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Where Is Russia's Foreign Policy Going in 2015?

By Josh Cohen

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To: President Vladimir Putin

From: National Security Adviser of the Russian Federation

As 2015 dawns, Russia finds itself facing a series of economic and geopolitical challenges that will test our mettle. We will therefore need to pick and choose our foreign policy priorities for the year, and if necessary be prepared to make trade-offs. Below is a summary of what Russia's international objectives for 2015 should be.

Ukraine: Russia's objective in Ukraine remains the same today as when the crisis began one year ago — we must at all costs prevent Ukraine from entering the Western alliance system, especially NATO. We have clearly signaled to our Western partners that Ukraine ever joining NATO remains our "red line," and this should remain our most important objective.

Russia's ideal scenario would be a negotiated settlement to the Ukrainian crisis that protects

our interests in eastern Ukraine. From Russia's perspective, a negotiated settlement with the Ukrainian government would entail the following:

1. A commitment to Ukraine's non-bloc status that removes the possibility of NATO membership for Kiev.

2. Protection of the status of the Russian language in Ukraine and of traditional cultural ties between Russia and Ukraine.

3. A new, decentralized political structure for Ukraine, ideally with some sort of "federalization" that would provide for Ukraine's eastern regions to establish their own economic or political arrangements. In light of the EU-Ukraine "deep and comprehensive free-trade area," we should support the establishment of a special trade relationship between Russia and eastern Ukraine, including in the sphere of defense industry cooperation. Donetsk and Luhansk should remain a part of Ukraine as a guarantee of non-entry into NATO.

Should a settlement with Kiev on terms acceptable to us not be achievable, we must be prepared to take measures that keep Ukraine sufficiently unstable to prevent it from taking the economic and security reforms necessary for it to consider a deeper relationship with NATO and the European Union.

Despite the economic crisis now under way in Russia, we retain many levers to use against Ukraine. First and foremost, we can continue our ongoing support to our allies on the ground in the Donbass. We can turn the heat in the Donbass higher or lower as we please, creating a so-called "frozen conflict" in the place that bleeds Kiev.

Economically, meanwhile, Russia holds a $3 billion Ukrainian government eurobond payable in December 2015. Under the terms of the bond, Russia has the right to call a default on the bond if Ukraine's debt to gross domestic product ratio rises above 60 percent. This in turn would trigger a default on the rest of Ukraine's roughly $16 billion foreign bonds.

Given that the Western ratings agency Moody's notes that Ukraine's debt to GDP ratio now stands at 72 percent, Ukrainian President Petro Poroshenko faces a sword of Damocles that Russia can unsheathe when it pleases. Should we decide to do so, the Ukrainian government's ability to secure any further credits from Western governments and institutions would likely be ruined.

Relationship with the West: Currently, it is clear that Washington is intent on driving us into the ground, and there is little chance of progress on the American front. Consequently, Russia's primary objective with our Western partners should be to begin to repair the damage done to our relationship with Europe by the Ukraine crisis.

Already, French President Francois Hollande has stated that it is time to end sanctions against Russia. Our diplomats should point to the terrorist attacks in Paris last week to remind the French that we face a common enemy and that France has more to gain by cooperating with Russia then by sanctioning it. Russia also retains good relations with a number of smaller EU countries such as Austria and Hungary, both of which are not in favor of extending sanctions.

Given their economic stagnation, with the right incentives from our side, Spain and Italy are also ripe to be convinced to end support for sanctions.

As part of our European strategy, Russia should also seek to co-opt Europe's increasingly popular conservative wing — such as France's National Front — as a way of driving a wedge between American and European public opinion. Among more conservative, nationalist circles in Europe, Russia has become increasingly popular, and our diplomats should reach out to these political parties as a way to bypass traditional politicians.

Russia also has the ability to directly influence European public opinion directly through the use of information channels such as state-run RT. Russia should constantly remind the citizens of Europe that we face the common threats of terrorism and American hegemony.

Pivot to Asia: Russia must continue to turn our "pivot to Asia" from rhetoric to reality. In regards to China, you have already established a close relationship with Chinese President Xi Jinping — a relationship that provides grounds for a deeper cooperation. Accordingly, Russia should work with Beijing to finalize any remaining issues with the $400 billion natural gas contract signed with the Chinese in May.

In the area of military cooperation, we are scheduled to hold two major naval drills with our Chinese partners this year, one in Asia and one in the Mediterranean. We can expect that the Mediterranean drills will engender much handwringing in the West about a burgeoning Russia-China alliance — a sentiment we should surely encourage, especially in Europe.

By the same token, let us keep in mind that China will always act in its national interests, and Beijing has used our current difficulties with the West to drive a hard bargain with us during natural gas negotiations. Russia's pivot to Asia should also seek to balance China by developing closer ties to other Asian powers such as India, Japan and even Vietnam.

Eurasian Economic Union: It must be acknowledged that the Eurasian Economic Union has gotten off to an inauspicious start. Kazakhstan and Belarus are both are frustrated by the negative impact of the weak ruble on their own economies, and Belarussian President Alexander Lukashenko has demanded that trade with Russia be denominated in dollars or euros instead of rubles. Meanwhile, Kazakh President Nursultan Nazarbayev has begun to question whether Kazakhstan should even remain in the Eurasian Economic Union. Russia will therefore need to work overtime to ensure our partners that the Eurasian Economic Union remains a good long-term bet for their nations' economies.

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