Consequences of a New Cold War

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The Ukraine crisis poses vexing policy challenges for Washington. President Barack Obama has sought to strike a balance between the imperative of responding to Russian actions and the equally important need to avoid an all-out confrontation with Moscow. As he put it in July 2014, 'it's not a new Cold War … [It] is a very specific issue related to Russia's unwillingness to recognise that Ukraine can chart its own path.'[1] The problem is that the administration's balancing act cannot last long. As the deterioration of conditions in Ukraine in recent weeks has demonstrated, forces beyond the president's control are pushing him toward the very new Cold War that he wants to avoid. He will eventually face a choice between that outcome, which would be hugely dangerous and costly, and negotiations on a revised regional order in Europe, which might hurt him politically but would be far better for the United States and for the world. He should move toward the negotiated outcome now.

Obama's instinct to avoid a new Cold War is clearly the right one. Gratuitously seeking confrontation with Russia could lead to Armageddon, after all. More to the point, the US needs Russian cooperation on any number of global priorities: particularly Iran's nuclear programme, but also the Syrian civil war, the Middle East peace process, the stability of Afghanistan and counter-terrorism. As long as Russia is willing to play ball on those issues, the US has every reason to continue to do so as well.

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The administration's lack of interest in negotiating a new deal on the European security architecture is also understandable. The potential for success at such talks seems like a long shot at best, and the status quo, while unpleasant, is not hugely detrimental to US interests. Americans are not dying; the US economy is not affected; US treaty allies are safe.

The administration's policy is a middle way between these two extremes. It is defined by maintaining cooperation on key global issues while keeping up the pressure on Russia over its actions in Ukraine and supporting the new government in Kiev. It also is dependent on avoiding significant escalation on the ground in Donbas and on the Kiev government managing to stay solvent.

The middle way seems prudent today. But it cannot last; politics in Washington and Moscow, and the interaction between them, will make it impossible to sustain. Obama's middle way will likely devolve into the very new Cold War that he is seeking to avoid.

Time is short

It will become politically untenable for the United States and Russia to avoid escalation in Ukraine while maintaining cooperation on global issues. In the US, this dual-track approach – condemning Russia as an aggressor one day, and seeking to work with Moscow the next – creates regular opportunities for Obama's critics to decry him as weak and feckless. Indeed, charges of appeasement can be heard from Capitol Hill each time senior US and Russian officials confer on global issues, or when the Obama administration takes steps to avoid escalation in Ukraine.

For example, former Bush administration official David Kramer condemned Obama in the pages of the *Washington Post* for inviting Aleksandr Bortnikov (director of the FSB, Russia's domestic security service) to a February 2014 summit in Washington on countering violent extremism.[2] That same day, a bipartisan group of senators published a letter urging the administration to arm Ukraine and impose further sanctions on Russia.[3]

In Moscow, officials are regularly criticised for having betrayed Donbas, or for being too soft on the US by cooperating on other issues, such as arms control. Since these political dynamics play out in public and are picked up

by the other side in real time, the hawks in each country tend to feed off each other, progressively raising tensions.

Meanwhile, both countries' bureaucracies will prove incapable of resisting the urge to link the dispute in Ukraine to other aspects of bilateral interaction. The US began to do so almost immediately after the annexation of Crimea in March 2014. All joint work considered non-essential – from the Bilateral Presidential Commission to most space cooperation – was suspended. What remains of the relationship is therefore what matters the most to the United States, from the Iran nuclear talks to the purchase of Russian rockets to launch US military satellites. Moscow has, for the most part, continued to cooperate on these issues, insulating them from the Ukraine dispute. But this mutual compartmentalisation has already started to fray. In November 2014, for example, Russia announced that it would not be attending the US-led 2016 Nuclear Security Summit in Washington, and in late February 2015 Moscow revealed that it had offered to sell the powerful Antey-2500 air-defence system to Iran.[4] It is only a matter of time until tensions undermine the remaining areas of cooperation in the relationship.

