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Imperatives of European Security at Russia's Critical Point on its Power Cycle

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For the third time in the history of modern statecraft, Russia is attempting to climb its cycle of power relative to that of its rivals in the central international system. Under Vladimir Putin, Russia is seeking a larger foreign policy role. It has used force in Abkhazia, Georgia, Crimea, and Eastern Ukraine. Like the other authoritarian Great Power, China, Russia is trying to create a sphere of influence around itself. Yet the European Union is able to deter an expansionist Russia. But to better safeguard security, the EU needs to enhance its defense capability, to make its capability more interoperable with that of the United States, and to coordinate its defense effort across EU members. In strategic terms, NATO is fully able to obtain Russia's respect and to supply an adequate deterrent to potential aggression.

Keywords: conflict, power, foreign policy role, power cycle, world order, war, security, sphere of influence

Almost by definition, with the end of the Cold War and the collapse of the Soviet Union, a new era began in which 'unipolarity' replaced 'bipolarity'. With the assumption that a more tension-filled international system involving Europe directly would never return, Europe grew very comfortable under the American security umbrella. All focus was on internal and European-wide economic, environmental, and constitutional problems rather than on security problems, which seemed to have diminished with the appearance of a much more quiescent Russia. Russia had precipitously declined on its cycle of relative power. Europe decided that it was likely to stay that way.

But with the return of Vladimir Putin to a second term as president in 2012, a Russian desire surfaced to once again climb its cycle of relative power. Imperial dreams replaced accommodation to the liberal political and economic international order.[1] The Russian public responded favorably to the manifestation of the new nationalism. In a setting in which, unlike in the West, salaries do not command a very large fraction of the military budget, fueled by 100 dollar-a-barrel oil, Russia increased its military spending by 18 percent a year. Starting from a small base, and driven largely by energy exports, its GDP also grew quite rapidly.

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[1] Zbigniew Brzeziński, *The Grand Chessboard*, New York: Basic Books, 1997, p. 85.

But we know that when a state passes through the lower turning point on its power cycle, as Russia is attempting to do, the probability of major war is likely to increase sharply.[2] This increase in the probability of war occurs because rapid structural change creates huge political uncertainty among the Great Powers and hence opportunities for aggression.

In normal or more certain intervals of statecraft, such as that between 1871 and 1885, and again between the last decade of the 20th century and the first decade or so of the 21st century, the diplomatic chessboard is familiar. The 'certainties' of world politics are that: (1) the number of players in the central system is known, (2) their relative power is understood, (3) the rules of the game are in essence observed, and (4) the equilibrium of interaction is roughly stable. However, in each of the historical intervals of systems transformation involving radical structural change that follows the more normal intervals of statecraft, the so-called 'certainties' of statecraft are quite abruptly replaced by great uncertainties.

When several Great Powers pass through critical points on their respective power cycles at about the same time in history (an interval known as systems transformation), the flat diplomatic chessboard is twisted and torn.[3] The number of players in the central system is unknown. Guessing the levels and trajectories of relative power becomes very difficult. Whether the rules of the game will continue to be observed is much in doubt. The equilibrium of world politics is upset. Everything becomes uncertain.

No one knows whether any of the four crucial structural characteristics will continue to prevail. Deterrence challenges increase in number. The failure of deterrence grows more likely. Political uncertainty, causing gross policy distortions, undercuts expectations about the projection of future foreign policy role and security.

Under these new conditions of radical structural change, for example at the lower turning point on a state's power cycle, aggression becomes more feasible and more likely. In a word, to quote the late British writer Martin Wight, '*A Great Power does not die in bed*'.[4]

This is the situation in which the West finds itself today. Putin's political intentions are unknown but are suspect. NATO belatedly is waking up to the new dangers. Putin's occupation and annexation of Crimea has turned the rules of international order on their head. Not for more than sixty years has a Great Power annexed territory by force. This action challenges the legitimacy of international order. Interventions have occurred in abundance, but these are brief and conditional. Permanent annexation of territory by force by a Great Power, which undermines the very essence of international

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[2] C.F. Doran, 'Economics, Philosophy of History, and the "Single Dynamic" of Power Cycle Theory: Expectations, Competition, and Statecraft', *International Political Science Review*, 2003, Vol. 24, No. 1, pp. 13–49.

