

Chapter 7

Western Strategy toward Russia and the Post-Soviet Space

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For nearly a quarter century, Western strategy toward the post-Soviet space has enjoyed substantial accord between Europe and America, and much bipartisan backing in the United States. Central to the strategy has been support for the sovereignty, independence, and territorial integrity of the new states, for their integration into the global economy, and for democratic and economic reform. (The three Baltic states are members of the European Union and the North Atlantic Treaty Organization; with a few exceptions they are not considered in this discussion.)

The West has substantial interests in the post-Soviet space. Peaceful development across the vast region will enhance Western security, economies, and cultural life. The post-Soviet space is a bountiful source of hydrocarbons, metals, and other minerals, a major transport route between Europe and Asia, and a repository of human talent. The West has special interests in Russia because of its nuclear weapons and energy resources, propensity to coerce neighbors, and “great power” capacity, enabling it to influence global issues and intervene in distant locales.

Western interest is higher in post-Soviet states that make democratic reforms, respect human rights, and improve economic performance. Democratic advances in Georgia and Ukraine are notable. Shared security interests, such as nonproliferation and countering violent extremism and narcotics flows, buttress Western ties with Kazakhstan and other Central Asian and South Caucasian states. Caspian energy resources and export routes in Azerbaijan, Georgia, Kazakhstan, and Turkmenistan are important. Links with diasporas in the West, such as Ukrainian and Armenian, have salience.

Post-Soviet relations with the West are undermined by strains with Russia over its aggression in Ukraine and the wider risks posed by the conflict in its east, by illiberal governance and human rights abuses in such places as Azerbaijan, Belarus, Tajikistan, Turkmenistan, and Uzbek-

istan, and by unstable “frozen conflicts” in Abkhazia, Nagorno-Karabakh, South Ossetia, and Transnistria. Without more progress in the post-Soviet space, the risk of Western retrenchment will grow. Where governments repress their people, the West tends to lose interest and criticize bad behavior. Interests are sometimes at odds with each other, and Western strategy must adapt. Despite energy wealth in Azerbaijan, the West criticizes its human rights abuses, such as the imprisonment of recently released Leyla Yunus. The post-Soviet space lags in competing against other global regions for investment and trade.

Although authoritarian rule in most of the post-Soviet space is a frustration, the West does too little to nurture positive change and productive ties. The West will best serve its interests by encouraging reform, building links with civil society, fostering economic opportunity, and assisting states with geopolitical challenges that they are less able to manage on their own, such as security threats, frozen conflicts, and regional power shifts.

The Post-Soviet Space

U.S.–European Alignment

U.S.–European strategic alignment in the post-Soviet space is a source of Western strength, but it will be tested, e.g., sustaining sanctions on Russia if it does not withdraw from eastern Ukraine. When Europe and America act together, they are effective and leverage complementary strengths. Except in the military arena and upstream energy development, Europe is more important than America in the post-Soviet space. Europe is proximate, trade and investment are greater, and post-Soviet elites send their children to study in Europe and travel and buy property there. Europe’s importance is sometimes under-estimated, in part because Russia’s leadership obsesses on the United States and its alleged threat. Too many Americans think in terms of U.S.–Russian relations when the scope of issues is wider.

U.S.–European cooperation on the Russia-Ukraine crisis, and on Russia’s military intervention in Syria and the associated diplomatic process, are models for the future. So, too, was U.S.–European collaboration with Russia in the P5+1 format to achieve the Iran nuclear deal. Europe and America have cooperated in international diplomacy to address frozen conflicts, but results have been discouraging.

In the Soviet period and since, Moscow has sought to split Europe from America. It has rarely succeeded. An exception was European refusal to accede to the U.S. desire at the May 2008 NATO Summit in Bucharest to put Georgia and Ukraine on a path to membership in the Alliance. The disagreement may have caused Moscow to believe it could invade Georgia without eliciting a strongly negative Western response. This proved to be the case when the invasion took place the following August.

Recommendation: America and Europe should give priority to intensive consultations and policy alignment in dealing with the post-Soviet space.

