Image: Alexey Zarubin

Report

Rethinking deterrence and assurance

Wednesday 10 – Saturday 13 June 2015 | WP1401

Report

Rethinking deterrence and assurance
Wednesday 10 – Saturday 13 June 2015 | WP1401

The meeting assessed:

- How NATO partners view threats after Ukraine, and the extent to which the Alliance is suited to meet them;
- The likely trajectory of Russian force posture and conventional/nuclear strategy, and the balance between long running trends and post-Ukraine ones;
- The implications of hybrid and ambiguous warfare for how deterrence is practised, and how cyber, space and other operational domains can be included in the concept of strategic deterrence;
- How economic tools (including sanctions and other financial levers), diplomatic tools, and other approaches can complement a broader strategy of deterrence and influence the behaviours of other actors;
- Whether there exists a new norm that would be acceptable to NATO and Russia in light of recent events in Ukraine, presuming that things will not go back to the prior status quo.

Key points

"NATO's vision of partnership with Russia is beyond reach for the foreseeable future and cannot drive security policy at this time"

- NATO's vision of partnership with Russia is beyond reach for the foreseeable future and cannot drive security policy at this time. Russia's actions in Ukraine overturned basic principles of European security long believed to be firmly settled. Russia apparently seeks to secure a sphere of influence in which its geopolitical, security and economic interests enjoy primacy. Its actions in Georgia, Ukraine and other former Soviet lands reflect this core strategic imperative.

- Russia's nuclear doctrine and its persistent nuclear sabre-rattling are an important element of its coercive strategy. Russia has also developed and refined a concept of "hybrid warfare" to advance its broad strategic goals. This concept relies on a dynamic mix of political, military and information operations to exploit the vulnerabilities of weaker neighbouring states. Moscow may or may not see "hybrid warfare" as a viable means to invade or threaten the sovereignty of one or more NATO member states, but the possibility cannot be dismissed.

- The Alliance requires a near-term strategy to bolster deterrence and collective defence, especially in its eastern region where Russian power is most salient and NATO governments most anxious. NATO's Wales Summit Declaration of 2014 outlines steps to put this strategy in place.

- NATO must develop an integrated strategy to counter Russia's concept of hybrid warfare. This integrated strategy must close existing capability gaps while offering the means to exploit Russian vulnerabilities. To develop this strategy, NATO will need to take a fresh look at some of its longstanding principles and

practices, such as the distinction between crisis management and collective defence, limited institutional attention to information and cyber operations, and the role of nuclear deterrence.

- There is a lack of consensus amongst NATO members and partners about the role of nuclear weapons, including for deterring non-nuclear threats at lower rungs of the escalation ladder. Views on whether and how to adapt NATO's nuclear posture vary widely, ranging from arguments for early withdrawal of land-based weapons in Europe, to maintaining the status quo, to taking significant steps to enhance these weapons' political salience and operational utility.

- Cyber and space assets may present attractive targets for Russia due to NATO's broad reliance on these systems. NATO must adapt its deterrence and defence frameworks to address such threats, and its efforts to do so are at an early stage of development.

- Economic and financial sanctions may have played a role in restraining Russia from taking more overt military action in Ukraine, but seem unlikely to compel Moscow to alter its basic objectives. If so, NATO will have to consider other strategies to force a change in Russian behaviour. In crises or conflicts where Russia's stake is very high, economic pressure is unlikely to sway the Putin regime. However, the specific threat to impose crippling sanctions conceivably could deter Moscow from threatening or attacking a NATO member.

Partnership Lost

"Hopes of creating a genuine political-strategic partnership with Russia have been shattered by recent events"

1. While even very experienced observers have disparate views on Russia's underlying motives in annexing Crimea and taking military action in eastern Ukraine, there is now a widely- held view on both sides of the Atlantic that long-held hopes of creating a genuine political-strategic partnership with Russia have been shattered by recent events. Russia's use of force to change borders violates the most fundamental rule of post-Cold War European security since the Helsinki Final Act was issued 40 years ago. Even if one accepts that domestic political factors shaped Moscow's actions to some degree, the result remains a major strategic challenge to the Alliance. If Russia, as certainly now appears, sees itself as challenging the European security status quo in order to strengthen its own position, then NATO must reassess its own policies, capabilities and long-term outlook..