[3] C.F. Doran, *Systems in Crisis: New Imperatives of High Politics at Century's End*, Cambridge: Cambridge Univ. Press, 1991.

[4] M. Wight, *Power Politics*, Harmondsworth, England: Penguin Books, 1979, p. 48.

order, has not occurred since the days of World War II. International order is under siege.

Multipolar myths

'*Neighboring states*', according to German Bundeskanzler (Federal Chancellor) Angela Merkel in commenting on Putin's notion of world order, '*are suddenly no longer partner countries but spheres of influence*'.[5] The liberal trade and political order conceives of states as partners with respect to exchange and to specialization. States form partnerships in terms of peacekeeping and in international regime formation. Pluralism prevails either in terms of a 'concert of nations' or as a 'balance of power.' But the notion of the sphere of influence is alien to all of these liberal international political concepts of world order.

The idea of the sphere of influence emerges out of a notion of world politics that stresses political hierarchy, neo-mercantilism, exclusivity, and military domination. Prior to the second half of the 20th century, the sphere of influence is the outgrowth of an earlier era of authoritarian rule. A Great Power sought a sphere of influence, or a buffer, to protect itself from its enemies in an era when that was still somewhat possible. Countries within the sphere of influence were little more than pawns. They were subservient to the Great Power in terms of wealth generation as well as status and security. They were to be exploited or used by the Great Power for its own purposes. In the Soviet era, although neither the United States nor the members of Western Europe ever acknowledged the political or legal existence of such a sphere, the Soviet Union claimed Eastern Europe as its sphere of influence. This resort to sphere of influence thinking is why Mikhail Gorbachev could warn of a return of the Cold War.

Today the two Great Powers, China and Russia, seek to establish spheres of influence around themselves. The sphere of influence notion is compatible with and arises from the authoritarianism of the domestic political structure and party affiliation of both China and Russia. Lacking any true internal checks and balances on power, China and Russia seek to project this form of political thinking externally onto the international system. Its first manifestation locally is to create a buffer of subordinate states around themselves that are tightly linked and alienated from all other governments in terms of security relationships.

As is evident from Chinese behavior in the South and East China Seas, resources are not shared but disproportionately owned and controlled by the dominant state. As is evident in Crimea, East Ukraine, and parts of Georgia, Russia goes further by attempting to reduce the sovereignty of the pieces of territory under its control in the sphere of influence to zero. Local populations that speak Russian are manipulated into this type of unequal association on the basis of emotional attachment (irredentism)

[5] 'European Leaders Fear Growth of Russian Influence Abroad', *The Guardian*, 17 November 2014.

and by the bribery of certain members of the elites who are willing to cooperate with the dominant actor, and ultimately by coercion.

Multipolarity is now espoused by Russia and China as a way of differentiating their notion of world order from that of the democracies. Since the United States remains the only actor with a genuinely global reach militarily, they conveniently identify the US as the sole opponent to multipolarity. But with more than 400 plane sorties to the borders of the democracies world-wide in 2014 causing these governments to scramble their fighter planes in response, and with a few projections of naval power such as those off-shore of Australia during the 2014 Group of 20 meetings and in November 2014 in the English Channel, Russia, symbolically at least, is surely trying to claim such a global extension of power. Likewise China is attempting to project power through the launching of nuclear missile carrying submarines into the wider Pacific Ocean.

