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Russian Responses to NATO and EU Enlargement and Outreach

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Summary points

- Post-Soviet Russia's adamant resistance to NATO and EU enlargement and outreach in its claimed sphere of influence has been driven not only by zero-sum thinking and 'great power' ambitions, but also by the political and economic imperatives of the Putin system.
- Under Vladimir Putin, this resistance has evolved away from open opposition to rely more on indirect efforts to shape Western perceptions and leverage common interests with Western countries and constituencies. Putin has also used indirect means to promote reintegration of the post-Soviet space and the development of a 'civilizational' buffer zone to insulate this space from Western influence.
- This indirect approach has relied on 'influence tools' that include the capture of local elites through corruption, the use of networks of economic patronage and dependency, the instrumentalization of cultural identity, and the mobilization of latent Soviet-nostalgic constituencies and post-Soviet business elites.
- If the West is to protect its interests and rebuild its influence in Eastern Europe it must invest more effort in understanding the nature and practical application of Russia's 'influence tools'. It must also adapt its own 'soft power' toolkit and political vision to re-establish their relevance to the region's publics and elites.

Introduction

For Vladimir Putin the February 2010 inauguration of Victor Yanukovych as president of Ukraine was undoubtedly a moment of personal satisfaction. Five years earlier, Putin had twice congratulated Yanukovych for his 'victory' in the November 2004 presidential election, only to see the result overturned as fraudulent by Ukraine's Orange Revolution. Like Georgia's Rose Revolution in 2003, Ukraine's peaceful, popular uprising vividly demonstrated the political power of Western political ideas in the post-Soviet region. This vision found its expression in both countries' desire to join NATO and the European Union – Western institutions whose respective enlargements in 2004 had brought the community based on common markets, democratic values and transatlantic security guarantees to Russia's doorstep.[1]

That moment in 2004 now appears to have been the high-water mark for Western influence in Eastern Europe. Over the next five years, Moscow mobilized its resources to re-establish its primacy, skilfully taking advantage of mistakes by the region's pro-Western leaders and the vacuum left by a West distracted and disoriented by wars in Afghanistan and Iraq. The failure of Ukraine and Georgia to enter NATO's Membership Action Plan (MAP) and the 2008 Russo-Georgian war re-established the perception of a Russian sphere of influence; the Obama administration's 'Russia reset' was widely interpreted in the region as confirming that perception. By April 2010, the leaders of Ukraine's Orange Revolution had been forced from power through a combination of elections and political manoeuvring. Newly elected President Yanukovych had rejected the goal of NATO membership in favour of 'non-bloc' status, liquidated state institutions that worked with NATO and the EU, and granted a 25-year extension to the lease of Russia's Black Sea Fleet bases in Crimea. In December 2010, Belarus's President Alexander Lukashenko rejected a Polish-backed EU gambit that offered €3.8 billion in credits in return for holding free and fair elections – choosing instead a last-minute oil deal with Russia and a bloody post-election crackdown that ended a two-year rapprochement between Brussels and Minsk.

To a substantial degree, the return of Russia's dominant regional position has been due to the skilful use of 'influence tools'. These have come both from the extension of political methods used by Putin within Russia, and from the adoption and adaptation of the West's 'soft power' toolkit. Yet in Russian practice, these influence tools are far from soft, fitting into a strategy that pairs attraction and compulsion to shape the political, economic, and informational environment in regions around Russia.[2]

This paper considers the scope, means and limitations of Russia's use of these instruments in response to NATO and EU enlargement and outreach. It begins by examining the strategic drivers of Russian policy regarding NATO and EU enlargement and the evolution of Russian strategy that has led to its growing use of influence tools. It then examines these tools' use in practice and briefly considers the West's possible responses.

Strategic drivers of Russian policy

Despite the tremendous changes of the past three decades, Russia's political and foreign policy elite has continued to view Western institutions – including NATO and the EU – through the prism of a tenaciously zero-sum and geopolitical worldview. Even in the early 1990s, when Russia's internal development as a 'young democracy' was ostensibly converging with the West, Russian liberals continued to look at the world in terms of great-power politics. In the words of the then foreign minister, Andrey Kozyrev, Russia '[was] predestined to be a great power and pretended to equal partnership' with the West.[3] In the belief that equal partnership could not exist under conditions of unequal power, Russia's 1997 National Security Concept declared

1 That year, NATO membership was extended to Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia, while Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia joined the EU.

2 The author is indebted to the excellent in-depth assessment of Russia's approach to influence tools, and their relationship to Western concepts of soft power, set out by J. Sherr in the paper 'Russian Soft Power in "New" and "Old" Europe', for the CENTRA Technology/NIC Conference on Russian Soft Power, Washington DC, 13 January 2011.

3 A.V. Kozyrev, 'Strategiya partnyorstva', *Mezhdunarodnaya zhizn*', 1994, No. 5, pp. 8,11, quoted in Vyacheslav Gorskii, 'Problems and Prospects of NATO-Russia Relationship: The Russian Debate. Final Report', June 2001, p. 64, http://www.nato.int/acad/fellow/99-01/gorskii.pdf.

an 'ideology of creating a multipolar world' and noted 'the danger of a weakening in Russia's political, economic, and military influence in the world' including 'NATO expansion to the East' and 'weakening of integrational processes in the CIS [Commonwealth of Independent States]' as fundamental threats to national security.[4]

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This geopolitical approach has led Russian leaders from Mikhail Gorbachev to Putin and Dmitry Medvedev to frame their vision of 'Greater Europe' in terms of a binary system, with Western Europe and Russia each maintaining a sphere of influence and acting together as co-arbiters on issues of importance to the continent as a whole – a modern-day Concert of Europe.[5] To support this vision, Russia has fought tenaciously to preserve its influence and freedom of manoeuvre in areas where it claims privileged or historical interests: Central and Eastern Europe, the Balkans and the former Soviet space. Where geographically close, this sphere of influence has doubled as a buffer zone, providing Russia with defence-in-depth against an outside world it views as intrinsically hostile.

During the 1990s, the continuation of this neo-imperial worldview appeared to be driven by inertia and pride. With Putin's rise to power, it became more a matter of choice – and of politico-economic necessity.

The Putin project

Appointed as Boris Yeltsin's successor in 1999, Putin understood that popular demand for a leader who could restore the image of Russia's greatness offered a means to build his independent political base. This realpolitik and his professional KGB background drove his embrace of Russia's traditional strategic ambitions, making restoration of its 'rightful place in the world' a major state priority and a core component of Putin's personal political brand. At the same time, he rejected the Yeltsin-era idea that Russia's internal development should converge with the liberal West, instead seeking to re-establish the 'vertical of power' and reconstitute latent Soviet-era constituencies and capacities that were scattered but remained strong throughout the Russian state and society.

By the end of his first presidential term (2000–04), Putin had successfully recreated an autocratic system and reimposed state ownership or influence over strategically important sectors of the economy. Yet the reintegration of Soviet-era capacities brought with it Soviet-era economic and political vulnerabilities. In spite of macro-economic reforms, the state's increasing involvement in the economy, the subordination of business to politics, and the continuation of Soviet-era state subsidies in sectors such as energy and foodstuffs perpetuated economic inefficiencies. The Putin regime also failed to create strong ideological underpinnings. While it successfully discredited democracy in the public's mind as responsible for the 'chaos of the 1990s', its appeals to history and talk of 'sovereign democracy' failed to inspire Russia's deeply cynical society. Thus, like the Brezhnev regime, its legitimacy would depend on the ability to deliver economic benefits to constituents – while the combination of economic inefficiency and ideological weakness would give the regime limited room for political manoeuvre, as vividly shown in 2005 when mass public opposition forced it to abandon plans to reform the Soviet

4 National Security Concept of the Russian Federation, 17 December 1997, Secs I & III.

5 See Dmitri Trenin, 'Russia, the EU, and the Common Neighborhood,' Center for European Reform, September 2005, p. 8, http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/essay_russia_trenin_sept05-2151.pdf.

system of social benefits.[6] The regime's vulnerability to economic downturn would be magnified if democratic change and economic progress were to take place in former Soviet states, particularly in culturally similar Ukraine and Belarus.