Sources of Russian conduct

"Moscow regards the post-Cold War settlement and subsequent NATO actions over the last quarter century as a deliberate effort to constrain Russia and deny it the influence to which it is entitled"

2. In the second Putin administration, Russia is working hard to project an image of internal and external strength. Publicly, Moscow frames its competition with the West as much in philosophical and civilizational terms as in the language of security, but nonetheless, security and geopolitics remain its preoccupations. Specifically, resisting perceived Western efforts to weaken and encircle Russia and create conditions for regime change, and pressing for "new rules" for European security more respectful of Russian interests, feature prominently. Moscow regards the post-Cold War settlement and subsequent NATO actions over the last quarter century as a deliberate effort to constrain Russia and deny it the influence to which it is entitled in shaping security in eastern and central Europe. It is now challenging the terms of that settlement in an effort to establish a "post-Soviet space", or sphere of vital interest in which deference to Russian concerns will dominate. Russian actions in Georgia and Ukraine reflect this imperative.

3. Is this agenda defensive or aggressive in nature? Is Russia acting out of strength or weakness? It may be that these terms are not fully adequate to the task of understanding Moscow's intentions and behaviour and developing responsive policies. Either way, one can see Russian strategic imperatives at work in Ukraine. The annexation of Crimea and active support to separatists in eastern Ukraine aim to

secure Russian military interests and make it more difficult for Ukraine to more firmly and formally enter the West's political, security and economic orbit. Russia thus hopes to forestall further encirclement by preventing Ukraine from becoming a platform for projecting NATO military power or a socio-economic model that could threaten the current Russian regime. An approach that achieves strategically significant goals in Ukraine without triggering a military response serves, as well, to advance the objective of creating fissures in the Alliance and thereby undermining its credibility as a bulwark against Russia. This creates time and space for Moscow to pursue its goal of preserving Russian influence over Ukraine's internal and external orientation, including in the economic sphere. Indeed, some argue that the possibility of Ukraine joining NATO was of far less concern to Moscow than the association agreement Kyiv signed with the European Union, which fatally undermined Russia's goal of bringing Ukraine into the Eurasian Economic Union envisaged by Putin as key to reviving Russia's economy in the absence of major structural reforms the regime is not prepared to undertake. By promoting chronic instability in Ukraine, Putin hopes to keep it weak economically, undermine its relationship with the EU, and create a privileged position for Russia in Kyiv's future economic relations.

4. As challenging as this reading of Russian thinking is to the West's preferred vision of European security, it still presents Russia as essentially a status quo power. There are, however, more threatening interpretations of Moscow's intentions and behaviour. According to these interpretations, Russia may indeed be insecure and fear encirclement, but it has also adopted a revanchist agenda that seeks to re-establish some version of the Soviet empire, preferably with the West's acquiescence through a "new Yalta" arrangement. In this view, Putin is pursuing pure power politics in a zero-sum game whose goal is not simply to forestall further erosion of Russia's position but rather to weaken or break NATO and create conditions for a new European security architecture. Accordingly, Putin's rejection in 2014 of a political settlement of the Ukraine crisis that would have established a degree of autonomy in the east and shelved the idea of NATO membership signalled a broader and more malign strategic intent, one likely to next manifest itself in a coercive campaign against a Baltic state that is designed to expose the vulnerability of a NATO member and the weakness of Alliance security guarantees, and to begin a process of "Finlandizing" the sub-region.

