in Russia. The second Chechen war – not only its conduct but the preparation and planning behind it – strengthens this supposition. Not unrelated to Chechnya, there is also a growing realisation that the area stretching from the eastern Mediterranean to the Caspian is becoming an interconnected region even if it is very far from becoming an integrated one. In the context of these unsettling perceptions and realisations, the United States is discovering anew the presence, indeed the value, of a state which occupies the northern littoral of the Black Sea, which is a rear area of both the Balkans and the Caucasus and which, moreover is a friend of the West and (today at least) tranquil and stable. The response to this rediscovery is not greater leniency but greater pressure upon Ukraine – pressure that Ukraine take concrete steps to realise the 'Euro-Atlantic' choice which it has long declared.

---

[5] These are the SVR (Foreign Intelligence Service – *Sluzhba veshnoy razvedki*), GRU (Main Intelligence Directorate of the General Staff – *Glavnoye razvedivatel'noye upravleniye*), FSB (Federal Security Service – *Federal'naya sluzhba bezopasnosti*), counter-intelligence departments (*osobyye otdely*) of Russian military formations in Ukraine (technically part of the FSB but largely autonomous in practice), FAPSI (Federal Agency for Government Communications and Information – *Federal'noye agentsvo pravitel'stvennoy svyazi i informatsii*) and the intelligence directorate of Russian Federation border guards (whom Russia has long maintained should have a co-responsibility guarding the 'external' borders of the CIS, but whom Ukraine bars from its territory).

[6] As well as surface and submarine components, the Fleet includes ten intelligence detachments, a naval infantry brigade and a regiment of naval aviation.

The third incentive for reform in Ukraine is the European Union. It has not always been so. In the post-independence period, NATO was the Western institution which mattered first and foremost. Then the question was, 'will Ukraine remain an independent state?' NATO played an instrumental role in ensuring that the answer was 'yes'. Today the question is different: 'will Ukraine be part of Europe or part of Europe's grey zone?' In answering this question, the principal Western body which matters is not NATO, but the EU. And in deciding whether to provide a positive answer to it (and meaningful support), the EU, unlike NATO, is showing that it is not interested in Ukraine's external policy, but its internal policy. This truth is at last dawning on Ukraine's political elite, a truth literally becoming more visible as the European Union prepares for enlargement and as the frontier of Europe approaches. In itself, the European Union could be the most powerful stimulant for change inside Ukraine.

But without a major change of approach by the European Union itself, EU enlargement, instead of acting as a stimulant to Ukraine could shut Ukraine out of Europe. Why might the EU achieve the very thing which NATO has so assiduously avoided? With Partnership for Peace, NATO established not only a programme but a mechanism for softening the distinction between membership of the Alliance and partnership with it. Today, Ukraine participates in PfP more than any other state and in large part for this reason, has moved closer to NATO politically as NATO has moved east geographically. Yet, the principal concern of the European Union is not to soften the distinction between members and non-members, but to deepen the integration of members. If PfP symbolises NATO's approach to enlargement, the EU's approach is symbolised by the Schengen agreement on frontiers, adherence to which under the Amsterdam Treaty now forms a mandatory part of the *acquis communautaire*. Today, roughly 1.7 million people, the majority of them Ukrainian, cross the Ukrainian-Polish border each month under a visa-free regime. When Poland joins the Union, this regime will come to an end.[7] Unless Ukraine takes steady and systematic steps to introduce European norms of law, business and trade – not to say security – this frontier will be a wall. Yet even if Yushchenko's government is able to act resolutely and sustain momentum, the new EU frontier might well not only have an adverse effect on Ukraine's economy, but its security.

Conclusions

How are NATO and the European Union, separately and together, within and outside the Common Security and Defence Policy, to influence these realities in the overall Western interest? Where Russia is concerned, two conclusions follow:

---

[7] Indeed, it is most likely to do so before. In January 2000 the Czech Republic introduced a visa requirement for Ukrainian citizens.

- The merit of the CSDP is that it will enable the EU to become a second forum within which the West can conduct a sustained dialogue with Russia about security in Europe. There should be no illusions: Russia will probe for divisions between the EU and NATO and will try to exploit those that it finds. But should we fear this? The diversity of the West is its strength. Why should it pretend to be a monolith? If we sincerely intend that CSDP reinvigorate Euro-Atlantic relationships in NATO, then Russian probing will demonstrate this, as much as it will demonstrate the differences we have. The danger is not that Russia should understand our differences – which are doomed to evolve as much as they are doomed to exist – but that it should misunderstand them. Even at senior and 'expert' level, Russians suffer from serious misunderstandings about the EU, NATO and the nature of Euro-Atlantic relationships in general. This ignorance damages the West as well as Russia.

