

Conclusion

ROBERT LEGVOLD AND CELESTE A. WALLANDER

Europe's new gray zone lies to the east in Belarus, Ukraine, and Moldova. There, caught between an expanding but closed EU and a once imperial Russian master, these countries create a gaping hole in Europe's supposed security system. They are the new "lands in between," Eastern Europe's historically rueful lot. Like Eastern Europe in the nineteenth century and the first half of the twentieth, the big powers that flank them have a large and potentially competing stake in them, and yet, none of the arrangements that bring safety and peace of mind to the rest of Europe offers protection to them. Whether the Europeans or the Americans—to the extent that U.S. security still depends on a stable Europe—know it, trouble in or around any of the three will shake the unsteady new architecture of European security more violently than any other imaginable rupture. Or, even if the peace holds in and for all three, the turbulence from simple tension between Belarus and Ukraine or between either and Russia will significantly affect first Central Europe and then Europe at large. Even short of disorder or tension, as history shows, the restlessness and anxieties of unanchored states in Europe's gray zones often lead to problems among Europe's major powers. Nor need one think only of the ways Belarus and Ukraine could undo political stability in Europe. As the Europeans, indeed, do realize, the three countries are the unsecured backdoor through which all manner of harm—from heroin to human trafficking—makes its way to the West.

None of the authors in this book suggests that either Belarus or Ukraine is a large or looming threat to the peace and stability of Europe, or that the security threats that each faces or thinks it faces cannot be countered. Indeed, a thread running through a good deal of the book stresses how much this is a moment of opportunity, if leadership in all three quarters—Russia, the West, and the two countries themselves—will seize it. For the most part, the international environment has turned out to be more benign than elites in either country once feared. Trends

inside both countries, while scarcely guaranteeing success or even long-term stability, pose no immediate threat. Even better, the recent evolution in Russian foreign policy and the promising turn in Russia's relations with the West open to Ukraine and Belarus the prospect of collaborating in both directions, provided their leaderships are willing to make the right choices at home.

On the other hand, none of us underestimates just how complex and involved the circumstance of these two countries is; how large and unresolved the challenge of providing for national security remains; and, in particular, how centrally economics figures at almost every turn. We began this book by stressing the underlying universal dilemmas written into the linkage between economics and security. Trade and, in an increasingly globalized economy, shared production are essential to every nation's economic growth and prosperity, and growth and prosperity are the props without which there cannot be national security.

Simultaneously, however, economic ties, particularly when needed by one party more than the other, erode the autonomy also essential to security. Belarus and Ukraine, as earlier chapters make plain, suffer the dilemma more than most. When it comes to the distribution of leverage in economic relationships with Russia, both are on the short end. Yet, each has responded to the dilemma very differently, even though the contrast has grown fuzzier as each leadership has run up against external realities stubbornly impervious to its original calculations. Explaining the reason for the very different paths chosen by the two countries forms one central purpose of this book. Exploring where these paths have led and how unexpected obstacles have complicated and then rerouted them constitutes the other. Both the explanation and the exploration serve as the basis for considering what each party to the story—Belarus and Ukraine, the United States and Europe, and Russia—can and should do about it, particularly when the “can” and “should” may be quite different. That is the primary task of these concluding pages.

The roots of the problem are not where logic would suggest—at least, not at first glance. They are not in the profound structural constraints that circumscribe the two countries. Not in a historical legacy that makes them prisoner to the remnants of an imperial past. Not in the crushing dependency on Russian markets and energy resources with which they began independence. And not in the shadow cast by a giant, conflicted Russian neighbor. While real enough, these burdens, it would

appear, do not turn out to be decisive. They fail to explain the sharply contrasting Belarusian and Ukrainian conception of threat and choice of strategic course. Being common to the two countries, these overarching constraints cannot alone account for very different outcomes.

As several of our co-authors argue, subjective realities rival, if not trump, structural realities. What counts most is what political leaders and elites make of the past, of economic dependency, and of the Russian factor. Because at the outset Ukrainian leaders saw their country's economic dependence on Russia as the gravest threat to their national independence, everything, including economic reform, took a back seat to escaping it—everything, that is, as Wilson and Rontoyanni underscore, except the sacrifice needed to succeed. In contrast, the Belarusian leadership, even before Lukashenko came to power, regarded Russian influence as natural, even positive. The country's near-complete dependence on Russia for oil and gas, Abdelal argues, was not so much a threat as a solution. Thus, say Wilson, Rontoyanni, and Abdelal, what really mattered was the outlook of political elites, and the outlook of political elites depended on which concatenation of elite views prevailed. So, it would seem, the key to understanding the security challenge in this part of the world, at least as it exists in the minds of Belarusians and Ukrainians, is in reconstructing the lineup among political elites and tracking changes to it.

On closer examination, however, things are more complicated. Ultimately, the structural givens do matter; ultimately, external realities do write the script, do cut and shape the hopes and preferences of those guiding policy. How history and geography have configured the political maps of these two countries goes a long way toward explaining both the distribution and relative strength of elite views. Had western Ukraine been a part of the imperial core as long and as fully as the country's eastern half, rather than sharing Poland's fate for much of modern history, Ukrainian nationalism would look different, and the balance between those naturally suspicious of Russia and those who naturally identify with Russia would differ as well. Had Belarusian national identity been shaped by as sharp a divide as exists in Ukraine, the balance would not be as monochromatically sympathetic to Russia as it is. This is not to say that historical effects are omnipotent, let alone forever so. First, viewed within the still longer time-frame of their pre-seventeenth century "southern Rus" or "Ruthenian" common identity, the two countries have tended, as Wilson and Rontoyanni put it, "to pivot on a fulcrum between the rival attractions of

‘Europe’ and the all-Russian/Soviet/East Slavic idea.” Quoting further, national identity “can still be understood in terms of these divided pulls, with Russophile and Europhile extremes flanking a middle ground in both states,” and nothing guarantees that the momentary tilt among the three will remain immutable. Second, history is a river with many tributaries, leading after several junctures in very different directions, reminding us that contingency and the role of strong personalities often deflect the inertia of history. In the end it is the interplay of historical imprint, politics, and human choice that determines the outcome.

However, if one theme stands out from the analysis in previous chapters, it is how much hard realities have intruded, upsetting and redirecting plans, preferences, and preconceptions. In Ukraine at the outset, the prevailing view had it that economic dependence on Russia constituted the single most important threat to national security, and everything should be sacrificed to breaking it, including economic reform. To frame the challenge in this fashion required a combination of myth-making and wishful thinking, and external realities cooperated in preserving neither. Wilson and Rontoyanni refer to the initial notion that Ukraine had the resources (potentially a self-sustaining internal market), the prospect (potentially a ready set of Western economic partners), and the reason (presumably past Russian economic exploitation) to break away from Russia. Scarcely two years into independence, however, all three assumptions had crumpled. Dependence on Russian markets and energy was simply too great to side-step. Trade collapsed, debts (to Russia) mounted, and old-guard industrialists who suffered the most rebelled. By 1994, as our authors note, Ukraine’s new president was admitting that “Ukrainian statehood cannot be an end in itself,” and by 1997 a new National Security Concept had pretty much come full circle, stressing that national security and national economic welfare were inseparable.

The retreat, of course, was more intricate and winding than this suggests. Many elements interacted: trimming on the part of the nationalists and a shift in their partnership with emerging Ukrainian capital, the gradual easing of the perceived Russian threat, eventually a readiness to work with Russian investors when Western money failed to flow, and so on. We cannot tell from the argument of our co-authors whether these external realities and deceived hopes produced changes in the orientation of the battling camps or whether these changes resulted from other causes and then the new constellation of players adjusted to a world that had con-

founded prior assumptions—or if conceivably the two explanations operated in tandem. However that may be, in the end hard realities in the outside world have been central to understanding the shifting relationship between economics and security in the Ukrainian case.