5. There are also more benign assessments of Russia. Some analysts see little strategic design behind Russian actions, assessing Putin to be a tactician who has seized upon opportunities created by events to achieve quick victories and construct a myth of power and strength around himself. The Kremlin's ability to act quickly and without significant constraints against perceived enemies underpins this tactical approach and reinforces perceptions of Putin's decisiveness, putting Western institutions and governments on the defensive and deflecting public attention from the regime's failure to reform Russia's economic and political systems, as well as its growing reliance on repression. In this world, strength is the only currency and displays of weakness at home and abroad can be politically fatal. For the West, this Putin should be viewed as strong only to the degree that he perceives and exploits weakness in others.

Russian doctrine and capabilities

"Russia's military posture may be viewed along three axes: local, NATO-focused, and global"

6. Even relatively benign views of Russian thinking must consider that Moscow foresees a period of confrontation with the West, and that the potential for armed conflict cannot be dismissed. Russia's political and military leadership has been thinking for many years about how to deter and if necessary declaw or defeat NATO. Central to any Russian "theory of victory" is the idea that Russia can create a fait accompli in its region that NATO could overturn only at very high cost. Russia can raise those costs, and thereby create disincentives to Western responses, by developing escalation options that cater to Russia's stake in the conflict, its local military superiority, and its force structure, including nonstrategic nuclear forces. Asymmetries in interest and capabilities lend credibility to political actions and military threats that would seek to

weaken NATO unity and separate the US from its allies, slow down the mobilization and deployment of conventional forces, and leverage information, cyber, special forces, space/counter-space, long-range strike and nuclear capabilities for coercive, deterrence, and operational purposes. The requirements to apply this "theory of victory" have driven Russian operational and programmatic innovation for 20 years.

7. Of course, a theory of victory is not a plan of attack. Aspects of this theory may be on display in Ukraine, but this is a far different matter from applying it to a NATO member such as one of the Baltic states. It is not clear whether Putin and his circle believe they can create a fait accompli or some sort of "frozen conflict" in Latvia, Lithuania, or Estonia. Certainly this would carry very high risks for Moscow, fearful as it is of US military power. Reinforcing this caution is a priority task for the Alliance. Russia nonetheless has made significant strides in developing the capability to use force effectively in its near abroad in order to deter Western intervention. Comparing Russian operations in Ukraine with those in Grozny two decades ago reveals the gains that have been made. Russia's application of force is far from efficient, and there are limits to what the military-industrial complex can produce, but with continuing effort a 21st century force suited to Russia's needs may be achievable.

8. Some observers use "hybrid warfare" to describe the constellation of tactics and capabilities Moscow has developed. While this term is not universally accepted, there appears to be a common view that Russia has a well-developed though continually evolving concept for employing a range of coercive tactics and calibrating the application of conventional and unconventional military power. Whether one refers to this as hybrid warfare, asymmetric warfare, effects-based operations, or simply grand strategy using all instruments of national power, Russia is working deliberately to integrate "soft" and "hard" power instruments organizationally and in practice. Soft power most frequently takes the form of information operations that seek to shape elite and mass public opinion by asserting and controlling a strategic narrative, with the goal of undermining political cohesion and constraining responses to Russian actions. These operations at times may be quite sophisticated, but other means of soft power – economic, technological, cultural – remain underdeveloped. As a result, Russia continues to be heavily reliant on traditional forms of military power to protect and advance its interests.

9. Russia's military posture may be viewed along three axes: local, NATO-focused, and global. At the local level, i.e. in its own geographic zone, military power is seen as key to maintaining and expanding political influence and protecting Russian interests. Forces are structured to react to crises, including the defence of Russian or Russian-speaking populations, and engage in shows of force to discourage integration with the West and promote closer ties to Moscow.

10. Facing the West, Russia seeks to resist encirclement and maintain a sanctuary against NATO and US military potential. Russia sees itself as vulnerable to US high precision weaponry, and closing this gap is a high priority. Until that occurs, nuclear weapons are an essential stop-gap, and the increase in nuclear sabre-rattling seeks to intimidate and thus shape the political and psychological context for crisis at a time when Russia lacks the means to prevail in a major conventional military conflict in which the West has time to mobilize. Still, Russia envisions a "pre-nuclear" dimension of deterrence that relies on increasingly capable long-range systems, such as land-attack cruise missiles, to hold critical NATO targets at risk. Advanced air and missile defences are important, as well, and are now organized in a separate aerospace command.