European Leadership

After a failed diplomatic mission in 1991 to avert the breakup of Yugoslavia, an exasperated U.S. Secretary of State James Baker said, “We got no dog in this fight.”¹ He meant that Europeans ought to have the capacity to deal with the issue. Europe was not then ready, but today it is stronger. In the Russia-Ukraine crisis, Europe for the first time is leading the West in negotiating with Moscow on a major international security issue. Germany and France, and especially Chancellor Angela Merkel, are Russia’s interlocutors in the Normandy format talks that produced the Minsk ceasefire accords. America’s absence from this forum is reminiscent of its “leading from within” (or “behind” as critics claim) in the 2011 British-French-led military intervention in Libya.²

Recommendations: Europe should exercise stronger leadership on post-Soviet security issues. America and NATO ought to bear responsibility for projecting military power; if needed, to avert or ameliorate security crises, and to this end they should posture and exercise their forces. The United States ought to seek to join the Normandy format.

Eurasian Economic Union

In 2012 then-Secretary of State Hillary Clinton called Russia’s push for a Eurasian Customs Union “a move to re-Sovietize the region,” and

¹ Michael Dobbs, “A War That Could Have Been Prevented,” *Foreign Policy*, May 9, 2012. <http://foreignpolicy.com/2012/05/09/a-war-that-could-have-been-prevented/>.

² *Senator John McCain on Libya*, Real Clear Politics, August 22, 2011. McCain stated, “the fact is that young Libyans were wounded and were killed because of that, quote, ‘leading from behind.’” http://www.realclearpolitics.com/articles/2011/08/22/senator_john_mccain_on_libya_111061.html.

warned, “we are trying to figure out effective ways to slow down or prevent it.”³ The Eurasian Economic Union (EEU), successor to the Customs Union, is now a reality, but Russia may not allow it to become an open, rules-based entity that treats all members fairly. An effective EEU would facilitate substantial trade and investment. Exporters in Kazakhstan, for example, could ship goods across Russia to Europe without undue hindrance. The EEU’s relatively high external tariff will hinder economic links with China and Europe unless special arrangements are made. Russia’s economy will benefit more from closer ties with wealthy countries than with other post-Soviet states.

Recommendations: Consistent with other policies (e.g., sanctions), the West should encourage economic ties with post-Soviet states. The West ought not to oppose the existence of the EEU, but it should seek to ensure that members’ activities comply with World Trade Organization obligations. The EU ought to engage the post-Soviet states, the EEU, and China to facilitate trade across Europe and Eurasia.

Russia

Although some contend otherwise, Russia is both European and Eurasian. As former Russian Ambassador to the United States Vladimir Lukin points out, “most successful steps in building Russia were taken by Western-oriented rulers, such as Catherine the Great and Alexander II,” whereas “major isolationist projects,” such as undertaken by Nicholas I and the Stalinist-style Soviet system, “ended either in military failures or in decay.” Thus, the “path toward a united Europe...is far more realistic than nostalgic neo-imperial dreams of Russian grandeur.”⁴

Despite Russia’s armed incursion in Georgia in August 2008, many Western elites did not grasp that Moscow was becoming more assertive. In early 2009 a prestigious, bipartisan U.S. group said both governments were to “blame for the decline” in relations, and lamented that an “effective set of structures” for dialogue did not exist. The group urged that America show “greater willingness to consider Russian perspec-

³ “Clinton Vows To Thwart New Soviet Union,” *Financial Times*, December 6, 2012. <http://www.ft.com/intl/cms/s/0/a5b15b14-3fcf-11e2-9f71-00144feabdc0.html#axzz3v5BmbhtH>.

⁴ Vladimir Lukin, “Looking West from Russia,” *The National Interest*, Number 140, November-December 2015, pp.64-65. <http://nationalinterest.org/feature/looking-west-russia-the-eurasianist-folly-14105>.

tives.” In retrospect, a lack of structures was not a primary source of problems in U.S.-Russian relations. The group was on the mark, however, in calling for partnership with Russia to deal with the Iran nuclear problem, cooperation to strengthen supply routes for NATO operations in Afghanistan, a further reduction in strategic nuclear weapons, and support for bringing Russia into the World Trade Organization.⁵

Russian Relations

The invasions of Georgia and Ukraine, threatening behavior toward the Baltics, and attacks on Western-backed rebels in Syria have sapped momentum from Russia’s relations with the West. They are now largely transactional. In some cases this makes sense, e.g., the West pays for space launch services in support of the International Space Station, and for railway services to transport supplies to the NATO-led Resolute Support mission (and earlier, the International Security Assistance Force) in Afghanistan.