In the Belarusian case, they have also played a key role, and with the same effect, but in a very different form. The imperious character of hard reality has been slower to develop, and the adjustment on the part of the Belarusian leadership, delayed and partial. Rather than as a peril, from the start and for long the Belarusian political elite regarded Russia's economic embrace as a necessary and largely desirable feature of the country's existence. After more than a decade and a half of independence, as Burakovsky notes, Belarus remains one of two countries (the other being weak and war-torn Tajikistan) that buys and sells almost entirely within the CIS region. Behind this fact lies buried the essence of the Belarusian linkage between economics and security. For Belarus, like Ukraine, has subordinated economic concerns to security calculations, only in this instance the Russian dimension is inverse. What was for Ukraine at the outset a (Russian) threat has become a part of the solution, while next door, what was early the (Russian) solution is increasingly coming to be a threat. Even before Aleksandr Lukashenko's 1994 election, the largely intact *nomenklatura* class that clung to power preferred to keep things as much as possible as they were, rather than risk the disruptions and threat to their control from significant change. Lukashenko has made preserving what he regards as the positive features of the Soviet system a priority of his decade-long rule. This, together with saving his own personal power, then serves as the core of the regime's national security agenda. Just as originally in Ukraine economic progress was sacrificed to security, defined as ending dependence on Russia, in Belarus for much longer economic progress has also been sacrificed to security, defined as preserving the political status quo.

But in the last several years that objective has come under threat, and the unexpected source is Russia. From the beginning Russia has been the mainstay of the Belarusian economy. Its subsidies, particularly in energy, currency-stabilization funds, and role as a customer have sustained the unreconstructed Belarusian economy, and, thus, lent stability to the political regime. While Moscow remains committed to a close Russian-Belarusian partnership, even to integration of the two economies, increasingly under Putin's leadership Belarus's stalled reform is seen as a

hopeless drag on the economic relationship. Rather than cut ties that no Russian leadership would or could abandon, Putin and his people have begun setting far stiffer standards not only for the planned “union” but even for workaday economic relations. While Lukashenko bit by bit has accepted fragments of reform, Russia is pushing for something much deeper and faster, thereby threatening his capacity to dictate the shape of the local economic environment and, by extension, the political landscape. Thus, later than in Ukraine, but as inexorably, original expectations have come or are coming to grief when external realities set in.

At the same time, over the intervening years, the nature of the security challenge facing Belarus and Ukraine has shifted in subtle but profound ways. Less and less are the threats traditional, direct, and militarily suffused. Neither Ukraine nor Belarus faces an adversary in a sour or aggressive mood, ready to reach for the sword or, short of that, to wave it threateningly. Neither any longer need fear that chaos on its borders will spill across onto it, or that frictions within will tear the country apart. Instead with each passing year, the economic factor bears increasingly on their ability to ensure internal safety, stability, and independence. True, in Belarus, the country least threatened by aggressive neighbors or nearby violence, the leadership appears not to know it: Lukashenko still harps on the threat posed by NATO, as in June 2003 when talk of the United States moving bases to Poland provoked a reflexive outburst. “We certainly consider this redeployment a threat to our security and our interests,” he said.¹ “They are running huge risks. They are relocating their forces within the reach of our weapons.” And the evidence suggests that he genuinely believes some NATO countries, none more than the United States, are intent on subverting his rule, if necessary by covert methods. Even he, however, understands that the real threat to his authority and to the country’s stability lies elsewhere. What he rightly really worries about are economic influences, both foreign and domestic, that risk escaping his control.

There is an irony here: At a time when the stronger powers, including the strongest, are increasingly preoccupied with new variations on old security threats, including a vulnerability to catastrophic violence, only this time from global terrorism, Belarus and Ukraine have less to worry

¹ “Belarusian President Explains Union Setbacks by Coming Election Polls,” BBC Monitoring International Reports, June 4, 2003.

about in this respect; instead they find the economic challenges they long dismissed at the center of their concerns. Neither the Belarusian nor Ukrainian leadership spends much time worrying about weapons of mass destruction or the connection between WMD, global terrorism, and rogue states. If anything, they have been willing to look the other way when elements of their vast but dilapidated military-industrial complex sell arms to these states.

Theirs is a different problem. As Perepelitsa's chapter underscores, the threat is to, not from, their hard-pressed military industry. In countries where defense production long accounted for a high percentage of industrial production (70 percent in Belarus, 35 percent in Ukraine), but whose product neither fits the needs of their new national militaries nor has anywhere to go but foreign markets, this most fundamental prop for and measure of national independence is missing. When 80 percent of defense industry depends on the supply of components from Russia, as is true in Ukraine, and when a still higher percentage of the defense industry depends on Russian orders, as is true in Belarus, national leaders find it hard to reorient—or in Belarus's case even conceive of reorienting—the defense-industrial complex toward national independence.

On the contrary, to Perepelitsa's chagrin, Kuchma and company are more, not less, inclined to tie defense production into the Russian military-industrial complex. Not only do Ukrainian leaders openly accept that Ukrainian forces cannot be re-equipped by any country other than Russia, they lately have actively sought to weave the two countries more tightly together in managing arms exports to third markets and in promoting joint defense production. In Belarus's case, Lukashenko has never pretended that Belarusian defense industry was anything other than an appendage of Russian defense industry. But if he is beginning to waver in his enthusiasm for union with Russia, defense industry will be one of the areas least amenable to breaking free.

Belarus and Ukraine's thorough dependency on Russia in maintaining an industrial base for the nation's defense, not to mention almost the same level of dependency in securing vital energy supplies for the nation's economy, are the sharp surface edges of Ukraine's actual and Belarus's latent core security challenge: namely, how to cope with asymmetric interdependence when it is with a country that Ukraine does not fully trust and that Belarus may yet come to resist. For Belarus the inequality arises at every turn. The stark, elemental form resides in the fact that

Russia subsidizes ten percent of Belarusian GDP, and that without this crutch inflation would be much higher, social services eroded, unpaid wages a mounting threat, and economic growth an exposed fiction. The more subtle form exists in the implacable implication for genuine integration with Russia of the fact that Belarus's economy is five percent of Russia's. So long as the Belarusian leadership chooses to see this lopsided economic relationship as an advantage, national security remains in the background. The moment it comes to have doubts, the picture changes. The more serious the doubts, the more dramatically national security considerations re-enter.

In Ukraine's case the connections are less obvious, less easily disentangled. Putin, as Abdelal suggests, does not hint to his Ukrainian counterpart—let alone tell him—that Russia will refuse to work out a deal on the Ukrainian gas debt or will slap heavy duties on the Ukrainian steel pipeline unless Ukraine knuckles under and concedes Russia this or that foreign-policy objective. But the fact that the Ukrainian steel pipeline cannot overcome EU hurdles, and that Russia in the past has constrained this trade, produce an effect. In dozens of ways in dozens of areas Russia's active economic presence and Europe's inferior economic role slant Ukrainian decision-making. In the most basic sense, scarcely any major domestic choice, whether language legislation or constitutional reform, energy or education policy, occurs without at least a sideways glance toward the East.

Take military reform, one of the spheres where economics most directly impinges on defense: When the Soviet Union collapsed, Ukraine was left with the vast remnants of a military designed and deployed for war with NATO. Its share was nearly 800,000 troops, a Soviet officer corps, and great quantities of heavy armor, all of it controlled from the Soviet center. There was, as James Sherr says, no Ministry of Defense, no General Staff, and no central organs of command and control. They, the troops and officers, "were not an army," but "a force grouping."² "They were not equipped, deployed, or trained to defend Ukraine. They were bone and muscle without heart or brain." Ukraine, thus, faced the enormous task of first creating the basic institutions of national defense and then somehow reworking the hulking, maladapted detritus of the Red

² James Sherr, "Ukraine's Defense Reform: An Update," Conflict Studies Research Center (Royal Military Academy Sandhurst), July 2002, p. 1.

Army into a functioning, affordable military shield appropriate to Ukrainian needs.