So at the same time that China and Russia independently 'promote' the notion of multipolarity, they are trying to project a larger air and naval presence globally. Yet – and this is key – whatever the contradictions between strategic concept and actual conduct, the authoritarian states are attempting to employ multipolarity as a direct challenge to the assumptions of openness and exchange expressed in the liberal trade and political order.[6]

To reiterate, while Russia and China advocate a form of multipolarity that would leave them with preponderance in a local sphere of influence, they are in reality expanding into global regions as fast as their respective military build-ups permit. This contradiction between strategic claims about multipolarity and actual foreign policy conduct regarding the desire for a world foreign policy role on the part of Russia and China is growing more and more evident day-by-day.

Russia once again attempts to climb its cycle of relative power

Many Great Powers have passed through at least a segment of their power cycles historically.[7] A few like Germany have passed through an entire cycle.[8] Some, like Japan, are in decline today often from an earlier high level of relative power.[9] Japan reached its apex of relative power in the early 1990s – a plateau that was increasingly pulled into its current declining path by its own sluggish economic growth – and China's much higher growth rate. Other states like China are on the rise, in China's case quite

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[6] J.S. Nye, Jr., *Bound to Lead: The Changing Nature of American Power*, New York: Basic Books, 1991, pp. 231–261.

[7] C.F. Doran, *Systems in Crisis*, op.cit., pp. 148–151.

[8] C.F. Doran, *International Political Science Review*, op.cit., pp. 28–30.

[9] C.F. Doran, 'Power Cycle Theory, the Shifting Tides of History, and Statecraft', *Bologna Center Journal of International Affairs*', 2012, Vol. 15, pp. 1–12; T. Inoguchi, 'Generating Equilibrium, Generating Power Cycles', *International Political Science Review*, 2003, Vol. 24, No. 1, pp. 167–172.

rapidly.[10] The EU itself is a kind of loose, additive, amalgam of the power cycles of its component states. Unprecedented was the precipitous collapse of the Soviet Union in 1989 leaving Russia at a level of overall power that was massively abbreviated.[11] But Russia is revealing its unique place among Great Powers in a further sense: after having passed through entire intervals of rise and decline twice-over historically, Russia is attempting today to climb its power cycle for the third time.

What explains the passage of Russia through a repeated cycle of rise and decline in its relative power? Nothing deterministic explains the Russian movement on its power cycle. As with that of the other Great Powers, all outcomes are probabilistic. But historical circumstance is very relevant. Beginning in the 16th century with the defeat of the Tatars, Russia expanded its territory from Lithuania to the Pacific Ocean. This growth and consolidation of territory and population led to a situation in which Russia was able to field one of the largest armies in Europe. By the advent of the Napoleonic Wars, Russia had reached a peak in the level of its relative power.

However, in the 19th century Russia entered relative decline. The reason Russian power was in decline was that unlike Britain, Holland, France, the United States, and Prussia/Germany, Russia was a late industrializer. Since GDP and per capita wealth are key components of national power, Russian power declined in relative terms while that of the countries of Western Europe rose. But as Pyotr Stolypin, the Russian Finance Minister, boasted in 1905, Russia would 'show the world what it could do'.[12] It began to industrialize and to rise on its power cycle prior to the Russian Revolution of 1917. Much as Tocqueville had prophesized in 1837 regarding the 20th century (and as Germany prior to 1914 feared), by the end of World War II Russia was one of the two most powerful states in the system.[13] It was one of the two 'poles' constituting the central international system.

By 1970, other faster growing states in the central international system began to take power away from Russia. Russia, for example, could not keep up with the growth in technological sophistication of American industry or of American weaponry. Kissinger had opined in the late 1960s, the 'dawn of the superpowers was drawing to a close,' but this close came much faster for the Soviet Union than for the United

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[10] C.F. Doran, 'Power Cycle Theory and the Ascendance of China: Peaceful or Stormy?', *SAIS Review*, 2012, Vol. 32, No. 1, pp. 73–87; Y.K. Yoon, 'Power Cycle Theory and the Practice of International Relations', *International Political Science Review*, 2003, Vol. 24, No. 1, pp. 5–12.