In 2011–12, peaceful anti-government protests surged in Moscow and some other cities following a falsified Duma election. Since then the Kremlin has accelerated a crackdown on internal freedoms. Russia’s rulers seem concerned that popular uprisings of the kind that occurred in Georgia and Ukraine (“color revolutions”) might take place. To abate this risk and build legitimacy, the Kremlin has employed nationalistic, irredentist, and “great power” policies and themes. Moscow’s assertive stance abroad appears motivated more by political dynamics in Russia than by Western actions. The West has little capacity to influence the slide toward authoritarian rule. Government-controlled media are founts of anti-Western, especially anti-U.S., propaganda. The authorities are suppressing many independent media and journalists.

Even people-to-people dialogue is difficult as Moscow seeks to isolate its people from Western influences. For example, in late 2015 the authorities added to the list of “undesirable organizations” The U.S.-Russian Foundation for Economic Advancement and the Rule of Law.⁶ In 2014 Russia halted participation in the Future Leaders Exchange

⁵ Commission on U.S. Policy toward Russia, *The Right Direction for U.S. Policy toward Russia*, March 2009, Washington, DC, pp. i-5. http://belfercenter.ksg.harvard.edu/publication/18909/report_from_the_commission_on_us_policy_toward_russia_the_right_direction_for_us_policy_toward_russia.html.

⁶ “Statement by the USRF Board of Directors,” USRF website, December 4, 2015. http://www.usrf.ru/news_feed/general_eng/news_article_1449481649.html.

(FLEX) program, which sends high school students from former Soviet states to study in America. This unfortunate step was one of a number, including the banning of U.S. adoptions of Russian children. Such actions diminish cooperation and trust. Foreign broadcasting and internet outreach substitute only to a limited extent for face-to-face, people-to-people contact.

Recommendations: The West, by example and support for democratic governance and economic openness, should not discount its long-term influence in Russia. Western policy ought to be resilient to political winds in Russia, but flexible enough to foster positive change if openings occur. The West should expand the flow of truthful information to Russian audiences. Where feasible, the West ought to sponsor more young Russians for education abroad.

Ukraine

Russia's quick, bloodless seizure of Crimea in February-March 2014, a stunning tactical gain, may have led the Kremlin to think that it could achieve similar success in eastern Ukraine. But there Russian proxies lacked strategic surprise, and local support for rebellion was weaker than Moscow expected. After early, feckless military responses, Ukraine forged effective defenses and fought the proxies and, beginning in August 2014, Russian regular forces to a stalemate. It is enshrined in the Minsk accords.

In the 1997 NATO-Russia Founding Act "NATO reiterates that in the current and foreseeable security environment the Alliance will carry out its missions" through means other than "by additional permanent stationing of substantial combat forces." Russia's intervention in Crimea and eastern Ukraine arguably alters the security environment foreseen in 1997.⁷ The United States has announced plans to add a U.S. Army Brigade Combat Team (BCT) to Europe (there are two now). An armored BCT will be rotated through Europe on a persistent basis. In addition, equipment will be pre-positioned for an additional armored BCT.

The West's refusal to supply defensive lethal weaponry to Ukraine (and to Georgia after Russia's 2008 invasion), combined with NATO's

⁷ "Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation signed in Paris, France," NATO website, May 22, 1997. http://www.nato.int/cps/en/natohq/official_texts_25468.htm, and "NATO-Russia Pact Mired In Mistrust Amid Ukraine Fallout," RFERL website, June 16, 2015. <http://www.rferl.org/content/nato-russia-pact-ukraine-fallout-mistrust/27075857.html>.

reluctance to base forces permanently in the territory of eastern NATO member states, may lead Russian leaders to underestimate Western will.⁸ The Kremlin might also wrongly perceive that the Baltic states are vulnerable to the kind of hybrid warfare employed in Ukraine.

Ukraine's major port, Odessa, depends on sea lines of communication that pass close to Sevastopol, where the Russian Black Sea Fleet is based. This could increase their vulnerability to interdiction.

Recommendations: In light of Russia's interventions in Georgia and Ukraine, the West should be more assertive in seeking to reduce security risks in the post-Soviet space. To augment persistent presence in NATO's eastern area, a full U.S. Army brigade combat team ought to be based or rotated in Poland and another in the Baltics. NATO member states should provide Ukraine and Georgia with anti-armor and anti-air weaponry, and increase military assistance and training. NATO member states ought to rotate more warships through the Black Sea consistent with the Montreux Convention.