It has been slow going. Through the first half-decade of Ukrainian independence, enormous energy was expended in simply imposing a national form on the men and arms on Ukrainian territory. In the second half-decade, after the formal promulgation of the 1997 National Security Concept, Ukraine supposedly set about reducing, recasting, and rationalizing its inherited military. But notwithstanding considerable pressure and technical advice from NATO, not much happened. In 2000 the government took another step, adopting the State Program of Armed Forces Reform and Development 2001–2005, a more concrete plan spelling out organizational changes, timetables for moving to an all-volunteer force, a modernized military education system, and the consolidation of services. Three years later, in June 2003, an exercised Kuchma sacked his defense minister and replaced him with Yevhen Marchuk, Ukraine's first civilian minister of defense, because in too many respects too little had been done. In April Kuchma, at a secret meeting with defense officials, had lashed out against a military that seemed incapable of shedding a top-heavy officer corps (stuck on a 1:1.1 ratio of senior to junior officers versus 1:1.7 in "leading states"); that continued to churn out from its military schools from 70 to 300 percent more graduates than needed; whose "combat training standards are too low to enable personnel to carry out their duties effectively"; that allocated one-tenth of one percent of its budget for combat training, three percent for weapons acquisition, and 1.5 percent for research and development; that provided less than \$2000 per serviceman, when \$10,000 was at the very bottom end of an international standard; whose youngest and ablest officers were 60 percent of those leaving the services; and on he continued.³ In sum, said he, "the current situation is as follows: Ukraine is keeping the largest army in Europe without a real war threat and is unable to reduce its size because of a lack of funds, at the same time spending billions of hryvnyas on activities unrelated to ensuring the armed forces' operational efficiency."

Kuchma knew as well as his NATO interlocutors or the community of defense experts that change came so hard because old ways of thinking persisted throughout much of the military hierarchy and because, unsur-

³ Unattributed report with large excerpts from a putative but unacknowledged speech by Kuchma in *Svoboda* (Kiev), May 13, 2003.

prisingly, most of the officer corps resisted real downsizing and force rationalization as a direct threat to them. Burdensome as these weights were, still greater was the impact of economics. To execute the military reform promised by the State Program and collateral documents required a budgetary commitment of no less than three percent of GDP. Ukraine, however, has been able to muster barely 1.5 percent. The consequences then echo in the specifics of decay. Air defense units train at 12 percent of program requirements; naval units are at sea 14 percent of a normal schedule; weapons, military hardware, and munitions deteriorate, the bulk of which will become “unserviceable by 2005” and even dangerous to use for training; less than 12 percent of the funds needed to repair and maintain defense facilities are ever available; nearly 50,000 active-duty and 23,000 demobilized servicemen are without housing; and so on.⁴ In 2002, Major General Valeriy Muntiy, Assistant to the Defense Minister for Budget and Financial-Economic Activity, warned that without a basic change in defense funding “the armed forces have no more than five years until self-ruination.”⁵

Economics, therefore, gravely hampers the constructive transformation of Ukraine’s defense potential. Often, however, it works its effect in combination with hidebound military attitudes and self-serving rear-guard actions. For example, while downsizing is without question expensive, the military’s claim that reducing men and units costs twice as much as keeping them is more convenient than correct. As Kuchma admonished his military audience, the higher costs apply only to combat units, seven percent of the armed forces, not to support formations. Equally important, the slow pace by which civilians are substituted for old-line military with durable Soviet mentalities, again partly for economic reasons, has helped to preserve dated threat perceptions and traditional responses. Ukraine retains tanks, artillery pieces, and fixed-wing aircraft in far greater numbers than make sense, not simply because getting rid of them costs money, but because the habit of planning for large-scale combat operations with a major adversary (NATO in the old days, more recently Russia, and maybe still NATO) remains ingrained. This then further starves funding for the rationalization of Ukraine’s defense.

⁴ This catalogue is from Kuchma’s speech to the Ministry of Defense cited in the previous footnote.

⁵ Sherr, “Ukraine’s Defense Reform: An Update,” p. 3.

Russia figures in this picture in many complex and frequently powerful ways, and so do the United States and NATO. Despite the somber series of delinquencies and deficiencies recited a moment ago, Ukraine *has* gradually embraced a more apt conception of national security. Beginning with the 1997 National Security Concept and bolstered by the law “On the Foundations of National Security,” adopted by the Verkhovna Rada in June 2003, Ukrainian leaders have developed a far more realistic assessment of the hierarchy of threat facing their country.⁶ The 1997 concept paper downplayed the stylized notion of general war, and placed higher the threat created by Ukraine to itself; that is, the threat represented by Ukraine’s internal weakness when considered alongside the possibility of instability on or within its borders. Hence, as Sherr notes, the National Concept stressed as the first of nine security challenges “the strengthening of civil society.”⁷

In the law “On the Foundations of National Security” the Ukrainians for the first time acknowledged a still more shadowy, but pressing set of threats: “the ‘merger of business and politics,’ attempts by shadow structures ‘to use the state’s military formations and law enforcement agencies in their own interests,’ monopolization of ‘energy supply sources’ and the perilous ecological condition of the country, which according to Yevhen Marchuk... has been responsible for the deaths of 70,000 Ukrainian citizens since independence.”⁸ Russia, of course, was the incarnation of the energy threat, and only Russia among outside players could plausibly be considered the target of concern over “business” mixing with “politics.” So, too, the 1997 reference to local crises exploited by others doubtless meant Russia, although Rumania and Belarus may also have been on Ukrainian minds. Thus, even a more measured and sensible outline of the security challenges facing the country still featured Russia—to the extent that the challenges originated beyond Ukrainian borders.

Here, however, the trail suddenly winds in complex directions. First, although Russia almost certainly best embodied the external dimension

⁶ An excellent analysis of the new Law on the Foundations of National Security and related undertakings is in James Sherr, “New Documents on Ukraine’s Security Policy: A Sound Basis for Action,” Conflict Studies Research Center (The Royal Military Academy Sandhurst), G121, June 2003.

⁷ Sherr, “New Documents,” p. 3.

⁸ Sherr, “New Documents,” p. 6.

of the new threat hierarchy, the fact that Ukrainian leaders had shifted their threat assessment and, indeed, now centered their concerns on the sources of threat from within, permitted a sounder basis for a rational Ukrainian defense. Alas, however, the new directions were not entirely freed of old biases. The fact that a residual uncertainty over how isolated Ukraine would remain from NATO and how conceivable, albeit improbable, military conflict with Russia was, continued to feed old habits of thought, which in turn thwarted the impulses toward progressive change. Thus, the Russian factor cut in two directions. As a threat it was less crudely perceived, making it easier for Ukraine to focus on genuine security challenges, but the ambiguities of Russia's approach to Ukraine coupled with pockets of old thinking in the Ukrainian defense establishment pulled in the other direction. To add to an already convoluted reality, Ukraine could not move to a more rational defense posture without Russian support. A streamlined military, including lighter, mobile, quick-reacting "forward defense forces," must be a re-equipped military, and, as Ukrainian leaders realize, that could only be done in cooperation with Russian defense industry. Put starkly, Ukraine's progress toward a military better suited to its needs (and eventual NATO membership) depended to no small degree on sorting out the Russian threat and making the most of an unavoidable dependency on Russia.

Nor was the West's role straightforward. NATO, true enough, for years had been the most significant external factor pushing Ukraine toward defense reform. Even before the 1997 "Distinctive Act of Partnership," accompanying the first round of NATO enlargement, and the elaborate web of joint working groups created to nudge Ukraine along, Brussels had begun lobbying Kyiv to cut and reshape its bloated and deformed armed forces. But, while NATO agents and agencies provided good technical guidance, many practical forms of cooperation, and constant inspiration, neither NATO nor, more to the point, the EU would do much to alleviate the core problem—the fundamental lack of resources essential for real reform. Moreover, in the void to which the West consigned Ukraine, the Ukrainians, never sure of how realistic their chances were of ever being welcomed into NATO or the EU, lapsed into the sullen and uncertain behavior of those on their own. Yeltsin's Russia was prone to the same syndrome in the late 1990s, and it produced a prickly, gyrating relationship with the West, particularly the United States. In Ukraine's case the result, beyond a lingering ambivalence over

the nature of the security challenge, has been to include Western organizations as part of the new threat. The 2003 law “On the Foundations of National Security” treats as a danger “interference in the domestic affairs of Ukraine” by international organizations and NGOs.

