

# Russia and Central and Eastern Europe: Means of Pressure and Channels of Influence



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November 2016

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*This text is published with the support of DGRIS  
(Directorate General for International Relations and Strategy) under  
“Observatoire Russie, Europe orientale et Caucase”.*

ISBN: 978-2-36567-591-8

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#### **How to quote this document:**

Pavel Baev, “Russia and Central and Eastern Europe: Means of Pressure and Channels of Influence”, *Russie.Nei.Visions*, No. 97, November 2016.

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# ***Russie.Nei.Visions***

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- “Russia’s Pivot to China Goes Astray: The Impact on the Asia-Pacific Security Architecture”, *Contemporary Security Policy*, Vol. 37, No. 1, March 2016, p. 89-110.
- “Ukraine: a Test for Russian Military Reforms”, *Russie.Nei.Reports*, No. 19, May 2015.
- “Russia and Turkey Find a Common Cause in Confronting the Specter of Revolution”, *Turkish Policy Quarterly*, Vol. 12, No. 4, 2014, p. 45-53.
- “Russia Gambles on Resource Scarcity» in D. Steven, E. O’Brien, B. Jones (eds.), *The New Politics of Strategic Resources*, Washington DC: Brookings Inst., 2014, p. 245-260.

# Abstract

Since the start of the Ukraine crisis in early 2014, the states of East Central Europe have become increasingly important targets of Russian economic, political and military pressure. Russia finds itself in the trajectory of geopolitical retreat on the Western “front”, and seeks to slow down this process by mobilizing every economic, political and military asset in East Central Europe, where various weak points in the European and Atlantic unity exist—and are typically overestimated by Moscow. Its policy of exploiting vulnerabilities has been remarkably flexible, relying on energy ties with some states (Bulgaria and Slovakia), corrupt political ties with others (the Czech Republic and Hungary) and military pressure on yet others (Romania and the Baltic trio). None of these means—reinforced by a furious propaganda campaign—has produced the desired results. There are signs, as yet inconclusive, that Russia is reducing the reliance on military force as the most reliable instrument of policy, and curtailing its provocative activities, which generally corresponds with the inescapable cuts in its defense spending. Russia’s relations with and capacity for putting pressure on the states of East Central Europe will depend to a great extent on the trajectory of the Ukraine crisis. Providing this situation does not take a cataclysmic turn, there are still possible developments in the Baltic and the Black Sea “theaters” that could have a strong impact on Russia’s management of the confrontation with the West. Moscow’s attempts to reverse its slow but pronounced retreat, however tactically smart, might generate sharp political crises, and are invariably accelerating Russia’s decline.

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# Introduction

Three indicative developments at the start of 2016 may give us a clue to the complicated pattern of interactions across the new fault-line of confrontation that now divides Europe no less drastically than the Iron Curtain did back in 1946, when Winston Churchill described it in his famous Fulton speech. First, in Estonia, three men were convicted for espionage and supplying information to Russian security services, and that only a few months after an old-fashioned “spy exchange” on the bridge connecting the two strikingly dissimilar parts of the former Soviet Union.<sup>1</sup> Second, in Bulgaria, Prime Minister Boiko Borisov admitted that Moscow, using the levers of energy supply, had put pressure on his cabinet to break ranks with NATO solidarity and not express support for Turkey in its conflict with Russia.<sup>2</sup> Third, Russian Defense Minister Sergei Shoigu announced a directive for building three new army divisions in 2016 in the “Western direction”.<sup>3</sup>

These dissimilar turns of events indicate the range and intensity of new security challenges that the states of East Central Europe—many of them less than 30 years ago members of the Warsaw Pact or indeed Soviet republics—face in the new confrontation, which has some features resembling the Cold War but also has the nature of what, for lack of a better term, is often described as “hybrid war”. The threat of such confrontation was looming as NATO deliberated on the Strategic Concept (adopted at the November 2010 Lisbon summit), which is aimed at combining the “reset” with Russia with “reassurance” for the allies who are most exposed to this threat.<sup>4</sup> The explosion of the Ukraine crisis in spring 2014 confirmed the worst predictions of the “alarmists” among Western security experts, and marked a stark watershed in NATO’s

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1. See D. Mardiste, “Estonia Jails Three Men Over Spying for Russian Security Services”, Reuters, 23 February 2016, available at: [www.reuters.com](http://www.reuters.com); “Russia and Estonia Exchange Spies after Kohver Row”, *BBC News*, 26 September 2015, available at: [www.bbc.com](http://www.bbc.com).

2. See “Bulgaria Was Pressured to Choose between Turkey, Russia—PM”, *Novinite.com*, 19 January 2016, available at: [www.novinite.com](http://www.novinite.com).

3. See “Shoigu: Minoborony RF v 2016 godu cformiruet tri novye divizii na zapadnom napravlenii” [Shoigu: Defence Ministry Will Form Three New Divisions in the Western Direction in 2016], TASS.ru, 12 January 2016, available at: <http://tass.ru>.

4. On the link between reset and reassurance, see R. Asmus, S. Czmur, C. Donnelly, A. Ronis, T. Valacek and K. Wittmann, “NATO, New Allies and Reassurance”, *CER Policy Brief*, May 2010, available at: [www.cer.org.uk](http://www.cer.org.uk).

relations with Russia. There is space for argument on whether Moscow's choice for unleashing the confrontation was preventable, but there are sound reasons to assume that the aggressive decision-making in the Kremlin was underpinned by the corrupt-authoritarian evolution of Putin's regime. Russia now puts a strong emphasis on the traditional projection of military power as an instrument of policy, and assumes that West European states, even when coming together in the NATO sessions, have neither the will for nor the skill in wielding this instrument, particularly in support of such "indefensible" positions as Estonia or Latvia.<sup>5</sup> At the same time, Moscow engages in experimenting with various non-traditional instruments of pressure, from the combination of "black propaganda" and espionage to the blend of corruption and energy exports.

This report examines the most recent shifts in the pattern of Russia's interactions with the states of East Central Europe, which are all NATO and European Union (EU) members (the Balkan states are touched upon only tangentially), and aims at evaluating the effectiveness of Moscow's policies and outlining the possible revisions of its current course. It starts with analyzing the energy policy, which used to be central in Russia's interests in this region, and continues with a closer look at the export of corruption and the propaganda campaign, which currently attracts much concern. The investigation of Russia's use of various means of military pressure on the Baltic and the Black Sea "theaters" leads to the conclusion, which focuses on the risks inherent in the trend of Russian strategic retreat from the area where it used to have significant influence, but where it is now perceived as a major security challenge, while its capacity for engagement has badly eroded.

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5. On the reluctance to commit to protecting this NATO vulnerability, see R. Peters, "Defending the Indefensible: NATO's Baltic States", *Strategika*, Issue 23, 12 May 2015, available at: [www.hoover.org](http://www.hoover.org).

# New Geopolitics of the “Frontline Zone” with Russia

At the start of the 2000s, much as through most of the 1990s, Moscow paid remarkably scant attention to the big group of medium and small states that constituted the unstructured and incoherent region of East Central Europe. Russia had many opportunities to influence the transition processes reshaping the newly born states in the Balkans and in the Baltic, but preferred to engage in more high-profile dialogues with Germany, France, Italy and Turkey. There was no committed effort at steering the debates in these states on the big issue of accession to NATO, and the expansion of the Alliance, completed in spring 2004, was not seen in the Kremlin at that time as leading to a significant deterioration in Russia’s security posture.<sup>6</sup>

The discourse changed into a forceful argument against further enlargement around 2008, when Putin addressed the NATO summit in Bucharest and managed to block the proposition for granting Georgia and Ukraine the Membership Action Plans. He probably still perceives it as a major political victory (reinforced by the week-long war with Georgia), but there is no way to deny the fact that NATO expansion happened on his “watch” and continues to progress as Montenegro has acceded.<sup>7</sup> Putin wastes no opportunity to condemn this process, and the revised National Security Strategy approved on 31 December 2015 takes issue with the strategy of containment executed by the United States and its allies (Article 12). It elaborates in much detail on the threat from NATO: “The buildup of the military potential of the North Atlantic Treaty Organization (NATO) and the endowment of it with global functions pursued in violation of the norms of international law, the galvanization of the bloc countries’ military activity, the further expansion of the alliance, and the location of

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6. One useful analysis from that period is M. Kramer, “NATO, the Baltic States and Russia: A Framework for Sustainable Enlargement”, *International Affairs*, vol. 78, No. 4, October 2002, p. 731-756.

