

Russia's New Europe

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ASPECTER is haunting the new Europe, the specter of “Russian pragmatism.” Following a decade of ambiguity and uncertainty in Russian policy, Vladimir Putin’s Kremlin has embarked on a coherent and rational plan to regain its influence over former satellites and to limit Western penetration in key parts of this region.

Two recent dramatic events have highlighted President Vladimir Putin’s foreign policy ambitions: the crackdown on independent-minded big business and the assault on Ukraine’s territorial integrity. Putin views the mammoth energy industries as valuable tools to expand Moscow’s foreign policy influence. While Yeltsin used the oligarchs to guarantee his own power, Putin is determined to control the oligarchs to expand Russian state interests. YUKOS CEO Mikhail Khodorkovsky not only crossed the line in his domestic political ambitions, but also increasingly contradicted the Kremlin’s external goals. A telling *Pravda* editorial on November 7 expressed outrage over the outcry in the west at Khodorkovsky’s arrest. According to the editors, Putin is putting Russia back into the hands of the authorities after a

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“decade of lunacy under Boris Yeltsin” and is “placing a damper on the assault on Russia’s resources by American companies.” In recent weeks, Exxon Mobil and Chevron Texaco were vying to acquire a large part of Yukos’ shares and this seriously disturbed Moscow.

Meanwhile, Russia’s growing assertiveness toward its neighbors was on display when workers constructed a causeway across the Kerch Strait that links the Black and Azov seas between Russia’s Taman Peninsula and Ukraine’s Tuzla islet. Ukraine’s Foreign Ministry warned Moscow that the construction violated his country’s territorial integrity. The Kremlin is applying strong pressure on Kiev in demanding shared sovereignty over the navigable parts of the Kerch Strait that legally belong to Ukraine, and it wants to turn the Azov sea into an “internal water” of the two states despite Ukraine’s substantially longer coastline. The incident demonstrates how Moscow has unilaterally assumed the role of a guarantor or violator of its neighbors’ security. The Kerch provocation is intended to gain territorial concessions from Kiev and to test the international response. Putin has openly challenged the legitimacy of an existing CIS border and the muted Western response will simply encourage bolder moves in the future.

Moscow is intent on steadily rebuilding Russia as a major power on the “Eurasian” stage and for this purpose has

defined three categories of states in the eastern half of Europe: former Soviet republics that can develop into vassals, ex-satellite states that need to be politically neutralized and former non-allies that can become useful partners. The first category, consisting of Belarus, Ukraine and Moldova, constitute the core of Putin's current "empire building."

In the first few years of Boris Yeltsin's presidency, Moscow was accommodating toward its neighbors while pursuing a policy of radical democratization at home. This position altered as Russia's foreign policy became more assertive. Key policy documents, including the foreign policy concept and the military doctrine, were characterized by marked suspicion of Western intentions and a resolve to restore Russia's waning position as a global power. Foreign Minister Andrei Kozyrev announced a more stridently imperialist position by claiming that the entire eastern European zone remained a "sphere of Russia's vitally important interests." Such trends were reinforced after the December 1993 parliamentary elections steered Yeltsin on a more nationalist course.

With the appointment of Foreign Minister Yevgeny Primakov in January 1996, Russia took a more active and expansive role toward its former satellites. Few political leaders were willing to acknowledge the permanent loss of the union of subordinate Soviet republics. Primakov's tougher stance, coupled with his espousal of a multipolar world and the expansion of Russia's economic reach, prepared the ground for Putin's recasting of Russian foreign policy.

The Putin Doctrine

VLADIMIR Putin's election in 2000 precipitated the consolidation of a strong central government that sought to rebuild its eroded international status. This "Russia First" policy was a reaction to disenchant-

ment with the failures of Westernization, the shortcomings of liberalism and alleged American aims to weaken Russia. Muscovite foreign policy became more coherent and methodical in terms of goals, strategies and tactics. Putin injected greater coordination between state organs, business interests and intelligence services and exploited the country's mammoth energy concerns in an effort to harness them closer to the state apparatus. This new foreign policy concept, issued in 2000, emphasized securing Russian economic interests and rebuilding Russia's economy as an important component of foreign policy.