[11] M. Sulek, 'Teoria cyklu sily – wklad Charlesa F. Dorana wrozwoj Kierunku realistycytnego w w nance o stosunkach miedzynarodowych' (Power Cycle Theory – the contribution by Charles F. Doran in the development of realism in international relations science); for an elaboration of the statics of international relations theory see: M. Sulek, 'Introductrion to Powermetrics', *Lecture*, 20 December 2014, Warsaw, Poland: University of Warsaw.

[12] N.V. Riasanovsky, *A History of Russia*, Oxford: Oxford University Press, 8th ed., 2010, pp. 370–430; J.M. Thompson, *A Vision Unfulfilled: Russia and the Soviet Union in the Twentieth Century,* Lexington, MA: D.C. Heath and Company 1996, pp. 80–85.

[13] A. de Tocqueville, *Democracy in America*, Harvey C. Mansfield and Delba Winthrop, Trans. Eds., Chicago: Univ. of Chicago Press, 2000, pp. 412–413.

States.[14] Suddenly, without warning, systems transformation occurred. The Soviet Union collapsed. Bipolarity disappeared. In a totally unprecedented way, Soviet power took a step-level function downwards in 1989 on the heels of fragmentation, leaving Russian power relative to that of its neighbors a fraction of what it had been decades earlier.

Accounts in the popular press sometimes describe Russia as though it were still a declining power. Technically this is no longer correct. It is certainly not just a 'regional' power. In truth, Russia is probably still trapped at the nadir of its power cycle. But it is very slowly attempting to creep up its power cycle once again. Not only under any historical circumstance is this effort very difficult to accomplish. Conditions for such a passage through a lower turning point on the Russian power cycle at present are singularly not propitious.

Therefore, for the third time in Russian history, as of 2014, Putin has decided to try to traverse the lower turning point on the Russian power cycle, a goal that is not in itself at all problematic. The problem is how Putin is going about this. While motivations are often multiple, this decision is not the primary result of perceived slights in diplomacy or perceived abuse at the hands of the other Great Powers in 1989, as is sometimes alleged by American scholars. Putin will skillfully use these arguments to his tactical advantage and in propaganda.

But this decision, based on irredentism, reveals a deep determination to try to change the course of history and the position of Russia relative to the other Great Powers through whatever means are available or are needed. The occupation of sections of Georgia, the annexation of Crimea, and intervention into the affairs of other former Soviet republics with Russian-speaking populations are not accidents of history as is often believed in the West. Opportunism of course is paramount. But the desire to recreate as much of the old Soviet empire as possible is an apparent objective of contemporary imperial Russian foreign policy. Not to understand these Russian motivations is to fail to read one of the important driving forces underlying statecraft in the early 21st century.

However, the odds of achieving a disproportionate growth in relative power are against Russia. A rise in power is not just the result of national will. First and foremost, a rise in relative power is a function of economic achievement.[15] Declines in the price of oil and of natural gas are unhelpful. Forty per cent of Russian governmental revenue, at least, and the bulk of the revenue from its exports comes from energy. Russia possesses neither the economic base of China nor the technological sophistication and economic balance of the United States. Russia's major economic shortcoming is its inability to adopt a form of capitalism, even as state-dominated as that of China's

[14] H. Kissinger, *American Foreign Policy*, New York: W.W. Norton, 1974, p. 56.

[15] For a discussion of how to unlock the economic and societal riches of a country like Russia see: A. Aleksy-Szucsich, *Economic Benefits of Ethnolinguistic Diversity: Implications for International Political Economy*, Amherst.

economy, capable of unlocking the riches of Russia and its people. Countries other than Russia, like China and India, are also rising faster on their power cycles and with more far-reaching international impact on world politics than Russia.[16]

Moreover, the problem both for Putin's Russia and for its neighbors, especially, is that Putin wants a larger foreign policy role in excess of that supported by the slow incremental increases in Russian power. Likewise, the type of foreign policy role Putin seeks is archaic and reminiscent of that associated with the former Soviet Union in terms of spheres of influence rather than partnership of the sort associated with Western Europe or that of the other democracies such as contemporary Japan or the United States.