7. See R. Gramer, “The New Thorn in Russia’s Side: Why Moscow Doesn’t Want Montenegro Joining NATO”, *Foreign Affairs*, 24 December 2015, available at: [www.foreignaffairs.com](http://www.foreignaffairs.com).



its military infrastructure closer to Russian borders are creating a threat to national security.” (Article 15).<sup>8</sup>

As the new post-Crimea confrontation between Russia and the West evolves and rigidifies, Moscow is paying greater attention to relations with the states of East Central Europe, constituting a “frontline zone” in this confrontation, where perceived threats to Russia’s security are encountered and have to be neutralized. This geopolitical perspective is not monochrome but has many peculiar nuances, which can be summarized in three particular features.

First, NATO expansion is seen not as a determined effort of the nine states of the region (and more in the Balkans) to join, but as a hostile initiative originating in and driven by US leadership. This “objectification” makes it possible for Moscow to develop bilateral relations with particular states notwithstanding their engagement with the Alliance. Thus, for instance, Putin confirmed that Russia perceived Bulgaria as a “close friend” and was not “bothered” by its NATO membership.<sup>9</sup> Foreign Minister Sergei Lavrov argued in a recent article that former members of the Warsaw Pact had not achieved liberation but merely exchanged one “leader” for another.<sup>10</sup>

Second, the issue of NATO enlargement is intertwined in Russian strategic thinking with the problem of the US missile defense system, identified in the Military Doctrine (approved in December 2014) as one of the main “external military dangers”.<sup>11</sup> Putin’s obvious personal fixation on this problem determined the heavy priority on the modernization of strategic forces in the 2020 Armament Program, but it has also become one of the focal points in the propaganda offensive.<sup>12</sup> There was never a shadow of a doubt in the Russian threat assessment that the deployment of the “first echelon” of US radar and interceptor missiles in Eastern Europe was aimed at neutralizing Russian strategic deterrence capabilities, despite

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8. Author’s translation from “Ukaz Prezidenta Rossijskoj Federatsii o Strategii natsional’noj bezopasnosti Rossijskoj Federatsii” [Presidential decree on National Security Strategy of the Russian Federation], Kremlin.ru, 31 December 2015, available at: <http://kremlin.ru>.

9. See “Putin: Rossii ne bespokoit chlenstvo Bolgarii v NATO” [Putin: Russia is Not Bothered by Bulgaria’s Membership of NATO], RIA Novosti, 17 August 2015, available at: <http://ria.ru>.

10. He also argues that the choice for expanding NATO is the root cause of the systemic problems that afflict Russia’s relations with the United States and Europe. See S. Lavrov, “Russia’s Foreign Policy in a Historical Perspective”, *Russia in Global Affairs*, 30 March 2016, available at: <http://eng.globalaffairs.ru>.

11. It ranks No. 4 in the list of 14 “dangers”; the strengthening and expansions of NATO are ranked No. 1; see D. Trenin, “Russia’s New Military Doctrine: Should the West be Worried?” *National Interest*, 31 December 2014, available at: <http://nationalinterest.org>.

12. See “How Putin Uses Missile Defence in Europe to Distract Russian Voters”, *NATO Review*, 29 January 2015, available at: [www.nato.int](http://www.nato.int).

the obvious difference between the scale of NATO efforts and the strength of the Russian land-based missile forces.<sup>13</sup>

Third, up to late 2013, EU enlargement—unlike NATO expansion—had not been perceived as a threat to Russia’s interests, but the Euro-*Maidan* revolution in Ukraine, orchestrated according to the Kremlin’s assessments by European politicians and networks, changed that view. Currently, the EU is seen as a major sanctions-enforcing adversary; this makes it imperative to focus on weakening it, and the National Security Strategy (2015) implicitly acknowledges this in Article 16: “Increase of migration flows from Africa and the Middle East into Europe signified a failure of the Euro-Atlantic security system built around NATO and the European Union”.<sup>14</sup> This proposition has yet to be proven, and President of the European Council Donald Tusk argued that “as a direct consequence of the Russian military campaign ... thousands more refugees are fleeing toward Turkey and Europe”, while US General Philip Breedlove, NATO Supreme Allied Commander, accused Russia of “weaponizing” migration.<sup>15</sup>

Moscow tends to overestimate the intensity of centrifugal forces inside the EU, and seeks to exploit ties with East Central European states in order to aggravate this crisis, while NATO is typically perceived as a more cohesive and disciplined organization. One possible change in the big geopolitical picture, which is seen as a major challenge to Russia’s position in the Northern/Baltic flank of the European theater, is rapprochement with and accession to NATO of Sweden and Finland, so Moscow is trying to combine military pressure with political dissuasion in order to prevent this development.<sup>16</sup>

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13. For a sober analysis, see S. Pifer, “The Limits of US Missile Defense”, *The National Interest*, 30 March 2015, available at: <http://nationalinterest.org>.

14. *Op. cit.* [8].

15. See G. Baczynska, “EU’s Tusk Says Russian Bombings Make Situation in Syria even Worse”, Reuters, 9 February 2016, available at: [www.reuters.com](http://www.reuters.com); G. Dyer, “NATO Accuses Russia of ‘Weaponising’ Immigrants”, *Financial Times*, 1 March 2016, available at: [www.ft.com](http://www.ft.com).

16. See J. Benitez, “The Bully to the East”, *US News and World Report*, 6 August 2015, available at: [www.usnews.com](http://www.usnews.com).

# Russian Energy Policy in ECE: A Broken Tool?

The Kremlin considered export of oil and gas as a highly efficient direct-action instrument of policy. The fundamental shifts in the global energy market, which coincided with the development of the Ukraine crisis, have to all intents and purposes destroyed this instrumentalization– but this new reality has yet to be recognized. Putin used to think that he understood the workings of the energy business better than Western leaders and was eager to press forward his advantage, but now he is profoundly at a loss, and still clings to the old game, while having no winning options.

## Gazprom's pipelines, prices and promises

Putin's big European energy designs in the mid-2000s were aimed primarily at the major powers, above all Germany, while the smaller states of East Central Europe (some of them quite severely affected by the Russian-Ukrainian "gas war" in January 2009) were seen as targets of secondary importance. The main goal in these designs was to conquer a greater part of the European market, but the key strategic proposition was to establish export corridors that circumvented Ukraine. The paradox of this policy was that acting on this proposition to all intents and purposes made the achievement of the goal impossible, while also creating significant differences in Russian energy policies on the northern and southern flanks of the "gas offensive".