Syria

In fall 2015 Russia deployed military forces to Syria, including fighter aircraft and anti-air missiles that could threaten U.S. and coalition aircraft. In early 2016 Russia announced a reduction in these forces. Although Moscow and Washington have agreed on air safety protocols, Russia does not coordinate air operations with U.S. and coalition forces.

U.S. President Barack Obama has signaled restraint, declaring, "We're not going to make Syria into a proxy war between the United States and Russia."⁹ Despite Russian air attacks on Western-backed rebels fighting against the Bashar al-Assad regime, Washington has refused to supply them with anti-air missiles, although it has increased supplies of TOW anti-armor missiles. Russian combat aircraft have pounded rebel positions with impunity.

⁸ Steven Pifer, Strobe Talbott, et al., *Preserving Ukraine's Independence, Resisting Russian Aggression: What the United States and NATO Must Do*, The Atlantic Council, February 2015. This group of distinguished foreign policy experts recommended that light anti-armor missiles be supplied to Ukraine. http://www.brookings.edu/~media/research/files/reports/2015/02/ukraine-independence-russian-aggression/ukrainereport_february2015_final.pdf.

⁹ "U.S. Will Not Directly Confront Russia in Syria, Obama Says," *The Washington Post*, October 2, 2015. https://www.washingtonpost.com/world/national-security/2015/10/02/44c1f7fc-6932-11e5-9223-70cb36460919_story.html.

The United States and Russia play leadership roles in the Syria peace process, involving the International Syria Support Group. Since the vast majority of Russia's Muslims are Sunni, Russia has an interest in being part of political solutions that include Sunni as well as Shia. Moscow is skeptical of Western ideas for a democratic transition in Syria. It backs Assad's regime but doubts its long-term viability.

As Moscow's vituperative reaction to Turkey's shoot-down of a Russian SU-24 combat aircraft in November 2015 shows, military challenges to Russia can impose political and economic costs.

Recommendations: The West should join with coalition partners to establish a safe zone in northern Syria, with America leading the no-fly component, and Turkey the ground component. The U.S.-led coalition ought not to scale back its air operations against the Islamic State out of fear that Russian military aircraft might interfere. The United States should be prepared to neutralize any Russian drone targeting of Syrian moderate rebels. If Russian forces cease attacking them, the West ought to work closely with Moscow in the search for compromise political solutions to the Syrian crisis. The West should support its NATO ally Turkey, but urge restraint on both sides so as to reduce the risk of another incident that could impede work in the Syria peace process.

Arms Control

In recent years Russian authorities have employed intimidating rhetoric about nuclear weapons, and altered some nuclear force deployments and policies.¹⁰ Putin has said that during the seizure of Crimea, "we were ready to put into play" nuclear weapons.¹¹ In May 2012 Russian Defense Minister Anatoly Serdyukov warned that short-range Iskander surface-to-surface missiles could be used to counter planned U.S. missile defenses in eastern Europe.¹² (The Iskander missile can carry nuclear or conventional warheads.) In December 2013, the Kremlin-friendly newspaper *Izvestiya* reported that Russia's military had deployed Iskander missiles in the Kaliningrad region. Days later, however, Putin

¹⁰ "How World War II Became Possible: A Nuclear Conflict with Russia is Likelier Than You Think," Vox website, June 29, 2015. <http://www.vox.com/2015/6/29/8845913/russia-war>.

¹¹ "Russia Was Ready to Put Nuclear Forces on Alert over Crimea," Putin Says, *CNN*, March 16, 2015. <http://www.cnn.com/2015/03/16/europe/russia-putin-crimea-nuclear/index.html>.

¹² "Russia Hints at Use of Short-Range Missiles on NATO Missile Shield," *Global Security Newswire*, May 14, 2012. <http://www.nti.org/gsn/article/russian-minister-hints-use-short-range-missiles-against-nato-missile-shield/>.

denied this.¹³ Deployment of this missile, if it took place, may have had the purpose of intimidating Poland and Lithuania, which border on the region.¹⁴ Two months later Prime Minister Dmitri Medvedev publicly touted the capabilities of the Iskander.¹⁵

Negotiating experience with Moscow has shown that progress is more likely when balances of power or interests exist. The 1987 Intermediate-range Nuclear Forces Treaty was made possible because both sides were willing to eliminate comparable weaponry. Several strategic arms control accords were achieved because the sides accepted rough equality in capabilities. Since both Russia and the West face threats from nuclear proliferation and terrorism, cooperation in this area has been robust, e.g., Nunn-Lugar cooperative threat reduction activities, the Iran nuclear deal, the Proliferation Security Initiative.