In the near term, the regime's need for resources could be met by reintegrating latent Soviet-era capacities within Russia and extracting value from Russia's energy exports and its monopoly on transit from Central Asia. Yet to ensure continuing growth over the longer term and compensate for deteriorating infrastructure and demographic collapse the regime would need to broaden its resource base. Economic reintegration of the CIS and vertical integration of energy monopolies were the most available means to do this.

Reintegrating the CIS

The Soviet economic system had intentionally diversified supply chains among the various Soviet republics. Putin's model of reintegrating latent Soviet capacity could only reach its full potential, therefore, by extending across the former Soviet space. Russia's 'new bourgeois', who in the 1990s had been sceptical of CIS integration as a drain on the economy, increasingly supported reintegration as a way to develop captive markets for Russian manufactured goods.[7]

To ensure regional economic integration on favourable terms, Russia would need to rebuild its political and ideological influence in the region. The 2000 National Security Concept identified the reinvigoration and adaptation of CIS mechanisms as the regime's preferred way to achieve 'integration processes … that meet the interest of Russia'.[8] Integration would have security as well as economic benefits, allowing Russia to build a buffer zone in which its influence and politico-economic models would predominate, thus insulating the ideologically weak Putin regime from exposure to Western influence and political ideas.

Vertically integrating the energy sector

Putin saw the energy sector as the crucial resource base for his political project. With modernization and structural reform politically unpalatable, the easiest way for Russia's inefficient monopolists and state-run companies to maximize the value extracted from the energy supply chain – from squeezing production costs to penetrating lucrative retail markets – was to establish vertically integrated monopolies. This effort, however, faced significant external dependencies. Most upstream sources lay beyond Russia's borders, underlining the importance of political leverage to secure favourable terms for supply of Central Asian gas and transit through Belarus and Ukraine. At the same time, Russia needed Western technology to access the oil and gas reserves that remained inside the country – reserves that were increasingly located in remote and technically challenging locations. Increasing revenue downstream depended on access to lucrative European retail markets, which faced potential obstacles from EU competition law, particularly as the union expanded into Russia's core Central European markets.

Conflicting imperatives

The Putin project thus faced a dilemma. It had an imperative to expand its economic influence, into both the CIS and European energy markets. Yet Russia had substantial economic and political vulnerabilities *vis-à-vis* the West. This dilemma was magnified by the increasing divergence between the moral coordinates of the West, defined by openness – political pluralism, transparency, free markets, individual rights – and a Russian system defined by monopoly – rule by the 'party of power', arbitrary government, control over information and crony capitalism. These norms would not easily coexist. Putin's Russia faced the challenge of insulating itself from Western political ideas and models – and impeding Western influence in the Russian 'buffer zone' – while at the same time maintaining access to Western markets, technology and investments. Managing this tension pushed Russia towards the use of

6 See Jeremy Bransten, 'Russia: As Pensioners Continue Protests, Is Putin's "Magic" Wearing Off?', RFE/RL, 18 January 2005, http://www.rferl.org/content/article/1056932.html; and Michael Mainville, 'Wave of Protest Aimed at Putin Sweeps Russia', *New York Sun*, 20 January 2005.

7 Ilya Prizel, *National Identity and Foreign Policy: Nationalism and Leadership in Poland, Russia, and Ukraine* (Cambridge University Press, 1998).

8 National Security Concept of the Russian Federation, 10 January 2000, Sec. IV.

'influence tools' as a core foreign policy instrument. Russia's relationship with NATO and the EU – and these institutions' relations with Russia's neighbours – would become central objects of attention.

Evolving Russian perceptions of NATO and the European Union

During the Yeltsin years, Russian concern about the West focused on the direct impact of NATO policy on Russia's military and geostrategic interests as a 'great power'. With time, however, the Putin regime became increasingly aware of the potential for the EU to affect its vital economic interests – and for both institutions to project Western norms, values and business/administrative culture into the post-Soviet region in ways that would impede Russia's geopolitical aspirations and its authoritarian model of internal development.

NATO

Despite the end of the Cold War, Russia's military and security establishment continued to regard NATO as a US-controlled, anti-Russian geopolitical tool. It looked on the military implications of the alliance's enlargement with particular concern. The dramatic reversal in the conventional military balance and the withdrawal of Soviet forces from Central Europe in the early 1990s substantially increased Russia's vulnerability to attack, potentially allowing even its strategic nuclear forces to be targeted by conventional precision-guided weapons.

Russia's leadership sought to mitigate this risk by maintaining former Warsaw Pact countries as a neutral security zone. A 1993 letter from Yeltsin to Western leaders suggested that NATO–Russia relations should be 'by several degrees warmer than those between the alliance and Eastern Europe' and proposed that NATO and Russia provide joint security guarantees for Central and Eastern Europe in lieu of enlargement.[9] The creation of such a zone was listed in 1995 by Russia's influential Council on Foreign and Defence Policy as a major advantage that had been gained by ending the Cold War – an advantage that NATO enlargement would eliminate.[10] When it became clear that enlargement would proceed, Russia strenuously resisted the deployment of forces or extension of military infrastructure on the territory of new NATO members. Russia also opposed military cooperation and exercises in neighbouring countries – particularly the Baltic states and Ukraine – under NATO's Partnership for Peace, claiming that these destabilize the military balance and 'blur the line between partnership and membership'.[11]

Russia's foreign policy establishment saw NATO enlargement as the antithesis of its proposals for pan-European arrangements. A NATO-centred European security system would isolate Russia from decision-making and empower former Soviet-bloc countries – particularly Poland and the Baltic states. As full-fledged alliance members these states would bring their historical perspectives into NATO's internal deliberations, compounding Russia's isolation. The extension of NATO's Article 5 guarantee to former Warsaw Pact countries, and potentially even former Soviet republics, would reduce Russia's geostrategic leverage within its traditional sphere of influence – influence that historically had relied on a strong military component. Russia's perceptions of NATO operations in the Balkans as biased against its traditional ally Serbia and designed to undermine Russia's influence in the region heightened these concerns.

The European Union

During the 1990s, Russia viewed the EU as a sort of 'anti-NATO': a benign organization that provided economic and technical support for Russia's transformation, but without substantial strategic weight of its own and with the potential to de-link the United States from Europe – a long-standing Soviet-era foreign policy goal. Yet as the Putin project shifted Russia's understanding of its nature and interests, awareness grew of the EU's ability to influence Russia's vital economic interests.

9 Quoted in Anatol Lieven, 'Russian Opposition to NATO Expansion', *The World Today*, October 1995, p. 198.

10 'Rossiya i NATO. Tezisy Soveta po vneshnei i oboronnoi politike', *Nezavisimaya Gazeta*, 21 June 1995, p. 2.

11 Speech by Vice Admiral Alexander Kornilov, commander of the Leningrad Naval Base, to representatives of the NATO Military Committee, Zeebrugge, Belgium, July 2000.

An early wake-up call was Bulgaria's introduction of a visa regime for Russian citizens in 2001. This stoked Russian fears not only of lost influence, but also of physical exclusion from a historically close trading partner, holiday destination and loyal ally. EU expansion, it was now perceived, would reshape Russia's economic relations with its former satellites, influencing the environment for over half of its trade and the bulk of its energy exports. It would also blunt Russia's ability to exert economic pressure through trade bans and energy embargoes – its standard repertoire in relations with EU candidates Estonia, Latvia, Lithuania and Poland – providing these countries with opportunities to defend their interests by leveraging the EU's consensual decision-making process on issues of broader interest to Russia.