In the northern direction, the central project was the *Nord Stream* gas pipeline going the length of the Baltic Sea; the persistent even if ineffectual opposition from Poland convinced Moscow of the political hostility of this corner of the gas market. It made some half-hearted attempts to acquire energy infrastructure in the Baltic States and Poland, but the temptation to punish these "trouble-makers" by making them pay the highest price for imported gas was too strong, so

that energy “networking” was curtailed.<sup>17</sup> Despite their limited resources, Lithuania, Latvia and Estonia have worked hard to create alternatives to the Russian supply monopoly by building liquefied natural gas (LNG) terminals and making deals with Norway, so now they feel far less vulnerable to energy pressure.<sup>18</sup> At the same time, they feel emboldened to criticize Germany for exploring the possibility of constructing *Nord Stream-2*, which goes against the EU diversification guideline and answers only Russian obsession with excluding Ukraine from its energy ties with Europe.<sup>19</sup> Moscow has essentially given up applying energy pressure on the Baltic trio and hopes that its better behavior with gas supplies will secure approval for the *Nord Stream-2* project in the bureaucratic maze of the European Commission; however, a very probable negative decision on this enterprise could make the desire to punish opponents irresistible.<sup>20</sup>

In the southern direction, Russia originally planned to expand energy ties with quite a few politically friendly states and to build a network of “special” gas customers. The key project here was the *South Stream*, and the peculiar feature of its competition with the EU-backed *Nabucco* project was that neither had even a half-solid economic foundation, and thus both have duly collapsed.<sup>21</sup> What makes this old story still relevant is the odd design of that Russian mega-project, which instead of one pipeline involved a sequence of several pipelines, and the fact that Moscow is still seeking to make this model work.

The main political advantage of such an organizationally nonsensical project was the opportunity to negotiate separately with each of the parties along the gas “corridor” and to establish profitable relations with local partners, which cannot come together to gain strength sufficient to refuse Gazprom’s offers. Moscow was deliberately cutting out Romania from its energy designs and focusing

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17. See, for instance, “Lithuania Looks for Alternatives to Counter Russia’s High Gas Price”, EurActiv, 8 July 2013, available at: [www.euractiv.com](http://www.euractiv.com).

18. See C. Oliver and H. Foy, “Poland and Baltic States Set to Sign Deal to Build Gas Pipeline”, *Financial Times*, 12 October 2015, available at: [www.ft.com](http://www.ft.com).

19. See J. Dempsey, “Germany, Dump Nord Stream 2”, *Strategic Europe*, 25 January 2016, available at: <http://carnegieeurope.eu>.

20. See A. Mineev, “Severnii potok 2 peregorodili plotinoj. Nuzhen li on Evrope?” [Nord Stream-2 is Stopped by a Dam. Does Europe Need It?], *Novaia Gazeta*, 18 April 2016, available at: [www.novayagazeta.ru](http://www.novayagazeta.ru).

21. See P. Baev and I. Overland, “The South Stream versus Nabucco Pipeline Race”, *International Affairs*, vol. 68, No. 5, May 2010, p. 1075-1090.

on Bulgaria, which was seen as historically friendly and usefully corrupt, until its political class found the determination to reject this sleazy energy-political stratagem.<sup>22</sup> Greece then became the key target for Russian gas intrigues, but Prime Minister Alexis Tsipras has played his weak hand remarkably well, using the fruitless talks with Putin for gaining a better deal in Brussels.<sup>23</sup> The Kremlin has sought to cultivate underhand ties with the *Syriza* party and is still exploring options for circumventing Ukraine by the south, but the severe crisis in relations with Turkey from November 2015 to mid-August 2016 undercut these maneuvers, and the restoration of relations between the two countries does not seem to underpin a serious action plan.<sup>24</sup>

Without an operable pipeline plan, Moscow's attempts to build an energy foundation for "special relations" with Serbia have remained inconclusive, so Putin's displeasure about Belgrade's expanding ties with NATO has made little difference.<sup>25</sup> The attempts to pull strings in Slovakia in order to prevent Ukraine from finding an alternative gas supply were not only quite awkward but backfired, resulting in the EU-backed arrangement for reverse gas flow from Germany.<sup>26</sup> Overall, Russia cannot find any useful way to harvest political dividends from its residual energy assets in East Central Europe; instead, it has to expend political capital in order to preserve its positions in this important market, and quite often this political interference turns out to be counter-productive.

## Nuclear energy track

One very particular element of Russia's global energy policy is the expansion of its nuclear power complex, which is seen in the Kremlin not only as one of the few areas where Russia possesses advanced and exportable technologies but also as a major means of establishing and

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22. See D. Kalan, "Bulgaria's Turn: Sofia Gives Moscow Some Attitude", *Foreign Affairs*, 9 June 2015, available at: [www.foreignaffairs.com](http://www.foreignaffairs.com).

23. See P. Ghemawat and P. Bastian, "Tsipras and Putin: Does Greece Have a Russia Option?" *The Globalist*, 30 July 2015, available at: [www.theglobalist.com](http://www.theglobalist.com).

24. On the ties with Syriza, see M. Champion, "Syriza's Dangerous View of Russia", *Bloomberg*, 3 February 2015, available at: [www.bloombergsview.com](http://www.bloombergsview.com); on the most recent intrigues, see V. Socor, "Gazprom Promotes Greece-Italy Transit Route to Obstruct European Corridor", *Eurasia Daily Monitor*, 3 March 2016, available at: [www.jamestown.org](http://www.jamestown.org).

25. See P. Himshiashvili, "Putin ponial pozitsiiu Serbii po NATO" [Putin has Understood Serbia's Position on NATO], *RBC.ru*, 10 March 2016, available at: [www.rbc.ru](http://www.rbc.ru).

26. See C. Harrison and Z. Princova, "A Quiet Gas Revolution in Eastern and Central Europe", *Energy Post*, 29 October 2015, available at: [www.energypost.eu](http://www.energypost.eu).

cultivating special political relations. The nuclear energy policy is strictly centralized and channeled through the state-owned *Rosatom* corporation, managed by the very capable Sergey Kiriyenko (former prime minister), who has set the far-fetched goal of increasing the number of contracts for building nuclear reactors abroad from the current 29 to 80 within a few years.<sup>27</sup> East Central Europe constitutes a particular direction in this ambitious expansion.

Most of the ties in the nuclear energy sector go back to the Soviet era, during which 24 reactors were built in Bulgaria, the Czech Republic, East Germany, Hungary, Lithuania, and Slovakia by the USSR (Romania contracted Atomic Energy Canada Ltd to build the Cernavoda nuclear plant). The Chernobyl disaster in April 1986 provoked professional and public concerns about reactor safety, so the Greifswald plant in East Germany was closed in 1990, and Bulgaria, Lithuania and Slovakia were forced to decommission the eight reactors of early designs (VVER—the Water-Water Energetic Reactor and RBMK—the High-Power Channel-type Reactor) as a condition for joining the EU.<sup>28</sup> Russia sought to turn the Chernobyl page and to comply with the regulations established by the European Commission in Moscow's persistent efforts to win competitive contracts for constructing new reactors, focusing particularly on Bulgaria and Hungary. In the former, the plan to construct a new nuclear power plant at Belene was cancelled in September 2012, to *Rosatom's* bitter disappointment, while in the negotiations on constructing a new reactor at the old Kozloduy plant *Westinghouse* is the key partner.<sup>29</sup> In Hungary, which operates four Soviet-build reactors at the Paks nuclear plant, *Rosatom* succeeded in securing a contract to construct two more reactors, but the European Commission has not yet approved the deal, made without an open tender and with a \$US 10 billion loan from Russia.<sup>30</sup> The only success story for *Rosatom* was the deal on constructing a new nuclear power plant in Finland (Hanhikivi), finalized in 2015 with the condition of a

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27. See I. Armstrong, "Russia is Creating a Global Nuclear Power Empire", *Global Risk Insights*, 29 October 2015, available at: <http://globalriskinsights.com>.

28. A useful source of data is "Nuclear Power in the World Today", *World Nuclear Association*, January 2016, available at: [www.world-nuclear.org](http://www.world-nuclear.org).

29. See "Cancelled Russian Nuclear Plant May Cost Bulgaria €1 billion", *EurActiv*, 11 September 2012, available at: [www.euractiv.com](http://www.euractiv.com).

