

Chapter 2

Western Dilemmas

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Eastern Europe's future is likely to be shaped in large part by the interplay between the region's legacy challenges, Putin's *Ozero* maxims, and the precepts of the *Maidan*. Western engagement can make a difference. But Russia's assertiveness and Ukraine's tumult come at a time of immense strain on Western countries.

Doubts and Distractions

The most dizzying confluence of domestic and foreign challenges in a generation is tearing the seams of European unity. Many of these challenges are not new, but their velocity, intensity and complexity have come together to generate a perfect storm. Terrorist attacks, refugee streams, high youth unemployment and uneven growth have given life to popular anxieties, nationalist voices and illiberal responses that are squeezing the political center and challenging some of the EU's most fundamental premises and structures. The Schengen agreement on open borders has been upended as EU member states slap border controls on each other. Greece's debt crisis continues. The 2016 British referendum on its EU membership will lead headlines, absorb energy and agitate markets for months. A UK exit from the EU would diminish both parties, including in their ability to respond to Russian aggressiveness. All of this plays into the hands of Vladimir Putin, who describes the EU as a failed project.

Europe today is turning from being an exporter of stability to an importer of instability. The vision of a Europe, whole, free and at peace is being tested as much by a Europe fractured and anxious.

Europe's west is less confident and prepared to reach out in any significant way to Europe's east than at any time in a generation. A European Union whose societies are once again defining and delineating themselves from each other is not a Union willing or able to integrate additional societies knocking on its door. Despite the EU's Eastern Partner-

ship and such initiatives as the DCFTAs, member states still suffer from “enlargement fatigue” and are preoccupied with their own problems. Many also wonder whether countries like Ukraine and Georgia—not to mention Azerbaijan, with its Muslim population and historical and cultural ties to Iran—are really part of Europe and European culture, and are uncertain as to why the EU should engage as an active partner for change in the region. The April 6, 2016 Dutch referendum rejecting the EU’s Association Agreement with Ukraine offers ample evidence of this sentiment and reflects as much the anti-EU mood in the Netherlands as anything about Dutch attitudes toward Ukraine.

EU hesitations are magnified by those of their American partner, who is preoccupied with its own problems and paralyzed by political polarization at home. As other world regions beckon and threaten, Americans are tempted to retrench from Europe, to ask why Europeans can’t tackle their own problems, why America is still needed, whether Europe matters as it may have in the 20th century, why Europe’s challenges should be more relevant and pressing than problems at home or elsewhere in the world.

Efforts to forge Western consensus on common or complementary strategies to Russia and the common neighborhood are further complicated by basic differences in U.S. and European perspectives, interests, capabilities and priorities.

The United States views Russia in the context of its global interests and perspectives. The bilateral relationship is strategic and symbolic, but relatively thin when it comes to economic relations, energy ties or links between American and Russian societies. EU countries focus on Russia’s actions through a regional perspective. EU-Russian economic and social ties are much more extensive than U.S.-Russian links, and because of their geographic location most Europeans are more concerned than most Americans about worsening relations with Russia. While EU members are themselves torn when it comes to the specifics of Russia policy, most are primarily interested in deterring Russian aggression while tying Russia into a predictable neighborhood; preventing illicit networks of criminals and trafficking from spilling over from Europe’s east into the EU, promoting economic links and ensuring secure energy supplies without becoming unduly dependent on Moscow.¹ These differences are

¹ See Angela Stent, “The Lands In-Between: The New Eastern Europe in the Twenty-First Century,” in Daniel S. Hamilton and Gerhard Mangott, eds., *The New Eastern Europe: Ukraine, Belarus and Moldova* (Washington, DC: Center for Transatlantic Relations, 2007)

reflected in how each side perceives the relative cost of specific policies. Sanctions are relatively cheap for Americans but expensive for Europeans, whereas the overall costs of European defense have become relatively cheap for Europeans but expensive for Americans.

These differences in perspective can generate doubts among Americans whether Europeans will have the will or capacity to maintain a consistent policy of firmness towards Moscow, given their energy and economic interdependencies and their own internal squabbles. They also generate doubts among Europeans about U.S. guarantees of European security, despite Washington's repeated assurances and steps to make that guarantee more credible and real. They wonder whether the United States will prioritize issues of the region over other U.S. global interests related to Russia. Many European elites fear loss of influence and are worried that Washington will pay less heed to their concerns even as it demands more from them in terms of assistance with challenges far from their region, at a time when many European countries are struggling with considerable challenges at home.

These mutual doubts continue to gnaw away at the relationship like termites in the woodwork. Meanwhile, the Kremlin's penchant for exploiting such doubts and differences, not only between the United States and EU member states, but between EU members themselves, remains robust.

Shared Interests

These hesitations, differences and doubts provide the setting within which the United States and its European partners each approach the question of Western strategy towards Europe's east. Nonetheless, there are compelling reasons for the United States and its European partners to prioritize their work on Russia and the common neighborhood.

Shared Western interest in a Europe that is hospitable to democratic and economic freedom is challenged by further deterioration of democracy in the EU itself and in eastern Europe, which could severely damage the normative foundation of Europe's integration and its close alignment with the United States.