> 'The EU actively sought to undermine Russia's energy monopoly through diversification of gas supply, pushing third-party access to Russia's pipelines, and engaging with Ukraine to help modernize energy infrastructure'

Beyond trade, an enlarged EU had the potential to shape the wider environment in which Russian economic interests operated. EU competition law could limit Russian companies' downstream penetration into retail energy markets. The EU also actively sought to undermine Russia's energy monopoly through diversification of gas supply (e.g. the Nabucco project, begun in 2002), pushing third-party access to Russia's pipelines, and engaging with Ukraine to help modernize energy infrastructure and increase energy efficiency. The EU's engagement with Ukraine – a key transit nation and major customer for Russian gas – threatened to limit Russian commercial leverage and imperilled energy trading schemes that were an important vehicle for the Putin regime's use of corruption as a tool of political influence.

Enlargement and outreach in the post-Soviet space

The potential to shape the economic and political environment in post-Soviet space was Russia's greatest concern regarding NATO and the EU. Russian experts highlighted this issue early; a 1995 report by Moscow's Council on Foreign and Defence Policy warned that should NATO enlargement go ahead, 'the Baltic states and Ukraine would become a zone of intense strategic rivalry'.[12] Prospects for integration into Western institutions – 'rejoining Europe' – captured the political imagination in former Soviet Eastern Europe and the Caucasus in ways that undermined Russian pre-eminence and impeded regional reintegration. The dynamic of Ukraine's relationship with the alliance during the first half of the 2000s vividly illustrates this point.

Ukraine and NATO

The newly inaugurated President Putin had moved quickly to bring Ukraine into his integration plans, strongly pressuring Ukraine's President Leonid Kuchma to enter the Eurasian Economic Community and the Collective Security Treaty Organization (CSTO), while also working to establish a patron–client political relationship.[13] Kuchma viewed an enhanced relationship with NATO as a means to resist this pressure. In February 2002, Ukrainian officials quietly informed NATO of the country's desire to join the alliance's Membership Action Plan (MAP), and a NATO briefing team was dispatched to Kyiv. That May, Ukraine publicly announced its decision to seek 'eventual NATO membership' – counterbalancing the creation that month of the CSTO and the

12 Gorskii, 'Problems and Prospects of NATO-Russia Relationship', p. 29.

13 For a recent overview of Russian pressure on Kuchma, see 'The Wind from the East', *Ukrainian Week*, 29 August 2011.

NATO–Russia Council. Ukraine pressed forward in June with finalizing a Memorandum of Understanding on Host Nation Support – a framework agreement for regulating the hosting of NATO forces for exercises or operations. Russia viewed this development with alarm, particularly in the light of the increasing US military presence in Central Asia. Putin reportedly called his Ukrainian counterpart twice to dissuade him from approving the document – which Ukraine nonetheless signed in July.[14]

NATO did not reward Kuchma's effort to enter MAP at its 2002 Prague Summit, owing mainly to concerns about democratic standards and a scandal over alleged Kolchuga radar system sales to Iraq. Nevertheless, his rapprochement with the alliance energized practical NATO–Ukraine cooperation under the NATO–Ukraine Joint Working Group on Defence Reform and the NATO–Ukraine Action Plan. These programmes galvanized badly needed reforms and transferred expertise, standards and values to Ukraine's armed forces and national security establishment – facilitating the growing pro-Western bent among security and foreign policy professionals and helping to encourage a sense of civic duty that proved decisive during the Orange Revolution.

Kuchma's turn towards NATO taught Russia two lessons: first, it needed additional levers to influence Ukraine's political system and society; second, diplomatic scandals and poor domestic political conditions could induce the West to slow engagement with Russia's neighbours.

EU outreach

The EU's engagement with CIS countries was also increasing, albeit more subtly. Ukraine and Moldova saw trade with the EU rise dramatically after enlargement. Emerging prospects for visa liberalization and trade created constituencies that looked westward and viewed Russian projects as incompatible with their aspirations. Technical assistance based on Partnership and Cooperation Agreements (PCAs) helped transfer European principles and norms.[15] The EU also showed increasing political influence in the region, as evidenced in late 2003 by Moldova's rejection of a Russian-designed peace plan for the Transdniestria conflict following EU and US diplomatic interventions.

Russia understood that the EU's engagement had the potential to shape the broader economic environment in the former Soviet space in favour of increasing transparency, good governance and rule of law – undermining post-Soviet practices in business and politics. The EU's influence was diluted, however, by its reluctance to use the prospects for political integration to mobilize the 'European vocation' of post-Soviet publics. It also delayed CIS countries' access to technical tools that had proved their value in candidate countries. Although EU efforts in the region accelerated in 2004, with the signing of Action Plans with Ukraine and Moldova, it was not until the creation of the Eastern Partnership (EP) in 2009 that the EU made a tailored, dedicated strategic effort to influence political and economic developments in countries in the western CIS region and southern Caucasus – and bring them into a zone where European standards apply.

Not surprisingly, the EP generated strong Russian concern, particularly towards aspects such as political association, free trade, cooperation on energy issues, and convergence of technical standards that would undermine Russian-led 'integrationist frameworks' within the CIS.[16]

Russia's evolving strategic approach

Although Russia's antipathy to Western influence in its neighbourhood has continued unabated over the past two decades, its response has evolved considerably. This period has been punctuated by two moments of rapid change: Putin's ascendency to power and the intensification and adaptation of Russian influence tools after Ukraine's Orange Revolution.

14 Author's discussions with Ukrainian officials involved in Host Nation Support issues, 2003.

15 The EU signed PCAs with Ukraine and Moldova in 1998, and with Georgia in 1999. The PCA with Belarus, signed in 1995, was not ratified by the EU owing to political backsliding.

16 See Andrei Zagorski, 'Eastern Partnership from the Russian Perspective,' Friedrich-Ebert-Stiftung, *International Politics and Society* online, IPG 3/2011, http://library.fes.de/pdf-files/ipg/2011-3/05_zagorski.pdf; and Simon Costea, 'The Profound Causes of Russia's Hostility Towards the Eastern Partnership', 6 May 2010, www.worldsecuritynetwork.com.

Yeltsin to Putin: from opposition to influence

In the 1990s, Russia opposed NATO enlargement openly and directly, forcefully arguing its views and interests with the alliance as a whole and bilaterally with NATO members.[17] Yeltsin played a strong personal role on this issue, which he saw as putting his prestige on the line. It was in part due to Yeltsin's public opposition and sabre-rattling that NATO's 1999 enlargement was perceived in Russia as such a humiliating defeat – one that helped set the stage for the transition to new leadership.

Whereas Putin fully shared his predecessor's desire to establish Russia as a co-equal with the West, he more clearly understood the complex dependencies and vulnerabilities that restricted Russian action. Rather than relying on legally binding arrangements, Putin used a combination of overt cooperation with Western institutions and indirect shaping of Western interests and preferences to constrain the West. He resumed relations with NATO that Yeltsin had frozen in response to its 1999 Kosovo campaign, hosting NATO Secretary General George Robertson in Moscow in February 2000 and soon after rejoining the NATO–Russia Permanent Joint Council.

In contrast to Yeltsin's vain efforts to prevent enlargement, Putin took a more pragmatic approach, combining pro forma opposition with *de facto* acceptance. Russian officials sought to use the enlargement process and its criteria to pressure aspiring NATO members on issues of practical interest to Russia: accession to the revised Treaty on Conventional Armed Forces in Europe, border disputes and special status for Russian minorities on their territory. Russia's approach to pending EU enlargement was similarly pragmatic, focusing on issues such as transit to Kaliningrad and trade relations with new members. Putin also leveraged this acquiescence to create the NATO–Russia Council in May 2002. Russia half-heartedly pursued a similar effort to develop a permanent, formal Russia–EU body, although the idea failed to gain serious traction.[18]

Putin had no intention, however, of repeating his predecessor's quixotic quest for direct influence on NATO or EU decision-making. He sought instead to gain proxy influence on these institutions' internal deliberations by aligning the interests of crucial Western constituencies with Russia – on the premise that common interests would trump divergent values in encouraging deference to Russian views.