The remnants of the KGB regained much of that institution's power as Putin systematically promoted the Russian intelligence and security apparatus, including the Foreign Intelligence Service and the Federal Security Service. High-ranking ex-KGB officials were elevated to senior Kremlin positions and the intelligence services were buttressed in their foreign operations. The reinvigoration of Russia's state security was especially troubling for countries prone to Russian domination in the past. But while Poland, Hungary and the Czech Republic fit under the NATO umbrella, Belarus, Ukraine and Moldova remained vulnerable to Kremlin pressures.

Russia's policy toward eastern Europe has been regionalized into four zones: the European wing of the Commonwealth of Independent States (CIS), the Baltic republics and central and southeastern Europe. The European CIS (Belarus, Ukraine and Moldova) are viewed as important for regaining a broad sphere of Russian influence and projecting power toward central and western Europe. The Baltic states are considered a buffer against Western influences in former Soviet territories. Central Europeans, especially Poland, are perceived as a potentially negative source of influence over CIS neighbors and therefore in need

of neutralization or containment. Southeastern Europe is viewed as a traditional zone of interest where conflicts could be manipulated and opportunities exploited to Russia's advantage.

Putin's Russia has set for itself six long-term objectives for that part of the world. The first goal is to achieve pre-eminent influence over the foreign policy orientations and security policies of nearby states. This is especially evident in the CIS, where Moscow seeks exclusive policy control, but also applies to key countries in the other sub-regions. The Kremlin has focused on capturing political allies on the international stage and neutralizing potential opposition to Russian policy.

Second, Russia seeks increasing economic benefits and monopolistic positions through targeted foreign investments and buyouts of strategic foreign infrastructure. This can supply Moscow with substantial influence over the target country's economic, financial, trade and investment policies. Russian government officials have tried to direct capital toward nearby regions in which the Russian state has long-term strategic interests. In specific economic sectors, such as energy supplies, Russia pursues a monopolistic regional position. In addition, by reigning in some of the most influential oligarchs, the Putin Administration has sought to increase its influence over targeted foreign investments, intensify its political leverage and capture a greater share of revenues for the state.

Third, Moscow aims to increase eastern Europe's dependence on Russian energy supplies and economic investments and convert this dependence into long-term inter-governmental influence. Close connections between the Kremlin and large Russian companies—whether through executive appointments; the promotion of overseas operations; or financial, legal and police instruments—demonstrate that foreign and economic policy are closely

coordinated. Furthermore, Russian enterprises themselves have sought to gain political influence through involvement with officials, parties and media outlets in targeted states.

Fourth, Russia attempts to limit the scope and pace of Western institutional enlargement in the European CIS. Moscow has obstructed the creation of "rival alliances" such as the GUUAM initiative (including Ukraine and Moldova) that could block Russian efforts to solidify influence. Russian officials have opposed the process of security integration with NATO and sought to prevent these countries from participating in any U.S.-led coalitions opposed by Moscow, thereby ensuring closer military integration in Russian-dominated "collective security" mechanisms. Putin understands that Russia is too weak to prevent NATO enlargement in three of the sub-zones and that any failed opposition would be domestically and internationally damaging. Instead, he has sought to minimize the impact of NATO's growth by seeking a role in Alliance decision-making to weaken its effectiveness.

Fifth, Moscow is preparing to use the region, especially the European CIS, as a springboard to rebuild a larger sphere of influence and reverse Moscow's decline as a major international player. Strategists calculate that this can be accomplished with the help of Western resources and by establishing "Great Power" status in eastern Europe and Central Asia. Russia can then pose as a key player alongside the United States and act as a balancer of American influence throughout Eurasia.

Finally, by intensifying its involvement in the European arena, Moscow seeks to weaken transatlantic relations. The objective is to strengthen the European-Russian or Eurasian strategic "pole" *vis-à-vis* the United States. By catalyzing the emerging transatlantic drift, Russia can begin revising the post-World War II order and establish a Russian-EU

system of international security for the old continent.

A key mechanism for Russia to recreate a sphere of dominance is the CIS, which was established to bind smaller neighbors closer to Moscow and create a political superstructure that would coordinate foreign, security and economic policy. The Commonwealth or the “near abroad” was defined as a zone of Russia’s “primary interests”, the unity of which needed to be restored and outside influences minimized. An important economic calculation was involved, as Moscow sought to ensure access and control over the major transportation routes and energy pipelines crisscrossing the region. Under the CIS umbrella, Russia also gained control over military facilities in its former dominions and focused on the outer border of the CIS as its own military frontier.