Where imbalances exist or verification capacities are inadequate (e.g., non-nuclear missile defense, cybersecurity, space arms), meaningful accords are less likely. To no evident avail, the West has made intensive efforts to persuade Moscow to accept the deployment of Iran-oriented missile defenses in NATO'S east. Moscow sees the Conventional Armed Forces in Europe (CFE) Treaty as "anachronistic" and "out of sync with present realities."¹⁶

In July 2014, the United States made known that in 2008 Russia began testing a ground-launched missile that by 2011 the Obama Administration concluded was prohibited under the INF Treaty.¹⁷ In 1994, Moscow, London and Washington signed the Budapest Memorandum of Security Assurances, in which they pledged to respect the independence, sovereignty and existing borders of Belarus, Kazakhstan

¹³ "Putin Says Iskander Missiles Not Yet on NATO's Border," *Global Security Newswire*, December 19, 2013. <http://www.nti.org/gsn/article/putin-says-no-iskander-missiles-have-been-sent-enclave-bordering-nato-land/>.

¹⁴ "Russia Has Stationed Iskander Missiles in Western Region: Reports," *Reuters*, December 16, 2013. <http://www.reuters.com/article/2013/12/16/us-russia-missiles-idUSBRE9BF0W020131216>.

¹⁵ "Medvedev Touts Russian Iskander Ballistic Missile," *Global Security Newswire*, July 23, 2012. <http://www.nti.org/gsn/article/medvedev-urges-quicker-iskander-ballistic-missile-production/>.

¹⁶ "Russia Completes CFE Treaty Suspension," *Arms Control Today*, April 2015. https://www.armscontrol.org/ACT/2015_04/News-Briefs/Russia-Completes-CFE-Treaty-Suspension.

¹⁷ "U.S. Says Russia Tested Cruise Missile, Violating Treaty," *The New York Times*, July 28, 2014. http://www.nytimes.com/2014/07/29/world/europe/us-says-russia-tested-cruise-missile-in-violation-of-treaty.html?_r=0.

and Ukraine, and refrain from the threat or use of force against them. Russia's 2014 invasion of Ukraine violates its Budapest pledge.

Recommendations: The West ought to give priority to security diplomacy with Russia where balances of power or interests exist, and lower expectations where negotiated accords seem less likely. The United States and NATO should review their policies for nuclear arms, missile defense, and arms control—such as force modernization and posturing, and negotiating stances—to strengthen deterrence and incentives for Russia to cease nuclear intimidation and return to INF Treaty compliance. The West should seek to maintain international pressure on Russia over its Budapest violation until it comes into compliance.

Russia's Economy

Low energy prices, sanctions, and rising structural barriers combine to weaken Russia's economy. In 2009–2014, growth averaged only 1.5 percent per year, sharply lower than in preceding years. In 2015 the economy declined by about 4 percent.

About half of the economy is state-controlled. The dominance of inefficient and corrupt state-controlled enterprises reduces Russia's economic potential. Sanctions hurt private businesses more than state enterprises, which enjoy favored access to official resources.¹⁸ Demographic decline, health problems, and brain drain do further harm.

The economy may remain stagnant for a prolonged period absent new sources of growth.¹⁹ Some could be created by policy changes, e.g., privatization of state enterprises, reduction of monopolies, subsidies, or excessive government regulation. In the view of the World Bank, “without deep and sustained structural reforms Russia will remain at serious risk of falling into a medium-term low-growth trap.”²⁰

Since Russia is determined to be a great power, it may be willing to offset the cost of rising defense spending by imposing stringencies in other areas. Expensive military ambitions, however, could weaken Rus-

¹⁸ Simeon Djankov, *Russia's Economy under Putin: from Crony Capitalism to State Capitalism*, Peterson Institute for International Economics, Number PB15-18, September 2015, p. 3. <http://www.iie.com/publications/interstitial.cfm?ResearchID=2844>.

¹⁹ *Ibid.*, p. 5.