Russia's reach exceeds its grasp as Moldova, the Baltic Republics, and Poland have perceived. So a gap has emerged between the level of actual Russian relative power and the level of Russian expectations regarding its projected future foreign policy role. Russia wants more of a role than its level of power justifies. Such gaps historically have been highly destabilizing.

Power cycle theory suggests a further reason for consternation. When two or more states pass through critical points of radical structural change on their respective power cycles in about the same interval of history – such as Japan did at the top of its power cycle, and as Russia is doing at the bottom of its power cycle, and as China may be doing at its first inflection point (where growth goes from concave to convex) on the rising side of its power cycle – systems transformation is occurring. Systems transformation has been shown empirically and historically to be strongly associated with sharp increases in the probability of major war.[17] Attempts by Putin to expand his foreign policy role by force, leading to the annexation or quasi-annexation of territory, as in Crimea, Abkhazia, South Ossetia, and East Ukraine, is very problematic and indicative of future intent. Such actions if involved in further attempts at force use are likely to challenge NATO security. If deterrence fails, war could result.

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[16] For an excellent assessment of contemporary Indian foreign policy see: J. Zajaczkowski, 'India's Foreign Policy Following the End of the Cold War', in J. Zajacskowski, J. Schoettli, M. Thapa (eds), *India in the Contemporary World: Polity, Economy and International Relations,* London: Routledge, 2014, pp. 265–308.

[17] D. Chiu, 'International Alliances in the Power Cycle Theory of State Behavior', *International Political Science Review*, 2003, Vol. 24, No. 1, 2003, pp. 123–136; G. Cashman, *What Causes War?* 2nd Ed., Lanham, MD: Roman and Littlefield, 2014, pp. 446–453; A.T. Parasiliti, 'The Causes and Timing of Iraq's Wars', *International Political Science Review*, 2003, Vol. 24, No. 1, pp. 151–156; J. Heim, 'Tapping the Power of Structural Change: Power Cycle Theory as an Instrument in the Toolbox of National Security Decision-making', *SAIS Review*, 2009, Vol. 29, No. 2, pp. 113–127; P. James and L. Hebron, 'Great Powers, Cycles of Relative Capability, and Crises in World Politics', *International Interactions*, 1997, Vol. 23, pp. 145–173; T. Parsi, 'Israeli-Iranian Relations Assessed: Strategic Competition from the Power Cycle Perspective', *Iranian Studies*, 2005, Vol. 38, No. 2, pp. 247–269; F. H. Lawson, 'International Relations Theory and the Middle East', in L. Fawcett (ed.) *International Relations Theory and the Middle East*, Oxford: Oxford University Press, 3rd Ed., 2013, pp. 34–36; C.F. Doran, 'Foreign Policy Role,' *The Encyclopedia of Political Science*, G.T. Kurian, editor in chief, Washington, DC: CQ Press, 2011, p. 605.

Distractions

In the post-1945 period, most conflict involving the Great Powers has been focused in geopolitical terms, whether during wars such as in Korea or Vietnam, or during peacetime. The existence of such single geographic conflict focus has been clearly identifiable by policy-makers as much as by historians. But today the situation is far different. Today conflict has trifurcated. Raging warfare involving ISIL convulses the Middle East. Putin has once again brought warfare to Europe's eastern frontier. Non-violent but very real conflict spread by China's concerted effort to dominate the East and South China Seas inflames Asia. So the focus of conflict is three-fold and widely disparate in geographic terms. This trifurcation of conflict makes its management far more difficult.

If war is measured, for example, in terms of a minimum of 2000 battlefield deaths, then perhaps as many as 8 wars gnaw at the heart of world order in Africa, the Middle East, Asia, and Europe. In Ukraine alone, the number of battlefield deaths exceeds this minimum threshold for war designation by more than a factor of two. But the focus of conflict involves more than actual fighting on the ground. The focus of conflict involves in particular the disposition of each of the Great Powers towards the others and towards the nature of conflict within a region. Russia and China are stirring politically on the edges of the world stage in uncoordinated but ominous ways. The tensions that result are distracting and difficult to ameliorate.