Russia is not intent on territorial incorporation, as this is an expensive proposition. Instead, it pursues selective domination in key areas such as energy, business and the military to enable primary influence over a country’s foreign, security and economic policies. The CIS structures, although weak under the Yeltsin presidency, have provided Moscow with a vehicle for projecting political influence and limiting unwelcome Westernization. Putin’s Kremlin calculated that an invigorated Russian-dominated CIS would become a distinct pole of influence in a future multipolar world. This would entail the development of supranational organs, including an economic union styled as the Eurasian Economic Community and a Collective Security Organization launched in October 2002 under Russian command. As could be expected, Moscow has pressed for “asymmetrical sovereignty”, in which it assumes the decisive voice in all Commonwealth affairs.

In addition to the CIS structures, Russia has pursued more binding bilater-

al arrangements through the application of direct pressure against targeted governments. This has included diplomatic coercion, disinformation campaigns, military threats, peacekeeping deployments, energy controls, economic pressures, ethnic manipulation, exploitation of criminal networks and intelligence service penetration.

Putin views economic relations as an especially valuable means of gaining political influence. As the region’s dominant energy supplier, Moscow has deepened the dependence of eastern European states whose vulnerability can be transformed into political leverage. Energy and other strategic resources can be decreased or severed in order to exert pressure on particular capitals to adjust their policies. The threat of potential economic chaos through energy shortages has generated powerful pressures on neighboring governments to synchronize their policies with the Kremlin. Russian purchase of key infrastructure elements, such as pipelines and refineries, enables Moscow to apply additional pressure. The most vulnerable states were burdened with enormous debts that Moscow exchanged for a share in the ownership of strategically important industries, particularly in the energy sector. In this way, Moscow attached more strings to its former puppets.

Between Eurasia and Euramerica

THE STRUGGLE over eastern Europe revolves around two opposing strategic concepts: Eurasia and Euramerica. The Euramerica option envisages the close engagement of the United States in European security, whether through NATO or in various bilateral and sub-regional arrangements. In marked contrast, the Eurasian variant would consist of a prominent Brussels-Moscow axis in which the EU achieves a greater security

role in close collaboration with Russia. While most of the new democracies clearly favor the Euramerica structure, competition with the Eurasian alternative is most pronounced in Belarus, Ukraine, and Moldova. All three countries are now defined as “strategic partners” by Moscow, which calculates that their close integration with Russia can counter the process of NATO enlargement and limit American involvement in eastern Europe.

Moscow’s exertions proved most fruitful in Belarus, a country with a weak sense of national identity and whose president, Aleksandr Lukashenko, maintained dictatorial powers and harbored ambitions to become a pan-Slavic leader. A close relationship with Belarus was viewed as a strategic imperative because control over Minsk’s foreign policy eliminated the prospect of a Baltic-Black Sea “belt” that could isolate Russia. Forged in the late-1990s, the Russia-Belarus Union could either develop into a confederated state. Another option, however, judging by Putin’s August 2002 proposal, is that Belarus may simply be incorporated as a unit of the Russian Federation.

Security has been a key component of this union: Moscow pursues close military integration through the unification of defense structures, including air defense, intelligence networks and arms production. Belarus has also been wholly dependent on Russian energy and obtains highly subsidized supplies. Moscow remains Minsk’s major trading partners, while the bulk of Russia’s exports to Europe traverses Belarus, making Minsk’s compliance all the more imperative. Through cheap energy supplies, currency-support credits and a customs union that favored Minsk, Russian economic support has contributed to salvaging Lukashenko’s hold on power. In recent years, an increasing number of Belarussian enterprises have become dependent on Russian capital. Russian companies are seeking primary access in the eventual privatization of key

sectors of Belarussian industry and support a Russia-Belarus monetary union.

During Putin’s presidency, the pace of controlling Belarus’ energy infrastructure has accelerated. In November 2002, the government in Minsk passed various legal amendments that enabled the transformation of the Belarussian gas transportation system, Beltranshaz, into a joint enterprise with the Russian company Gazprom. The Beltranshaz deal was put on hold this June as the two companies failed to agree on a purchase price: Gazprom insisted on acquiring over 50 percent of shares. In a gesture of defiance, Lukashenko declared that he would not sell Beltranshaz “for nothing” and condemned Russia’s “imperialistic tendencies.” He has also backpedaled on the introduction of the Russian ruble, concluding that a currency union with Russia would give the Kremlin overwhelming control. Minsk can expect to experience intensive pressure from Moscow and Lukashenko’s intransigence could result in sanctions, including higher prices for Russian energy.