The events of 11 September 2001 provided Putin with an ideal opportunity to develop this approach. Russia's support for the US-led war on terror and operations in Afghanistan not only gained him goodwill but also created security dependencies for nations with forces in Afghanistan. Putin similarly leveraged Russian support for Western non-proliferation initiatives and policy towards Iran and North Korea. On a smaller scale, the personal and political investment of some alliance nations and officials in improving relations with Russia also provided opportunities to influence decision-making; for example, it is unlikely to have been an accident that the Italian prime minister Silvio Berlusconi, one of Putin's closest political allies in Western Europe, hosted the May 2002 summit that launched, with great fanfare, a 'new phase' in NATO–Russia relations.

The relationship with Berlusconi highlighted two key elements in Putin's strategy. The first was building influence on NATO and EU decision-making by shaping the incentives for large West European member states, in particular France, Germany and Italy. Preferential energy contracts played an important role in this effort, by providing preferred partners – companies or nations – with a competitive economic advantage that was tied to positive political relations with Russia.[19] The second element was cultivation of personal affinities and dependencies with Western elites. By giving economic or personal inducements to influential politicians, business executives and opinion-formers, Putin gave them a stake in the Russian regime and its business model – and

17 See Alexander Velichkin, 'NATO as Seen Through the Eyes of the Russian Press', *NATO Review*, Vol. 43, No. 2, March 1995, pp. 20–23, http://www.nato.int/docu/review/1995/9502-6.htm; and Gorskii, 'Problems and Prospects of NATO-Russia Relationship'.

18 Sergei Karaganov, 'Russia, Europe, and New Challenges', *Russia in Global Affairs*, 24 March 2003, http://eng.globalaffairs.ru/number/n_634.

19 See Pierre Noël, 'Beyond Dependence: How to Deal with Russian Gas', *ECFR Policy Brief*, November 2008, http://ecfr.3cdn.net/13bbe8bc444c269e52_lom6bakie.pdf.

a corresponding self-interest in constraining Western actions seen as unfavourable to Russian interests. This effort to promote 'reverse convergence' between Western elites and the Putin regime's system of patron–client relationships was most prominently demonstrated in the unseemly rapidity of Gerhard Schröder's transition from German Chancellor to Chairman of the Board of Nord Stream AG.

Putin's integration strategy for the 'near abroad'

Putin also shifted Russian strategy towards the 'near abroad'. Whereas Yeltsin's Russia had been wary of distractions from reform at home, Putin actively embraced the reintegration of the post-Soviet space as a cornerstone of his politics. He resurrected and repackaged the CIS Customs Union as the Eurasian Economic Community, launching it in 2000 with the goals of enlarging the customs union, increasing cooperation between energy systems and coordinating macroeconomic, monetary, industrial and social policies.[20]

Putin's 2000 Foreign Policy Concept also placed renewed attention on national security aspects of CIS integration, leading to the 2002 launch of the CSTO – an organization that would ensure Russian domination of joint military efforts. Simultaneously Russia strengthened bilateral agreements that deepened the integration of individual CIS countries' armed forces and defence industrial sectors with Russia's. The creation of the CSTO, on the eve of the NATO–Russia Summit in Rome, was meant to mark a new red line for Russia's vital interests and to counterbalance the second round of NATO enlargement.

Putin's 'near abroad' strategy combined these formal measures with informal efforts to 'capture' regional elites via economic and personal dependencies. This was an extension of his domestic political strategy, which had successfully turned the logic of post-Soviet crony capitalism on its head. Whereas previously politics had been a tool to create corrupt schemes and divide the resources extracted from them, Putin used the carrot of corruption in conjunction with the stick of '*compromat*' (compromising materials) to establish patron–client political relationships. By broadening this approach to the corrupt transnational schemes that flowed seamlessly from Russia into the rest of the former Soviet space – and oozed beyond it – Putin could extend his shadow influence beyond Russia's borders and develop a natural, 'captured' constituency for maintaining a common Eurasian business space. In this light, Putin's attempts to gain influence on the energy transportation systems and internal markets of Belarus and Ukraine – using opaque schemes such as EuralTransGas and RosUkrEnergo as carrots for elites, and energy cut-offs as sticks – were a logical extension of his successful effort to gain control of Russia's energy sector in the first years of his presidency.[21]

In addition to capturing elites, the Putin regime sought to build ties with sympathetic constituencies, using cultural, linguistic and historical/ideological affinities with Russia (or the Soviet Union) to 'securitize' cultural identity and generate antipathy towards Western institutions and values. The goal of this effort was to build a civilizational buffer zone that would prevent the spread of Western values or norms to Slavic populations in the former Soviet space – from which 'democratic contagion' might all too easily spread to Russia itself. The West's instincts could also be turned against its own interests; by encouraging authoritarian tendencies or political unreliability in its neighbours, Putin could induce the West to isolate these countries, further strengthening Russia's buffer zone.

Putin's approach of combining formal integration initiatives with informal efforts at cultural affinity and elite capture offered strong, overlapping means for exerting Russian influence. At the same time, this approach had weaknesses. Appeals to pro-Russian and Soviet nostalgic constituencies were irrelevant to substantial portions of the population, particularly the young and professional

20 'Eurasian Economic Community: The Principles of Activity and Prospects of Development', National Security and Defence, Razumkov Centre, December 2002, p. 37, http://www.razumkov.org.ua/additional/analytical_report_NSD36_eng.pdf.

21 See Roman Kupchinsky, 'Russian Energy Strategy – the Domestic Political Factor', *Eurasia Daily Monitor*, Vol. 6, Issue 185, 8 October 2009; and 'Gazprom's European Web', Jamestown Foundation, 18 February 2009.

classes. Reliance on corruption to capture CIS elites made Russian influence dependent on the continuation of an opaque post-Soviet business environment. Even within that environment, national elites could use state sovereignty to resist efforts to suborn them, strengthening their interest in independence and making them wary of renewed CIS mechanisms – as shown by Kuchma's refusal to join the CSTO. Indeed, Kuchma's efforts to counterbalance Russian pressure with an approach to NATO left a substantial gap in Putin's plans to strengthen Russia's security buffer zone and created a window of vulnerability to Western influence. Finally, the emphasis on elite capture failed to anticipate the domestic constraints that elites might face, as exemplified by Ukraine's Orange Revolution.

Strategy after the Orange Revolution: the influence counterattack

The Orange Revolution, a year after Georgia's Rose Revolution, left Putin's strategic ambitions in shambles. Russia's 'civilizational buffer zone' was breached, its prestige and influence were battered, and Putin's pet integration projects were stalled. Ukraine followed Georgia in pursuing NATO membership; Western countries mobilized technical support for reforms, including in the sensitive area of national security. The EU, while remaining coy on membership possibilities, offered increasing prospects for greater travel access and free trade. Western participation in Ukraine's economy grew, particularly in the banking sector, with European companies acquiring most of the country's top-tier banks. Whether or not Putin believed the rhetoric of the Orange Revolution as a 'full-scale, geopolitical special operation', it was clear that his regime's ambitions, and even its survival, were facing new challenges.[22] Meeting these challenges would require new approaches and new tools.

Feeling itself under threat, the Putin regime mobilized resources for counterattack. With Belarus insulated from Western integration by its authoritarian system, and the Baltic countries already in the West, the centre of gravity for that counterattack would be Ukraine. This country posed the greatest challenge to the Putin regime; the success of democracy in a country with such close societal, economic and cultural ties to Russia would be a mortal threat. In contrast, Georgia's reforms and ongoing efforts to regain control of Abkhazia and South Ossetia had more local strategic and economic implications – which focused on Russia's politico-military position in the South Caucasus and its *de facto* control over a substantial section of Black Sea coastline.

