Kingston Conference on International Security

NATO and Russia: Has the ship already sailed?

Dr. Marc Ozawa, Research Division
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Overview

1. Current state of NATO-Russia relations and recent developments
2. Ongoing impasse over Crimea and conflicting world views
3. Sanctions and the oil factor
4. Russo-Chinese relations
5. Implications for the North Atlantic alliance
NATO-Russia relations

Expert group – starting point of analysis
*(30 participants (practitioners and academics) from all regions of NATO plus Ukraine, Georgia and Russia – mostly professionals focused on Russian studies)*

- Impasse over Crimea
- Low probably of Article 5
- Probability of more sub Article 5 aggressive activity
- Despite deadlock NATO can play a constructive role in risk reduction, strategic awareness development among the member states and coordinating stakeholders
Current state of affairs

- Deterrence and dialogue – increased NATO presence in the Eastern Flank (EFP and NRF/VJTF) but NRC also met in January for first time in 2019
- Apparent end of the INF Treaty
- Continued Russian military posturing (*Zapad* and *Vostok*) in the Eastern, Northern and Southern Flanks (Syria)
- Sea of Azov/Kerch Strait
- Election interference and information warfare (societal destabilization)
- Skripal case

Source: "Kerch Strait Incident in Detail. Analysis.,” FleetMon.com
Waning effects of sanction

Sanctions and the federal budget of Russia (2011-18)

Source: Data from the Ministry of Finance (Russian Federation)
The oil factor

- Natural resource economy – ‘Petrostate’ (Goldman: 2008)

- IEA oil price outlook to 2020 is $82-79/bbl (IEA: 2016)

- Break even estimation: $45-55

*Courtesy of Geopolitical Futures: 2015; data from EIA, Russian Ministry of Finance and Reuters

*Courtesy of Oil Industry News 2015
Russo-Chinese relations

- BRI presence in Russia’s near abroad
- Power asymmetry
- ‘Axis of convenience’ or ‘lasting strategic partnership’?
- Russia’s ‘Pivot to the East’ – growing trade levels compared to EU
- Power of Siberia, Yamal LNG
- Growing trade since 2014
Russo-Chinese relations (cont.)

- **Vostok**

- Multi-level momentum in cooperation but top-down driven; question of sustainability

- History repeating?

Source: DD Wu. “Xi-Putin Meet on SCO Summit Sidelines to Strengthen China-Russia Ties.” *The Diplomat.*
Main points

- Policy of deterrence and dialogue continues

- Russia’s orientation has shifted toward the East, but what this will yield in the mid to long term is still unclear

- Russia’s economy has become more resistant to sanctions but structural problems remain

- On going impasse over Crimea – meanwhile Russia continues military posturing and sub-Article 5 aggressive activities

- If relations improve, it will probably result from member state initiation rather than at the NATO level


“Panel Discussion on Russia.” Workshop discussion, Rome, November 2, 2018.