For the present, Moscow has little reason to interfere in Belarussian politics, as Lukashenko’s foreign policy is either in tune with Russian interests or casts Moscow in a relatively moderate light. Despite calls by Western powers for Russia to take a more active pro-democracy role in Belarus, the Kremlin is little concerned over democratization or the rule of law and was content to let Lukashenko determine the outcome of the deeply-flawed 2001 presidential elections. But Lukashenko may eventually be considered a hindrance to further integration, in which case the Kremlin will use its arsenal of influences to find a suitable pro-Moscow replacement.

Turning to Ukraine, Moscow’s ideal scenario amounts to doing to Kiev what has been done to Minsk, all to culminate in a close political and military alliance. For most of the 1990s, Moscow’s exer-

tions produced only limited results because of Kiev's pro-Western aspirations. However, during the late-1990s, Ukraine became more vulnerable to Russian influences, largely because of the political turmoil that began to surround President Leonid Kuchma. The Kremlin exploited the West's ostracism of Kuchma by posing as a more reliable ally. Power struggles between political interests, industrial lobbies and state structures continue to swirl around the country and provide opportunities for the Kremlin to pull Ukraine into a tighter orbit. The Kremlin engages in various forms of subterfuge, including energy blackmail, economic buyouts, the discrediting of pro-independence politicians, attempts at diplomatic isolation and the manipulation of ethnic issues.

Energy supplies have been a major tool of Russian policy: Ukraine remains dependent on Russia's energy monopolies for its basic needs. Moscow's ability to injure Ukraine's economy by raising prices or calling in debts creates a permanent threat to the country's domestic stability. Moreover, pressures to integrate into the CIS gradually reduce Ukraine's sovereignty while bilateral arrangements between Moscow and Kiev have increasingly undermined Ukraine's ability to administer its own economy.

Attempts to dominate the Ukrainian energy sector accelerated under Putin. Prime Minister Mikhail Kasyanov and his Ukrainian counterpart Anatoly Kinakh agreed in August 2001 to establish an "energy union" and, in October 2002, crafted an interstate gas consortium. The Ukrainian opposition issued alerts about the perils of Russian economic dominance and, in February 2003, the Socialist Party's spokesmen informed parliament that Russian businesses jeopardized Ukraine's national security by acquiring oil refineries, raw-aluminum production, communications and other strategic enterprises.

The progress of neighboring central European states toward EU membership is also reinforcing the dependence of Belarus, Ukraine and Moldova on the Russian market, and the Schengen regime is likely to strengthen this process. To compound its problems, Ukraine has become enmeshed in a CIS Free Trade Zone with Russia, Belarus and Kazakhstan. The arrangement was approved in August 2003 and led to protests by some Ukrainian lawmakers, who argued that this would further undercut the country's sovereignty and limit its prospects for EU entry.

The Kremlin has skillfully exploited the opportunities presented by Ukraine's political turmoil. It offered support to an embattled President Kuchma in an effort to draw the country into a tighter Russian embrace just as Western criticisms increased against his alleged human rights abuses. The importance of Ukraine to the Kremlin was underscored with the appointment in 2001 of ex-premier Viktor Chernomyrdin as Russia's ambassador to Kiev and as Putin's economic envoy. Chernomyrdin promptly criticized Kiev's policy of neutrality and intimated that such a stance could undermine Ukraine's "strategic interests." He openly interfered in Ukraine's parliamentary elections in March 2002 by publicly supporting the pro-presidential parties. Moscow remains determined to diminish the possibility that a pro-Western candidate will succeed Kuchma after the 2004 presidential elections.

Moldova remains completely dependent on Russian energy, and its foreign trade is geared toward Russia. Gazprom controls Moldova's gas pipelines while Chisinau's gas debts have been transformed into Russian assets. With its political breakthrough in Chisinau after the election victory of the communists in 2001, Moscow made plans for further inroads into the Moldovan economy and the domination of its mass media. During

Russian premier Kasyanov's visit to Chisinau in October 2001 he was given a list of some sixty Moldovan enterprises that were slated for sale and seeking Russian investments. Russian companies with close ties to the Kremlin have purchased numerous Moldovan industries on favorable terms or acquired properties to offset Chisinau's unpaid debts.