30. On the poor prospects for this deal, see M. Samorukov, "Russia and Hungary's Fruitless Friendship", *Carnegie.ru*, 19 February 2016, available at: <http://carnegie.ru>.

loan being arranged to cover 75% of the costs (estimated at €7 billion); the works on the site started in early 2016.<sup>31</sup>

Russian aggressive marketing of its nuclear power technologies has yielded rich results in many parts of the world, but in East Central Europe it has been singularly unsuccessful. While some states (such as Lithuania) are reluctant to partner with Russia, the most important obstacle is the policy designed by the European Commission. Russia is not directly handicapped by this policy, but its way of doing business, in which political horse-trading is underpinned by corrupt profit-sharing, is severely curtailed.

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31. See “Rosatom nachal raboty po stroitel'stvu AES v Finliandii” [Rosatom has Started the Construction of a Nuclear Plant in Finland], Lenta.ru, 21 January 2016, available at: <https://lenta.ru>.

# Russian Export of Corruption as a Policy Instrument

The long period of record high oil prices in the 2000s brought a massive inflow of petro-revenues to Russia. Much of this easy money was redistributed and accumulated under direct control of the Kremlin; considerable and unaccounted-for financial resources thus became available for its foreign policy networking. By the start of the present decade, as Mikhail Khodorkovsky argued from behind bars, the export of corruption had become the second most important lever for advancing foreign policy goals, particularly in Europe, after the export of oil and gas.<sup>32</sup>

## From buying friends to cultivating malcontents

The prime market for Russian export of corruption up to the start of the 2010s was Western Europe. While the outflow of dubious private money was pushing up real-estate prices in London and Nice, lucrative contracts helped Putin to build special friendships with such peers as Gerhard Schroeder and Silvio Berlusconi. East Central Europe was overlooked in that high-level networking, and opportunities to cultivate ties with the old guard were gone for good. If Putin's special attention to Germany was underpinned by a rich variety of clandestine connections with former *Stasi* agents and operatives going back to his years in the Dresden office of the KGB, there is remarkably little evidence that similar connections among the former members of the Warsaw Pact were exploited for building new business-political channels of influence.<sup>33</sup>

The joy of rubbing shoulders with European peers was not quite the same on Putin's return to the Kremlin in 2012, but it was the explosion of the Ukraine crisis in early 2014 that destroyed it completely—and forced

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32. See M. Khodorkovsky, "A Time and a Place for Russia", *The New York Times*, 28 January 2010, available at: [www.nytimes.com](http://www.nytimes.com).

33. One of the most prominent cases of cultivating the old *Stasi* connections involving Matthias Warnig is examined in K. Dawisha, *Putin's Kleptocracy: Who Owns Russia?*, New York & London, Simon & Shuster, 2014, p. 50-56. On the significance of the GDR experience for Putin's worldview, see also F. Hill & C. G. Gaddy, *Mr. Putin: Operative in the Kremlin*, Washington D.C., Brookings Institution Press, 2015, p. 145-147, p. 181-183.



Putin to look for new useful counterparts in East Central Europe. Previously, Moscow used financial branches in this region mostly as conduits for transferring money to valuable “friends” in the West; for instance, the First Czech Russian Bank was used for providing a loan to the National Front in France.<sup>34</sup> Currently, however, they are increasingly used for clandestine funding of various left-wing and rightist populist parties in the ECE region.<sup>35</sup> There is little hard evidence of direct money transfer from Moscow to the coffers of such “malcontents”, but their access to greater financial resources than ever before is underpinning the steady growth of their impact.<sup>36</sup>

Putin was not satisfied with recruiting allies in the political fringes and sought to engage mainstream political leaders in his networks. He saw no potential allies in Poland and few if any political forces in the three Baltic states that could qualify as “pro-Russian”, but he discovered interesting opportunities in Hungary, Slovakia and the Czech Republic, the states that *The Economist* labeled as “big, bad Visegrad”.<sup>37</sup> He worked carefully on these opportunities: Slovak Prime Minister Robert Fico was warmly welcomed to Moscow in June 2015; Hungarian Prime Minister Viktor Orban received red-carpet treatment in February 2016; Milos Zeman, the President of the Czech Republic, attended the Victory Day parade in Moscow on 9 May 2015, and former president Vaclav Klaus was invited to address the Valdai Club meeting in October 2015.<sup>38</sup> They all duly advocated the lifting of EU sanctions against Russia, but to little avail.

Putin may have developed some personal chemistry with Orban, but he cannot really see these politicians as his equals.<sup>39</sup> The funding channeled to their campaigns amounts to small change by the standards of Russian corruption.<sup>40</sup> Russian money may have had some influence on the

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34. See I. Oliveira, “National Front Seeks Russian Cash for Election Fight”, *Politico*, 19 February 2016, available at: [www.politico.eu](http://www.politico.eu).

35. For a useful overview, see “In the Kremlin’s Pocket”, *The Economist*, 14 February 2015, available at: [www.economist.com](http://www.economist.com).

36. One detailed account of this trend is the report by A. Polyakova and A. Shekhovtsov, “What’s Left of Europe if the Far Right Has Its Way?”, Issue Brief: Atlantic Council, Washington D.C., March 2016, available at: [www.atlanticcouncil.org](http://www.atlanticcouncil.org).

37. The key point in that criticism, which was equally applicable to Poland, was the disagreeable stance on migration; see “Big, Bad Visegrad”, *The Economist*, 28 January 2016, available at: [www.economist.com](http://www.economist.com).

38. See “Václav Klaus: Valdai’s Debate about Threats: The Threat Is Us”, Valdai Discussion Club, 27 October 2015, available at: <http://valdaiclub.com>.

39. See T. McNamara, “Is Hungary’s Viktor Orban a Miniature of Vladimir Putin?”, *Policy Review*, July 2014, available at: [www.policyreview.eu](http://www.policyreview.eu).

40. According to recent research, the total amount of money that was transferred from Russia by the end of 2014 is estimated at \$US 1.3 trillion; see H. Stewart, “Offshore Finance: More than \$12tn Siphoned out of Emerging Countries”, *The Guardian*, 8 May 2016, available at: [www.theguardian.com](http://www.theguardian.com).

outcome of the elections in Slovakia in March 2016, but Fico has confidently secured the outcome he was aiming for.<sup>41</sup> In Serbia, for that matter, the anticipated and well-funded success of the pro-Russian nationalists in the April 2016 parliamentary elections failed to materialize as the pro-EU coalition of Prime Minister Vucic scored a solid victory.<sup>42</sup> It is probable that the revelations of Russian “sponsorship” and the strong demand for greater financial transparency in the aftermath of the “Panama Papers” scandal will squeeze Russian political networks. Putin, indeed, reacted extremely nervously to this scandal, despite the absence of any evidence of his personal involvement in the money laundering.<sup>43</sup> All the dubious offshore transactions have been executed by his courtiers and confidants, which earned Russia first place in the “crony capitalism” index.<sup>44</sup>

The Kremlin works on the assumption that these small Central European states are major contributors to the profound crisis that has eroded the EU institutions and is threatening to paralyze decision-making in the European Commission.<sup>45</sup> There is a no small dose of wishful thinking in these calculations; many mainstream experts in Moscow are eager to predict the inevitable breakdown of the EU, weakened by unsustainable financial policies and overwhelmed by the inflow of migrants.<sup>46</sup> In reality, Orbán and Fico and other “friends of Putin” in the region (as well as Tsipras in Greece) are not interested at all in breaking the EU apart; they are seeking to play on their ties with the Kremlin in order to secure better conditions in some particular deals in Brussels, and to deflect criticism of their mistreatment of opposition and media. In that, they are more successful than Putin is with his strategy.

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41. See L. Ragozin, “Putin’s Hand Grows Stronger as Right-Wing Parties Advance in Europe”, Bloomberg, 15 March 2016, available at: [www.bloomberg.com](http://www.bloomberg.com).