²⁰ The World Bank in the Russian Federation, *Russia Economic Report: Balancing Economic Adjustment and Transformation*, Number 34, September 2015, p. 39. http://www-wds.worldbank.org/external/default/WDSContentServer/WDS/IB/2015/10/09/090224b083135111/1_0/Rendered/PDF/Russia0economy0t0and0transformation.pdf.

sia's overall correlation of forces. As Lukin has cautioned, attempts to achieve "global greatness with no resources beyond willpower are strategically deficient."²¹

In 2011, after long negotiations and despite occasional Kremlin ambivalence, Russia joined the World Trade Organization. The West supported this move, which will yield benefit to Russia to the extent it integrates further into the global economy. Gains will be less if sanctions remain in force or the Kremlin pursues economic autocracy, as at present.

The post-Soviet states (except the Baltics) are not included in the Transatlantic Trade and Investment Partnership now under negotiation. The post-Soviet space is not part of the just-concluded Trans-Pacific Partnership. These absences will restrain some international trade and investment in the post-Soviet space. If China is later brought into TPP, Russia and several Central Asian countries may seek to join. As the rest of the world liberalizes its economies and trade, the post-Soviet space risks falling further behind.

Recommendations: The West should maintain sanctions on Russia as long as it occupies part of Ukraine, but be ready to lift them when the reasons for the measures no longer exist. Consistent with other policies (e.g., sanctions), the West ought to encourage Russia's integration into the global economy and avoid actions that might do long-term or irreversible damage to Russia's economy. In designing sanctions on Russia, the West should take account of the potential for collateral damage to neighbors and trading partners. In coordination with international financial institutions, the West should encourage economic reforms in Russia and open trading and investment policies.

Other Post-Soviet Republics

NATO Relations

Except for the Baltics, which are members of NATO, all of the countries in the post-Soviet space participate in NATO's Partnership for Peace. It furthers practical cooperation in defense, such as military exercises, and in other spheres. Russia has long opposed the expansion eastward of NATO's membership. The Alliance has gone ahead anyway, and the result has been to improve security for the Baltics and other new members.

²¹ Lukin, op. cit., p. 64.

At its 2008 Bucharest Summit, NATO declined to offer Membership Action Plans—which provide a path to joining the Alliance—for Georgia and Ukraine. The Summit did promise that they “will become members.” Europeans prudently deflected the U.S. push for Membership Action Plans. Georgia and Ukraine have strengthened their democracies, but remain too poor, and their politics too uncertain, for membership at this time. Frozen conflicts on an applicant’s territory should not be an obstacle to joining NATO; this would give Russia a *de facto* veto. Georgia’s commitment of forces in Afghanistan merits considerable NATO gratitude.

For security, Georgia or Ukraine will have to rely largely on their own defenses, augmented by bilateral military assistance from the United States and other NATO member states.

Recommendations: NATO should make the Partnership for Peace program as substantive as possible for reforming post-Soviet states. NATO ought to consider for admission any interested post-Soviet state when it has the capacity and readiness to assume membership responsibilities. In making decisions about bilateral military assistance to post-Soviet states, NATO member states should be forthcoming, commensurate with foreseeable security threats.

EU Relations

The appeal of the rich, liberal EU as a partner for post-Soviet states is strong. For most of them the EU, having a comprehensive character, will be of greater importance than NATO.

The EU has entered into Partnership and Cooperation Agreements (PCA) with most post-Soviet states (not Belarus and Turkmenistan, or the Baltics, which are members of the EU). The purpose of PCAs is to strengthen democracies and develop economies.²² The EU’s Eastern Partnership encompasses six post-Soviet states lying west of the Caspian Sea: Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. The purpose is to encourage and support reforms.²³ PCAs and the Eastern Partnership have built confidence in such countries as Georgia and

²² EUR-Lex, “Partnership and Cooperation Agreements (PCAs): Russia, Countries of Eastern Europe, the Southern Caucasus and Central Asia.” <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Ar17002>.

²³ European Union External Action, “Eastern Partnership: Bringing Eastern European Partners Closer to the EU.” http://eeas.europa.eu/eastern/index_en.htm.

Ukraine, but failed to spur liberalization in Azerbaijan and Belarus. Association Agreements, including Deep and Comprehensive Free Trade Areas, are framework accords for the conduct of bilateral relations with the EU. In certain cases they help prepare a country for future admission.²⁴ Georgia, Moldova, and Ukraine have concluded Association Agreements, and their citizens are set to enjoy visa-free access to the EU.