- This forum, not to say NATO itself, should be used subtly but often to help Russia see the choices before it. NATO-Russia cooperation failed to realise its potential not merely because of divergent interests, but because Russia misunderstood how NATO worked. In a 'bottom-up' security culture which makes decisions not only by consensus but at working level, Russia rigidly pursued a top-down agenda, seeking 'rights', vetoes and 'special status'. It not only failed in these pursuits; it deprived itself of the possibility of having an impact upon NATO's security culture and influencing it.[8] Is Russia approaching the EU with any greater understanding? How many understand that the EU is not primarily a 'counterbalance to American dominance', but a deepening and widening community of states becoming increasingly integrated in their business practices, legal systems, frontiers – and now their security arrangements? It is not the United States which risks being marginalised by this process, but Russia. If Russia wants this process to change – or at least become more respectful of Russia's distinctive identity and interests – then Russia will have to change.

In contrast to the Russian Federation, Ukraine has not only declared a vocation for EU membership; it is firmly Atlanticist in orientation, pursuing a rich menu of defence cooperation with NATO and, bilaterally, with the USA

---

[8] Under the NATO-Russia Founding Act of 27 May 1997, ten working groups and experts forums were set up within the framework of the Permanent Joint Council. After a slow start, most of these were functioning by 1999, some of them productively, but in a way which characterised Russian ambivalences about NATO. The overwhelming perception in NATO HQ and SHAPE is that Russia failed to exploit the opportunities open to it.

and Britain. If the CSDP adds a security dimension to the Ukraine-EU relationship, it will have several beneficial effects:

- It will increase the EU's stake in Ukraine's successful development;
- It should be able to address, and it might possibly alter, what Ukraine perceives as a Russo-centric perspective on the part of the EU;

- In the fullness of time, CSDP will strengthen the influence of Poland, Hungary and Estonia: the future member states most sensitive to the security implications of Ukraine's 'European choice'.

- It will strengthen the EU's ability to provide practical assistance in the domain of security. President Kuchma's establishment of a commission under Secretary Marchuk[9] to reform security structures in Ukraine outside the remit of the Ministry of Defence (police and interior troops, border troops, emergency services and security forces) is an opportunity for the EU to expand its influence in Ukraine, and in its *own* interests, help Ukraine establish secure borders, an enforceable and European-orientated customs regime, a cost-effective national security system and reliable (and largely uncorrupted) security services and law-enforcement.

- In the latter pursuit, CSDP will also intensify EU-NATO cooperation. Already involved in supporting Ukraine's efforts to rationalise and reform MOD subordinated armed forces, NATO has proclaimed an interest in the reform of Ukraine's wider security system and has much expertise to offer.

Nevertheless, the extension of Schengen obligations to new members could render these possibilities stillborn. Is the enlargement of the Union intended to be a magnet for non-members or a barrier to them? If the former, then the decision to deny Poland, Hungary and other new members the right which Britain exercised – the right to say 'no' – is a strategic error. Not only between Ukraine, Poland and Hungary, but between Hungary and Romania, cross-border trade has been an important factor in overcoming long-standing antagonisms and knitting regions together. In place of the current policy, two others merit consideration.

---

9 In November 1999, President Kuchma appointed Yevhen Marchuk to the post of Secretary of the National Security and Defence Council, that body which according to Ukraine's constitution, 'coordinates and controls the activity of executive bodies in the sphere of national security and defence'.

The more radical would be to grant new members the right to accede to Schengen if and when they see fit. The corollary of this step, by definition, would be the establishment of frontiers within the EU (eg on the Austro-Hungarian and Polish-German borders). But for EU members, these would be visa-free frontiers, no different in operation from the regime which currently obtains between the United Kingdom and its EU partners. On entering the UK, non-EU members join an 'Other Passports' queue and present visas; holders of EU passports – British and other – proceed through a European Economic Area queue and display their passports, often scarcely slowing their pace. Whose freedom of movement is hindered by this procedure? Why is it impossible to introduce on the continent a system which operates so effectively and humanely elsewhere?

The less radical approach would be to retain the Schengen obligations but establish an agreed interval between accession to the Union and their implementation. Not only would this course prove more acceptable to members apprehensive about the creation of a 'two-tier' Europe. It would set feasible targets for Ukraine, Romania, Moldova and Slovakia and thereby provoke progress rather than despair.

It is not too late for the European Union to rise above its timetables and act in Europe's interests.

This paper was delivered at the Second Annual Conference on Atlanticism, '**The Future of a Common European Foreign & Security Policy**', Hungarian Atlantic Council, Budapest, 3-4 March 2000.

Disclaimer

The views expressed are those of the Author and not necessarily those of the UK Ministry of Defence

The Conflict Studies Research Centre

Directorate General Development and Doctrine
Royal Military Academy Sandhurst
Camberley
Surrey
GU15 4PQ
England

Telephone : (44) 1276 412346
Or 412375
Fax : (44) 1276 686880
E-mail: csrc.dgd&d@gtnet.gov.uk
http://www.ppc.pims.org/csrc