> 'The focus on MAP proved to be the Achilles' heel of Ukraine's westward integration policy … it did little to further real reforms, while highlighting the gap between rhetoric and reality'

In addition to its geostrategic significance, Ukraine's high susceptibility to Russian influence tools also made it the logical focus point for Putin's counteroffensive. While the Orange Revolution had changed the regime and ended repression, it had neither renewed the country's political elite nor substantially changed its political culture. By failing to institutionalize democratic changes and retaining a post-Soviet culture in business and politics, Ukraine's new leaders perpetuated an environment in which Russia could most effectively wield its influence tools.

The high political visibility of the new Ukrainian administration's endeavours to seek NATO membership – encouraged by a number of alliance members – also proved a boon to the Russian effort. In contrast to Central Europe,

22 See Vycheslav Nikonov, 'The Russian Drama and the Ukrainian Stage', *The Current Digest of the Post-Soviet Press*, Vol. 56, No. 50, 12 January 2005, http://dlib.eastview.com/searchresults/article.jsp?art=22&id=14175304.

where NATO membership had been an effective tool to consolidate political and public support for unpleasant reforms, the Ukrainian public was deeply divided on the issue. Some pro-Western constituencies, particularly within the civil service and expert community, did see preparation for NATO membership as a mechanism for enabling reform. Yet these advantages were offset by deep mistrust of NATO in society more broadly. Particularly damaging was the Yushchenko administration's focus on political symbolism – especially formal acceptance into MAP – while it allowed substantive reforms that could be painful to business interests in the president's inner circle to languish. In practical terms entry into MAP meant little; Ukraine had already received MAP tools in 2002 under the NATO–Ukraine Action Plan. Yet the effort to lobby for MAP drew scarce leadership attention, political energy and administrative resources away from implementing practical reforms and distracted pro-reform constituencies.

The focus on MAP proved to be the Achilles' heel of Ukraine's westward integration policy – and most likely also set back Georgia's. Seeking MAP did little to further real reforms, while highlighting the gap between rhetoric and reality. It also raised tough questions, such as the feasibility of military support for Ukraine or Georgia in the event of conflict with Russia – an issue that had been challenging for the Baltic states even in a more benevolent regional security environment. Such concerns served to underline the alliance's natural reluctance to pre-judge its future political decisions. Finally, the focus on MAP gave Russia a useful target – one that proved to be a more powerful signal in failure than it would most likely have been in success.

The prospect of EU membership would have been far more effective as a political tool to mobilize reform. Yet what could have been the West's strongest card was neutralized by the union's ambivalence about further enlargement and the disinclination even to hint at political perspectives towards membership. The EU was also slow to reinforce its technical-level efforts, thus missing crucial opportunities to advance reform in the months after the revolution.

The counterattack strategy: objectives, approaches, outcomes

The Putin regime's strategy to counteract NATO/EU enlargement and popular democratic revolution on Russia's borders built on its existing dual-track strategy, while taking advantage of shortcomings and missteps by the region's new democratic leaders and the West. Formally, Putin acknowledged that every country has a right to choose its own security arrangements; informally, the regime began a concerted campaign to block the integration of CIS countries with the West. This campaign had three principal objectives:

- *Ensuring the failure of democratic experiments in Ukraine and Georgia.* Corruption and shadow networks were mobilized to undermine the new leadership's reform agenda. These shadow networks penetrated state and political institutions, influenced perceptions, and unbalanced decision-making to weaken state capacity. Parallel efforts to sharpen political and societal fault lines degraded governability.
- *Blocking progress towards NATO and EU integration.* Working with sympathetic domestic forces, Russia undermined practical cooperation and impeded political, economic and administrative reforms that constituted essential criteria for NATO and EU membership – reforms that, if implemented, would demonstrate the value of such membership to the public. Media campaigns shaped negative perceptions of Western institutions and promoted both fraternity and fear towards Russia. Within Western institutions, Russia leveraged bilateral relationships and empowered sceptics to undermine perceptions of candidates' suitability for membership and highlight the purported negative consequences of NATO enlargement for European security.
- *Re-establishing the predominance of Russian influence and societal models in the region.* Overt and shadow methods undermined the influence and impact of institutions – international and local, state and non-governmental – that supported reform and Western

integration. The Putin regime also sought to reshape and strengthen its influence levers, temporarily putting formal CIS integration projects on hold while intensifying previous informal efforts and creating new tools to promote elite capture, economic penetration and dependency, public affinity with Russia and influence over information space.

The desired near-term outcome of this strategy was to prevent the spread of 'democratic contagion' to Russia, impede Ukrainian and Georgian efforts to enter MAP, and shift the 'correlation of forces' on the influence battlefield in Russia's favour. Ensuring the continuation of the region's opaque, post-Soviet business environment was to be an important enabler for Russia's effective use of influence tools. In the medium term, Russia sought to generate resistance to Western integration within Ukrainian and Georgian society, degrade political trust between these countries and the West, and push them towards ungovernability should they continue to pursue strategic and developmental paths counter to Russian wishes.

In the long term, Moscow's desire was to re-establish the primacy of Russian influence in the near abroad, repair its civilizational buffer zone, and restart the Putin regime's integration projects. This did not necessarily require 'pro-Russian' regimes throughout the region, but rather ones that were institutionally weak, unpalatable to the West and dependent on Russia. With the West, Putin's strategy aimed to achieve acceptance of Russia's view of a binary Europe and *de facto* acceptance of the Russian sphere of influence.

Tools and approaches

Putin's post-Orange Revolution strategy drove the evolution of Russia's influence 'toolkit'. The new strategy continued to use the tools adapted from Putin's internal political repertoire – elite capture, economic patronage and dependency, and appeals to traditional Russian and Soviet identities – while intensifying and adapting them to the new circumstances. Russia also began borrowing tools from the Western 'soft power' toolkit, modifying them to better integrate soft and hard approaches, and to ensure direct control over the actions of even nominally independent institutions.

An instructive example of elite capture was the use of the lucrative gas trade to suborn Ukraine's post-Orange Revolution new leadership (described later). This 'soft' approach was combined with an increasingly 'hard' use of ostensibly commercial issues to apply political and macroeconomic pressure on Ukraine.

Another economic tool was the conversion of Russia's state-controlled Vnesheconombank into a 'development bank' – one that played a key role in establishing Russian influence in strategic sectors of Ukraine's economy, most notably heavy industry and finance.[23] In the autumn of 2010, knowledgeable insiders in the Ukrainian financial sector reported that in addition to Vnesheconombank, Putin had dedicated considerable funds (reportedly up to $20 billion) under his personal control to purchase strategic assets in Ukraine – in effect a Putin-controlled private equity fund.[24]

Cultural affinity tools also evolved, with an increasing emphasis on using 'compatriot policy' to encourage Russian-speakers in the 'near abroad' to 'form a loyalty to modern-day Russia, including its interpretation of history and its political system'.[25]

The role of the Russian Orthodox Church increased, as did efforts to organize Russian diasporas into an effective 'social networking system' that could be mobilized to put pressure on politicians in their country of residence.

New tools also appeared on the cultural side of Russian policy. The creation of the 'Russian World' (*Russkiy Mir*) foundation in 2007 leveraged the flexibility of a nominally non-governmental institution to support the Russian strategy of building politically useful affinities

23 For examples of transactions, see Daryna Krasnolutska and Kateryna Choursina, 'Russia's Vnesheconombank Acquires 75% Stake in Ukrainian Lender', 15 January 2009, Bloomberg.com; 'Carbofer group owner buys controlling interest in Industrial Union of Donbas', *Kyiv Post*, 8 January 2010; and 'Vnesheconombank ready to invest in preparations for UEFA EURO 2012', Ukrainians.ca, 17 December 2010.