Or take a second illustration of Russia’s intricate and varicolored impact on Ukraine when economics and security intersect: Officially Ukraine is committed to pursuing its long-term security through integration into NATO and the EU. If anything over the last few years, the commitment has grown more emphatic and elaborate, enshrined in legislation and imposing formal proclamations. At the same time, at an increasing pace since 2000, Ukraine has drifted back toward greater economic collaboration with CIS states. More than that, Kuchma has taken a lead in advocating the creation of a free-trade regime among Ukraine, Russia, Belarus, and Kazakhstan. When the five leaders of these countries signed an agreement in Yalta September 19, 2003, establishing a so-called “Single Economic Space,” pledging to facilitate the free movement of commodities, labor, and capital by synchronizing tariff, customs, and transport regimes, the Ukrainian president was not merely going along with Moscow. He was committing Ukraine to a project that was as much his idea as the Russians’. As he said on the occasion, “When I was signing this document today, I had absolutely no doubt—not for a single moment—that it served the national interests of Ukraine. Under present conditions, when the European markets are closed for us... it’s better to have a real bird in hand than two in the bush.”⁹

He spoke as he did because this step was anything but universally applauded back home. Not only were opposition parties, particularly Our Ukraine, in full throat, his own foreign, economic, and justice ministers had publicly condemned the idea. Joining Russia in forming a free-trade area to the east, they all argued, would impair, perhaps fatally, Ukraine’s efforts to enter the WTO and still more its advance toward EU membership. The schism drove home three points: First, whatever the merit of the argument, virtually any meaningful participation in collaborative economic schemes with Russia was seen as thwarting Ukraine’s safe passage into Euro-Atlantic security structures. Yet, second, unless Ukraine was

⁹ Jan Maksymiuk, “Kuchma Signs Accord on CIS Single Economic Zone with ‘Reservations,’” *Poland, Belarus, and Ukraine*, RFE Report, Vol. 5, No. 5 (September 23, 2003).

ready to risk jeopardizing its near-term economic prospects by standing apart from the “bird in hand,” it had good reason to participate in arrangements enhancing its vital economic ties with its CIS neighbors. At a minimum, it dared not risk isolating itself from partners critical to its short-term economic prospects, whatever the likelihood that the four states would ever create a “single economic zone.”

The tension between the first and second points could be resolved, if all sides trusted the Russian leadership’s stated intentions—and if those intentions were as stated. Putin has insisted that Russia, Ukraine, and Belarus will strengthen their hand in negotiating WTO membership and in dealing with the EU by creating a more potent economic unity among themselves beforehand. But, given Russia’s natural determination to shape a free-trade zone according to its own needs and given the gap between its present practice and the demands of the WTO and EU, it is not clear that the enterprise will ease or speed Ukraine’s or Belarus’s accommodation with these institutions, a fear evident in Burakovsky’s chapter.

This leads to the third point. Russia’s impact on Ukraine’s economic choices is inherently divisive. Emotional and practical impulses collide, and invariably set one segment of the Ukrainian political elite against another. Here one comes to the larger significance of Ukraine’s and Belarus’s uneasy placement. Ukraine’s unresolved location in an undefined Europe (a *Europe européenne*, or a Europe from the Atlantic to the Urals?) already fractures the domestic political consensus in the country. The longer it remains so, the more likely internal discord and tension over the country’s basic orientation will grow. In Belarus the effect is likely to be quite different. As long as Lukashenko retains power, the loss of anchor, should the Russian option begin to dissipate, will not likely impel Belarus to move toward Europe, nor even in the unlikely event that it did would Europe fling open its doors. Instead the regime may well accept a deepening isolation rather than bend to outside pressures. If it does, the risk grows that it will seek solace and commerce within the universe of other pariah states.

WHAT IS TO BE DONE?

Ukraine and Belarus have no choice. Consciously or not, systematically or not, they have to respond to the economic dimension of national security. For others on the outside there is a choice: They can continue to

pass over a murky, vast, and shapeless subject, not bothering themselves with the hard but elusive question of what it means to contemplate Ukraine and Belarus as the new “lands between” or to treat their predicament as a tear in the fabric of European security. Or they can rise to the challenge, think past the all-too-understandable inclination to reduce the task to scattered but manageable fragments, and begin to devise a more ambitious and reflective response. What this would entail for Russia is obviously different from what it would mean for the United States and Western Europe, but the discrepancy is not so large as automatically assumed. Indeed, one of the key effects of a broader-visioned policy in both Russia and the West would be to exploit the new grounds for a more synchronized approach to the challenges facing Ukraine and Belarus. We will return to the point. The place to begin, however, is at the core.

Ukraine and Belarus

If relief can be had from the perils and pressures in the economic dimension of national security, it is in the first instance for Belarus and Ukraine to find it. In the end only they can create the underlying basis by which their vulnerabilities are softened and their sense of well-being strengthened. It is an obvious but essential point that, unless they have the wit and will to put their economies on a firm footing, allowing an escape from the infirmities, waste, and impediments left over from the past, they have scant possibility of easing the problem. Domestic economic progress, including changes attracting outside trade, aid, and investment, is a prerequisite for all else.

If, however, they can advance with reform, the prospect of having a measurable effect on their own fate begins to open to them. Already they have choices. The question is at what level they want to frame them: whether in broad, overarching, and fundamental terms, or more immediate, random, event-driven ways. The former is in the nature of “grand strategy,” and, while it is not clear that leaders or policymakers in either country are prepared to tackle the problem at this level, the concept itself clarifies the larger historical stakes and limns the possible.

Choice at the level of grand strategy is between two alternatives: One we will call “risk aversion,” borrowing terminology from economics; the other “balancing,” a commonplace notion in the international relations literature. In both cases we are lifting only the words, for as grand strate-

gy the notion is far more comprehensive than the specific behaviors usually meant. In its essence a risk-averse grand strategy is designed to spread risk; a balancing strategy accepts the concentration of risk and then seeks to offset it. Put less abstractly, the first approach would consciously and vigorously seek to promote deeper economic and security ties both with Europe and with Russia, while doing everything possible to ensure that ties in both directions were compatible. The second road would lead toward a clear alignment with either Europe or Russia, whatever the state of their mutual relations. True, in either case, but especially the first, even a determined and lucid commitment to a grand strategy can go only so far, unless permitted by the policies of the major powers.

The distinction between the two is not that a risk-averting strategy precludes full integration into the collective enterprises of either the West or, alternatively, the East, while a balancing strategy requires it. Integration can be made to fit with a grand strategy intended to spread risk, and a (weak) version of a grand strategy ready to concentrate and confront risk can be pursued even if integration in the chosen direction is out of reach. The distinction is in the spirit animating the choice and in the environment presupposed. The first starts from the assumption that, although risks cannot be eliminated, they can be minimized by having positive and elaborate relations with major neighbors on both sides. Furthermore, it assumes that the aggressive pursuit of involvements with Europe and Russia is not perforce a pursuit of mutually contradictory ends. The second, in contrast, rests on the conviction that the threats to the country over time will come more from one direction than another and that in the end basing security on a reconciliation with that country or group of countries can only be safely achieved by having what the Russians call a *krysha*, or protective “roof,” in the other camp.

In both Belarus and Ukraine, insofar as elements of a grand strategy exist, they have long tilted in the direction of “balancing”—more clearly in the case of Belarus, less uniformly or universally in the case of Ukraine. The most visible inclination has been to feature East or West in defining the core security challenge and, hence, to make affiliation with the other side the overarching goal. In Ukraine, of course, the politics of the issue is far more conflicted than in Belarus, and, depending on the moment and the weight given to Kuchma’s position, it can be argued that traces of both approaches float in and out. Still, over the long haul, the natural instinct among most of the national leadership has been to prefer

Western over Russian ties, even when reality balks.

The reason almost certainly stems from the separation of security from economics. Security when starkly conceived (or felt) makes it easier to classify threats and then to assign roles to other states accordingly. Introduce the economic dimension and the picture grows muddier. It becomes much harder to see challenges and opportunities in black-and-white terms or to overlook the two-sided character of key relationships. Thus, when economics and security are re-linked, a grand strategy focused on building relations in both directions looks less far-fetched from a purely conceptual point of view. Whether it can also meet the test of feasibility is a separate matter and, because the answer depends heavily on Europe's and Russia's policies, we will come back to it in that context.