Shared Western interest in a European continent that is at peace with itself is challenged by Russian military interventions in Ukraine and

Georgia, festering conflicts and continued tumult across much of eastern Europe.

Shared Western interest in ensuring that significant parts of Europe are not dominated by any power or constellation of powers hostile to the West is again at risk.

Shared Western interest in expanding oil and gas pipelines networks connecting the Black Sea and Caspian regions to Europe in ways that bolster competition, diversify suppliers, and facilitate production are challenged by continuing Russian efforts at disruption and energy blackmail.

Shared Western interest in a confident, capable, outward-looking Europe that can work together globally with the United States to confront illicit and illegal transnational flows of people, money and materials is challenged by a continent beset by turmoil or distracted by instability along its periphery.

Finally, eastern Europe's strategic importance has grown in relation to challenges in the broader Middle East. Western countries are keen on enlisting regional partners in a global campaign against terrorists and the networks that support them. They have an interest in the countries of the region acting as a stable bulwark resistant to encroachments or instability emanating from other parts of the broader Middle East, and preventing eastern Europe and central Asia from becoming a second vast space of turmoil abutting the tumultuous Middle East.

All told, the West's fundamental interests lie in stable, democratic societies integrated in the European mainstream, not a band of unsettled in-between lands that will continue to be a source of instability, conflicts and bad governance.²

These goals face several significant challenges. First, Russia's interest and political influence is much stronger and more pervasive in the common neighborhood than in central-eastern Europe or the western Balkans. Moscow regards the expansion of Western influence and insti-

² Daniel S. Hamilton and Gerhard Mangott, eds., *The Wider Black Sea Region in the 21st Century: Strategic, Economic and Energy Perspectives* (Washington, D.C.: Center for Transatlantic Relations, 2008); F. Stephen Larrabee, "Western Policy Toward Wider Europe," Center for Transatlantic Relations/DGAP, January 2016; Ian Lesser, "Global Trends, Regional Consequences: Wider Strategic Influences on the Black Sea," Xenophon Paper No. 4 (Athens: International Centre for Black Sea Studies (ICBSS), November 2007).

tutions into the former Soviet space as a serious threat to its security and national interests. Second, the countries of the region are comparatively weaker and poorer than other countries of the former Soviet Empire. Third, festering conflicts threaten the ability of the region's societies to consolidate themselves as states, are obstacles to the integration of these countries into Western structures, and offer Moscow levers for manipulation, disruption and influence. Fourth, the common neighborhood lacks strong regional mechanisms that can promote cooperation and mitigate conflict.³

Despite these challenges and mutual hesitations, the United States and European governments have not worked so closely together on key security issues in quite a while. Russia's annexation of Crimea prompted a remarkable alignment of tactical responses by Western countries. They worked closely to lend economic support and secure an International Monetary Fund package for Ukraine. They reinforced the airspace and territory of NATO allies Romania, Poland and the Baltic states and tightened NATO partnerships with Sweden and Finland. They forged closer ties with the new Ukrainian government. They excluded Russia from the G8 and imposed targeted sanctions against a limited number of Russian officials, and on other individuals and commercial entities considered financially close to Putin, as well as on a number of Russian defense firms; placed restrictions on new financing to Russia's largest banks and energy companies; instituted stricter limits on the export of certain technologies to Russia; and put limitations on Russian access to certain U.S. facilities involved in developing cutting-edge technologies.⁴ They have been united on the negotiations leading to the Minsk agreements, and have maintained their unity with regard to monitoring implementation of the accords. The United States has quadrupled the funding for its European Reassurance Initiative to increase the presence of U.S. forces in Europe and to improve the defense and security capabilities of allies, as well as partners Ukraine, Moldova and Georgia. The EU-Ukraine DCFTA came into force on January 1, 2016. The United States has also offered Ukraine \$1 billion in loan guarantees and technical assistance with financial, energy and political reforms. Several European countries have boosted their defense budgets.

³ Hamilton and Mangott, *op. cit.*; Larrabee, "Western Policy...", *op. cit.*

⁴ Anne Applebaum, "Ukraine's war on two fronts," *The Washington Post*, October 30, 2015.

These tactics, however, have largely been ad hoc responses to Russian provocations. They are unlikely to be sustainable unless they are tied to a long-term Western strategy towards Russia and the common neighborhood.

The NATO Alliance has yet to develop a coherent strategy of projecting stability and resilience forward, beyond the bounds of NATO territory itself, to partner countries in wider Europe. NATO has acted to reassure nervous allies, but it is not prepared to engage militarily to protect Ukraine. Ukrainians have been left to doubt the credibility of commitments made by the United States and the United Kingdom in the 1994 Budapest Agreement to assure Ukraine's territorial integrity, and to the value of such instruments as the Partnership for Peace and the NATO-Ukraine Commission. U.S.-EU coordination has been patchy—and the transatlantic partners have yet to harness their assorted efforts to a more strategic effort to project stability and opportunities for integration to this region. The economic and technical assistance provided thus far to Ukraine is an important signal of support, but remains far below what Ukraine needs for success.

In short, Western instruments are out of tune with the times. There is a growing mismatch between the nature of our challenges, the capacity of our institutions, and the tools at our disposal. In this new era, Western societies must work differently with Russia, they must engage differently in the common neighborhood, and there is much they must do for themselves.