11. To the rest of the world, Russia seeks to present itself as an important player that is not isolated, despite its conflicts with the West. Its sees its nuclear status as key to asserting global power standing and enlisting partners in balancing Western hegemony. Russian doctrine and policy emphasize greater cooperation with like-minded governments on regional security, military-industrial matters, and space.

12. Cyber capabilities and operations are a key element of Russia's larger doctrine for

information warfare, and are fully integrated into strategy and operations. This is not a separate or discrete domain of combat. As demonstrated in Ukraine, cyber operations focus on controlling the information space to enable the success of kinetic military operations, and doing so with a degree of plausible deniability.

13. Nuclear weapons remain central to Russia's sense of security and status, and to its coercive strategies. All nuclear force elements contribute to containing Western power and deterring efforts to limit Russian influence, and ensuring their credibility in Western eyes is essential. The survivability of long-range ballistic missile forces thus remains a preoccupation and is a current source of concern seen as potentially undermining first strike stability. Analysts point to operational measures being taken to enhance the survivability of Russia's sea-based strategic deterrent, such as increased patrols at sea, expansion of launch areas, and provision for surface launch capability in port. Likewise, Russia is taking steps to strengthen the survivability of its ICBM force, to include improved road-mobile systems and a new rail-mobile system. Despite statements suggesting an intensified modernization programme, structural constraints in force building limit what Russia can do to upgrade and expand its strategic nuclear forces. Should Russia decide to leave the New START treaty at some point, it could not simply move to produce many more systems.

14. Russian fears of a possible disarming first strike extend beyond pre-launch survivability concerns to the potential vulnerability of their long-range missiles to US and NATO ballistic missile defences. Regardless of whether these systems can objectively be argued to pose a realistic threat to Russia's deterrent, the belief that they do – or clearly will at some point in the future – is entrenched in Russian thinking. Once the Ukraine crises eases and permits the sides to re-engage on the BMD question, Moscow certainly will portray the situation as having deteriorated given the continued advance of NATO capabilities and deployments. In turn, some NATO governments are likely to begin seeing BMD capabilities as a useful means to deter Russian threats, even though the programme is neither configured for nor capable of neutralizing a large scale Russian missile attack. Finally, the continued growth in Russia's own advanced air and missile defence programmes will not go unnoticed by NATO governments and increasingly will be viewed in the context of the requirements to prevent or roll back Russian military gains in a local conflict where Russian integrated air defences are vital to success.

15. By contrast, nonstrategic weapons are a clear area of advantage for Russia, and some observers see the systematic improvement and build-up of these capabilities as part of a deliberate strategy to create coercive options that in a crisis could decouple US and NATO allies. These options may include tactical nuclear weapons with very low yields for discrete use on the battlefield. Exercises in the past have featured the simulated employment of nonstrategic nuclear weapons to bring operations to a culmination in support of Russian objectives, though the most recent exercises, such as ZAPAD 2013, appear to place little or no emphasis on the nuclear dimension. Whether this indicates a trend toward reduced reliance on nuclear weapons is not clear. Regardless, many view the imbalance in nonstrategic weapons as strategically significant and in need of redress, even if one accepts that these forces play a role in Russia's strategy for deterring conflict with China.

Strengthening deterrence and defence in the near-term

16. That Moscow apparently believes it can use force to compel a change in the terms of European security points to the urgent task facing NATO: to restore the credibility of its deterrence posture in the eyes of Russian leaders in order to protect the sovereignty and independence of NATO members, and to deter further Russian efforts to revise the status quo through acts of ambiguous or outright aggression. This task requires NATO to possess an integrated strategy that recognises the importance of conveying strength, readiness, and the ability to act quickly. As the very unity of the North Atlantic community is a key Russian target, it is essential for NATO to demonstrate firmness

and consistency on policies ranging from economic sanctions to enhanced military preparedness. Strengthening deterrence and assurance requires raising the costs of bad behaviour, establishing a more robust military posture in NATO's centre and east, developing strategies to counter Russia's approach to conflict, and helping non-NATO states on Russia's periphery reduce their vulnerability to Russian pressure.