24 Private meetings in Kyiv, November 2010.

25 Gatis Pelnens (ed.), *The 'Humanitarian Dimension' of Russian Foreign Policy Toward Georgia, Moldova, Ukraine, and the Baltic States* (Riga, 2010), pp. 20–22.

with 'compatriots'. Similar efforts in the area of information policy included the establishment of a joint Russian–Ukrainian Information Centre in 2006 (started with the assistance of Dmitri Rogozin, who was to become Russia's Ambassador to NATO in 2008) and the creation of the American Institute in Ukraine, a nominally independent think tank that channels Western voices with anti-NATO and anti-EU messages into public debate in and about Ukraine.[26]

The influence strategy applied: examples from Ukraine

Russian authorities have been keen to tout the success of this influence strategy. In early 2009, Medvedev claimed that 'precise and well-coordinated work on the part of all [Russian] special security, defence, and law enforcement structures' was responsible for preventing 'continued attempts to enlarge NATO, including by means of granting Georgia and Ukraine accelerated membership'.[27] Judging the accuracy of such claims is challenging, particularly since intent and causality are entangled in chains of disparate actors and multiple influences. The following examples, though not a systematic assessment, show how the Russian influence strategy appears to have contributed substantially to promoting the regime's preferred outcomes. These examples focus on Ukraine owing to that country's central role in Russia's influence counterattack.

Corruption and elite capture: the Yushchenko administration

During Putin's first term as president, Russia had used corruption – particularly schemes in the gas transfer business – as an instrument of elite capture in the 'near abroad'. In the crucial months following President Yushchenko's inauguration in January 2005, there appears to have been an active effort to co-opt the new Ukrainian administration into these arrangements. At the time, the key element in the gas trade was RosUkrEnergo (RUE), a gas intermediary created by agreement between Presidents Kuchma and Putin in July 2004. Putin has asserted that RIE's inclusion in the transit arrangements was at Kuchma's and Yushchenko's insistence, while Yushchenko claimed that RUE was Gazprom's creation. While the origins of the idea for RUE have been subject to public dispute,[28] allegations that Kuchma controlled a stake in RUE through an informal relationship with Ivan Fursin, the owner of a 5% stake in the company, suggest that one purpose for the creation of RUE may have been to provide an informal pension to the outgoing president, even as control of a reputed 'presidential interest' in the gas trade may have shifted.[29] That these arrangements seem to have survived the change of power following the Orange Revolution suggests that continuity for such informal pension arrangements may have been addressed in transition arrangements reported to have been made between Yushchenko and Kuchma in December 2004 (and reportedly principally addressing the issue of immunity from prosecution).

At the time the details of this transition were not disclosed, but a number of specifics have been alleged or documented since. In July 2005, the website Obkom reported that President Yushchenko had met with Dmytro Firtash – a major (at that time still secret) shareholder in RUE and a key figure in the creation of its predecessor, EuralTransGas. Firtash confirmed this relationship in a December 2008 meeting with the US ambassador in Kyiv, claiming that he had served as an unofficial advisor to Yushchenko since the time of the Orange Revolution.[30] RUE subsequently received highly lucrative concessions: a monopoly on Ukraine's import of gas from Turkmenistan and the right to sell gas directly to industrial consumers through a

26 See the relevant institutions' websites: http://www.rosukr.org and http://www.aminuk.org/.

27 'Vystuplenie na rasshirennom zasedanii kollegii Federalnoy sluzhby bezopastnosti', Russian president's website, 29 January 2009, Moscow, http://kremlin.ru/transcripts/2991.

28 See Channel 4 News, UK, 24 January 2006; and Putin's interview with the Spanish media on 7 February 2006, http://archive.kremlin.ru/eng/speeches/2006/02/07/2343_type82916_101277.shtml.

29 Victor Chyvokunya, 'RosUkrEnergo – matryoshka Firtash-Fursin', 27 April 2006, http://www.pravda.com.ua/articles/2006/04/27/3100046/.

30 Roman Kupchinsky, 'Ukraine: A Conflict Over Gas And Power', RFE/RL, 12 September 2005; and 'US embassy cables: Gas supplies linked to Russian mafia', *Guardian*, 1 December 2010, http://www.guardian.co.uk/world/us-embassy-cables-documents/182121.

joint venture with NaftoGaz. RUE reportedly made a $53 million consultancy payment to Petrohaz, a UAE-registered company allegedly controlled by the president's brother, for mediation services during the negotiation of that agreement.[31] In line with Russia's 'carrot-and-stick' approach to elite capture, in January 2006 parliamentarians from the pro-Russian Communist Party of Ukraine (CPU) and the Social Democratic Party of Ukraine (United) (SPDU(O)) published bank transfers purporting to prove this payment.[32]

The transfer of non-transparent arrangements to the new administration is alleged to have extended beyond the gas trade. Yushchenko aide Oleksandr Tretyakov had allegedly arranged the president's meeting with Firtash, and in September 2005 the head of Yushchenko's presidential secretariat, Oleksandr Zinchenko, resigned, charging Tretyakov with also being the vehicle for transferring control of Kuchma-era influence-peddling schemes to the new administration. This was alleged to have happened through Tretyakov's membership of the supervisory boards of Oschadbank and Ukrtelekom – positions previously held by President Kuchma's close adviser, Serhiy Lyovochkin.[33]

This corrosive elite capture was one factor blunting the reformist potential of the post-Orange Revolution period. In the summer of 2005 a distracted presidential administration failed to react effectively when a top priority – security legislation needed for Ukraine's WTO entry – was sidelined by the efforts of the CPU and SDPU(O) to paralyse parliament. In doing so, these parties openly claimed that 'We are defending Russia.'[34] Even more damaging, the battle over the introduction of RUE into the gas trade was the proximate cause of President Yushchenko's dismissal of Prime Minister Yulia Tymoshenko (who opposed RUE's involvement in the gas trade) in September 2005 – splitting the Orange Coalition – and his signing of a political agreement that resurrected the political fortunes of Yanukovych. The introduction of RUE coincided with a near-doubling of prices for imported gas and permitting Gazprom to penetrate Ukraine's lucrative industrial gas market (through the UkrGazEnergo joint venture between RUE and NaftoGaz). This arrangement was ruinous for NaftoGaz as it diverted market share on which the company had previously relied to subsidize its loss-making household sales.

Compromise based on personal interests also appears to have played a role in Yushchenko's final act, when his support for last-minute changes to election law and visceral opposition to Tymoshenko's candidacy in the 2010 presidential run-off election assured the election of Yanukovych.[35] The new authorities' lack of political retribution against Yushchenko – in contrast to the prosecution of Tymoshenko and her supporters – suggests that the departing president made a personal agreement with his successor, most likely modelled on his earlier agreement with Kuchma.

Strengthening sympathetic forces: the Party of Regions

The Putin regime's most successful engagement with Ukrainian political forces has been its support for the Party of Regions (PR). With the help of political technologists close to the Kremlin, the PR used the divisive issues of Russian language, relations with Russia and antipathy towards NATO to mobilize voters in the 2004 presidential and 2006 parliamentary election campaigns. In the process, it captured a large portion of the 'Soviet-nostalgic' electorate that had previously supported the Communists, transforming itself from a medium-sized regional pro-business party to an electoral powerhouse.

The PR was a good match for Russia's influence strategy. Its new-found electoral strength allowed the party to unite Soviet-nostalgic constituencies and post-Soviet economic

31 Serhiy Leshchenko, 'Viktor Yushchenko's Political Orbits', *Ukrayinska Pravda*, 30 January 2006.

32 'KPU I CDPU(O) pidozoriuiut brata Yushchenko u zv'iazkazk z "RosUkrEnergo"', 19 January 2006, http://www.pravda.com.ua/news/2006/01/19/3053342/.

33 Roman Kupchinsky, 'Ukraine: A Conflict over Gas and Power', RFE/RL, 12 September 2005, http://www.rferl.org/articleprintview/1061324.html; and Taras Kuzio, 'News analysis: gas, corruption and lack of political will in Ukraine', *The Ukrainian Weekly*, No. 2, 14 May 2006, http://www.ukrweekly.com/old/archive/2006/200611.shtml.