And those tensions will rise. Moscow is not content to let the conflict in Ukraine simmer on the back burner. Accepting even a rump Ukraine rapidly hurtling into the arms of the West and its institutions is a political non-starter in Moscow. So if the agreement reached in Minsk on 11–12 February does not give the Kremlin what it wants, the recent escalation in Russian support for the insurgency in Donbas will not be the last. If the next rebel offensive were to push deeper into Ukrainian territory, the political pressure on the US to escalate, through further sanctions or the supply of lethal assistance to the Ukrainian military, might prove overwhelming. Under those conditions, even if the US wished to continue to cooperate with Russia on global issues, Moscow might well baulk, while further intensifying its own involvement on the ground in Ukraine.

But even if the conflict in eastern Ukraine were to be frozen in some form, with no bloodshed but also no settlement, the middle way cannot hold. It has already proven politically difficult for the Obama administration to continue working with Russia on key global issues. Senator John McCain has called it a strategy 'in the finest tradition of Neville Chamberlain'.[5] It will

only get harder, as most of the likely presidential candidates – Democratic and Republican – appear set to take a hard line toward Russia. A similar dynamic plays out in Moscow, where nationalists, now including some fighters who have returned from the front lines in Ukraine, often criticise Putin for 'betraying Novorossiya' and denounce his 'Chekist–oligarchic regime'.[6] Hardliners publicly call for Russia to renounce arms-control treaties and to end all cooperation with NATO.[7]

The middle way is explicitly a temporary policy, in place until Putin and his regime give in to Western demands to change course in Ukraine. As Obama said in December:

> You'll recall that three or four months ago, everybody in Washington was convinced that President Putin was a genius … And I said at the time we don't want war with Russia but we can apply steady pressure working with our European partners, being the backbone of an international coalition to oppose Russia's violation of another country's sovereignty, and that over time, this would be a strategic mistake by Russia.[8]

In other words, the middle way is designed as a means to an end; it assumes that Western pressure will change Russian policy in Ukraine.

There is a debate about this assumption in Washington. But even those who agree with it do not see it as a short-term proposition; it is a matter of many months, if not years, of squeezing Russia to produce results. The problem for the Obama administration is that the political dynamics pushing toward escalation, and the bureaucratic dynamics pushing for linkage, will produce results in a matter of weeks, or months at most. In other words, even in a best-case scenario, it is just a matter of time before a new Cold War will overtake the middle way.

Cold wars old and new

It is important to be clear-eyed about what a new Cold War would entail, first and foremost by honestly assessing the old one. One detects a certain Cold War nostalgia in Washington. Many recall it as a period of comforting predictability. Confrontation with Russia evokes a supposed halcyon

period of US foreign policy when the cause was just and the strategy was clear.[9] The language of deterrence, containment and economic isolation has returned from well-earned retirement.

This language, notwithstanding its comforting familiarity, carries significant baggage that will reinforce the current US–Russia impasse. It recalls the existential Soviet challenge, an evil the US had to fight until its ultimate demise. It demands unflinching fortitude and clarity of purpose, in a long-term struggle fought on multiple fronts across the world. Any compromise amounts to appeasement; any cooperation is tantamount to aiding a ruthless enemy.

Cold War nostalgia is dangerous, and not only because of its semantic baggage. That period was not one of comforting stability and clear-eyed strategy. To the contrary, it was a time of deep strategic uncertainty, costly proxy wars and extraordinary danger, when American children were first taught to hide under their desks and in cellars to keep themselves safe – and then eventually told that there was no point to such exercises because they could be vapourised at any moment. That the Cold War ended without a nuclear exchange did, to a degree, reflect effective statesmanship and well-crafted policy. But as numerous near-misses – from the Cuban Missile Crisis to the *Able Archer* episode – attest, this success was as much a function of luck as strategy. A nuclear stand-off with Moscow is not an experiment we should care to repeat.

The Cold War was also enormously expensive, both fiscally and politically. Military expenditures alone amounted to $18.45 trillion (in 2014 dollars) over 45 years.[10] Politically, the Cold War created the shameful legacy of McCarthyism. Institutionally, it bequeathed the US the military–industrial complex of which President Dwight Eisenhower warned over half a century ago. Today, Americans continue to pay for gold-plated weapons systems they no longer need, 25 years after the Cold War ended.