17. There is an immediate need to bolster assurance and deterrence in the Baltics, where Russia enjoys military advantage and where the core proposition underlying NATO security guarantees – that an attack on one is an attack on all to be responded to by all – is most in question. NATO can assemble superior conventional forces, but only through a lengthy mobilization process that may not be timely enough to prevent or roll back local or regional faits accompli. Moscow may have no intention of moving against one or more of the Baltic states, but the local military imbalance gives it leverage in shaping the security environment, keeps friendly governments on edge, and could create an incentive to act under certain circumstances. The choice to accept this imbalance can no longer be justified in light of Russia's actions; steps to redress it are necessary to ease NATO's most acute security concerns post-Ukraine and remind Moscow of the risks that would attend any effort to violate the territorial integrity of an Alliance member.

18. Bolstering collective defence and Article 5 assurances in the east requires greater and more persistent US and multinational military presence and larger pre-positioned stocks, supported by increased defence spending, enhanced rapid response capability, and more serious contingency planning that anticipates Russia's use of hybrid warfare tactics. NATO's Wales Summit Declaration in September 2014 recognises the importance of moving in this direction and takes a number of supportive decisions as part of the approved NATO Readiness Action Plan. Steps to enhance assurance emphasize increased ground, air and naval presence in the Baltic region, surveillance flights, and expanded exercises and training. Steps to increase readiness and accelerate adaptation of NATO's military posture include strengthening the NATO Response Force and Standing Naval Forces, establishing a multinational command and control presence in the east, improved pre-positioning and reinforcement capacity, and updating defence planning for eastern contingencies. Full implementation of this plan should yield significant near-term assurance and deterrence benefits.

Countering hybrid warfare

19. Developing an effective counter to Russia's hybrid warfare threats is a longer-term challenge for which NATO today has no clear approach. How to deter and defeat a locally superior power prepared to act quickly across multiple domains and escalate if necessary, including to the nuclear level? The answer is not obvious, given limitations in NATO's capabilities, its collective will to invest appropriately in defence, and its conceptual thinking on new threats posed by Russia. NATO's capability gaps today are significant. Hybrid warfare campaigns deliberately seek to blur the distinction between peace, crisis, and war in the way they combine overt and covert military, paramilitary and non-military actions. This may place significant stresses on the distinction NATO historically has drawn between crisis management and collective defence – a formulation and set of practices that may now need to be reassessed. Because hybrid campaigns are difficult to detect in their earliest "shaping" stage, they also pose a challenge to traditional indications and warning methodologies, which need to adapt to better discern ambiguous Russian actions and the strategic intent behind them.

20. The role of information operations and the "battle of narratives" are central to Russia's approach, as well, particularly where Moscow seeks to exploit social and political grievances (real or manufactured) to advance its security agenda. This is of particular concern in member or partner countries with sizable ethnic Russian or Russian-speaking populations or that exist in a strategic "grey zone" between NATO and Russia

"Countering hybrid warfare is a longer-term challenge, for which NATO currently has no clear approach"

(e.g., Moldova, Georgia, Ukraine) and whose weaknesses in governance and social cohesion make them vulnerable to Russian pressure and create pretexts for Russian coercive campaigns. NATO must find a way to help these states reduce these vulnerabilities. The majority of NATO governments and societies may be sufficiently resistant to Russian information strategies, and the Alliance has recently recognized the importance of strategic communications, but the fact is that NATO lacks the capabilities to compete effectively in the information sphere or a strategy to develop these tools.