Peacekeeping has also proved a useful tool for Russia in its former dominions. In its peace-enforcing operations in the "near abroad", Moscow has not concerned itself with questions of legitimacy, or been constrained by internationally acceptable rules of engagement or public scrutiny. In several unstable CIS states, Moscow has combined peacekeeping with counterinsurgency, or has sought to defend one of the sides in the conflict, such as the Transnistrian separatists in Moldova. The conflict itself became a means for exercising influence over political developments in Moldova in Russia's favor. Following the communist election triumph, Moldova declared Russia its "strategic partner" despite the country's formal neutrality, and the debate on the feasibility of Moldova joining the Russia-Belarus Union was rekindled. As a result of a more accommodating stance in Chisinau, Moscow now supports a federalization plan between Moldova and Transnistria, calculating that the entire state can be drawn into the Russian sphere with a permanent military presence.

America's Interests

HAVING invested enormous political, financial and military capital in securing post-communist eastern Europe, it is in America's national interest to complete this process. Surrendering any of these countries to endemic instability, authoritarianism or foreign domination invites

the meddling of forces hostile to Washington and threatening to America's closest allies in the region. If the Russian Federation were a mirror image of the United States or other Western powers, then the expansion of Moscow's political and economic influence would be benign or beneficial. If Russia had a thriving liberal democracy, a vibrant civil society and a transparent market economy, then its influences could be welcomed, regardless of historical experiences. Unfortunately, this is not the case, and Russian influences need to be closely monitored and actively countered if they are destabilizing, whether as a result of energy dominance, economic leverage, political influence, criminal penetration or intelligence operations. Links between government, business and crime must be of special concern to Washington as eastern Europe has become a major international hub for Russia's criminal "Atlanticism."

Some U.S. policymakers argue that Putin has rejected the doctrine of "multipolarity" in his dealings with the United States. However, such premature hopes were dashed when Moscow sided with France and Germany during the Iraq crisis in early-2003. Putin once again elevated "multipolarity" as a strategic objective, which for him means the pursuit of multiple power centers in order to diminish American "dominance." Before he was elected president, Putin himself chaired the meeting of the Russian Security Council that revised the country's national security concept and its military doctrine to include "unipolarity" as a threat to Russian security. In this context, to be accepted as a major "pole", Moscow believes it has a strategic imperative to integrate the key CIS states and steadily project Russia's influence further afield.

U.S. policymakers should soberly reflect on the premature conclusion that Putin's Russia has been transformed into a reliable ally and trusted partner. Long-

range Russian policy simply cannot be understood in response to a particular event (such as September 11) or a particular campaign (such as the global anti-terrorism struggle). Urgently needed is a comprehensive assessment of Moscow's fundamental political and strategic objectives in various parts of the globe. In this context, Russian policy toward its immediate eastern European neighbors is a valuable test of Moscow's commitment to forging cooperative bilateral and regional relations and its claim of having discarded any imperial impulses.

In a strategic version of *jiu jitsu*, Putin the black belt seeks economic and political benefits from cooperation with the United States in combating international terrorism while simultaneously recreating a broad space of dominance aimed at undercutting American "unipolarity." Behind Russia's economic priorities lurk the specter of competitive politics aimed at the global redistribution of power to Russia's advantage. Putin displays a non-aggressive foreign policy in which collaboration with the United States and inte-

gration into international economic institutions is pursued in order to generate resources and markets to help rebuild and modernize the Russian economy and strengthen the Russian state.

Putin's strategy lulls Washington into a false sense of security and an illusion of permanent partnership, even while Moscow methodically seeks to rebuild the Russian state as a global challenger. In the interim, Putin has concluded that he now possesses a free hand to restore a string of vassal states along his western border and beyond, either because the West supports him in bringing "stability" to the region or because Washington is preoccupied with more pressing crises elsewhere. Ultimately, acquiescing to Moscow's objectives is certain to generate conflicts in the years ahead. Such a policy will redivide the continent and reinforce Russia's expansionist ambitions in a region still prone to weakness and torn between Eurasia and Euramerica. Ultimately, it is not just Russia's former satellites that will lose out in this scenario; the United States will as well. □