Either choice, however, has as a fundamental prerequisite: internal reform. Ironically, to succeed a grand strategy of balancing sets this bar higher than a grand strategy of risk aversion. Neither Belarus nor Ukraine can hope to achieve the level of protection that it seeks through alignment without at least making its economic system compatible with the would-be partner, and in the case of Ukraine, both its economic and political systems with the EU and NATO. The alternative strategy also requires reform—and for Belarus it reintroduces the need to amend its domestic political order. But in the case of the risk-averting strategy the adjustments need not be as radical and simultaneous.

This is not the place to rehearse all that needs to be done to push Ukrainian reform to the next stage or to launch the process in Belarus. Rather, here we mean only to sketch the relationship between reform and grand strategy. In three general ways economic reform in the first instance and political reform indirectly but no less critically contribute to national security: first by increasing options, second by reducing dependency, and third by generating resources. Ukraine's choices, for example, are intimately tied to the range of international orientations open to it. If it had its druthers, Ukraine would like to reorient its economy more toward the West, but for the foreseeable future economic imperatives point eastward. A risk-averting grand strategy would seek to deepen economic relations in both directions, but in order to succeed deeper economic relations with Russia and Europe must be made compatible. At the moment Russia has more say in defining the eastern option than Ukraine, and its preferred version is a customs union or common market rather than a free-trade zone, the Ukrainian preference. A customs union,

were it ever created, however, would complicate and perhaps undermine Ukraine's chances of integrating its economy with, let alone into, the EU. (Since Russia has no intention of joining the EU, this is not its concern.) To strengthen its hand in helping to shape the eastern option, Ukraine must have an enhanced Western option, and that can only be achieved through reforms that make Ukraine attractive to Western traders and investors. The point, however, is that rather than striving to avoid entanglement with Russia, the more sensible policy would be for Ukraine to exert every effort to craft a more constructive collaboration.

Or take the issue of dependency: Because Ukraine is increasingly dependent on Russian direct foreign investment, not only do many in the elite worry about undue Russian influence as a result, political leaders care (or should care) about the lack of transparency in the structure of these investments, which allows the broader public interest to be sacrificed to private greed. Yet it is precisely the lack of transparency that causes Western investors to shun involvement in Ukraine. And the problem of transparency can only be fixed by reform. Similarly in summer 2003 Ukraine came under considerable pressure from the Russian government, acting together with BP-TNK, to reverse the flow of oil through the Odessa-Brody pipeline, allowing Russian oil to transit south to Odessa and then out across the Black Sea instead of transporting Caspian Sea oil to Europe as originally planned. If Kuchma was tempted to yield to this pressure, it was not only because Russian officials had linked the issue to a larger 14-year deal on the transit of Russian oil through another Ukrainian pipeline, but because it was again a "bird in hand." That is, it promised an immediate \$60 million in annual revenue, even though the 9 million tons of oil that Russia would pump annually would be less profitable to Ukraine than the 40 million tons of Caspian Sea oil eventually intended for Europe. Even if Ukraine does not ultimately sacrifice long-term to short-term interest in this instance, the temptation will constantly exist as long as an unreformed economy leaves few other options.

More generally, Ukraine cannot hope to generate the resources permitting it to stand on its own feet, provide for its national defense, and ensure its people an adequate economic existence, without integrating its economy into a wider range of global markets by offering a wider array of goods and services. Reform is a double prerequisite. It is essential in order to meet international standards of inclusion, even a first step such as achieving economic market status in the eyes of the EU, which in turn

is essential for progress toward WTO membership. And it is essential at home to produce a diversified economy capable of maximizing the terms of a global trade.

In Belarus's case, the link between reform and security is not fundamentally different, although its embodiment in a risk-averting grand strategy is. The Belarusian regime too has reason to want to increase its range of options. For example, if, as Lukashenko says often enough, Russian investment should be mistrusted because of its political motives, he has a stake in attracting other investors who are less in bed with their governments. That, however, requires at a minimum the first primitive steps toward secure property rights, genuine owner influence over equity investments, and freedom to make market-driven decisions. Similarly, the dependency on Russia that he has always prized now poses new challenges. Russia's September 2003 decision to put its gas trade with Belarus on a "market basis" threatens the regime's capacity to prop up a decrepit agricultural sector and a range of value-destroying industries. The hike in gas rates from \$29 per 1000 cubic meters to something closer to \$50, even if partially offset by increases in transit fees charged by Belarus, will considerably reduce the flexibility Russian subsidies have afforded the Belarusian leadership. If Belarus wishes to preserve the benefits of its dependency on Russia, increasingly it will need to rationalize its basis, and that can only be done through internal reform. The alternative, to hold fast and jury-rig what is likely to become a more thoroughly administered economy, leads to slackening growth and its corollaries.

In the hands of the Lukashenko regime or any likely successor, a risk-averse strategy would almost certainly unfold within a close Russian-Belarusian relationship. Thus, while striving to increase options (and resources), it would aim to restructure rather than reduce dependency. Similarly, even were membership in NATO a prospect, Lukashenko or a successor is unlikely to desire it, unless Russia also moves in this direction. Any plan of joining the EU would also surely have to proceed in step with the development of EU-Russian relations. This does not preclude closer ties with the EU and more constructive relations with NATO, but the conditioning factor is likely to be Russia, whereas for Ukraine it is likely to be the EU and NATO.

To understand the practical implications of the contrast, consider the issue of defense reform. Just as neither a balancing nor a risk-averting grand strategy can advance without the advance of domestic reform, nei-

ther can either country's security be enhanced without military reform. How this looks in the context of a risk-averting strategy, however, differs greatly between the two countries. True, each country faces a similar set of tasks. Each must pare and reshape the distended military mass left by the collapse of the Soviet Union. This involves not merely shedding soldiers and a dysfunctionally large officer corps and then coping with the attendant socio-economic problems. It also requires that each either grafts onto or replaces these forces with radically different formations suited to a fundamentally different set of missions, equipped with fundamentally different arms, and commanded by officers trained in fundamentally different ways.

Again, the challenge exists for both grand strategies, but the fact that a risk-averting strategy is ultimately "conditioned" by a NATO/EU option in Ukraine's case and a Russian option in Belarus's makes a huge difference. Belarusian military reform ultimately depends on Russian military reform (together with the reconstruction of Russian defense industry), given the degree of de facto integration of the two militaries, Belarus's utter dependence on Russian arms, and the parallels in threat perceptions. In contrast, NATO has long engaged Ukrainian military reform. The fact that the results have regularly disappointed Brussels and other Western capitals should not obscure the significance of the process itself. It creates a fundamentally different framework for Ukrainian military reform.

NATO's mutually negotiated action plans for Ukraine—and none more than the 2003 plan—emphasize and re-emphasize the importance of embedding defense reform in a broader transformation of Ukrainian economic and political institutions. Nothing of the sort exists for Belarus, not on the part of the West and not on the part of the East. In Ukraine's case, the Action Plan keeps alive the hope among Ukrainian leaders that the country may yet gain entry into NATO, thus serving as a lodestar for change, an impulse again missing in the Belarusian case. For example, NATO's insistence on establishing civilian control over the military has slowly but unmistakably dented the political consciousness of Kyiv. A series of working groups keep Ukrainian minds on the need for reform, including more than a dozen initiatives under the Joint Working Group on Defense Reform, ranging from the retraining of discharged military personnel to defense planning, programming, and budgeting. And the creation of multinational formations, such as the Ukrainian-Polish battal-

ion, the Ukrainian-Hungarian-Slovak engineering battalion, and the Belgian-Ukrainian battalion, provide continual, real-life instructional forums. Belarus benefits from none of this external prodding.

While NATO leverage is scarcely adequate to force change, the standards and encouragement that NATO and key members provide offer the Ukrainian leadership an opening, if it chooses to use it. Therefore, once more, a crucial piece in a risk-averting strategy depends on the initiative that Ukrainian leaders are willing to take. If they wish to deepen their security ties with the West, they must create a foundation, and that can only be done by fashioning a military instrument capable of working with Western institutions.

NATO, however, even were Ukraine let in sooner than anyone expects, answers only a part of the security challenge facing the country. The Russian dimension, now more ramified than ever, remains. Addressing it solely through NATO—or even NATO plus the EU—seems an inferior choice.