21. Cyber operations or various forms of cyberwar can create even greater vulnerabilities and instabilities in a potential standoff with Russia, in part because they challenge classical conceptions of the escalation process. This can produce great strains on crisis management and decision-making as traditionally linear and material notions of conflict give way to the reality of a more fluid and virtual battlespace. NATO has recognized the importance of cyber-defence, but here too there is much conceptual and practical work to do to integrate cyber into the framework of collective defence. Clearly, the more resilient governments, economies and societies are to cyberattacks, the easier it will be to deny their effects and manage the escalation risks they pose. Likewise, the ability to attribute and respond to cyberattacks clearly can contribute to deterrence. But are strengthening denial, resilience, attribution, and response a collective or national responsibility – or both? Can NATO define in practical and legal terms what constitutes cyberwar? Can it define under what circumstances a cyberattack constitutes an Article 5 contingency? Is it possible to establish either an effective framework for cyber-deterrence or agreed "rules of the road" with Russia in the hope of avoiding the worst possible cyber outcomes in terms of damage and escalation risk? Complex questions such as these will become unavoidable as cyber threats grow.

22. The space domain raises deterrence challenges, as well. The United States and NATO are heavily reliant on space capabilities as the backbone of global and regional networked warfare and to enable "reconnaissance strike complexes" that link systems and forces with real-time information. This makes space assets – which are largely undefended – a highly attractive target for Russia during crisis and conflict, and the West should not expect space to be a sanctuary. Traditional approaches to deterrence are problematic because Russia is not likely to fear in-kind retaliatory attacks and escalatory responses to actions such as anti-satellite strikes may lack credibility. This may invite Russian risk-taking. More plausible than a cost imposition strategy is a "deterrence by denial" approach that seeks to reduce the likely success of counter-space operations and thereby give the attacker pause in launching such attacks. This requires an emphasis in policy and doctrine on defending one's space assets and demonstrating restraint in developing offensive capabilities in the hope of establishing a presumptive norm against fighting a war in space. The requirements to reduce the vulnerability of space systems are well understood, but capabilities lag and it likely will be 10-20 years before space architectures are significantly more resilient. As with cyber, there may be merit in establishing a code of conduct for spacefaring nations, especially in light of the West's reliance on and current advantage in the space domain.

The nuclear dimension

"NATO probably needs to conduct a follow-on to the 2012 DDPR"

23. There are diverse views on both sides of the Atlantic with respect to NATO's nuclear posture in the aftermath of Ukraine. These views coalesce around three distinct approaches to the nuclear question. The argument for withdrawing US nuclear weapons forward deployed in Europe rests on the judgment that their limited utility has been reinforced by recent events. Their presence has done nothing to restrain Russia from engaging in aggression and issuing nuclear threats, and they represent no part of the practical set of measures being taken to respond to Russian actions. As Russian aggression and hybrid warfare tactics are a predominantly non-nuclear threat, a renewed commitment to conventional deterrence and defence is NATO's most urgent

task, and one that can best be signalled and motivated by removing the B61s. The Alliance should focus on those areas where it has a reasonable prospect of achieving advantage and shed missions, such as tactical nuclear weapons, that don't offer a realistic prospect of strengthening collective defence.

24. The argument for retaining US nuclear weapons in Europe rests on the judgment that removing them now in the shadow of the current crisis – or in the foreseeable future, for that matter – would signal weakness, encourage US disengagement, and do nothing to moderate Russian behaviour. In fact, it could have the opposite effect by helping Moscow realize one of its longstanding strategic goals in Europe. Further, it is not clear that NATO will be able to establish effective deterrence based principally on non-nuclear capabilities; in any case, the Alliance must be able to deter and defend across the strategic-operational spectrum. But post-Ukraine this argument does not extend to changing NATO's current nuclear posture or sharing arrangements by, for instance, re-locating B61s and dual-capable aircraft to the territory of eastern members such as Poland. Here, the argument is to maintain the status quo and not provide Moscow with an opportunity to further ratchet-up nuclear threats.