42. See “Pro-Russians Set for Comeback in Serbia”, EurActiv, 21 April 2016, available at: [www.euractiv.com](http://www.euractiv.com).

43. See, for instance, M. Leiva, “Putin nazval ‘informatsionnye ataki’ na sebja reaktsiej na ukreplenie Rossii” [Putin Explained the ‘Information Attacks’ on Him as Response to Russia’s New Strength], RBC.ru, 25 April 2016, available at: [www.rbc.ru](http://www.rbc.ru).

44. See “Our Crony-Capitalism Index: The Party Winds Down”, *The Economist*, 5 May 2016, available at: [www.economist.com](http://www.economist.com).

45. See D. Frants, “Sammit ES stolkniet Vostochnuiu Evropu s Zapadnoj” [EU Summit will See a Clash Between Eastern and Western Europe], *Nezavisimaya gazeta*, 18 February 2016, available at: [www.ng.ru](http://www.ng.ru).

46. See V. Inozemtsev, “Mantra dlia neudachnikov” [Mantra for the Losers], *The New Times*, 16 March 2016, available at: [www.newtimes.ru](http://www.newtimes.ru).

## The art of propaganda war

A new feature of Russia's policy toward East Central Europe and the West more generally is the massive public relations campaign, which combines the traditional methods of Soviet-style propaganda and the new channels of information circulation. Since the beginning of the Ukraine crisis, this campaign has reached such an unprecedented level of intensity and acquired so vicious a character that it can be characterized as a key dimension of Russia's "hybrid war" on the European theater.

The urgency of countering this offensive has been duly recognized, and NATO is focusing its response with the newly created Strategic Communications (StratCom) Center of Excellence in Riga.<sup>47</sup> Plenty of attention is being given to the risks generated by Russian propaganda, yet several features may be usefully illuminated.

First, Moscow has targeted primarily, through its state-controlled TV channels, the Russian-speaking communities in Europe. Germany has been the prime focus of this campaign, which was supplemented by other means of outreach to the numerous (1.5–2.0 million) and politically active expats.<sup>48</sup> No less important foci were the Russian-speaking communities in Estonia and Latvia, where Moscow expected to stir long-existing grievances.<sup>49</sup> It has achieved remarkably little success, and nothing resembling a proverbial "fifth column" has been mobilized in either of these two front-line states, as Nils Ušakovs, the young mayor of Riga, keeps asserting.<sup>50</sup>

Second, special efforts have been concentrated on influencing public opinion in the several states (Bulgaria, Montenegro, Serbia, Slovakia) that are considered "friendly" to Russia due to historic or "civilizational" reasons. In addition to Russian TV, special programs in the respective languages (that happen to be Slavic) aim at fanning anti-American sentiments and accentuating irritation against EU policies, including fiscal austerity and especially migration. Bulgaria has been the prime target for

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47. See R. Emmott, "NATO Looks to Combat Russia's 'Information Weapon': Document", Reuters, 27 January 2016, available at: [www.reuters.com](http://www.reuters.com). Activities and publications of StratCom are presented on its website, available at: [www.stratcomcoe.org](http://www.stratcomcoe.org).

48. One extensive examination is M. Amann *et al.*, "The Hybrid War: Russia's Propaganda Campaign Against Germany", *Der Spiegel*, 5 February 2016, available at: [www.spiegel.de](http://www.spiegel.de).

49. See V. Veebel, "Russian Propaganda, Disinformation, and Estonia's Experience", *FPRI E-Notes*, October 2015, available at: [www.fpri.org](http://www.fpri.org); C. Ranks, "Tret'ia mirovaia v Pribaltike: mozhet li Latgaliia stat' vtorym Krymom" [World War III in the Baltic States: Can Latgale Become the Second Crimea?], Carnegie Moscow Center, 11 March 2016, available at: <http://carnegie.ru>.

50. See Sh. Walker, "Riga mayor: 'I'm a Russian-speaking Latvian and patriot of my country'", *The Guardian*, 15 June 2015, available at: [www.theguardian.com](http://www.theguardian.com).

this campaign; a Bulgarian Defense Ministry report concluded that the Russian information war was “directly attacking the national democratic values, spirit and will.”<sup>51</sup> Yet the yield from these efforts is far from impressive; as Ivan Krastev argues, “while Bulgarians sympathize with Russians, it is precisely because of their familiarity with Moscow’s ways that they do not consider the Putin regime as a model to be followed”.<sup>52</sup>

Third, besides the TV channels, the new opportunities of social networks have been explored and used for adding power to the propaganda offensive, in particular by hiring so-called “trolls”, who swarm popular websites with aggressive commentary. Investigations into the workings of these “troll factories” expose journalists to vicious personal attacks.<sup>53</sup> Such crude abuse of the information space (often combined with hacker attacks, the most damaging of which targeted Ukraine’s power grid) is generally counter-productive.<sup>54</sup> Some states of East Central Europe are eager to develop joint cyber-defense capabilities and some feel compelled to do it, while Sweden was prompted to join NATO’s STRATCOM Center of Excellence.<sup>55</sup>

Fourth, the propaganda activities are often linked with both traditional espionage and new kinds of clandestine activities closely tied to the export of corruption.<sup>56</sup> In East Central Europe, Poland and the three Baltic states are at the top of the list of destinations for this spy-work, and the newly established NATO Counter-Intelligence Center of Excellence in Poland, whatever about the unnecessarily rough start to its work,<sup>57</sup> is intended to deny Russia the advantage of having both greater experience and resources.

In the spring of 2014, the forcefulness and aggressiveness of the Russian propaganda/espionage offensive took by surprise the EU, NATO and most states of East Central Europe, but gradually they have jointly

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51. See “Bulgaria Accuses Russia of Waging ‘Information War’”, *Balkan Insight*, 29 August 2014, available at: [www.balkaninsight.com](http://www.balkaninsight.com).

52. See I. Krastev, “What Central Europe Really Thinks about Russia”, *New York Times*, 27 April 2015, available at: [www.nytimes.com](http://www.nytimes.com).

53. See N. Miller, “Finnish Journalist Jessikka Aro’s Inquiry into Russian Trolls Stirs Up a Hornet’s Nest”, *Sydney Morning Herald*, 13 March 2016, available at: [www.smh.com.au](http://www.smh.com.au).

54. See H. Kuchler and N. Buckley, “Hackers Shut down Ukraine Power Grid”, *Financial Times*, 5 January 2016, available at: <https://next.ft.com>; T. Fox-Brewster, “‘State Sponsored’ Russian Hacker Group Linked to Cyber Attacks on Neighbours”, *The Guardian*, 29 October 2014, available at: [www.theguardian.com](http://www.theguardian.com).

55. See G. O’Dwyer, “Sweden Seeks to Join NATO Info-War Agency”, *Defense News*, 1 November 2015, available at: [www.defensenews.com](http://www.defensenews.com).

56. See M. Calabresi, “Inside Putin’s East European Spy Campaign”, *Time*, 7 May 2014, available at: <http://time.com>.

57. See A. Chapman, “Why Did Poland Raid a NATO-Linked Training Center?”, *The Daily Beast*, 20 December 2015, available at: [www.thedailybeast.com](http://www.thedailybeast.com).

gathered the will and the resources for putting together an expanding set of counter-measures. At the same time, given the economic crisis, Moscow must reduce funding for its propaganda machine. The balance of forces in the information warfare is thus shifting against Russia to such a degree that some astute commentators are warning against replicating the hostility of the Kremlin's political discourse and arguing that "the debasement of much public discussion of Russia does us a disservice".<sup>58</sup>

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58. See M. Galeotti, "By Matching Moscow's Paranoia, the West Plays into Putin's Hands", *The Guardian*, 14 March 2016, available at: [www.theguardian.com](http://www.theguardian.com).