A risk-averting grand strategy would recognize that Ukraine's security is bound up with, not juxtaposed to, Russian security. Like it or not, Ukraine cannot soon escape its military dependence on Russia. As in the broader economic relationship, however, it has every reason to work hard to minimize tension between collaboration with Russia and growing military ties with the West. Two fundamental guidelines then follow: First, as we noted earlier in general terms, the logic of a risk-averting strategy requires that Ukraine strive to shape, rather than to flee, its security relationship with Russia. This means contemplating ways that it can add its weight to Russia's when the aim is to mitigate sources of instability in the region or when mutual security could be enhanced. It does not mean that Ukraine should automatically sign on to institutions or enterprises enabling Moscow to commandeer others for narrowly defined national-security purposes. But Ukraine has a great resource if it chooses to exercise initiative. From a geo-strategic and political perspective Ukraine is potentially the second most powerful influence on security in the post-Soviet space. Not only does this suggest that it has a responsibility to exercise leadership within its neighborhood, but also done skillfully and in a spirit of cooperation Ukraine's role can be turned to advantage in affecting the overall security relationship with Russia. Russia cannot alone contain, end, or guide as it might choose, the unresolved conflicts surrounding Transdnistr, Abkhasia, Karabakh, or the north Caucasus.

Russia has reason to cooperate with Ukraine (a) to give the Russian role a legitimacy it lacks on its own, (b) to make external efforts more effective, and (c) to induce the international community to accept Russian initiatives while also lending a hand. It also has reason to avoid the ambiguities and spirals that could be unleashed by uncertainty over Ukraine's future military direction or by the apprehensions that Belarus introduces into the Ukrainian-Russian relationship.

The second guideline returns to the problem of reconciling security cooperation in two directions. The pressures that induce Ukraine to preserve cooperation with Russian defense industry and, in particular, that prompt its arms-marketing efforts in third countries are the pressures that often prejudice European and U.S. attitudes toward Ukraine. A risk-averting strategy would, first, make an honest effort to establish arms export practices conforming to international norms. Second, it would attack the deeper roots of the problem, that is, attempt to attenuate the pressures, which means proceeding with defense conversion. Viewed in perspective, turning hobbled defense plants to more productive use or, where this is impossible, generating alternative economic activity, is not simply a matter of aiding economic reform; it is a critical component of a national security policy.

In Belarus's case it would be naïve to assume that a grand strategy of risk aversion would come easily or have the reach and complexity of a Ukrainian version. Even if one entertains the possibility that Lukashenko may be brought by circumstance to risk some degree of liberalization, without which a strategy of this kind has no chance, Belarus cannot be expected to give Europe and Russia equal attention. Moves toward normalizing relations with the EU, NATO, and the United States are likely to be tentative and modest. But they are far from inconceivable. The EU and the United States, although not yet NATO, stand ready to engage in a step-by-step process to unfreeze the relationship, and in 2003 Lukashenko accepted the advice of some around him to try this path.¹⁰ If the process at last begins, even grudging, minor, but real concessions could lead to a genuine engagement between Belarus and the EU, the United States, and eventually NATO. Should Lukashenko be dissuaded from extending his reign in 2006, another Belarusian leadership, unen-

¹⁰ Interviews with U.S. and Belarusian officials in Washington and Minsk, September–October 2003.

cumbered by his idiosyncratic convictions, could well be expected to develop a genuine working relationship with Brussels and Washington.

The real challenge facing Lukashenko and any successor is Russia. Belarus has within its reach a close and productive relationship with Russia, but this is slipping away for lack of internal change within Belarus. The Russian dimension of a risk-averting grand strategy, however, requires more than reform measures aimed at reconciling Russian and Belarusian economic interests; it also means jettisoning the quixotic idea of “union” with Russia. Assuming that no sector of the Belarusian political elite nor most of the population any longer wishes to see Belarus re-submerged in a greater Russia, the real task is to create a normal, modernized economic relationship between two sovereign states. Belarusian leaders should be thinking along the lines of the U.S.-Canadian relationship, not the Austro-Hungarian Dual Monarchy.

The West

While success will come only if Belarus and Ukraine lay its foundation, Russia and the West, together or apart, hold the key to the ultimate outcome. It is they who will determine which grand strategy is to be preferred and even more which is feasible. Whether thought of heuristically or practically, it seems to us that between the two alternatives both Russia and the West should want Belarus and Ukraine to pursue a risk-averting rather than balancing grand strategy. If so, logic suggests (what politics permits is another question) that they should design their own policies to facilitate the choice.

One is hard-pressed to see how U.S. or European interests would be served or European security strengthened by having Ukraine align with the West *against* Russia, let alone having Belarus align with Russia *against* the West. Either development or, worse, the two together, seems sure to complicate relations between Russia and the West and to introduce a greater element of friction into Europe’s international politics. Ideally, therefore, sorting out Ukraine’s and at some future point Belarus’s relationship with the EU and NATO ought not to be divorced from these more fundamental stakes.

Reduced to its essence, what should Europe and the United States’ policy toward the “new lands between” be, when addressing the link between economics and security? At the most elemental level we think it should be guided by two purposes: first, to encourage and then enable

Belarus and Ukraine to develop a larger, longer-term, and more coherent grand strategy, one inspired by a risk-avoiding rather than a balancing approach; second, to promote a relationship between the West and Russia that makes this choice possible.

And how might that be done? One side of policy should be designed to foster Ukraine's and Belarus's increased ties with and eventual integration into Europe's core institutions. But there should be a second side as well—a readiness to accept and, indeed, a willingness to help the two countries deepen their ties with Russia and other post-Soviet neighbors. Then, in order to make the two sides of policy work in parallel, Europe and the United States, as they have already begun to do, should intensify the effort to fashion a partnership between Russia and NATO and a more productive relationship between Russia and the EU.

Neither Europe nor the United States can be expected to engineer, let alone pay for, large-scale economic and political reform in Ukraine—and in Belarus, even were they willing, the offer would not be accepted. This does not mean that Washington, Brussels, Paris, Berlin, London, and other western capitals could not do a good deal more than they have to prompt Kyiv to take steps easing the path to integration. That, as Legvold points out in his chapter, is not news to the Europeans. One of the impulses behind the EU's 2003 "Wider Europe Communication" is precisely the awareness that Europe's role has been too meager and sluggish. Although the "Communication" outlines a more sensible and appropriate agenda than any previous document, the working plan that then follows, the so-called "New Neighborhood Instrument," turns out to have a distinctly bureaucratic cast.¹¹ Much of its focus is on overcoming the institutional balkanization of EU assistance programs (INTERREG, PHARE, Tacis, CARDS, and so on), and, while the range of activity to be supported by a streamlined structure is vast and constructive (from transport and energy infrastructure to human-resource development; from customs management to technology innovation), the agenda suggests neither a clear sense of priority nor, even less, a strategically-driven design.

¹¹ Communication from the Commission, "Paving the Way for a New Neighborhood Instrument," /*COM/2003/033 final */. Available at <http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=52003DC0393&model=guichett>.

For the European Union, NATO, and the United States to play an effective part in leading Ukraine forward, all three players need to develop a more sharply differentiated and hierarchically ordered set of tasks. It may meet European needs to work hardest on tightening border management, or it may seem vaguely useful to invest in cultural exchanges, but do either strike at the fundamental institutional impediments on Ukraine's incorporation into European structures? Better, it would seem to us, that the EU order its agenda by, say, using key standards in the *acquis communautaire* as benchmarks, and then tailoring advice and assistance along these lines. Or, in the case of NATO, while constructive and doable to stress training for civil emergencies, enlarging Ukraine's military options depends far more on developing capacities interoperable with NATO forces, acquiring a critical range of NATO-standardized equipment, and cooperating in joint defense projects. Some of these things are on NATO's agenda, but again without a clear sense of priority or a clear distinction between short- and longer-term goals. Other crucial steps have yet scarcely made it onto the agenda, such as schemes for inducing Western participation in defense conversion projects or the creation of special-purpose forces that would have a genuinely useful role to play in NATO.¹²

Beyond stressing forms of cooperation that have some chance of modifying institutions and practices obstructing Ukraine's integration into the EU and NATO, the two organizations need to look harder at the question of Ukraine's standing in the pecking order. Because of deep-seated skepticism over how soon or how fast Ukraine will attempt far-reaching reform, the EU has refused to grant it the "open-door status" enjoyed by Balkan countries, in effect closing the door to membership. Similarly, NATO has been slow to move beyond diffuse "action plans" to an actual membership action plan. If in 2004 a Ukrainian leader comes to power ready to accelerate the next phase of reform and committed to developing Ukraine's Western option, neither institution is poised to extend a genuinely persuasive inducement.