Perhaps Russia's greatest strategic misstep in the post-Soviet space has been to use military force in a futile attempt to halt Ukraine's further integration with the EU. Ukrainians outside the occupied areas now have a stronger consensus to move westward. Aid to Ukraine from international financial institutions and the West is critical, but should go forward only if Kyiv deepens economic and governance reforms, essential to reducing the burden of corruption and improving the investment climate.

The EU's core concept is of a foreign policy "organized in concentric circles reaching at its outermost point Central Asia."²⁵ The eastern edge of the Eastern Partnership ought not to be defined by the Caspian Sea. The performance of a state and its commitment to European values should count more than geographic boundaries in determining the potential scope of EU cooperation and integration.

Kazakhstan is part of the EU's Central Asia Strategy. An Enhanced Partnership and Cooperation Agreement is planned. Kazakhstan has become important to the EU, and made more economic reforms than several countries in the Eastern Partnership. Kazakhstan is a key country in the emerging Silk Road network of transport routes between China, Europe, and the Middle East.

Recommendations: The EU ought to consider for admission any interested post-Soviet state when it has the capacity and readiness to assume membership responsibilities. The West should provide more aid to Ukraine and other reforming post-Soviet countries. The EU ought to reconsider the Eastern Partnership and make it performance- rather than geography-based. The EU should intensify cooperation with Kazakhstan, reflecting economic ties and reforms.

²⁴ European Union External Action, "Association Agreements." <http://eeas.europa.eu/association/>.

²⁵ Stefan Meister, "Geo-economics of Eurasia: A View from Europe," Astana Club, September 2015. <https://dgap.org/en/article/getFullPDF/27387>.

Caspian Energy

Soon after the collapse of the USSR the West began to encourage the development of Caspian energy resources, controlled mostly by Kazakhstan, Azerbaijan, and Turkmenistan. Supplies of Caspian energy serve Western interests by increasing and diversifying global energy sources. A Chevron-led team developed the huge onshore Tengiz deposit in western Kazakhstan, and a BP-led consortium, the large Shah Deniz deposit offshore in the Caspian Sea. More troubled is the Kashagan offshore project in Kazakhstani waters of the Caspian Sea, still a year or more away from exporting oil despite years of work and massive investment.

Multiple export routes for Caspian energy have increased competition and lowered costs. The West supported the construction of two major oil export pipelines, one from Tengiz to the Black Sea port of Novorossiysk and another from Baku through Tbilisi to Turkey's Mediterranean Sea port of Ceyhan. More recently, China has built an oil pipeline from Western Kazakhstan and a gas pipeline from Turkmenistan to western China. Over time, the development of other global deposits and new technologies may diminish the relative importance of Caspian energy, but for decades to come it will remain a significant source of world supply. The Iran nuclear agreement may spur Kazakhstan and Turkmenistan to ship more energy to and through Iran.

Russia's Caspian Flotilla, which dates to the time of Peter the Great, is far more powerful than the maritime forces of other littoral states. The Flotilla's launch in fall 2015 of dozens of medium-range cruise missiles aimed at Middle Eastern targets showed the Fleet's enhanced capability.

Recommendations: The West should encourage Caspian states to offer better investment climates and privatize inefficient state energy companies. The West ought to support even more export channels for Caspian energy, and not oppose shipments to and through Iran. The West should assist Caspian states to develop their maritime and coastal defenses and awareness.

Central Asia

Beyond Caspian energy, the West has a number of important interests in Central Asia, e.g., counter violent extremism, WMD proliferation, and narcotics and other criminal activities. At the same time democratic shortcomings, except to some extent in Kyrgyzstan, restrain Western interest. A fall 2015 trip by John Kerry was the first time in nearly a quarter century that a U.S. Secretary of State visited all five Central Asian states.

The temporary Taliban seizure in fall 2015 of Kunduz, just south of Tajikistan, heightened fears in Central Asia and Russia that threats of violent extremism from Afghanistan might increase as NATO forces draw down. In October, Putin warned that 5,000–7,000 people from the post-Soviet space had joined Islamic State forces.²⁶ Russia's troubled North Caucasus region and Central Asian states are among the sources of fighters.

The International Crisis Group warns that the poverty-ridden, authoritarian-ruled region is “a sitting duck for the Islamic State.”²⁷ Kerry has cautioned, “When the pathways to nonviolent change are closed, the road to extremism becomes more inviting.”²⁸ The U.S. Deputy Secretary of State has pointed to the “potential in a number of these states for that kind of extremism to emerge within them.”²⁹ Better and more inclusive governance in Central Asia is essential to reducing risks of violent extremism.