# Russian “Hard Security” Designs for East Central Europe

With all the attention on energy matters and all the manipulations of corrupt networks, what the Russian leadership currently perceives as the most reliable instrument of policy is military power. Indeed, the rather unconventional character of the Russian “hybrid war” takes shape around the main trait—the readiness to project military force and to accept the risks associated with such old-fashioned aggressiveness. From this strategic perspective, the patchy region of East Central Europe is disaggregated into two “theaters”, the Baltic Sea and the Black Sea, where Russia has usable options for projecting military power, and the middle zone between, which includes Slovakia, the Czech Republic, and Hungary (where in the 1960s–1980s large groupings of Soviet forces were stationed), which is separated from Russia by the Ukrainian “buffer”.

## Experimenting with military pressure in the Baltic theater

Russia’s capacity for and propensity to project military force toward Estonia, Latvia and Lithuania was already a serious concern at the start of this decade, when these countries insisted on planning collective responses to Russia’s military modernization, but it was the shockingly efficient operation of annexing Crimea that intensified these concerns into a top priority. The BBC documentary “World War Three: Inside the War Room” generated strong public awareness of these esoteric scenarios and produced sharp emotional reactions both in the Baltic States and in Russia.<sup>59</sup> The Kremlin’s willingness to engage in a real military conflict with NATO will hopefully not materialize, but the impact of its brinkmanship is real, and the risk of only partly controllable escalation will continue to influence political developments in the Baltic region.

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59. See A. Chapman, “Latvia: Third World War—Inside the War Room”, *Baltic Review*, 5 February 2016, available at: <http://baltic-review.com>; A. Shirokorad, “Zlaia kinoshka pro vojnu ponaroshku” [An Evil Film about a Phoney War], *Nezavisimoe voennoe obozrenie*, 12 February 2016 available at: <http://nvo.ng.ru>.

Moscow demonstratively increased the scale of provocative military activities in the Baltic theater in parallel with the development of violent conflict in eastern Ukraine in summer 2014, quite possibly seeking to divert Western attention from the Donbass battlefields. The main instrument for these sustained provocations was the Air Force (which was not engaged in the operations in Ukraine), while the Baltic Fleet remained relatively passive (the excited reports about a submarine spotted in the Stockholm archipelago never had any credibility).<sup>60</sup> Russia also staged large-scale military exercises in the Western and Central military districts aimed at establishing the fact that it could conduct strategic operations at short notice despite being engaged in protracted and inconclusive battles in Donbass.<sup>61</sup> What is striking in the dynamics of these activities is that, since the launch of Russian military intervention in Syria in late September 2015, the intensity of demonstrations of air power in the Baltic theater has sharply decreased, and the snap exercises in March 2016 as well as the strategic command and staff exercises “Caucasus-2016” involved only the troops in the Southern military district.<sup>62</sup> However, the aggressive mock attacks on USS *Donald Cook* and intercepts of USAF RC-135 surveillance aircraft in mid-April 2016, and the violation of Estonian and Lithuanian airspace in September 2016 might signify a new surge in Russian provocations.<sup>63</sup>

This analysis suggests that Moscow’s sustained (but effectively discontinued) effort at putting military pressure on the vulnerable NATO front-line in the Baltic region has been far from successful, and even counter-productive. One aim of this effort could have been to expose Estonia, Latvia and Lithuania as “free riders”, who are not prepared to do anything to upgrade their defense capabilities and who merely exploit “Russophobic” discourse to gain attention and aid from Germany and the USA. These states, however, have managed to make a strong case for the need to build capacity for “deterrence by denial” and to demonstrate their

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60. One timely analysis was Th. Frear, L. Kuelsa and I. Kearns, “Dangerous Brinkmanship: Close Military Encounters Between Russia and the West in 2014”, *ELN Report*, 10 November 2014, available at: [www.europeanleadershipnetwork.org](http://www.europeanleadershipnetwork.org). See also the follow-up report: Th. Frear, L. Kuelsa and I. Kearns, “Russia-West Dangerous Brinkmanship Continues”, 12 March 2015, available at: [www.europeanleadershipnetwork.org](http://www.europeanleadershipnetwork.org).

61. One useful Russian assessment is A. Golts, “Bolshaia repetitsiia bolshoj vojny” [Big Rehearsal of a Big War], *Ezhednevny zhurnal*, 24 March 2015, available at: <http://ej.ru>; an informative overview is I. Kearns, L. Kuelsa and Th. Frear, “Preparing for the Worst: Are Russian and NATO Military Exercises Making War in Europe more Likely?”, *ELN Report*, 12 August 2015, available at: [www.europeanleadershipnetwork.org](http://www.europeanleadershipnetwork.org).

62. See A. E. Kramer, “Russia Announces Surprise Military Drills in South”, *The New York Times*, 8 February 2016, available at: [www.nytimes.com](http://www.nytimes.com).

63. See P. Felgenhauer, “Russian Jets Fly Close to US Ship and Recon Aircraft Over Baltic Sea”, *Eurasia Daily Monitor*, 21 April 2016, available at: [www.jamestown.org](http://www.jamestown.org).



readiness to mobilize the necessary resources.<sup>64</sup> The political crisis in Poland inflicted some damage on this collective effort, resulting in the resignation of several prominent generals, but there is no evidence of any involvement of Russian special services in that “purge”.<sup>65</sup>

Another possible aim of Russia’s power demonstrations was to convey the impression that the three Baltic states were “indefensible”, so that it made no strategic sense for the allies to reinforce this pre-determined failure. This impression was confirmed by the controversial RAND wargaming study, which elaborated the scenario of an unstoppable advance of Russian tank columns toward Tallinn and Riga.<sup>66</sup> However, instead of accepting the futility of attempts to build a credible defense force for this exposed front-line, NATO has refused to compromise on its integrity and concentrated on increasing its options in partnership with Sweden and Finland.<sup>67</sup> There is, obviously, still much work to do before the Very High Readiness Joint Task Force becomes a combat-capable unit, but what is essential to emphasize here is that Moscow’s demonstrations of deployment of overwhelming force involve much strategic deception. The operation that resulted in a swift occupation of Crimea cannot be a reference point for the Baltic theater; it was a special and irreproducible case. For that matter, the stationing of the S-400 surface-to-air missiles in Kaliningrad and the trial deployment there of a brigade of the *Iskander* (SS-26 *Stone*) short-range ballistic missiles are intended to impress the US and NATO with the “Anti-Access/Area Denial” (A2/AD) capabilities. However, in fact, this isolated “bastion” remains highly vulnerable.<sup>68</sup> One singularly striking departure from common strategic sense was the order of Defense Minister Sergei Shoigu to transform three brigades into full-size divisions in the Western “direction”, which corresponds neither to the reality of a shrinking pool of conscripts nor to the necessity to reduce

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64. One convincing examination of the shift to the “deterrence by denial” strategy is A. Weiss Mitchell, “A Bold New Baltic Strategy for NATO”, *The National Interest*, 6 January 2016, available at: <http://nationalinterest.org>.

65. One informed Russian commentary is S. Ivanov, “Pol’sha izbavliaetsia ot sovetskikh generalov” [Poland Dismisses Soviet Generals], *Gazeta.ru*, 11 March 2016, available at: [www.gazeta.ru](http://www.gazeta.ru).

66. The study is available at D. A. Shlapak and M. Johnson, “Reinforcing Deterrence on NATO’s Eastern Flank: Wargaming the Defense of the Baltic”, *RAND Research Report* RR-1253-A, 2016, available at: [www.rand.org](http://www.rand.org). See also D. A. Shlapak and M. W. Johnson, “Outnumbered, Outraged, and Outgunned: How Russia Defeats NATO”, *War on the Rocks*, 21 April 2016, available at: <http://warontherocks.com>.