A consequence of the trifurcation of global conflict is that Putin has been able to exploit American international political entanglements to his own advantage. Involved in two wars in the Middle East (in Afghanistan and in Iraq) simultaneously, the United States was ill-prepared to counter Russian intrusion into Georgia. Putin exploited this American entanglement in Middle East conflict in terms of the timing of his effort to intervene and to occupy Georgia. His true objective was to replace the government and force was to be the end. Partly because of the problems of logistics and supply and partly because of the tactics of the astute US Secretary of Defense, Robert Gates, Putin failed in his goal of replacing the democratically elected government in Georgia with a Russian puppet.

But Georgia was to be an ongoing struggle. Moreover, it was also to be only the first of many struggles for control of as many of the former Soviet Republics as Putin deemed feasible. No sooner had the United States freed itself up from the burdens of Afghanistan and Iraq than the shadow of ISIL dragged the United States once again into the Middle East fray, making the rebalance to Asia more difficult and the effort to support the EU in its confrontation with Russia more problematic. Hence the trifurcation of conflict world-wide has made global coordination of order-maintenance more of a challenge.

Deterrence woes

According to power cycle theory, two things happen regarding deterrence during systems transformation.[18] First, the number of deterrence challenges increases. Second, the number of deterrence failures increases. If the number of deterrence challenges increases and the number of deterrence failures increases, it is not hard to see why an increase in the probability of war occurs. What do these lessons hold for Russia's relationship with the European Union countries and with NATO?

Europe has long neglected its defenses. While the United States has been assuming a defense burden of on average 4 per cent of GDP for some 60 years, Western Europe, and now all of Europe, averages less than 2 per cent. Canada spends perhaps 1.7 per cent of its GDP on security. Poland spends about 2 per cent. Despite their strategic vulnerability, for example, Latvia, Estonia, and Lithuania spend on average less than 2 per cent of their GDPs on defense. Who is supposed to pick up the slack?

The assumption in the past has been that either of two things would happen. First, the assumption was that Russia was not like the Soviet Union. Russia had given up the imperial ways of the Soviet Union. Russia was content to sell energy to the more industrialized countries of Europe and Asia. Ukraine was a special case since it received natural gas from Russia at a subsidized rate. Ukraine could not expect to receive such subsidies without strings attached. But in general, Europe expected Russia to play by the rules of the liberal international and political order. Russia had reformed both internally and regarding its behavior towards other states. Unfortunately, neither of these pious hopes turned out to be correct. Russia has not reformed its internal economy. Russia has not given up its pretenses regarding an attempt to restore its former sense of glory. So, all of these assumptions concerning Russia have proven misplaced.

Second, the assumption was made throughout Europe that if an enhanced European defense was needed, that defense would come from the United States. Academic theories of international relations in the United States promoted the notion that the United States was a hegemon and did not require assistance. Hegemons could 'stand alone.' They did not need help from their allies. Probably no one really believed this convenient fiction, least of all the Europeans and the Americans. But European governments professed to believe that if push came to shove, the United States would bail them out, although perhaps belatedly, as it had throughout the twentieth century. It was 'in the American interest' to do so. The United States was allegedly not serious when it complained about the arduousness of disproportionate burden-sharing. This lament was aimed after all, in the view of some, at only the domestic American taxpayer. The United States would continue to provide the conventional deterrent necessary to

[18] C.F. Doran, *International Political Science Review*, op.cit., 2003, p. 43; B.F. Tessman and S. Chan, 'Power Cycles, Risk Propensity and Great-Power Deterrence', *Journal of Conflict Resolution*, 2004, Vol. 48, No. 2, pp. 131–153.

overcome the vulnerability in Europe created by the failure to provide an adequate conventional deterrent and set of defenses of its own.