34 Zenon Zawada, Yana Sedova, 'Verkhovna Rada sessions in turmoil as deputies debate WTO-related bills', *The Ukrainian Weekly*, 10 July 2005, http://www.ukrweekly.com/old/archive/2005/280501.shtml; Zenon Zawada, 'Communists in Verkhovna Rada try to bloc passage of WTO bills', *The Ukrainian Weekly*, 20 November 2005, No. 47, http://www.ukrweekly.com/old/archive/2005/470508.shtml; International Centre for Policy Studies, Kyiv, 'World Trade Organization accession depends on the Verkhovna Rada', ICPS Newsletter No. 25(284), 11 July 2005.

35 See Taras Kuzio, 'Yushchenko Facilitates Yanukovych's Election and Buries the Orange Revolution', *Eurasia Daily Monitor*, Vol. 7, Issue 31, 16 February 2010.

elites into a single, internally disciplined force with substantial political and economic resources and a strong investment in the status quo. Its divisive campaigns exacerbated Ukraine's political and geographical fault lines, particularly between the industrial, Sovietized, Russian-speaking south and east and the Ukrainian-speaking, more European centre and west. These election campaigns also ensured that the PR's political brand was closely linked to Russia's preferred policy positions, including opposition to NATO membership. Not least, the party's authoritarian bent would make it an unpalatable partner for the West.

> ‘Russia invested considerable effort in undermining Ukraine's practical cooperation with NATO, with the goal of casting doubt on its reliability as a partner and potential future ally’

Although Russia's considerable investment in supporting PR leader Yanukovych's 2004 presidential bid was cut short by the Orange Revolution, Putin continued to invest in the party, supporting a formal agreement with his United Russia party and providing refuge to PR members concerned about legal action by Ukraine's new authorities. The PR, for its part, coordinated with other pro-Russian parties to resist the new government's reforms – for example, by quietly supporting CPU and SDPU(O) efforts to block WTO accession in 2005.

Russia complemented its investment in the PR with relationships with other sympathetic parties, including the aforementioned SDPU(O) and the CPU, as well as with radical groups such as Natalia Vitrenko's Progressive Socialists. While these efforts had only marginal success on their own, they were nevertheless useful for Russia, keeping pressure on the PR's left flank while promoting identity politics and exacerbating invective in Ukraine's political debate.

Undermining NATO partnership: the cancellation of Exercise Sea Breeze 2006

Russia invested considerable effort in undermining Ukraine's practical cooperation with NATO, with the goal of casting doubt on its reliability as a partner and potential future ally. This effort began in earnest in the summer of 2006.

Following the March 2006 parliamentary elections the PR and the CPU, which had campaigned strongly against NATO membership during the elections, used tactics reminiscent of their previous year's efforts against the WTO to successfully block passage of the annual bill authorizing the presence of foreign forces on Ukrainian territory for multinational exercises. The American and Ukrainian authorities proceeded with pre-deployment logistics, based on a presidential promise to ensure parliamentary approval prior to the formal start of the exercise, only to walk into a trap. When the *SS Advantage*, a US-flag merchant vessel, came into the Crimean port of Feodosiya on 27 May 2006 with cargo to support pre-exercise construction, local customs authorities refused to allow the ship to unload. Local and Russian media announced the arrival of a 'NATO warship' and pro-Russian civic organizations – with visible support provided by the local Russian Black Sea Fleet 'officers' club' – picketed the port and a US military construction unit that had arrived the same day. On 6 June the Crimean parliament declared Crimea a 'NATO-free zone', and on 8 June the Russian Duma passed a resolution warning that 'Ukraine's accession to the military bloc will lead to very negative consequences for relations between our fraternal peoples'. In the face of rising protest, Ukraine cancelled the exercise and the US unit withdrew.[36]

36 Roman Olearchyk, 'NATO drive sidetracked by protests in Crimea', *Kyiv Post,* 15 June 2006, http://www.kyivpost.com/news/nation/detail/24651/; 'Anti-NATO protests continue in Ukraine's Crimea', *Kyiv Post,* 1 June 2006, http://www.kyivpost.com/news/business/bus_general/detail/24554/print/; Nick Paton Walsh, 'Russia tells Ukraine to stay out of NATO', *Guardian*, 8 June 2006, http://www.guardian.co.uk/world/2006/jun/08/russia.nickpatonwalsh); Vladimir Socor, 'U.S.-led 'Sea Breeze' Combined Exercise Canceled in Ukraine', *Eurasia Daily Monitor*, Vol. 6, Issue 120, 23 June 2009, http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=35159.

The choreography of the crisis demonstrated advance intelligence, preparation and careful coordination between Russia and its Ukrainian collaborators in the two parliaments, as well as with local customs officials, pro-Russian civic movements and Russian military officials in Crimea. It was a substantial domestic and international setback for Ukraine's NATO aspirations, highlighting the issue's political divisiveness at home and raising concerns within the alliance regarding Ukraine's reliability as a partner.

Shaping public perceptions

Russia has invested substantial resources in shaping negative views towards Western institutions and integration within the Ukrainian public. As noted above, a first large-scale campaign was launched with Russian support as a part of Yanukovych's 2004 election campaign. The messages were blunt and visceral, including Soviet-style pamphlets and posters that depicted NATO as alien and barbaric. A similar campaign was used in the 2006 parliamentary elections.

These campaigns solidified and magnified a drop in support for NATO accession that had begun after Kuchma's snub at the 2002 Prague Summit and continued during the run-up to the Iraq war. Support for NATO accession dropped from 30% to a low of 15%, while opposition skyrocketed to over 50%.[37] The Russian-supported media campaigns used two techniques to build this opposition. In constituencies with favourable views of Russia, the 'securitization of identity' painted NATO as a fundamentally anti-Russian 'aggressive military bloc'. With the broader Ukrainian public it was fear of Russia, not affinity, that had the greater impact. Some Russian media messages played subtly to such fears, claiming that prices for Russian energy and natural resources would increase and that Russia would be forced to issue a visa regime for Ukrainians. Other messages were overtly coercive, painting a picture of Ukraine, with an unenviable geopolitical position, as the future victim of an inevitable conflict between Russia and the West. This narrative was epitomized by Putin's comment that 'it was frightening to think' that if Ukraine hosted NATO bases, then Russia would be forced to target its nuclear missiles at Ukraine.[38]

> 'An important element in this approach was to develop an impression of Ukraine's powerlessness in the face of a strong and resurgent Russia and the futility of trusting a distant, uncaring and (ultimately) unreliable West'

An important element in this approach was to develop an impression of Ukraine's powerlessness in the face of a strong and resurgent Russia and the futility of trusting a distant, uncaring and (ultimately) unreliable West. This message was reinforced by the Russo-Georgian war in 2008 and subsequent Russian portrayals of the US–Russian reset. Western governments have yet to counter this impression convincingly.

Shaping NATO decision-making

Russia matched its efforts to undermine reforms and Western integration within Ukraine (and Georgia) with efforts to shape Western perceptions of these countries as unreliable partners that fell short of membership standards, while also emphasizing the purported dangers to European security that could result from their inclusion in NATO.

Putin's comments at the NATO–Russia Council meeting in Bucharest in April 2008, subsequently leaked

37 Sociological poll 'How would you vote if the referendum on Ukraine's NATO accession was held the following Sunday?' (recurrent, 2002–2009), Razumkov Centre, http://www.uceps.org/ukr/poll.php?poll_id=46.