¹² Most of these ideas are explored in a thoughtful paper by Valentyn Badrak, "Ukraine-NATO Relations Need Military-Technical Cooperation," *Defense-Express*, April 29–30, 2003. Badrak argues that, while developing military and political relations between NATO and Ukraine is essential, unless the process advances to military-technical and defense-industrial cooperation, Ukraine cannot be made ready for NATO membership.

In truth, Ukraine's lack of status with the EU is the clearest proof of the EU's inability to develop a strategic vision for Ukraine, Belarus, and Moldova. The "Wider Europe" initiative applies indiscriminately as well to the new neighbors to the south in the Mediterranean region, because its authors see no reason to discriminate. In May 2003 the Polish foreign ministry produced a paper urging the EU to redress this lapse. It laid out measures framing a more strategic approach to the EU's "Eastern Dimension."¹³ It argued that the prospect of an association agreement for Ukraine (and Moldova) should be opened, market economic status granted, a real security dialogue launched, military cooperation expanded, and joint infrastructure projects in transportation, communications, and energy undertaken. We think the Poles are right.

Poland and Lithuania are also the countries pushing the EU and NATO to find a way of engaging Belarus. Lukashenko does not make it easy, but if Europe and the United States are going to step up to the larger problem of Europe's new gray zone, they need to do as the Poles and Lithuanians say. Rather than a policy of isolating the regime, which has been in place since 1997—with very limited results—the United States and Europe ought to adopt a genuine two-track policy. On one track, they should continue pressuring the regime to end its authoritarian abuses and begin restoring the kind of constitutional legitimacy to government that serves as the foundation of modern European international relations. On the other track, they should also engage Belarusians at all levels up to the very top in a serious security dialogue.

The West has precious little capacity to force Lukashenko toward democracy, but it is important that they not legitimize his retreat from it. The step-by-step approach that Washington and Brussels have tried to initiate since 2001 appears to be the only practical way forward. Since early summer 2003 Belarus has been presented with a concrete list of steps to take, some of them minor, others more substantial, each to be reciprocated in kind by the United States and Europe, and then Minsk has been left to choose from the list.¹⁴ While a security dialogue's principal justification rests on its own intrinsic importance, it is not unrelated

¹³ See Taras Kuzio, "Ukraine, Poland, and the EU's Wider Europe Initiative," *Poland, Belarus, and Ukraine*, RFE Report, Vol. 5, No. 25 (July 1, 2003).

¹⁴ Interviews with U.S. and Belarusian officials in Minsk and Washington, September–October 2003.

to this effort. The perceptions and misperceptions of Lukashenko and many within his regime in the security realm, given the way they define security, prejudice the progress that can be hoped for in the political and economic realm. Although not assured, conceivably were Belarus and the West to make headway in a dialogue over Belarus's place in European security, it might help relax rigidities in the other sphere.

In any event and as a final consideration, a genuine two-track policy offers a better basis for rallying Russia to a loosely collaborative approach to the Belarusian challenge. While even its leverage may not be decisive, it is certainly magnitudes greater than the West's. Thus, if the United States and Europe are to address the Belarusian dimension of the gray zone, they had best do it in league with Russia.

Finding ways of working with Russia in addressing the Belarusian challenge both fits with and depends on the second half of a U.S. and European policy aimed at the problem of the new "lands in between." If European security is to be "from the Atlantic to the Urals," then this is a mutual problem. And, if an optimal solution is to enable Ukraine, Belarus, and Moldova to pursue a grand strategy of risk aversion, there needs to be a second half to U.S. and European policy. This, in our view, resides in the posture adopted by Europe and the United States toward a deepening of Ukrainian and Belarusian ties to the East.

The "Communication on Wider Europe" speaks of supporting "initiatives to encourage regional co-operation between Russia and the countries of the Western NIS."¹⁵ This is a good idea, but needs to be broader and more fundamental. The EU has in mind the scope of its technical assistance efforts, and the projects it envisages are simply replicas of the undertakings that it proposes to support in the EU's core program for Ukraine and Moldova. From a more strategic point of view, however, if the United States and Europe do care about encouraging a risk-averting strategy in Ukraine, Belarus, and Moldova, they should, first, favor more elaborate and productive forms of economic (and security) cooperation in the East, but, second, lend their weight to shaping these enterprises in ways that complement, not impede, the integration of these states with and perhaps into Western institutions. Rather than condemning ideas like the "Single Economic Space" embraced by Belarus, Kazakhstan, Russia, and Ukraine in fall 2003 or publicly cautioning the Ukrainians against

¹⁵ Communication from the Commission, "Paving the Way," p. 8.

becoming involved, as some Western officials did, Washington and Brussels should concentrate on steering this and other undertakings away from arrangements that create greater hurdles to their, including Russia's, incorporation into the larger global economic community. The test should not be whether Ukraine, Belarus, and Russia are right or wrong to band together, but whether the basis of their collaboration serves mutual interests and, equally important, is consistent with, say, progress toward membership in the WTO. Pre-emptive free-trade zones, Ukraine's preference, can be as damaging to broader forms of integration as customs unions, Russia's reported preference. In attempting to influence collaborations of this sort, however, the United States and Europe cannot expect to succeed by cajoling or spirited words. They will need to think more carefully about the way negotiating the terms of Ukrainian and Russian accession to the WTO, or their arrangements with the EU, influences outcomes in this other sphere.

The West's role in fostering constructive economic (and security) cooperation in the East need not be confined to the broad strategic level. Europe and the United States can also serve as a missing link facilitating cooperation. A good example is the resolution of the long-unresolved problem of the Ukrainian gas debt to Russia, energy supplies, and the disposition of pipeline. A major piece of the settlement involved finding a work-around to the problem of who would control a critical segment of the Ukrainian gas pipeline to Europe. Russian gas interests wanted ownership, which the Ukrainian government was not prepared to give, and by bringing Ruhrgas into an international consortium invested with authority the stalemate was broken. Similarly it is not far-fetched to imagine that international security institutions, perhaps even the new NATO-Russia Council, could provide the auspices encouraging Russian and Ukrainian cooperation in dealing with regional security issues in the post-Soviet space.

Russia

There are not many three-person social dances. Nearly all are for two or many. So it is in international relations. But, if Belarus, Ukraine, and Moldova are to be made safe for Europe and themselves, the dance has to be done by three. Unless the three parties—Belarus and Ukraine, the West, and Russia—dance together, the three countries will remain a gray zone. Russia's part in this is ultimately decisive. If it chooses to see the

Belarusian-Ukrainian-Moldovan nexus as a mutual security problem rather than narrowly as a Russian security problem, Ukraine's and Belarus's incentives to treat the relationship in the same way increase, and so do the chances that Western policy can make a difference. If it settles for a more imperious approach, counting on the unequal balance of advantage to bring the other two to heel, the "zone" will remain grayer than ever, and the grand strategy we have advocated will stall before it starts.

At times Russian leaders have behaved as though they understand the disadvantage of Ukraine's adopting a balancing strategy. When in May 1997 Yeltsin went to Kyiv (for the first time), cut the Gordian knot, and signed a treaty of friendship recognizing the territorial integrity of Ukraine and an agreement on the division of the Black Sea Fleet, he seemed to be acting out of the fear that otherwise Ukraine would be driven into the arms of a newly enlarged NATO. Yet, for the dynamic in the region to change dramatically, for a constructive rather than destructive interaction among all parties to become the norm, Russia must make a basic choice. As Wallander argues in her chapter, the only way Russia can produce a stable security environment for itself, free of the turbulence created by the fear of others, is by acting to reassure neighbors. A conscious strategy of reassurance, wise as it may be, is admittedly not the natural recourse of stronger states when those next door are weak and troublesome, when the setting is disorderly, and when the stronger power is not entirely sure of itself. But if the Russian leadership pauses for a moment and thinks seriously about the longer run and the advantages of having confident rather than insecure neighbors, neighbors who welcome rather than mistrust mutual contacts and who are ready to work with rather than against Russia, the risks and inconveniences of restraint and generosity may seem less impractical and discouraging.