As things have turned out, neither the first assumption nor the second assumption has proven correct. Russia has not embarked on a benign path. The United States with all of its global responsibilities is not able to try to do for Europe militarily what Europe can after all do for itself. Europe is one of the richest regions in the world. Operating from inside NATO (so no invidious competitions arise between the EU and the United States), Europe can take the steps militarily to deter Russia in conventional terms regardless of the impulse that stems from the Kremlin. In the last analysis, the United States will not abandon Europe. Extended deterrence in terms of nuclear capability remains vital in the face of such provocations as the Russian movement of nuclear capability into the Crimea. But the United States needs evidence that Europe is truly attempting to meet its own conventional defense needs. To date, that evidence is not very convincing.

One of the reasons that this evidence is so unconvincing is that Europe suffers from huge military redundancies. Every government wants its own army. But even if those armies were well-trained and well-equipped, they do not complement and reinforce each other. Everyone tries to do the same thing. Very little accumulation and no specialization exist across the armed forces of the individual Member States of the EU.

Suppose one-half of the military budget of each European country were pooled in a large central fund inside NATO and for all of Europe. Why inside NATO? The explanation is simple. Europe in its own self-interest ought not give to the United States the impression that American contributions to European defense are unnecessary, least of all unwelcome. If Europe obtains a centralized military capability inside NATO that can effectively work alongside that of the United States, Putin will back off. He does not want an arms race he cannot afford and that he cannot win. By centralizing part of the European defense budget and part of the European military effort, and by making the expenditures on equipment interoperable with that of the United States, the NATO deterrent will look so strong that Putin or a successor will not dream of meddling inside the band of countries between the Russian border and the European frontier. For maximum effectiveness and maximum efficiency, at very little additional cost, greater interoperability between American armed forces and European armed forces is not only possible but is essential. For example, in response to the Russian deployment of tactical nuclear weapons, S-400 (SAM) missiles, and Tshander-M 9K720 short-range missiles to Kaliningrad, the decision of Polish President Bronislaw Komorowski to purchase U.S. Patriot surface-to-air defense missiles designed to counter ballistic and cruise missiles and aircraft is the kind of action that addresses both the need for a thickened deterrent and interoperability.

NATO suffers from two huge applications of the free rider problem. First, Europe has been spending a lot less on defense capability than its security vulnerability would

appear to dictate. The United States is expected to fill this large gap with its own conventional capability. The so-called 'economic theory of alliances' even provides a theoretical explanation why such a free rider problem is likely to emerge once the alliance leader spends what it views as necessary and sufficient.[19] The problem with this theory is that it does not properly take into account differences in the degree of insecurity and differences in the willingness to absorb costs of security for the states that comprise the greatest examples of free-riding. Reality calls into question whether alliance security is truly a 'collective good'.

Second, an application of the free-rider problem exists inside Europe. Inside Europe, Britain and France have been assuming most of the burden of European security. This arrangement simplifies decision-making. But in the end, the rest of Europe expects Britain and France to supply them with adequate security for which the rest of Europe does not expect to have to pay. Ultimately this arrangement is debilitating with respect to the European defense consciousness, and especially debilitating regarding areas that lie adjacent to NATO boundaries but outside those boundaries. Governments inside NATO become willing accomplices to Russian aggression along the eastern European frontier, sometimes abetted by Russian bribes in the form of energy supply or promises of future financial aid.

In sum, as things stand today, three problems arise with the European defense contribution. (1) Given the magnitude of the threat Europe faces, the European contribution to conventional defense is too small as a percent of GDP. (2) Across the member countries, this defense contribution is too lacking in specialization and accumulation, and too redundant. (3) Limiting its utility as a deterrent, this defense contribution is too lacking in terms of interoperability with American capability. Of course, Europe's response may be that without a single defense policy and without a single foreign policy, no pooling of defense expenditure is possible. But to this observation there are two counter-responses. Would Europe like to lose territory and interests because it has been unwilling to utilize its potential capability more efficiently and effectively? Would Europe like to spend more on military capability needlessly because it has not been willing to think cooperatively across its Member States? Inefficiency and redundancy are expensive. Either eliminate the inefficiency and redundancy in defense expenditures or spend a lot more in the aggregate in lieu of proper coordination and rationalization.