38 'Putinu strashno, no esli nado – raketi na Ukrainu natseliat', UNIAN, 12 February 2008, http://www.unian.net/rus/news/news-235930.html.

to the press, are the quintessential example of this narrative. Characterizing Ukraine as chaotic and ungovernable, struggling with complex problems of state formation, internal tensions and an uncertain legal basis regarding its borders, he asserted that the divisive issue of NATO membership 'may bring Ukraine to the verge of existence as a sovereign state'.[39] A 2009 article by conservative Russian commentator Sergey Karagonov went further, suggesting that both Ukraine and Moldova were in a process of 'desovereignization', driven by internal weaknesses that might need to be regulated by the external efforts of stronger nations – by implication, Russia.[40] Many Ukrainian national security specialists understood this article not as an analytical piece, but rather as a thinly veiled statement of intent.

These characterizations were skilfully adapted to reinforce the views of sceptics within the alliance – a parallel of Putin's wider strategy of 'alignment of interests'. It is also likely that Russia shaped its efforts within Ukraine and Georgia to exacerbate problems and block solutions in areas or projects of particular concern to the alliance – and then use its media and diplomatic tools to highlight such 'negative phenomena'.

The reaction in Brussels to Russian-sponsored anti-NATO media campaigns in Ukraine in 2004 and 2006 demonstrated the success of this approach, which triggered a hyper-focus on Ukrainian public opinion at NATO by both sceptics and proponents of Ukraine's entry into MAP. Sceptics highlighted the drop in public support that resulted from these campaigns as proving the precarious nature of domestic political support for membership – in effect giving Russia an indirect veto on Alliance decision-making. The reaction of Ukraine's proponents was also damaging: in seeking to counteract the Russian-based campaigns, they pressured Ukrainian officials to conduct a high-visibility counter-campaign, diverting resources and political attention away from issues that were more relevant to Ukraine's democratic transition and exposing reformist officials on a divisive issue that the Russia-supported opposition was well prepared to attack. This pressure also exacerbated tensions between President Yushchenko, who openly supported Ukraine's NATO membership, and Yulia Timoshenko, who was reluctant to invest political capital on such a divisive issue.

Russia also supported sceptics by highlighting the purported negative consequences of NATO enlargement for European security. One element of this theme focused on the potential of enlargement to disrupt the East–West balance within countries themselves. Entering NATO would embolden the 'aggressive nationalists' currently in power in Kyiv (and Tbilisi) in their efforts to forcefully impose their 'anti-Russian' agenda and an alien regime on Ukraine's 'ethnically Russian' southeast (or Georgia's 'pro-Russian' separatist regions of Abkhazia and South Ossetia). The claim that this would exacerbate existing tensions and increase the risk of conflict was highlighted in Putin's presentation to the NATO–Russia Council in 2008.[41] A corollary thesis focused on the alleged potential for these countries, once in MAP, to drag their soon-to-be NATO allies into a conflict with Russia. Russia's efforts to spark periodic crises with its neighbours on a variety of issues – trade, gas transit, border issues, alleged cultural or linguistic discrimination – capped by its 2008 intervention in Georgia, were calculated to demonstrate the inherent risks of providing security guarantees to these countries. The consequences of the unavoidable Russian reaction would be grave: nuclear modernization and re-targeting, heightened security posture and intransigence on international security issues of interest to the West.

Thus Russia sought to draw red lines around its claimed sphere of influence and to make clear the price of crossing them: if a country in its sphere moves towards a Western

39 'What precisely Vladimir Putin said at Bucharest', *Zerkalo Nedeli*, No. 15 (694), 19–25 April 2008, http://www.mw.ua/1000/1600/62750/. See also http://archive.kremlin.ru/text/news/2008/04/163087.shtml; http://archive.kremlin.ru/eng/speeches/2008/04/04/1949_type82915_163150.shtml for Putin's statements at the summit.

40 Interview with Sergey Karaganov, 'Nikomu ne nuzhnye chudishcha. Desuverenizatsiya Ukrainy', *Russkiy Zhurnal*, 20 March 2009, http://russ.ru/Mirovaya-povestka/Nikomu-ne-nuzhnye-chudischa.

41 'What precisely Vladimir Putin said at Bucharest' (note 39 above).

politico-economic system, Russia will make it ungovernable; if the West does not come to an understanding with Russia on European security, Russia will make Europe less secure.

Looking ahead

The Putin regime's influence counterattack achieved its initial objectives. Ukraine's President Yanukovych abandoned efforts to join NATO in favour of the strategic grey zone of 'non-bloc' status. Georgia's now intractable territorial disputes, with South Ossetia and Abkhazia incorporated into a Russian security zone, have pushed prospects for NATO membership into the cloudy future. Within the Western alliance, political energy that was once focused on achieving a 'Europe whole, free, and at peace' has shifted to other theatres – first Afghanistan and now Libya – leaving a perception of *de facto* strategic accommodation to Putin's vision of a 'binary Europe' and a Russian sphere of influence dominated by a Eurasian value system.

The promise of the Eastern Partnership to project European 'soft power' into the region also appears to have stalled. President Lukashenko's crackdown after the 2010 election closed the door on the possibility of EU rapprochement with Belarus. The potential for deeper trade integration, political association and visa liberalization with Ukraine has fallen prey to the Yanukovych administration's determination to monopolize political power and preserve post-Soviet business practices. The debt crisis refocused Europe's political attention inwards and undermined its appeal as a model.

Putin's recent call for a Eurasian Union makes clear his intention to use this moment, in which Russia has rebuilt its influence and the West remains distracted, to complete his unfinished project of reintegrating the post-Soviet space. This is a direct challenge to the EU, with the parallelism of names underlining a conflict of divergent identities, values and politico-economic systems.

Russia clearly intends to wage this struggle primarily with influence tools. It is equally clear that the key battleground will remain Ukraine. Using techniques and messages previously used to attack NATO, pro-Russian media and NGOs have been increasingly casting EU integration as a loss of identity – subjugation by an alien and impersonal Brussels – and highlighting the purported economic disadvantages of integration. Most recently, in language reminiscent of his threats regarding NATO, Putin has warned that should Ukraine join the EU's free trade area, Russia would be forced to 'build up the border' to stop access to the Russian market.[42]

'Most recently, in language reminiscent of his threats regarding NATO, Putin has warned that should Ukraine join the EU's free trade area, Russia would be forced to "build up the border" to stop access to the Russian market'

On the other hand, with the Yanukovych administration finding itself increasingly alone in a precarious macroeconomic situation, Russia is positioning itself as Ukraine's lender of last resort via increased credits and possible concessions on gas. Putin has made the price of capital clear: deeper integration into the Eurasian sphere through the CIS Customs Union, the CSTO and further Russian penetration of Ukraine's economy, including its gas transport system.

Considering the implications

If the West is to respond effectively to Russia's influence strategy, it will need to acknowledge three realities. First, Putin's competition with the West is a struggle of necessity, not choice, driven by the systemic imperatives of the

42 'Kremlin threatens Ukraine over EU trade zone', *New Europe*, 20 March 2011, http://www.neurope.eu/articles/105406.php.

system he created. Second, for Russia influence tools are a way of adapting to the West's game by shifting the rules and the playing field. Third, this is not a philosophical, benevolent shift to a gentler 'soft power'; Russia's influence tools integrate attraction and coercion in ways to which the West is unaccustomed across a variety of spheres – political, business and societal – that the Western tradition tends to view as distinct.

If the West is to protect its interests and rebuild its influence in Eastern Europe, it will need to invest more effort in understanding the nature and practical application of Russian influence tools – in real time and with greater operational specificity. It will need to adapt its own tools and reinvigorate its political vision to regain relevance with the public and elites in East Europe. It will need to account for elite capture as a driver of democratic backsliding, targeting sanctions more closely at culpable individuals while maintaining engagement with society and state institutions more broadly. And it will need to better protect, through transparency and equal application of law – especially competition law – the integrity of its own information and decision-making systems in business, society, and government against the dangers of 'reverse convergence'.

The Means and Ends of Russian Influence Abroad

This paper is part of a research project run by the Chatham House Russia and Eurasia Programme which examines the mechanisms that Russia has devised to influence and attract countries in the 'Common Neighbourhood', Western Europe and the US. Other papers in this series include:

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