25. A third approach is premised on the belief that Russian nuclear doctrine and threats cannot be dismissed, and in fact compel NATO to re-examine its nuclear strategy, or at least the salience of nuclear deterrence in collective defence. Moscow's stated willingness to leverage its nuclear forces to deter NATO action in the event of a limited conflict in the east – and the persistent sabre-rattling seeming to reinforce such threats – has created a new situation. Whereas over the past two decades NATO has downplayed the role of nuclear weapons while pursuing partnership with Russia, today the Alliance faces the possibility that Russia will attempt a fait accompli using hybrid warfare tactics and then threaten escalation to the nuclear level should NATO move to respond militarily. Russia also seems prepared, as evinced in doctrine and exercises, to use nuclear weapons in a limited way to "de-escalate" a conflict if its position is threatened. Either way, the prominence of the nuclear dimension in Russian thinking stands in sharp contrast to NATO's institutional outlook and creates openings for Moscow to pursue coercive strategies, create "nuclear anxiety" among NATO publics, and attempt to paralyze Alliance decision-making in a crisis. In existing nuclear policy forums NATO is assessing the implications of developments in Russian doctrine and behaviour. Options to adapt to these developments may encompass declaratory policy, readiness levels, capability requirements, operational planning, sharing arrangements, et al. As an example, advocates for a more responsive nuclear posture argue for better integrating "new" members into the nuclear mission, or for planning more seriously and deliberately for NATO's limited use of nuclear weapons to create de-escalation options of its own. To fully assess the nuclear implications of today's threat environment NATO probably needs to conduct a follow-on to the 2012 Deterrence and Defence Posture Review (DDPR).

The economic dimension

26. Economic and financial sanctions have emerged in recent years as a preferred tool to address challenges posed by problem states. Apart from expressing the international community's will to defend global norms of behaviour, economic penalties are widely viewed as a form of punishment, cost imposition and compellence, rather than deterrence. Sanctions were imposed on Iran to compel it to negotiate on its nuclear program. Sanctions against Russia after its actions in Ukraine likewise were intended to impose costs in order to force a change in behaviour; Moscow, it was hoped, would have to reconsider its course of action in Ukraine and either withdraw or negotiate an acceptable resolution. The scope of these sanctions may have surprised the regime, but opinions vary on their impact to date. By most accounts, the sanctions have been moderate, not severe, designed as much to rally NATO allies and demonstrate unity in confronting Moscow as to inflict the deepest possible pain on Russia. Sanctions on individuals are widely seen as having had limited impact, and may even have served to

strengthen regime and elite solidarity. Sanctions on entities are more painful, but Russia has largely adapted to these and developed workarounds.

27. These measures are generally seen as having placed a strain on Russia's economy but not fundamentally weakened its economic viability; Moscow has a strong balance sheet, large reserves, and little debt, and appears to have weathered the storm. Sanctions do not appear to have compelled Russia to re-think its core objectives in Ukraine, but the fear of more severe sanctions may have shaped its tactics and led it to intervene militarily in a less overt way, thus buying time for the Kyiv government. Some observers go further, suggesting that Moscow was deterred from launching a broader offensive in Ukraine by the fear of additional economic penalties. An alternative view holds that it was never Moscow's intention to wage a larger military campaign, fearful that this would be deeply unpopular at home. This bears on the continuing discussion of whether tougher sanctions could yet have a decisive effect on Russia's calculations going forward. Sanctions with sharper teeth would look more like those imposed on Iran, targeting entire sectors of the economy and access to global financial networks. These almost certainly would result in deeper economic pain, and Moscow has warned against denying Russia access to the SWIFT global electronic payments system.