Finally, the Cold War was extremely destabilising throughout the world. The bipolar confrontation was the lens through which the United States and the Soviet Union saw every aspect of their respective foreign policies. They eventually imported that rivalry into every region of the world, fuelling seemingly endless proxy civil wars in such diverse locales as Guatemala,

Angola and Vietnam. As *The Economist* has reported, 'by the end of [the Cold War], civil war afflicted 18% of the world's nations … When the cold war ended, the two enemies stopped most of their sponsorship of foreign proxies, and without it, the combatants folded. More conflicts ended in the 15 years after the fall of the Berlin Wall than in the preceding half-century.'[11]

A new Cold War would be very different in its specifics, but hardly more salutary. Ukraine, as we know it today, would be finished. Its economy is already in tatters. In 2014, industrial production shrank by a fifth and GDP contracted by nearly a tenth, while the hryvnia lost nearly half its value and inflation skyrocketed by 24.9%.[12] As the conflict in the east drags on, this will only get worse, since Donbas accounted for 16% of GDP, 25% of industrial output and 27% of exports before the crisis.[13] Putin's tanks might never occupy Kiev, but a new Cold War would transform Ukraine into a violent, perennially destabilised economic basket case, a Sudan on the Dnieper.

A new Cold War would also destabilise Europe well beyond Ukraine. During the last uptick in tension between Russia and the West, from mid-2007 to early 2009, Europe experienced a cyber war in Estonia, a real war in Georgia and a gas war in Ukraine. This time around, Russia has allegedly financed fringe parties in the EU that threaten to undo the European integration project; abducted an Estonian intelligence officer; and pushed brinksmanship in the skies to dangerous new levels, with weekly close encounters between Russian air patrols and Western jets (both civilian and military).[14]

For the United States, all of this adventurism may not be as threatening as the potential of Soviet tanks crossing the Fulda Gap, but treaty obligations to NATO allies mean it cannot be ignored. Indeed, the Obama administration has already spent $1 billion on its European Reassurance Initiative, and we can expect that sum to be a mere down payment on billions more in reassurance measures and further military deployments. The new tensions on the continent will divert resources and attention from priorities in other regions, such as the all-important Asia-Pacific, at a time when sequestration has already forced significant belt-tightening.

Once the prospect of a settlement of this crisis fades completely, and a new Cold War sets in, the gloves will come off in Moscow: Russia will seek outright to spoil US efforts to address global challenges. The US should be

prepared for Russia to disrupt any number of processes that matter dearly to Washington. We caught a glimpse of what this might look like in 2007–09. In that period, among other moves, Russia concluded a contract to deliver the S-300 air-defence system to Iran, which would have entailed near-immediate Israeli strikes and the end to the P5+1 process; and offered a $2bn 'bribe' to the leadership of Kyrgyzstan to kick the US out of the Manas Air Base, a key stop-off point for troops en route to Afghanistan.[15]

This time around, the US could face, among many other things, the end of the P5+1 process, Russian collusion with China on Asia-Pacific regional security issues, vetoes of all US initiatives at the UN Security Council and the blocking of the IMF's work in Ukraine (Russia is on the fund's board). The US-led international order was created after the Second World War, but it only began to function in earnest once the Cold War ended. A new Cold War would reverse 25 years of progress.

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A new Cold War, and the tensions it would introduce into the international system, would likely return us to the levels of nuclear danger of the old Cold War. Once again, we risk finding ourselves in a stand-off that at any moment could destroy life on earth. Admittedly, the end of the world is not a likely outcome, but it is a very bad one – and it should focus our minds on the stakes in this crisis. Obama's middle way cannot hold. Eventually, he will have to choose between a new Cold War and a new arrangement on the regional security order in Europe. That new arrangement will involve difficult compromises.[16] To put an end to Russian intervention in its neighbourhood, the West might have to recognise its special role there, and forswear further enlargement of NATO and the EU in the region. This would be a tough pill for any US president to swallow. But the alternative, a new Cold War, is far worse – for the United States, Russia, Europe and, most of all, for Ukraine. It is already past time to begin talks with Moscow.

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Notes

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