True, Russia is not a monolith to be piloted like a close-order formation by a liberal leadership. Its behavior in the outside world, and never more than when dealing with immediate neighbors, reflects the influence of powerful private and semi-private economic interests, some as essential to the state as the state is to them, and not always acting in harmony. Therefore, to assume that Putin or his people could easily adopt a large-hearted, confidence-building approach to Ukraine, or form a united front with the West in prodding Belarus toward reform, ignores reality. Putin's Russia, as Wallander stresses, may have decided to place the challenges of

a globalized economy front and center and may have given priority to economic integration over traditional security concerns—or redefined security in economic terms—but when it acts, the dominant party on the other side is Gazprom or some part of the Russian government acting on Gazprom’s behalf, or, if not Gazprom, then another Russian corporate giant. At least it is if you are in Ukraine or Belarus. It helps that those preoccupied with traditional security issues no longer have uncontested control over Russian foreign policy. And it is better that Russia’s national leaders have linked economics to security in their own country’s case, because it leads them to look as hard for opportunities as for dangers in relations with Belarus and Ukraine. But, when, as noted earlier, state and big business interests are conflated, and state officials publicly assume primary responsibility for defending those interests, the room this leaves for a policy based on the search for common ground with neighboring countries may not be great.¹⁶

On the other hand, life does generate examples of the price paid when relationships lack the underpinning of mutual confidence. The dramatic flare-up between Russia and Ukraine over the construction of an earthen dam in the Kerch Strait of the Sea of Azov in October 2003 serves as a case in point. Suddenly on October 16, as Russian crews rushed to complete a dike stretching into the narrow channel linking the Sea of Azov to the Black Sea, Ukraine sent several dozen border guards, bulldozers, and excavators to Tuzla Island, the tiny slice of land on their side of the channel. Over the next several days, as the project crept toward the island, passions in Kyiv exploded. Kuchma interrupted a ten-day trip to Latin America and returned home to manage the “crisis.” Parliamentarians from all points on the political spectrum, including the communists, sounded the tocsin of war. Some spoke of speeding Ukraine’s entry into NATO, some of developing a mini-nuclear deterrent. By October 22 Ukrainian border guards were staging a show of force “with shields and clubs and guard dogs. Jet fighters shot missiles into the sea. A dredge dug frantically in the path of the wall, scooping away the landfill as soon as it was dumped.”¹⁷

¹⁶ For a pertinent quotation from Foreign Minister Igor Ivanov, see Chapter 2, p. 83.

¹⁷ Seth Mydans, “For Ukraine and Russia, A Tempest in a Strait,” *The New York Times*, October 23, 2003.

Behind the furor were years of feuding over whose sovereignty would prevail in the Sea of Azov and particularly who, as a result, would control the egress into the Black Sea. Earlier in the year Kuchma, to considerable criticism at home, had agreed to treat the sea as an inland waterway with joint stewardship. But the two sides remained at loggerheads over the principle by which water boundaries would be demarcated, and meanwhile Ukraine continued to collect \$150 million a year in transit fees for commerce passing through the Kerch Strait on its way south. The fact that the Russians decided to force the issue with this artifice (Moscow claimed the three-mile-long dam, built at considerable expense and on a twenty-four-hour-a-day crash basis, was actually the brainchild of the local governor of Krasnodar Krai, who simply wanted to protect his shores from beach erosion) is not the real issue. Nor is it the odds that the two sides would have actually come to blows. The Russian prime minister, Mikhail Kasyanov, quickly halted construction on the dike; Kuchma headed for Moscow; and he and Putin moved swiftly to defuse the dustup. The real issue is that it happened at all. Between two normal countries with normal relations disputes do occur, sometimes over fishing rights, sometimes over illegal migration, sometimes over border differences. When the underlay of the relationship is civil and relatively trusting, however, these disputes do not instantly explode into war hysteria. Even when heated, they get routed into some kind of negotiating framework or settlement procedure. Moscow needs to ask itself whether over the long haul it wants the inevitable perturbations in relations with its neighbors, particularly when security and economics mix, to look more like the Kerch Strait brouhaha or like the other alternative.

If the answer is “the other alternative,” then Russia has a stake in the underlying character of the relationship that it is building with Ukraine and Belarus, and that in turn depends to an important degree on the strategic choices the two countries come to prefer. Although Russian leaders and much of the political elite may instinctively assume that Russia will be better off if Ukraine and Belarus do not stray far from a Russian-dominated fold or, at minimum, show a healthy deference to Russian interests, this is not necessarily optimal. Everything depends on how it is achieved. If coerced, deference and cooperation will be flimsy and fleeting. More likely, before they are ever achieved, the other side will bolt, and strain to find an alternative, if possible by looking for partnerships in other directions. On the other hand, if the parallelism in

Belarusian, Ukrainian, and Russian foreign policy is grounded in common interest, if Belarus and Ukraine embrace more elaborate economic and security ties with Russia out of an earnest desire, then alignment will serve Russian interest. This last, however, seems to us likely only if Russia helps to foster risk-averting grand strategies in Ukraine and Belarus. In Ukraine's case this means a strategy rendering a deeper involvement with Russia safe in the context of a deeper involvement with the West, and, in Belarus's case, a strategy rendering Belarus more compatible with Russian interests by make the West a larger and more productive part of its future.

The Russian leadership, therefore, must choose. If it yields to the moment, and continues to focus on maximizing its leverage over Belarus and Ukraine, striving to rally the two to formats advantaging Russia in bilateral economic relations and in its dealings with the EU and the WTO, while defining the interests of Russian special interests as the country's own, it may gain in the short run, but it cannot expect to strengthen stability in the region. By the same token, if it accepts or even welcomes this area as a gray zone whose ambiguities are to be exploited, it closes the door to a Europe that is, in the watchword of the 1990s, "whole and at peace." On the other hand, to see the modernization and revitalization of Ukraine's and Belarus's economic and political systems as relevant to the modernization and revitalization of Russia's economic and political system, and the integration of Ukraine and Belarus into a larger international economic order as helpful to the integration of Russia, may require a statesman's insight and a statesman's will to act on it. It, however, also offers Russia a better chance of having within its neighborhood what the North Americans and the West Europeans have come to have within theirs.

Foreign policy is not an act of charity, and it would be silly to expect Russian leaders not to make the most of Russia's energy resources, its capital—or the capital of its capitalists—and even the shadow of its military power in pursuit of national interest. The point is not whether this leverage should or should not be employed, but how. It can be used coercively or judiciously, for one-sided or mutual advantage, and to close the field to competition or to enlarge and enrich it by encouraging the efforts of many. Whether in dealing with the politics of pipelines or the character of the Single Economic Space, the Russian leadership needs to decide how far it wants to go in forcing Belarusian and Ukrainian choice,

or alternatively how much it stands to gain by reaching accommodations that instill Belarusian and Ukrainian confidence in Russia. Confidence-building, of course, is as diverse as it is inconvenient. Not only does it mean accepting a lesser economic outcome than might have been achieved by applying pressure, but also consciously looking for ways to ease the other side's security concerns; consciously striving to reduce the other side's incentive to ally against Russia; and consciously exploring collaborative approaches to common security problems. In the military area, this requires more than smoothing the way to joint defense production or coordinating arms sales in third markets; it also entails working to eliminate unintended threats implicit in a defense posture, finding ways to build confidence through arms control, and, particularly, in the case of Belarus and Ukraine, to encourage the rationalization of their defense to meet the real-world threats that they do face.

So, in the end, not only is there an intimate connection between economics and security in Ukraine and Belarus as well as in Russia, but the connections are connected. In the long run Russia cannot expect the economic dimension of Russian security to work in its favor unless the economic dimension of security benefits Ukraine and Belarus too. Russia has more than a little role in determining whether that happens. But, as is true for Ukraine and Belarus and equally true for the West, the starting point is to recognize how thoroughly interwoven economics and security are. We hope this book has contributed in some small way to that end.