Germany has closed down the last Western military base in Central Asia, in Uzbekistan near Afghanistan. Russia opposes the establishment of U.S. military bases in the region, and there is little support in America for such facilities. Russia is bolstering its forces in Central Asia. In October 2015 it announced an increase in troops in Tajikistan from 5,900 to 9,000 by 2020. Russia has deployed capable Su-25 fighter jets to an air base in Kyrgyzstan.³⁰

Several Central Asian states want the West to stay involved in the region as a way to help them balance relations between neighboring powers, especially China and Russia.

²⁶ “Putin Says Thousands from Russia and CIS Have Joined IS,” *Bloomberg News*, October 18, 2015. <http://www.businessmirror.com.ph/putin-says-thousands-from-russia-and-cis-joined-is/>.

²⁷ Deidre Tynan, “Central Asia is a Sitting Duck for Islamic State,” *The Moscow Times*, June 14, 2015. <http://www.crisisgroup.org/en/regions/asia/central-asia/tajikistan/op-eds/tynan-central-asia-is-a-sitting-duck-for-islamic-state.aspx>.

²⁸ “The United States and Central Asia: Partners for the 21st Century,” U.S. Department of State website, November 2, 2015. <http://www.state.gov/secretary/remarks/2015/11/249107.htm>.

²⁹ Anthony Blinken, “An Enduring Vision for Central Asia,” U.S. Department of State, March 31, 2015. http://iipdigital.usembassy.gov/st/english/texttrans/2015/04/2015_0401314506.html#axzz3osTwNawq.

³⁰ Abdjalil Abdurasulov, CIS Summit: Russia to Bolster Central Asia Military, BBC News, October 16, 2015. <http://www.bbc.com/news/world-europe-34538051>.

Central Asian trade with China is growing. For example, Chinese-Tajik trade has climbed from \$32 million in 2003 to \$2 billion annually.³¹

Recommendations: Although progress will be slow or halting, the West should encourage open and accountable governance in Central Asia. The Organization for Security and Cooperation in Europe ought to be more active in Central Asia, including in the security dimension. NATO should keep Central Asian states abreast of threats in Afghanistan and the wider region, and make more use of the Partnership for Peace to bolster their defenses. If Russia is willing to engage in productive information sharing about such threats, the West ought to be open to it. As China's influence in Central Asia expands and Russia's declines, the West should assist regional states to manage shifting power realities.

China

Economic growth in China, while slowing, will propel it into a greater role in the post-Soviet space. The region will benefit from billions of dollars in planned Chinese spending on infrastructure, more than the West or Russia is likely to invest. A prospective Chinese-built port on Georgia's Black Sea coast could help halve transit time for goods flowing between China and Southern Europe and the Middle East. The Asian Infrastructure Investment Bank will mobilize resources for projects in transport and logistics. As more economic activity takes place in China's interior, where labor costs are lower, rail- and road-based trade with European and Middle Eastern markets will become more attractive. It must compete against lower-cost albeit slower maritime carriage.

Russia's turn toward China, accelerated after Ukraine-related Western sanctions were imposed, has disappointed Moscow. The Chinese see opportunity to take economic advantage of Russia's increased isolation from Europe, America, and Turkey.

Until recently China's interest in Central Asia was mostly economic, but political and security interests are growing. China is concerned about ethnic Uyghur violent extremists who might return to the Xinjiang autonomous territory from Afghanistan and the Islamic State. At a 2014 summit of the Conference on Interaction and Confidence Building Measures in Asia, a Central Asia-oriented group, Chinese leader Xi Jinping called for the creation of a "new regional security cooperation

³¹ "Tajikistan: Under China's Thumb," EURASIANET.org, August 26, 2014. <http://www.eurasianet.org/node/69711>.

architecture.”³² Russia may see China’s security interest as a challenge to its role and that of the Collective Security Treaty Organization, a Russia-led military alliance with some other post-Soviet states.

Recommendations: The West and international financial institutions should cooperate with China and the Asian Infrastructure Investment Bank on projects to improve economic infrastructure in the post-Soviet space. The West ought to maintain dialogue with China and post-Soviet states about matters affecting their common security.

³² “At CICA, Xi Calls for New Regional Security Architecture,” *The Diplomat*, May 22, 2014. <http://thediplomat.com/2014/05/at-cica-xi-calls-for-new-regional-security-architecture/>.