67. A useful examination of these options is A. Wieslander, “Who will Defend the Baltics? NATO, the US and Baltic Sea Security”, *NATO Source*, Atlantic Council, 7 March 2016, available at: [www.atlanticcouncil.org](http://www.atlanticcouncil.org).

68. See G. Howard, “Lithuania’s Key Role in Countering Russian A2/AD Challenge to the Baltic”, *Delfi*, 2 March 2016, available at: <http://en.delfi.lt>.



defense spending, so that the real combat-readiness of the army grouping may actually decrease.<sup>69</sup>

Overall, Russian military pressure has failed to produce fissures within the Atlantic solidarity, or to demoralize the Baltic states directly subjected to it, or to isolate them from the more risk-averse and budget-conscious European allies. The reduction of this pressure due to the demands for sustaining the military intervention in Syria provided for NATO a useful pause, which allowed the allies to assess the true scope of the threat and to prepare contingency plans, which were finalized at the Warsaw summit in July 2016.

## Post-Crimea reconfiguration of the Black Sea theater

Russia's August 2008 war with Georgia brought military-security matters into the focus of debates on the strategic profile of the wider Black Sea region, yet only briefly; until spring 2014, this theater had been largely neglected in NATO strategic planning. The shockingly effective military operation leading to the swift annexation of Crimea counteracted that neglect, and made it imperative for the Alliance to reassess the military balance on this isolated flank.<sup>70</sup> Russia wasted no time in building up a powerful military grouping on the peninsula, making use of old Soviet infrastructure that had degraded over 25 years but was quickly made serviceable with minimal investment. By the end of 2014, the initial phase of remilitarization of Crimea had been completed, and Moscow gained confidence that its new possession was secure.<sup>71</sup>

During 2015 and early 2016, less effort and attention was devoted to increasing the Crimean grouping beyond the initial phase, and Russian military experts were left entertaining their fantasy of the “unsinkable aircraft carrier”.<sup>72</sup> The Black Sea Fleet is being strengthened with three *Varshavyanka*-class (Project 636) diesel-electric submarines, with three more to be delivered in 2016-2017, to form a new division, which will be

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69. This point was made in A. Golts, “Novye divizii poniziat boegotovnost” [New Divisions Will Degrade Combat Readiness], *Ezhednevny zhurnal*, 13 January 2016, available at: <http://ej.ru>.

70. See S. Blank, “The Black Sea and Beyond”, *Proceedings*, US Naval Institute, vol. 14, No. 10, October 2015, available at: [www.usni.org](http://www.usni.org).

71. For an upbeat summary, see A. Chaplygin, “Rossijskaia armiiia v Krymu god spustia: sil'naia i sovremennaia” [Russian Army in Crimea One Year Later: Powerful and Modern], RIA Novosti, 13 March 2015, available at: <http://ria.ru>.

72. See for instance, A. Luzan, “Krym kak nepotopliaemyj avianosets” [Crimea as an Unsinkable Aircraft Carrier], *Nezavisimoe voennoe obozrenie*, 24 July 2015, available at: <http://nvo.ng.ru>.

based not in Crimea but in Novorossiysk.<sup>73</sup> The plan to add to the Black Sea Fleet a division of six *Admiral Grigorovich*-class frigates (Project 11356M) has had to be cancelled, however, because the gas-turbine engines for these ships were produced in Ukraine (*Zorya-Mashproekt* plant in Nikolaev), so even the three ships that have been launched cannot be properly serviced.<sup>74</sup> The Russian high command is now aware, apparently, that the logistics for the military forces in Crimea, where every parcel of supplies has to be delivered by sea, is extremely complicated.

Moscow was eager to challenge in a provocative and risky manner the US Navy ships showing flag in the Black Sea, but refrained from any demonstrations against the Bulgarian and Romanian navies or airspace.<sup>75</sup> Nor have the air and naval assets deployed in Crimea been used to put pressure on Ukraine, even during the escalation of fighting around Mariupol in late summer 2014. Up until late November 2015, Russia had been particularly circumspect about Turkish maritime interests and activities in the Black Sea, seeking to emphasize that the special strategic partnership with this neighbor was more important than its membership in NATO. Even during the crisis in bilateral relations caused by the downing of a Russian bomber in Syria by a Turkish fighter on 24 November 2015, Moscow preferred not to resort to any military demonstrations in the Black Sea.<sup>76</sup> The possibility of Turkey closing the Straits for the Russian Navy, in full accordance with the clause on “direct military threat” in the Montreux Convention (1936) and with the full support of NATO, was obviously taken very seriously.<sup>77</sup>

Overall, Russia certainly possesses a very strong, perhaps even dominant military position in the Black Sea, and can effectively interdict maritime and air traffic along the coasts of Bulgaria and Romania, using the partially upgraded military infrastructure in Crimea. At the same time, Russia has been visibly reluctant to experiment with projecting military power in this region, unlike in the Baltic theater; thus, for instance, the

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73. See J. Bender, “Russia’s Black Sea Submarine Fleet is Getting a Serious Upgrade”, *Business Insider*, 14 July 2015, available at: <http://uk.businessinsider.com>.

74. See N. Novichkov, “Russia Hoping to Export Three Sanctions-Hit Admiral Grigorovich-Class Frigates”, *IHS Jane’s Navy International*, 15 October 2015, available at: [www.janes.com](http://www.janes.com).

75. One useful brief account is G. Jean, “Russian Su-24s Make Multiple Passes by USN Destroyer in the Black Sea”, *IHS Jane’s 360*, 2 June 2015, available at: [www.janes.com](http://www.janes.com).

76. One exception was the appearance of a soldier with a portable surface-to-air missile on board the *Caesar Kunikov* large landing ship when going through the Bosphorus; see “Turkish FM Slams Russia’s Missile ‘Provocation’ in Bosphorus”, *Hurriyet Daily News*, 6 December 2015, available at: [www.hurriyetdailynews.com](http://www.hurriyetdailynews.com).

77. A Russian view on the legality of such a closure is I. Remeslo, “Kontrol’ nad prolivami Bosfor i Dardanely i nevyuchennye uroki istorii” [Control Over the Bosphorus and Dardanelles Straits and the Unlearned History Lessons], *RIA Novosti*, 27 November 2011, available at: <http://ria.ru>.

deployment of US F-22 fighters to Romania in April 2016 was left unanswered.<sup>78</sup> During the “Caucasus-2016” maneuvers in September 2016, Moscow had no real choice but to intercept the U.S. reconnaissance planes, but the Crimean scenario elaborated for this exercise was merely defensive. This self-restraint means that the assessments that focus on the sum total of capabilities and conclude that Bulgaria and Romania are as much under threat as Estonia and Latvia could be seriously off-target.<sup>79</sup> In fact, Moscow is concerned about NATO gaining superiority on this flank.<sup>80</sup> The need to sustain military intervention in Syria (even if in a reduced format) makes Russia even more cautious in asserting its position of power in the Black Sea theater, with the possible exception of Georgia.

## The nuclear threat and the missile defense irritant

For the states of East Central Europe, one crucial element of their security posture vis-à-vis Russia is the threat of non-strategic nuclear weapons. At the same time, one of the major strategic issues for Russia has been the development of the US missile defense system and its European “echelon”, which is supposed to be deployed primarily in East Central Europe. This interplay of immediate and true risks (about which little data is available) and the perceived dangers from reciprocal plans (that have been revised many times) generates much political tension, which is often manipulated to serve particular expediencies.

Controversy around the US “missile shield” goes back to the Gorbachev-Reagan era, but has acquired new content since the breakdown of the Anti-Ballistic Missile (ABM) Treaty (1972), at the initiative of President George W. Bush in December 2001. President Putin has referred to the US unilateral withdrawal on so many occasions that it is fair to characterize him as having a strategic obsession about the matter.<sup>81</sup> This fixation of the Commander-in-Chief determined the top priority given to the modernization of strategic forces in the 2020 Armament Program

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78. See O. Pawlyk, “F-22 Jets are in Romania to Keep Tabs on Russia’s Black Sea Antics”, *Air Force Times*, 25 April 2016, available at: [www.airforcetimes.com](http://www.airforcetimes.com).