28. Would the prospect of deeper pain yield meaningful behaviour change? Expert opinion diverges on this point. Some believe the threat of tougher sanctions that could damage key economic sectors (particularly finance) and accelerate capital flight could drive Moscow toward a more conciliatory position. Others believe crippling sanctions would humiliate Russia and thereby work against an acceptable outcome to the Ukraine crisis, but that in any case Moscow probably does not consider this a credible threat. Still others question the basic premise of economic coercion as a policy tool when confronting Russia, seeing its security imperatives as too powerful to be derailed by even significant economic disruption. Those running Russia today are not technocrats but "securocrats" or "siloviki," drawn from the security services and unlikely to be moved by economic pressures to alter foreign and military policy. The political costs of conceding to such pressures are simply too high. The regime is therefore prepared to accept a lot of pain, and sees the West as unwilling to inflict such pain. Indeed, many Western governments that see sanctions as an effective coercive tool also worry about taking steps that could lead to the collapse of the Russian economy and the instabilities that likely would follow. If tougher sanctions are not forthcoming, NATO will have to consider other strategies to modify Russian policy, for example, providing greater military assistance to Ukraine.

29. If the asymmetry of Russian and NATO stakes limits the utility of sanctions with respect to Ukraine, could they be more decisive in deterring Russian moves against a NATO member, especially one of the Baltic states? The Alliance should consider adopting declaratory policies that signal its willingness to impose crippling sanctions on Russia should it attempt to invade or otherwise violate the sovereignty of a NATO member.

Conclusions

Whether its attitudes and actions emanate from strength or weakness, strategic vision or tactical opportunity, Russia is embarked on a course that openly challenges the post-Cold War security order in Europe. Further, Moscow's model of political and economic governance now diverges sharply from Western and North Atlantic norms. As a result, meaningful partnership with Russia in the foreseeable future is not possible.   Working with Russia on common problems (e.g., Iran) is still necessary and it is important, as well, to leave the door open to the restoration of more normal relations when conditions warrant. But Putin's demand for "new rules or no rules" is rightly rejected by the West for the revisionism it represents.

Russia can be expected to continue to leverage its local military advantage, use of proxies and special forces, and manipulation of the information sphere to destabilize Ukraine, keep Baltic governments on edge, and test Alliance unity and resolve. NATO must reinforce deterrence and enhance preparedness through multiple means: ensuring an outcome in

Ukraine that does not reward Russian aggression and secures Kyiv's independence; fully implementing the Wales Summit commitments, in particular the Readiness Action Plan; and signalling clearly to Moscow that NATO is able and willing to bear the costs and risks of defending itself. Additional measures to strengthen collective defence capabilities will be proposed by NATO governments in 2016, to include improved infrastructure in the East and responses to Russia's nuclear strategy.

But the "new normal" in Europe also requires the Alliance to take stock of its ability to manage successfully what may be a long period of confrontation or tense relations with Russia. A quarter-century after the end of the Cold War, NATO finds itself struggling to understand a newly hostile Russia and the dynamic toolkit it now brings to contemporary conflict in a region close to its own power and far from where NATO once planned for war. While Russia's leaders clearly have been thinking about how to deter and defeat NATO, the Alliance has long viewed Russia through the lens of partnership rather than deterrence. Refreshing its own deterrence toolkit requires new thinking about new realities, rather than reverting to solutions that reflect deterrence challenges and agendas of the past. The strategy going forward must be "demand-driven" – shaped by the needs of this particular historical moment. Neither generic deterrence thinking nor armchair assessments of Russia will suffice. The Alliance must recommit to the task of conducting the fine grain analysis of Russian strategic thinking, doctrine and capabilities required to produce tailored deterrence and defence responses that undermine Russia's advantages and exploit its weaknesses.   The effective collaboration of regional and functional experts will be critical to achieving this.

Paul Bernstein
Wilton Park | August 2015

Wilton Park reports are brief summaries of the main points and conclusions of a conference. The reports reflect rapporteurs' personal interpretations of the proceedings – as such they do not constitute any institutional policy of Wilton Park nor do they necessarily represent the views of the rapporteur.

Should you wish to read other Wilton Park reports, or participate in upcoming Wilton Park conferences, please consult our website www.wiltonpark.org.uk

To receive our newsletter and latest updates on conferences subscribe to https://www.wiltonpark.org.uk/newsletter/