In tactical terms, the EU countries must think about whether and how they will get more naval capability inside the Baltic area to the potential assistance of Lithuania, Latvia, and Estonia. Without this capability in place, Russia could all too easily overwhelm the border defenses of these countries and enter them unopposed. Likewise,

[19] M. Olson, Jr. and R. Zeckhauser, 'An Economic Theory of Alliances', *The Review of Economics and Statistics*, 1966, Vol. 48, No. 3, pp. 266–279; See also the understanding with respect to interdependence that is associated with 'democratic peace theory' in: B. Russett, *Grasping the Democratic Peace: Principles for a Post-Cold War World*, Princeton: Princeton Univ. Press, 1993.

they must possess air cover. In an era when Russia has repeatedly transgressed the sovereignty of these countries through bomber sorties, Russian implied intentions are all too clear. If there is no effective NATO response to these transgressions, Putin will conclude that NATO is unprepared and unwilling to provide an adequate defense. This attitude becomes an invitation to further probes, misdemeanors, and ultimately crimes.

Sequencing

One of the lessons that NATO ought to learn from the recent experience in Ukraine is that it must get its sequencing right. The West holds a naïve view that when it expands its economic embrace through treaties and offers of increased trade, it is supplying an unmitigated benefit not just to the governments so invited but to others within the region as well. But Russia does not subscribe to the liberal political and economic agenda. It views an extension of EU trade and investment arrangements as a threat to its own prosperity and political dominance within the region. For all involved or affected, the EU looks at trade and investment in non-zero sum terms. Russia looks at trade, finance and investment in mercantilist terms that are zero-sum, according to which a benefit to Ukraine must either be good for the EU, or good for Russia, but never for both. An index of how mercantilist Russia is in outlook is the observation by Putin that Russia had more the 400 billion dollars in financial reserves and thus could weather any impact of the sanctions. Like Louis XIV or Frederick the Great, Putin looks at financial reserves as a kind of war chest to build an army rather than as a source of investment upon which the country as a whole can enjoy earnings and a higher future standard of living.

Given this Russian outlook on economic matters, the West, when dealing with the Russia of today, must always put deterrence before the extension of economic interdependence. Only by deterring aggression can the EU countries inside NATO be assured that their overtures to greater trade and investment interaction will be safeguarded and allowed to flourish. To borrow a phrase, 'security trumps trade'. Or, to put the matter more simply, security must precede trade in sequence if trade itself is to benefit all participants (Russia included). This awareness is why for the most part NATO membership had to accompany extensions of EU membership. But alone, NATO membership is hollow if the conventional military substance necessary to provide actual deterrence is not provided and specified for the new members, and for and by the new members themselves.

The 'powerless' are not powerless

In the aftermath of the breakup of the Soviet Union, the West cannot seem to get its perceptions of power, that is, its understanding of relative power, in focus. First, it exaggerated the weakness and benign intent of Russia. Then, oppositely, it exaggerated

the power of Putin's Russia and the 'powerlessness' of the EU countries. Together, the EU countries are more than a match for Russia in terms of latent military capability. But the EU must do a better job of actualizing that capability, albeit while holding the capability in reserve rather than brandishing it. The days of relying upon the United States to do everything for it in defense terms are over. For the EU and the US to be true partners, as they must be, the EU countries should take the steps to do more for themselves in defense terms, sooner rather than later, especially along the eastern periphery. As mentioned earlier in this essay, for dynamic equilibrium to prevail, especially as the threat of systems transformation looms, Europe must banish both of the types of free-riderism to which it has been subject.