79. One example is J. Bugajski and P. B. Dolan, “Black Sea Rising: Russia’s Strategy in Southeast Europe”, *CEPA Report*, February 2016, available at: <http://cepa.org>.

80. These concerns are spelled out in V. Mukhin, “Nuzhen zaslon v sektore ugroz” [We Need a Counter in the Threatened Sector], *Nezavisimoe voennoe obozrenie*, 22 January 2016, available at: <http://nvo.ng.ru>. See also “MID dopustil otvetnye mery pri sozdanii flotilii NATO v Chernom More” [Foreign Ministry Hints on Counter Measures in case NATO Squadron is Deployed to the Black Sea], *RBC.ru*, 27 April 2016, available at: [www.rbc.ru](http://www.rbc.ru).

81. See S. Pifer, “Putin’s Nuclear Saber-Rattling: What is He Compensating For?”, *Order from Chaos*, 17 June 2015, available at: [www.brookings.edu](http://www.brookings.edu).

(which remains in force despite the severe shortage of funding) and the reorganization of command structures, in which the air-defense and space forces were integrated with the air force in one Air-Space Forces command.<sup>82</sup> It has also driven a series of back-and-forth steps that were supposed to “neutralize” the US assets deployed in East Central Europe. The deployment of *Iskander* (SS-26 *Stone*) short-range ballistic missiles to Kaliningrad was promised a number of times and tried during several exercises, invariably attracting negative attention in Poland.<sup>83</sup> The deployment of long-range Tu-22M3 (*Backfire*) to Crimea was announced as a direct response to the stationing of US missile defense assets in Romania, but then disavowed.<sup>84</sup> There has been much speculation about delivering and storing nuclear warheads of various kinds in Crimea, but nothing definite has taken place.<sup>85</sup>

This ambivalence originates in the combination of strategic bargaining with the USA and political intrigues in the East Central Europe aimed at turning public opinion against partaking in the NATO missile defense system. Moscow has never believed that huge investment in building this system could be justified by a hypothetical threat from Iran, and has assumed that, in the East European states, the Iranian option cannot be taken seriously. By playing on the fear factor, the Kremlin has expected to amplify the reluctance in Romania, the Czech Republic and even Poland to contribute to the project, which cannot in any foreseeable future provide effective defense against Russian missiles but could make them targets for preventive, perhaps even nuclear, strikes.<sup>86</sup> In synch with the propaganda campaign, this accentuation of threats was also expected to augment the anti-American sentiments still present in the “new Europe”, but the net result has been rather the opposite.<sup>87</sup> Russia is increasingly seen as a dangerous and unpredictable neighbor, so that only closer ties with the USA and NATO could bring protection against its military escapades.

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82. For a brief evaluation, see A. Golts, “Vozdushno-kosmicheskie sily nuzhny tol’ko generalam” [Air-Space Forces are Good Only for Generals], *Ezhednevny zhurnal*, 4 August 2015, available at: <http://ej2015.ru>.

83. See T. Weselowsky, “Kaliningrad, Moscow’s Military Trump Card”, RFE/RL, 18 June 2015, available at: [www.rferl.org](http://www.rferl.org).

84. See I. Petrov, “Tu-22M3 ne budut razmeshchat’ v Krymu” [Tu-22M3 will not be Deployed to Crimea], *Rossiyskaya gazeta*, 27 July 2015, available at: <http://rg.ru>.

85. See O. Odnokolenko, “Krym mozhet stat’ raketno-iadernym” [Crimea Could Become Nuclear-Missile], *Nezavisimaya gazeta*, 2 June 2015, available at: [www.ng.ru](http://www.ng.ru).

86. See R. Gramer, “How Should NATO Counter Putin’s Nuclear Threats?”, *Newsweek*, 13 July 2015, available at: <http://europe.newsweek.com>.

87. A recent Gallup opinion poll shows that 69% of Poles, 58% of Estonians, and 57% of Romanians see Russia as the main threat, while 14% of Bulgarians identify the USA as the biggest threat; see N. Esipova and J. Ray, “Eastern Europeans, CIS Residents See Russia, US as threats”, *Gallup World*, 4 April 2016, available at: [www.gallup.com](http://www.gallup.com).

# Conclusion: The Shifting Interplay of Dirty Politics and Military Risks

Since the start of the Ukraine crisis in early 2014, the states of East Central Europe have become increasingly important targets of Russian economic, political and military pressure. Finding itself involved in new confrontation with the West and facing an unexpected unity of EU and NATO member states in enforcing sanctions, Moscow has been looking for weak links in these collective efforts. Its policy of exploiting vulnerabilities has been remarkably flexible, relying on energy ties with some states (Bulgaria and Slovakia), corrupt political ties with others (Czech Republic and Hungary), and military pressure on yet others (Romania and the Baltic trio). None of these means—reinforced by a furious propaganda campaign—has produced the desired results.

The usefulness of energy levers has been undermined by the shifts on the global and European energy markets that have granted greater leverage to buyers; Russia's capacity for providing credit and buying assets has been curtailed by the crisis in its finances; the dividends from the export of corruption have been seriously reduced by several high-profile investigations; and the military pressure has been effectively countered by NATO's determined stance. It may be assumed that, in the immediate future, Moscow will not gain any additional leverage in this region and is nearly certain to experience a further contraction in its influence.

There are signs, as yet inconclusive, that Russia is reducing reliance on military force as the most reliable instrument of policy and cutting down on its provocative activities—which generally correspond to the inescapable cuts in its defense spending. Latvian, Estonian and Lithuanian politicians are typically pressing for an even tougher position to be taken against Russian aggressiveness, rather than seeking to engage Moscow in tensions-reducing dialogue.<sup>88</sup>

Much in Russia's relations with and capacity for putting pressure on the states of East Central Europe will depend upon the trajectory of the

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88. See L. Linkevicius, "Enough: NATO Should Stop Feeding the Russian Troll", *Politico*, 5 March 2016, available at: [www.politico.eu](http://www.politico.eu).

Ukraine crisis. Moscow is manipulating the intensity of hostilities in the Donbass war zone, but its main working assumption is that the series of quarrels in the domestic political arena would aggravate the economic crisis in Ukraine—and accentuate the feeling of “Ukraine fatigue” in the EU.<sup>89</sup> Providing that this crisis situation does not take a cataclysmic turn, possible developments in the Baltic and the Black Sea theaters could still have a strong impact on Russia’s management of the confrontation with the West. In the Black Sea area, risks are mainly related to the future of relations between Russia and Turkey and the Turkish policy in Syria. In the Baltic area, a key trend is the closer military cooperation between NATO and Sweden and Finland, which Russia seeks to block, but every stern warning it issues propels the two states to take new steps forward. The question of joining the Alliance might acquire a practical character, and that would signify an improvement in the geostrategic vulnerability of the three Baltic states—and would be seen in Moscow as a major deterioration of its position.

Russia finds itself in the process of geopolitical retreat on the Western “front”, and seeks to slow down this process by mobilizing every economic, political and military asset in East Central Europe, where various weak points in the European and Atlantic unity exist—and are typically overestimated by Moscow. Attempts to reverse this retreat, however tactically smart, risk provoking acute political crises, and are invariably accelerating Russia’s decline.

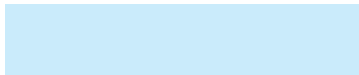
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89. See A. Moshes, “Will Europe Blink First on Ukraine?”, *PONARS Eurasia Memo* No. 422, March 2016, available at: [www.ponarseurasia.org](http://www.ponarseurasia.org).

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